Annual Integrated Report 2024

ARCADIS

Making sustainable choices

→ Accelerating a planet positive future

Accelerating a Planet Positive Future

"We have dedicated the past year to building a solid foundation for a stronger, more efficient, and profitable business.

Led by our new strategy, *Accelerating a Planet Positive Future*, we're focusing on our key clients and making sustainable project choices, investing in digital products and solutions, and unlocking the power of more than 35,000 Arcadians around the world. I'm delighted to present our annual report for 2024."

Alan Brookes
Chief Executive Officer

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Introduction

Arcadis KPIs

IFRS

5.0

Gross revenues
in € billions

2023: **5.0**

389

Operating income
in € millions

2023: **284**

350

Net cash from operating activities
in € millions

2023: **309**

Key business performance measures

3,880

Net revenues
in € millions

2023: **3,759**

4.5%

Organic net revenue growth
as % of net revenues

2023: **9.0%**

270/3.00

Net income from operations
in € millions / share

2023: **226/2.51**

1.00

Dividend per share
proposed in €

2023: **0.85**

11.5%

Operating EBITA margin
as % of net revenues

2023: **10.4%**

1.3

Net debt to operating EBITDA ratio

2023: **1.7**

228

Free cash flow
in € millions

2023: **190**

33.1%

Return to shareholders
as % of NifO

2023: **33.9%**

For definition of the indicators included on this spread, please refer to page 341 and further. Details on Alternative Performance measures (APM's) along with explanations and reconciliation can be found on page 336).

ESG at a glance

35,246

Total workforce
Headcount as at 31 December

2023: **35,999**

8,970 t

Scope 1 and 2 (market-based) CO_2e emissions

2023: **10,850 t**

275,800 t

Scope 3 CO_2e emissions [3]

2023: **256,000 t**

39.3%

Women in total workforce
Headcount as at 31 December

2023: **38.4%**

+46

Employee engagement [1]
Employee Net Promoter Score (scale -100 to +100)

2023: **+52** [2]

ESG accomplishments in 2024

- Maintaining our industry-leading sustainability ratings in Sustainalytics and EcoVadis
- Publication of Arcadis' first Climate Transition Plan
- Launch of Project Carbon for measuring whole of life carbon on new major projects
- Roll-out of 13+ modules of Sustain Abilities training

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[1] The engagement scope in 2023 did not include employees from integrating companies (i.e., A-IBI, A-DPS), as the survey was conducted to inform specific integration activities. In 2024, the scope was expanded to include all Arcadis entities.

[2] This is marked as non-comparable due to differences in survey scope.

[3] Scope 3 category 1 of the carbon footprint contains re-baselined historic figures following updated DPS emissions estimates, by shifting from an FTE-based intensity estimation method to a revenue-based estimate approach. Further, emissions related to working from home (WFH) are not part of our total footprint but reported separately to align with the requirements on the scope of our SBTi net zero target.

Welcome to our 2024 Annual Report

The world we live in is changing rapidly. As our clients' trusted partner in sustainable transformation, Arcadis is focused on helping build resilience – whether that means supporting decarbonization, meeting the challenges of extreme weather, adapting cities in the face of growing urbanization, or integrating digital solutions to get the most out of vital infrastructure. With the launch of our 2024-2026 strategy, *Accelerating a Planet Positive Future*, we have dedicated the past year to building a solid foundation for a stronger, more efficient, and profitable business.

Sustainability is in Arcadis' DNA, stretching back to our foundation 136 years ago. In 2024, we further built on that legacy by deliberately focusing on sustainable project choices, investing in digital and human innovation, and unlocking the power of more than 35,000 Arcadians around the world. We increased our profit from the year prior - a signal of positive momentum for our business – with strong growth, a record order book, and an agile approach that enables us to pursue the most impactful opportunities in the market.

The choices we're making now, and the initiatives we've put in place, will enable us to accelerate our future ambitions.

Accelerating a Planet Positive Future

The world is constantly evolving, and our clients' needs are ever changing. When we developed our strategy, we identified the market and client dynamics that are crucial to our long-term success, namely climate change and decarbonization, urbanization, evolving supply chains, increased cost of capital, energy costs, project complexity and infrastructure investment. Those dynamics informed our strategy across three strategic focus areas, and as you'll see throughout this report, we've responded in ways that both serve our clients' needs and enable us to grow.

Sustainable project choices

We've made a commitment to sustainable project choices, and we're putting it into practice in three ways. Firstly, we only pursue projects that align with our strategic direction, and where we see an opportunity to improve quality of life. This report provides an insight into how we're working with clients on climate resilience, energy security, water optimization and more.

Secondly, when we talk about project choices, we're also talking about choices *within* projects. Could we create greater value through more sustainable design techniques? Could we build in digital solutions to help the client manage the asset's lifecycle and find energy efficiencies? Could we proactively include solutions that contribute to improving quality of life?

Thirdly, we prioritize projects that futureproof our business and set us up for long-term success. In 2024, we continued with our plan to leave the Middle East and refocus efforts on core markets including the UK, Europe and Australia, as well as expanding operations in North America.

We enlarged our Key Client program by 50%, strengthening our partnerships with clients that represent the largest opportunities. As part of our focus on sustainable project choices, our Global Business Areas (GBAs) – Resilience, Places, Mobility, and Intelligence – are becoming more selective in pursuing projects with a healthy profit margin to match our strategic targets. I was also delighted that our targets for reaching net zero by 2035 across our operations were approved by the Science Based Targets Initiative in 2024.

Finally, we continue our long-standing commitment to UN Global Compact (UNGC). Our values, mission and strategy are fully aligned with its principles and reflect our sustainability ambitions.

Digital and human innovation

I'm proud that Arcadis has been named one of the World's Most Innovative Companies of 2024 by *Fast Company*. It's recognition of the exciting digital products we've been creating for our clients, such as Transport Strategy Optimizer. Equally, it's a testament to the strength of our global innovation framework, and our people's ability to approach their work with an innovative mindset.

Through digital and human innovation, we can unlock the benefits of technology for our clients. We can also use technology to enhance our efficiency, so that our people can spend more time doing fulfilling work that requires creativity and skill. For example, we're currently working on standardizing and automating our pursuit process, and I want to push this further so we can make the best use of our resources while maximizing successful bids.

> **"The choices we're making now, and the initiatives we've put in place, will enable us to accelerate our future ambitions."**

Artificial intelligence (AI) offers many exciting possibilities, and we want to incorporate it into our work in a considered way. Internally, we've been testing our own artificial intelligence tool, Arcadis-GPT, to see how it can contribute to our operations. Externally, we're bringing AI into our digital solutions. Our Bridge Health product, for example, uses AI-enhanced predictive maintenance to help clients manage bridges and ensure they remain safe for use.

Powered by our people

None of our success would be possible without the talent and creativity of our Arcadians. I thank them all for their contributions to our success in 2024.

This was my first full year as CEO, and I've been proud to see people getting excited about the new strategy. On our strategy roadshows, the leadership team and I met more than 4,800 Arcadians across the global business. We were delighted that our people have recognized how the strategy resonates with our mission to improve quality of life, embracing our commitment to sustainable project choices. This passion is highlighted by our Your Voice employee engagement scores, in which Arcadis remains in the top quartile across our industry.

> **"I've been proud to see people getting excited about the new strategy. Arcadians have recognized how the strategy resonates with our mission to improve quality of life."**

In 2024, we were focused on supercharging and harnessing our people's skills, including through investment in our Energy Transition Academy and by starting our transformation into a Skills Powered Organization (SPO). As an SPO, we are enabling people to develop their skills, advance their careers, and be deployed on the projects where their capabilities are most needed. Since the launch of SPO in May, over 15,000 Arcadians have signed up and more will follow in 2025 as rollout continues.

Another major focus for 2024 was increasing the use of our Global Excellence Centers (GECs) in the Philippines, India and Romania. Employees working in our GECs are critical to Arcadis' success and efficiency, contributing technical skills (for example, in engineering) that enable us to carry out projects in a more agile way across the business. In 2024 we increased the proportion of our business that flows through these knowledge hubs, while also increasing GEC headcount from 4,248 to 4,976 (17%) to ensure greater capacity and capabilities.

Trends and highlights from 2024

Leadership changes

We made some changes to our Executive Leadership Team (ELT) in 2024 that will help us achieve our growth ambitions, as well as ensure the development of our people. Juud Tempelman, who led the Intelligence GBA, has moved over to Places and will be focusing on growing our business globally, with a particular focus on North America, while Edel Christie takes on a new role that aligns Digital Intelligence with Growth. Meanwhile, Mark Cowlard has become our new Chief People Officer, and Emily Barker joined the ELT as our new Global General Counsel. I would also like to thank Sandra Bolder, who left the business this year, for her contribution to Arcadis.

Water management

As a company founded in the Netherlands, a country that is one-third below sea level, we have – as you might imagine – longstanding expertise in water management. Today, we've diversified our water-related capabilities, and we're working with clients all over the world to meet their water needs – whether that's keeping water out (preventing floods) or in (identifying leaky pipes). Overall, 15% of our net revenues are related to water and water management, making this a significant part of the business.

We're seeing interest from clients in climate resilience and how to prepare for more storm surges, flooding, and heavy rain. In 2024, we were selected as lead designer for a groundbreaking flood protection program in Virginia Beach, US, and entered into a new eight-year contract with the Canal and River Trust in the UK, to manage and protect more than 2,000 miles of waterways. At the same time, we're working with water utilities companies to implement leak detection tools and technologies and manage their assets more effectively.

On a related note, we've seen an uptick of interest – and sizable wins – in addressing PFAS contamination. There is growing concern about the dangers of these compounds, widely used in manufacturing for many decades, which is driving clients to look at PFAS in their buildings' fire suppression systems, or their water systems. This is a fast growing market for Arcadis.

Advanced industry

We see ourselves as a partner to our clients, and that means evolving and developing the capabilities to meet their needs. And our clients' needs are only becoming more complex with the increased integration of robotics, new technologies and algorithms.

Accordingly, we've expanded our offering, partly through the integration of DPS Group (acquired in 2022) into our Places GBA, so that we can design industrial facilities more holistically. This has helped us to meet our clients' needs in the life sciences sector, in high-tech manufacturing of products such as semiconductors and electric vehicle batteries. In terms of what we can offer our clients, this is a clear differentiator for Arcadis.

Making sustainable project choices also comes into play here. Many industries have significant environmental impacts and by being involved in the design of facilities, we can find more sustainable solutions. For example, there's now a need for more data centers to meet surging demand, but what if, in parallel to serving that demand, we could bring carbon emissions as close to net zero as possible? That's the question behind a groundbreaking data center design we created for a client in California. The facility would feature a greenhouse powered by excess heat, enabling food production and benefiting the local community.

Energy efficiency and security

Decarbonization, energy security and transition are market growth areas across all our GBAs, as our clients respond to growing pressures. This includes the need to reduce greenhouse gas emissions to meet internal targets and net zero goals, the requirement to comply with new emissions regulations, and the desire to cut energy consumption as energy costs go up.

A notable example of our work in this area is the progress we've made on the Rhein-Main-Link in Germany this year. This 500 km energy route will transport electricity from offshore wind farms in the North Sea to the Rhein-Main region as part of the country's energy grid expansion plan.

We also won a major contract with Heineken, who we'll be supporting with a long-term decarbonization strategy. I've been particularly impressed to see all the different parts of our business coming together on this project to contribute innovative, intelligent and resilient solutions.

> **"We're entering a critical decade, and I believe that our industry will see more change in the next 10 years than we've seen in the last 50."**

On asset management, we're finding that clients want to know how their assets – or even how cities as a whole – can operate more efficiently and generate fewer emissions. Data is critical to this, and clients come to us now for our digital tools and expertise. Our portfolio of digital products, such as Enterprise Decision Analytics (EDA), has been increasingly popular in 2024, with significant wins in the US and Canada.

Mobility and transport

Our Mobility GBA had a particularly strong 2024, with significant multi-year project wins like the Hudson Tunnel in New York and Zuidasdok in Amsterdam. What we have seen is major cities seriously considering how to meet the population's transportation needs, in a way that encourages public transport use, walking and cycling, while also improving auto drivers' experiences by simplifying parking and reducing congestion.

Sometimes this requires new infrastructure, as with the Melbourne Metro in Australia where we've been chosen to provide support on a new rail line. Or in Canada, where we were named lead designer on the Fraser Tunnel project, which will help cut pollution by reducing traffic congestion while providing safe and convenient options for transit, cycling and walking.

In other cases, it's more about making the most of existing infrastructure, with digital tools such as CurbIQ. Our clients know, and we know, that communities appreciate mobile-based tools as they navigate the city whatever their mode of transport.

Looking ahead

We're entering a critical decade, and I believe that our industry will see more change in the next 10 years than we've seen in the last 50. The world is changing fast, with a growing population, increasing urbanization, and technological advances. And we're already facing challenges such as extreme heat, rising sea levels, floods and hurricanes – challenges that unfortunately will increase. In the coming years, an enormous amount of infrastructure investment will also be needed to maintain and renew critical assets such as bridges, water systems, flood defences, highways and railways.

But, as our 2024 Sustainable Cities Index shows, many cities are already confronting these challenges, with policies and actions to improve connectivity, energy consumption, and resilience to natural disaster. So much is possible. At Arcadis, we have the talent and expertise and are ready to find meaningful solutions – and accelerate a planet positive future for our clients and the communities where we operate.

Alan Brookes, CEO
On behalf of the Executive Board

Our business, our passion

We are our clients' global sustainable transformation partner, dedicated to improving quality of life for people around the world.

What we do

Arcadis is a global leader in sustainable transformation. We deliver intelligent products and solutions to the challenges of climate, energy affordability and livable cities. We are purpose-led and passionate about improving quality of life.

Arcadis goes beyond traditional design, engineering, architecture and consultancy. From strategy and advisory, through to planning, implementation and delivery, we use data-driven insights to develop tailored solutions in the environments we co-create.

From reducing flood risks in the Netherlands to strengthening New York City's coastlines against hurricane damage. From creating a citywide sustainable legacy during and after the Paris Olympics to revolutionizing urban transit with the Sydney Metro, our world-changing solutions leave a positive and lasting impact.

How we do it

2024 was the first year of our new three-year business strategy, Accelerating a Planet Positive Future. It sets out a clear path for speeding up our growth in markets with the greatest client need, pursuing sustainable project choices in line with our purpose and values.

This strategy builds on the achievements of our previous 2021-2023 strategy cycle, Maximizing Impact, which saw the introduction of a global operating model, replacing a corporate structure focused on individual countries.

In 2022 we established our Global Business Areas (GBAs): Resilience, Places, and Mobility. Our GBAs collaborate to support clients as needed, each focusing on their areas of expertise and drawing on the skills and capabilities of Arcadians around the world.

A fourth GBA, Intelligence, was created the following year as a way to supercharge how we provide clients with innovative, technology-enabled solutions. It works closely with Resilience, Places and Mobility, co-creating services and products to support new and existing clients.

Across a global workforce of 36,000, Arcadis brings together the best minds to deliver tailored, intelligent products and solutions that address the challenges of today and create a blueprint for a more sustainable future. All our GBAs can draw on our Global Excellence Centers (GECs), which contribute the additional capacity, capability and technical expertise we need to better serve our clients and support future growth.

Who we work with

Our relationships span public, regulated and private sector clients, from multinationals like Pfizer and Heineken to major government agencies including Amtrak in the US and Rijkswaterstaat in the Netherlands. We are a well-diversified business, not dependent on one type of client or geography.

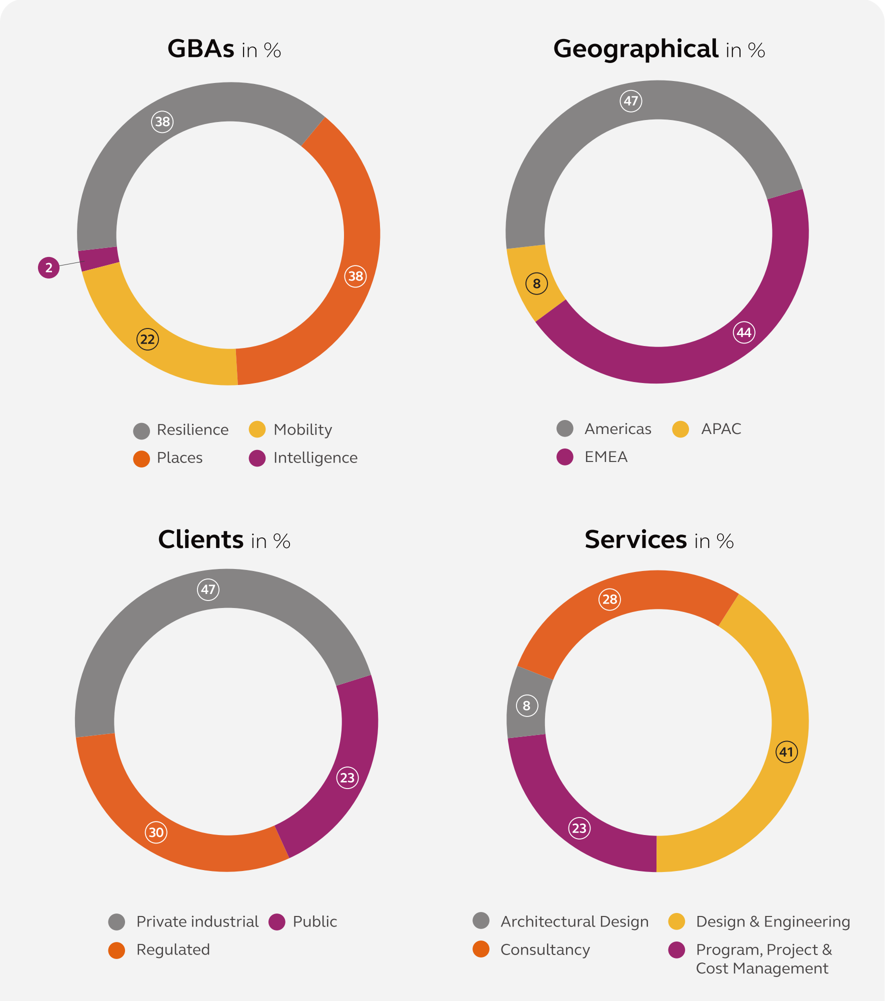
We have strong and enduring client relationships, working as trusted partners to our clients by thinking along with them and anticipating their needs. In fact, 95% of our revenues in 2024 came from clients that we served in 2023, a testament to the value we bring our clients.

Among the thousands of clients we serve at Arcadis, we have identified several strategic clients who present the largest opportunities for Arcadis. During the previous strategy cycle, we worked with those clients to establish our Key Client Program, tailored towards better supporting their needs. This is an important element of our 2024-2026 strategy. In 2024, we have grown the program from 161 to 251 Key Clients, broadening and deepening our relationships to support increased profit margin, greater cross-selling and enhanced client focus.

How we got here

In 1888, Arcadis was founded as the Nederlandsche Heidemaatschappij (Association for Wasteland Redevelopment), a land reclamation business enabling agricultural productivity in the Netherlands. We grew and expanded from these strong roots, branching out into urban development and becoming “Heidemij” in the 1970s. A series of international expansions, mergers and acquisitions enabled us to build strong capabilities in a range of industries and regions of the world, ultimately under one name and brand: Arcadis.

We’re now a company with a truly global footprint. But we’re proud to trace our journey back to our beginning in the Dutch heather lands. One hundred and thirty-six years ago, we were creating forests and managing the landscape to recover soil fertility, address drift sands, and boost agricultural productivity. Today, we continue to work in areas including water management and environmental remediation – among many other capabilities related to sustainable transformation and improving quality of life. That’s why we can truly say that sustainability is in the Arcadis DNA.



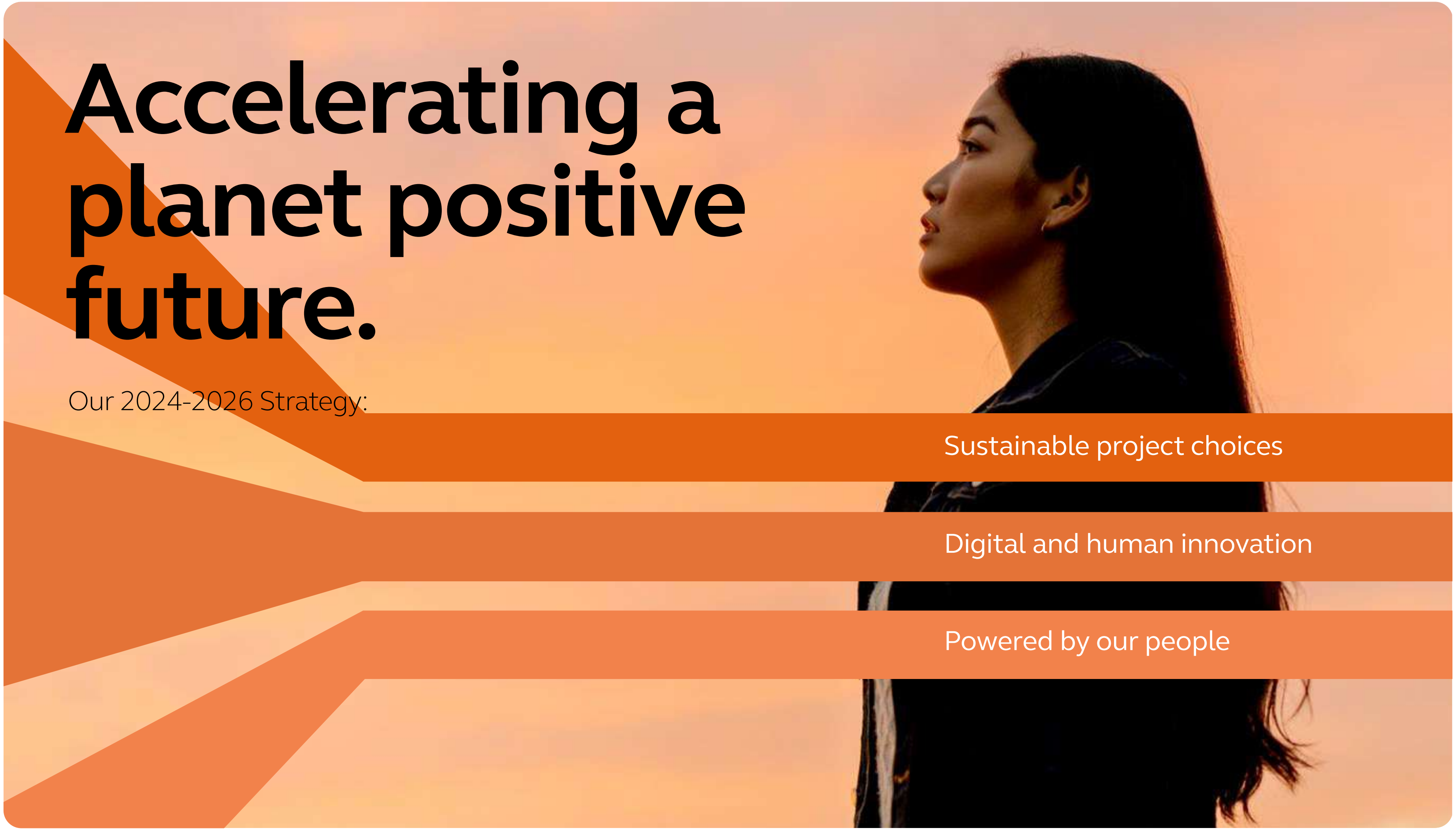
All percentages based on FY ’24 net revenue

Our values, our behaviors

We are passionate about improving quality of life. We have five core values that inform our five keystone behaviors as Arcadians.

Our values	Our behaviors
People first We care for each other and create a safe and respectful working environment where our people can grow, perform, and succeed, placing people and their experience at the center of our solutions.	**We value each other** We create an inclusive environment where everyone feels fairly treated and listened to, respecting the principles of equality and diversity at all times.
Client success We are passionate about our clients' success and bring insights, agility, and innovation to co-create value working collaboratively to learn and recognizing our successes are mutual.	**We deliver on our promises** We do what we say we are going to do when we say we are going to do it.
Integrity We always work to the highest professional and ethical standards and establish trust by being open, honest and responsible. We are accountable to ourselves, our clients, the communities we serve and our commitment to sustainable outcomes for future generations.	**We always bring our best** We operate to the best of our abilities. We continue to learn and improve to ensure we have all the skills needed for the future.
Sustainability We base our actions for clients and communities on environmental responsibility and social and economic advancement, ensuring our solutions enhance community inclusion for now, and into the future.	**We work as one team** We collaborate to bring the right people and knowledge together to achieve the best result. We recognize each other's strengths and work together to bring out the best in one another.
Collaboration We value the power of diversity and our global capabilities and deliver excellence, bringing the very best of our people and solutions for our clients by working as One Arcadis.	**We dare to shape the future** We focus on innovation and growth to improve quality of life and create a sustainable future.

Executive Board report



Accelerating a planet positive future.

Our 2024-2026 Strategy:

Sustainable project choices

Digital and human innovation

Powered by our people

Our current strategic context

We serve a global growth market that is outpacing inflation. As such, our 2024-2026 strategy is built around the market and client dynamics we have identified as being most critical to our business.

Market dynamics

- **Climate change and decarbonization**
  A major global pressure across all our markets.
- **Urbanization and social communities**
  Fast-paced urban growth creates challenges and opportunities.
- **Evolving supply chains**
  Inflation and geopolitics drive pressure to ensure supply chain security.
- **Infrastructure investment**
  Widespread need to renew and invest in key infrastructure.

Client dynamics

- **Increased cost of capital**
  Speed to market is a key delivery requirement.
- **Higher energy cost and decarbonization**
  Optimizing assets' performance and resilience is a priority.
- **Increasing project complexity**
  Clients need a trusted advisor and partner.

Strategy progress update

The first year of our 2024-2026 strategy has been about laying the groundwork to accelerate a planet positive future for our clients and the communities where we operate. We're directing our efforts across three strategic focus areas:

Making sustainable project choices

Digital and human innovation

Powered by our people

Making sustainable project choices

In 2024 we doubled down on making planet-positive, sustainable choices in our project pursuits and in how we work with our clients. We focused on expanding our Key Client Program and becoming our clients' partner of choice for their most important projects.

Our clients' sustainable project choices

One of the most powerful ways Arcadis can accelerate a planet positive future is by supporting our clients in making and executing value-adding sustainable choices. This starts right from the beginning of a project: we now carry out a carbon footprint assessment on major projects during the pursuit process, and – where relevant – we assess any potential impacts on biodiversity and water supply, so we can start the dialog with the client ahead of the project planning stage. As demonstrated through the work of our Global Business Areas (GBAs) in 2024, clients consider our focus on sustainability – and how we leverage that focus to optimize asset cost and performance – as a major benefit and differentiator in the market.

Key Client Program 2.0

In 2024 we invested in our Key Client Program by increasing the number of client accounts in the program by 50%, redefining our value proposition, and strengthening our coverage teams. Among Arcadis' 9,000+ clients, those identified to join this program are clients that bring in a high volume of work and, crucially, clients that offer the most potential for the future. Investing in our client relationships and positioning ourselves as a trusted advisor will help our account and sales leads address client challenges across multiple areas. In this way, we can increasingly partner with our Key Clients to create maximum value for both them and Arcadis, seizing opportunities to support Key Clients with a wider range and number of solutions.

Optimizing our pursuit process

Arcadis is increasingly incorporating technology and digital tools to streamline and strengthen the pursuit process. In terms of decision-making, making our pursuit process more robust is giving us the ability to make better decisions on project selection and resourcing, thanks to improved visibility on profitability. And, in terms of creating a project proposal, automation and AI have an important role to play – for example, we can use AI to quickly identify and synthesize relevant material we have prepared for previous pitches, creating a more compelling proposal in a shorter amount of time. In this way, we can ensure Arcadians spend as much time as possible on billable project work, using their skills effectively and creating maximum value for clients. In 2024 we put a project team in place to explore how to optimize our pursuit process – and in 2025 we should see the first rollout of elements of that already coming through. By using all the tools at our disposal to further improve our operational efficiency, we can boost the sustainability of our business.

Digital and human innovation

We have made progress on embedding our digital capabilities throughout our business, enabling us to leverage them externally for client delivery as well as internally to improve efficiency.

Digital products, digital innovation

Arcadis has a diverse portfolio of digital products. Some, such as Enterprise Decision Analytics (EDA) and Arcadis Enterprise Asset Management (EAM) Core, are tools that can be used across a variety of sectors – including by clients in the water, energy, transport and property industries. Others, such as Bridge Health and CurbIQ, are designed for a specific but critical purpose – whether that's helping infrastructure owners to ensure safe and long-lasting bridges through AI-enhanced predictive maintenance, or helping cities to understand how their curb sides are currently being utilized.

We also have products to support clients in their sustainability journey, such as Net Zero Catalyst, which helps clients prioritize and act on their sustainability goals, and Climate Risk Nexus, which enables long-term resilience planning by modeling climate impacts on infrastructure. Thanks to our digital products and innovations, Fast Company highlighted Arcadis as one of the World's Most Innovative Companies of 2024.

In several of our major project wins in 2024, the way we embedded our digital products and advisory services as part of our proposal was critical to our success – whether in the Fraser River tunnel bid, or in our multi-year contract with Heineken to facilitate the company's net zero journey. Overall, we are increasingly able to embed our digital offerings within our go-to-market approach by demonstrating compelling use cases and showcasing how we can tackle clients' challenges using our digital capabilities. We also began to look at our portfolio more holistically over the course of 2024. This involved considering which products have the most potential, how to capitalize on that potential, and how we can further innovate to meet evolving client needs.

In 2024 we also made the strategic decision to bring our Intelligence GBA closer to our Growth organization, with our Chief Growth Officer (CGO) now taking the role of Global President for Growth, Digital Intelligence and Advisory. This will reinforce our efforts to embed human and digital innovation across the business and in our client offerings, including via our strong portfolio of digital products. Our internal Growth organization and Intelligence GBA is now working even more closely with colleagues in our Mobility, Places and Resilience GBAs to identify opportunities for collaboration.

Using digital tools in asset management

Across all our GBAs, we have increased our focus on supporting clients in managing their assets sustainably, including via deployment of digital solutions. Owners and managers of critical infrastructure – railways, water systems, bridges, power grids, buildings and more – are seeking to improve the user experience, maximize efficiency, and get the most out of assets across their lifecycles. At the same time, they seek to reduce greenhouse gas (GHG) emissions and negative environmental impacts. By investing in our digital tools such as Bridge Health and Intelligent Asset Insights, we are further expanding our work in asset management and supporting clients with their operational expenditure (OpEx) over the course of multi-year contracts, unlocking sustainable revenue streams for our business.

Leveraging automation and AI

We are constantly considering opportunities to harness digital capabilities in ways that will improve the efficiency of our operations and, directly or indirectly, contribute value to our clients. We have now successfully automated some of our more standardized design tasks: for example, we can create an initial design for a substation through an automated process and then tailor that design to meet local requirements. This new way of working has proven to be cost-effective for us and our clients.

In 2024 a select group of Arcadians began testing our in-house generative AI, ArcadisGPT. We are excited by the potential of AI both to create internal efficiencies and assist with external delivery. We are also looking at streamlining and automating several of the activities our support functions perform. By using bots and other digital tools we are able to be more efficient and enable our people to focus on activities that contribute most value to clients.

Safeguarding information

The Arcadis Information Security Strategy supports Arcadis' overall strategy for 2024-2026. The mission of information security is to safeguard Arcadis and enable our business by dealing with the challenges of ever-increasing cyber threats, increasing client requirements, growing regulatory landscape and evolving technology.

We are achieving this by continuously improving our resilience to cyber threats and keeping our security posture in line with technological developments such as AI. Our resilience approach consists of a combination of technical, organizational and procedural measures, combined with security awareness campaigns. It also consists of complying with international security standards including ISO27001 and Cyber Essentials Plus.

We are sharing our knowledge and approach with our clients and industry, and utilizing security best practices.

Powered by our people

We are investing in creating a workforce that is ready for the future, and that is equipped with the skills needed to meet the evolving needs of our clients. We want to make sure we can attract and retain the best talent for our business by offering career development and work that aligns with our mission: Improving Quality of Life.

The role of the Lovinklaan Foundation

The Lovinklaan Foundation is Arcadis' largest shareholder. The entire Board of the Foundation consists of Arcadians from diverse backgrounds and countries. To fulfil its purpose of empowering Arcadians to reach their full potential and drive meaningful change, the Foundation reinvests its dividends into programs that empower Arcadians to develop their skills and contribute meaningfully to the company's success. A range of Arcadis' programs and initiatives are powered and supported by the Lovinklaan Foundation, including the Energy Transition Academy, Imagine, Quest, Skills Powered Organization, Sustain Abilities, and Ignite.

The Lovinklaan Foundation also supports and facilitates Local Sparks. This social impact program empowers Arcadians to create impactful community projects that improve quality of life and promote sustainability, whether through mangrove reforestation near Manila, or public transit projects in Tanzania, or providing access to clean water in Brazil. The program, which celebrated its fifth anniversary in 2024, has now impacted more than 81,000 people with more than 100 ongoing or completed projects.

Our Skills Powered Organization journey

We have always had exceptional people at Arcadis. Now we are a truly global company we need to understand where in the world our skills are, and what skills we need to build for the future of our people and our business. Becoming a Skills Powered Organization (SPO) allows us to maximize our people's potential and align their skills to our global business needs.

An SPO is an organization that prioritizes a skills-based approach to support project resourcing and career development. By transforming ourselves into an SPO, we're giving Arcadians more control over their career progression based on their skills and ambitions, empowering them to adapt, innovate, and thrive in an ever-evolving world of work. In 2024, our AI-assisted SPO platform was rolled out for the first time, helping 15,000 Arcadians identify and match their skills to job openings and project assignments from around Arcadis, in addition to offering personalized career pathways, learning modules and networking opportunities within the business.

The changes we're putting in place will drive Arcadis' growth as we offer our clients the best skills from the Arcadis network globally, all while optimizing our productivity levels. That's why, in 2025, we plan to increase the opportunities to involve more of our people and focus on increasing the promotion and take-up of short-term project assignments that employees can apply to and complete alongside their day-to-day jobs.

As Arcadis' leaders and managers gain better visibility of skills that exist in our business globally, we will start to better align talent to project and client needs. We're carrying this out in a data-driven, equitable and transparent way. A greater understanding of the skills and capabilities of our workforce will also enable us to invest in the right skills for the future to become more competitive and attract talent to meet our evolving client needs.

Transitioning to an SPO is also a key enabler for us in fostering a more diverse, equitable, and inclusive culture that benefits all Arcadians. In 2024, Arcadis achieved its target of maintaining an employee Net Promoter Score (eNPS) in the top 25% in the professional services sector, and we believe we will further boost employee satisfaction as we continue to place skills at the heart of our strategy.

Broadening the scope of DEIB at Arcadis

Our target is to increase female representation to at least 40% by 2026. At the end of 2024, women made up 39.3% of our workforce; a 2% increase year-on-year. However, our diversity, equity, inclusion and belonging (DEIB) initiatives go far beyond gender representation. We are creating a more inclusive culture, fostering opportunities at every level and creating an environment where all employees feel empowered and supported, regardless of their background or identity.

Our five global Affinity Groups - Gender, Access & Neurodiversity, Ethnicity & Heritage, Age, and Pride - play a pivotal role. These groups provide vital platforms for advocacy, education, and connection, addressing unique needs while promoting awareness and understanding across our organization. They also actively shape strategic business decisions, ensuring our values are embedded at every level.

For example, our Global Sponsorship Program and our Global Women of Colour Program are key initiatives designed to bridge the representation gap and promote equity at all levels. We also have guides including Neurodiversity in the Workplace and Transitioning at Work, allowing us to continue breaking down barriers and building a culture of belonging. These efforts, coupled with targeted recruitment strategies and leadership development programs, enrich our talent pipeline, enhance employee satisfaction, and enable us to serve clients with diverse perspectives and expertise.

At Arcadis, DEIB is not just a goal - it's a fundamental part of who we are.

Developing skills for the future

We are actively investing in the skills needed for today and tomorrow – and a prime example of how we're doing this is our Energy Transition Academy, which has been established to further equip Arcadians with the skills needed to support clients in decarbonization, grid modernization, alternative energy infrastructure projects, and other aspects of energy security and transition. In a world where the demand for energy transition professionals far outweighs the current supply, our ambition is to train or recruit 2,500+ Arcadian energy experts by 2027 through a combination of foundational and technical training. This will ensure Arcadis has the capacity and capability to remain at the forefront of the global energy shift.

The Academy's activities are tailored to a range of audiences, inside Arcadis and out. In our in-house online learning environment, ETA@Home, Arcadians have access to curated content and modules to build their energy transition skills. Meanwhile, at the Academy's technical training workshops, Arcadians from different parts of the business are brought together with participants from client organizations and the industry to share their knowledge with each other.

The Academy has also established partnerships with 10 universities across India, the UK, the US, Australia and Europe to support cohorts of students studying energy transition-related topics while co-developing future course and learning material – ensuring a pipeline of talented potential employees. A major milestone in December was the launch of our cutting-edge Simulation Lab in Bangalore, India, in collaboration with RVCE and UVCE universities, focusing on Transmission, Distribution and Storage. This offers a hands-on opportunity for students to gain practical training and knowledge, with expert guidance from Arcadians. By upskilling and empowering ourselves and others in the field of energy transition, we are not only investing in our own growth but also in the collective future of our industry.

Delivering superior client outcomes through our Global Excellence Centers

Our Global Excellence Centers (GECs) in the Philippines, India, and Romania serve as key hubs to support our global project delivery for clients, enabling us to complete projects with agility and efficiency. Leveraging and building our talent pool to support our business globally is essential to Arcadis' strategy, success and growth. The GEC teams support the key GBA market priorities and improve our client offerings with the best skillsets to deliver data-driven client services and support faster progress towards our industry's decarbonization goals.

We set a target in our strategy to double the number of billable hours carried out via our GECs. We made solid progress towards this target in 2024, including by expanding our GEC workforce to 4,976 employees (+17%) and enhancing our capacity, connectivity and capabilities, unlocking benefits for clients across all GBAs and in all the countries where we operate.

The impact of the GEC teams' expertise in data science, visualization and design automation – among other advanced capabilities – is evident in projects such as gigafactories, data centers and major rail projects, where they ensure seamless delivery, knowledge sharing and superior outcomes for our clients around the world. In 2025, we plan to continue enhancing these capabilities and delivering greater value to our clients from our GECs, reinforcing their pivotal role in our global strategy and position as Arcadis' global knowledge and data hub. As the GECs handle a greater proportion of project execution, they will continue to amass a wealth of data and act as a knowledge hub, providing us with analysis and insights to effectively advise our clients and solve their complex problems.

Note: The pages 24, 25, 26, 34, and 35 show business cases that contain project specific calculations for emission reduction. These calculations are not made yet across all services delivered in 2024. This is something we aim to expand during 2025 and further years.

Transforming Castellana 66

Sustainable, high-performance future for an ageing office complex

> “Castellana 66 is now one of the most energy-efficient buildings in Europe. This project showcases our commitment to innovative solutions that reimagine existing buildings in inventive and sustainable ways.”

Pablo La Roche, Director - Sustainable Design Services, Arcadis

GBA: **Places** | Country: **Spain**

In Madrid’s bustling business district, the seven-story complex at Castellana 66 was no longer meeting the needs of its owners and tenants as it aged – with energy and carbon inefficiencies stemming from subpar windows and inadequate thermal insulation. Rather than demolish and rebuild, we worked with the client to sustainably upgrade and future-proof the existing structure.

Arcadis proposed a renovation of the complex based on bioclimatic principles to improve noise protection, energy efficiency, and thermal insulation. By integrating photovoltaics (PV) and high-performance materials, the design minimized additional embodied carbon while enhancing daylight, comfort, and wellness for occupants. This careful redesign retained the existing structure, negating the carbon impact of demolition and reconstruction. As a result, an estimated 10,800t of CO_2e will be avoided. On-site energy generation will be higher than consumption, paving the way towards future climate neutrality.

55%
reduction in
annual energy use

177MWh p/yr
electricity generated
from solar PV

10,800t
expected CO_2e **avoided**

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The Sydney Metro West project

Connecting Sydney's major business districts with an underground railway

GBA: **Mobility** | Country: **Australia**

The Sydney Metro West project aimed to create a new underground railway line between Sydney's two main business hubs: Parramatta and Sydney CBD. Plans were drawn up for twin 9km tunnels, excavations of two new metro stations, and a set of advanced maintenance facilities – all to be constructed as sustainably as possible.

Arcadis worked with our client GLC (Gamuda Australia and Laing O'Rourke Consortium) to identify ways of using its resources efficiently across each stage of the project, as well as optimizing infrastructure design. From integrating 100% renewable power across all operations, to using concrete mixes with up to 60% recycled content, to reducing overall material and energy useage, we played a pivotal role in minimizing environmental footprint.

Achieving a 96-point ISC 'Leading' rating demonstrates the sustainable merit of our work. By reducing energy emissions by 43% and cutting embodied carbon emissions from materials by 25%, our collaboration helped shape a more well-connected and eco-friendly urban space.

9 km
twin **tunnels**

100%
green power integration

43%
reduction in energy emissions

> "Good consultants are hard to find, but brilliant ones, now that's a rarity! Arcadis did an amazing job with the resource use credits and I hope to work with the team again in the future."

Theo Snyman, Senior Sustainability Advisor, GLC

Optimizing traffic flow

A safe and efficient new junction on the M5

GBA: **Mobility, Resilience** | Country: **United Kingdom**

As design consultant on behalf of Galliford Try, the Design and Build Contractor, Arcadis has been involved in the design of a new “all-movements” junction on the M5 motorway in the UK which will safely and efficiently optimize traffic flow. More than just a road improvement project, this represents an opportunity to catalyze housing and economic development in the surrounding communities.

The project is projected to reduce carbon emissions by 30% compared to the project baseline, and to avoid approximately 26,700 tons of potential CO_2e emissions compared to a conventional design. We followed a Whole Life Carbon approach to embed sustainable practices from the outset, using innovative tools such One Click LCA and 3D BIM modeling to forecast impactful and measurable results. Through proactive engagement in sustainability workshops, early collaboration with experts, and continuous enhancements to the preliminary design, the project is being steered towards a more sustainable path.

13 %
improvement in **biodiversity net gain**

26,700 t
expected CO_2e **avoided**

> **“As the project progresses, we remain committed to meeting and exceeding our sustainability targets, delivering meaningful benefits for our client, the local community, and the wider environment.”**

Nick Henderson, Technical Director

2026 Targets to Deliver our Ambition

Sustainable project choices

Digital and human innovation

Powered by our people

Financial targets

Organic net revenue growth
Mid-high single digit over the cycle

Operating EBITA margin
12.5% in 2026

Net debt / Operating EBITDA
1.5 - 2.5x Investment grade rating

Shareholder returns
Dividend : 30 - 40% of NIfO

Non-financial targets

Net Zero objective
Scope 1 and 2 reduction of 70% GHG emissions by 2026 versus base year 2019

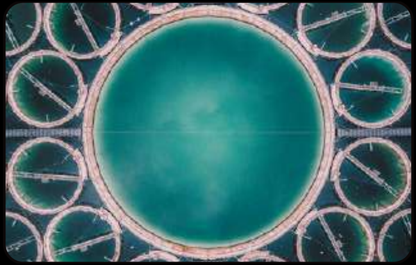
Net Zero objective
Scope 3 reduction of 45% GHG emissions by 2029 versus base year 2019

Employee satisfaction
eNPS to remain in top 25% of professional services sector

Gender diversity
>40% Women in workforce

The Global Business Areas

Each of our Global Business Areas (GBAs) has a distinct focus. Yet, as seen in the case studies and examples on the following pages, the GBAs often come together on projects, working collaboratively to ensure the best experience and outcome for our clients.



Resilience

Protecting our environment and water resources and powering our world for future generations.

What we do:

- Energy security and transition
- Environmental restoration
- Water optimization
- Climate adaptation
- Sustainable operations and advisory

READ MORE

Places

Designing and creating the places that shape our lives, our economies, and our industries.

What we do:

- Advanced industrial facilities
- Social infrastructure
- Optimized asset portfolios
- Urbanism
- Smart sustainable buildings

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Mobility

Developing sustainable and innovative solutions to create thriving and connected cities and communities.

What we do:

- New mobility and airport hubs
- Connected highways
- Intelligent rail and transit
- Resilient ports and maritime transportation

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Intelligence

Helping our clients make smart, data-driven decisions that bridge the gap between human intelligence and technology.

What we do:

- Smart asset and building analytics
- Digital transportation technologies
- Intelligent operations

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Resilience

Summary highlights of our performance in 2024

This was a transformational year for Resilience, as we made significant progress in scaling operations in key growth markets including the US, UK, Germany and the Netherlands. We've seen strong revenue, a step up in profitability, and organic growth across energy transition, water optimization and PFAS remediation. Collaborative wins with other GBAs have strengthened our ability to deliver integrated, cross-disciplinary solutions that meet client demand.

Total headcount
in 2024

11,402

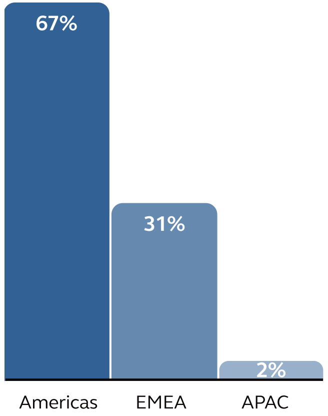
2023: 11,368

Total net revenue
in millions of euros

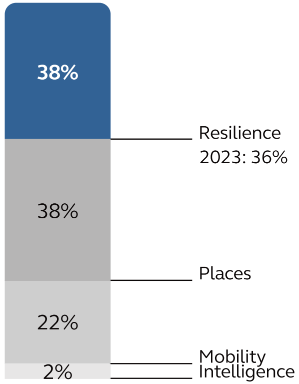
1,448

2023: 1,343

Geographical
Net revenues 2024 / Full Year in %



Total revenue
as % of total Arcadis



Bringing the Resilience perspective

The projects we work on – complex projects that call for our deep expertise – increasingly require an integration of digital capabilities, advanced analytics, and advisory services, helping clients meet evolving demands, navigate regulatory frameworks and develop effective decarbonization roadmaps. We are working closely with the other GBAs to integrate Resilience solutions within our projects and proposals. For example, in the Zuidasdok program – one of the largest infrastructure projects in the Netherlands – we are working with Mobility and Places to support sustainable urban development. This includes permitting and planning expertise, ecological assessments, and integrating green infrastructure to enhance urban livability and create a more resilient and connected neighborhood.

Energy security and transition

Driven by the accelerating demand for energy, paired with investment in grid modernization, generation capacity, and operational efficiency, this area saw rapid growth in 2024. Arcadis is at the forefront of supporting clients in transforming energy systems to ensure affordability, security and equitable access. Our expertise spans the entire value chain, including advisory services; grid expansion and modernization; transmission, distribution and storage (TDS); decarbonization; and the integration of renewable energy.

Our strong portfolio in Germany, the Netherlands and the UK sets a foundation for further growth, particularly in the US, where we are building a multi-disciplinary team of energy experts. In the UK, we are helping the National Grid with advisory services to navigate the complexities of energy transition and expansion. In the Netherlands, we are partnering with PostNL to investigate whether their 29 postal distribution centers can double as energy hubs.

We had a strong year in Germany, where we continue to support transformative projects like the Rhein-Main-Link and Fulda-Main powerline expansions that are critical to meeting Europe’s renewable energy targets. Our growth plans in this area are underpinned by the Arcadis Energy Transition Academy, which continues to equip our people and clients with foundational and technical knowledge. Through the Academy, we’re upskilling Arcadians in areas such as TDS, offshore wind, and industrial decarbonization.

Water management and optimization

In 2024, we expanded our work with clients – including local governments, pharmaceutical companies and data center owners – to optimize consumption and improve operational efficiency.

In Southern California, we implemented an AI-powered predictive modeling system that integrates machine learning with an advanced water quality model to monitor harmful byproducts of disinfection. This enabled prediction of potential spikes, allowing for real time adjustments. Also in the US, we partnered with a major utility to design and implement a comprehensive Lead and Copper Rule compliance program. Aimed at proactively identifying and replacing lead service lines, this initiative entails extensive water quality and lead testing in schools and childcare facilities. Using our Lead Insights end-to-end solution, we were able to improve communications, transparency and documentation.

OpEx-focused solutions are another key client need, and we have expanded our role in asset management. For example, we helped a leading global snack producer lower water consumption. Our industrial water experts, in partnership with Places' advanced industry team, designed a Zero Liquid Discharge treatment system, solidifying Arcadis as a reliable partner for water efficiency and wastewater solutions.

In the UK, we secured multiple framework contracts with key water utilities as part of the AMP8 (Asset Management Period) program, including partnerships with South West Water and United Utilities to deliver new capital investment programs and upgrade water infrastructure to be more sustainable, resilient and efficient. With the AMP8 cycle running from 2025-2030, these wins provide excellent long-term visibility for the future.

Globally, we are addressing water scarcity through innovative reuse strategies, such as a ‘One Water’ approach which integrates circular water systems and advanced desalination, building on our leading position in Engineering News Record’s 2024 rankings. Our digital solutions, such as Water Finder, a digital twin platform, are helping clients optimize asset performance, extend infrastructure lifespans and achieve cost savings of up to 30%. In New Jersey, we are supporting a large water utility where over 60% of its assets will be over 100 years old by 2030. Digital products allow for efficient identification, evaluation and design of asset replacement and renewal. Arcadis’ Asset Generator is key, allowing for rapid prototyping and design of replacement water storage and pumping facilities.

Artificial intelligence (AI) has great potential and can help identify lead service lines or leaks, enabling clients to fix the problem efficiently, minimize disruption and enhance predictive maintenance. While there are regulatory hurdles, we have the knowledge to address these and have already been hired by several clients to integrate AI into their systems and infrastructure management strategies.

Flood management

With climate change impacts increasing, flood resilience is vital. In the US, we are incorporating flood-proofing measures into San Francisco's pier restoration plans, ensuring resilience against coastal flooding while revitalizing the waterfront. And in the Netherlands, we are providing operations and maintenance services for five storm surge barriers – including the largest in the world - bolstering the country's flood defences against sea level rise.

In the UK, we’re collaborating with Places to maintain and restore canal infrastructure for the Canal & River Trust. And in China, we’re spearheading a new initiative to enhance biodiversity, water management and flood resilience in Fuding City – including via a nature-based intervention: mangrove restoration.

PFAS assessment and remediation

Regulatory pressure continues to drive demand for our industry-leading PFAS management solutions. These synthetic chemical compounds, widely used in manufacturing, are an area of rising concern.

In the US, the Environmental Protection Agency (EPA) has introduced new standards for PFAS in drinking water, requiring public providers to begin compliance measures by 2027. Additionally, manufacturers are now required to disclose PFAS use in products and report releases to the environment. In Europe, the European Chemicals Agency is evaluating restrictions on the entire PFAS group, with bans – notably involving firefighting foam – already implemented under the REACH regulation.

This evolving regulatory landscape highlights the urgent need for PFAS management strategies and remediation solutions. Arcadis plays a key role in helping clients navigate increasingly stringent standards. Our bespoke digital solutions help clients assess regulations and vulnerabilities in real time, to anticipate potential issues and direct funding towards sites that pose the greatest risk. Another example is our Fluoro Fighter™ cleaning agent, which removes PFAS from fire suppression systems and industrial facilities. We have completed more than 260 foam transition projects in six countries to date.

Globally, we are winning large contracts for investigation and remediation of military bases in Canada, the UK, Netherlands and Germany, as well as various manufacturing facilities. By combining cutting-edge technologies with human innovation, Arcadis is enabling clients to mitigate risks, and stay ahead of regulations.

Market dynamics and opportunities

Across industries, public and private sector organizations are prioritizing resilience in infrastructure and assets. This includes optimizing operational efficiency, meeting regulatory requirements and adapting to a changing environment.

Economic and regulatory drivers

As the world faces an escalating climate crisis, we are seeing a focus on future-proofing assets, infrastructure and operations as a priority, as clients seek to address vulnerabilities across cities, economies and industries. Increasingly, companies and organizations are responding to climate events and disruptions as a strategic risk, incorporating factors into their decision-making such as rising insurance costs and coverage, asset resilience, and extreme weather preparedness.

The regulatory landscape is driving companies to address specific issues related to their assets, such as PFAS contamination (see box-out). In the US, the EPA's strengthened Lead and Copper Rule requires significant upgrades to water systems to ensure safe drinking water – an area where Arcadis can offer compliance solutions.

Regulatory frameworks such as the EU Green Deal and the US Inflation Reduction Act are further shaping investment priorities, especially in the energy sector. In Europe, reliability and efficiency will mean doubling annual grid investments to €584 billion by 2030, with public funds alone insufficient. Private sector participation is crucial to bridge the gap. Similarly, in the US, rising demand from data centers and transport electrification is accelerating the need for grid enhancements to guarantee a stable and secure energy supply. These frameworks create opportunities for sustainable growth and emphasize the need for public and private sector collaboration around resilient infrastructure.

Trends in energy security and transition

Concerns around energy security and affordability are intensifying, driving governments and business to rethink their energy strategies, prioritizing decarbonization and more resilient strategies. Transmission, Distribution and Storage is an area where significant investment is being made. A secure, reliable and less carbon-intensive electricity supply is vital for economic growth and the transition to net zero.

> **"Resilience is integral to Arcadis – it's at the core of who we are, and a major driving force in how we help clients and communities thrive. We are uniquely positioned to help future-proof critical infrastructure, accelerate decarbonization, and deliver smart, sustainable solutions that address today's needs."**

Heather Polinksy, GBA President, Resilience

Arcadis is well positioned to support this, with expertise in solar and wind energy, energy storage solutions, urban energy systems, and energy infrastructure and strategy. Innovations in energy storage and hydrogen infrastructure will drive opportunities, particularly as countries seek to balance renewable intermittency with stable power supply.

Capacity expansion projects, such as those in Germany, are part of a broader push to create resilient, interconnected grids capable of handling increased demand from electric vehicles, industry electrification and renewable energy. Investments in TDS infrastructure are expected to exceed USD 300 billion by 2030, with significant growth anticipated in Europe and North America. By integrating strategic advisory expertise with advanced technical solutions, we are enabling clients to modernize energy systems, expand capacity, and accelerate the transition to a net-zero future.

Optimizing aging assets and infrastructure

Water systems are under increasing pressure, and 70% of water utilities are operating with systems more than 50 years old. Meanwhile, aging energy grids are increasingly under strain due to rapid urbanization, electrification and renewable energy demands. The scale and cost of upgrades can be challenging, as can the operational complexities of managing aging pipelines and treatment facilities. These dynamics make the use and management of water a major consideration for many clients, creating opportunities for Arcadis.

Net-zero carbon emissions by 2030

A more sustainable future for the University of Leeds

GBA: **Resilience** | Country: **United Kingdom**

The University of Leeds has entrusted Arcadis to manage, commercialize, and execute its comprehensive Net Zero Carbon initiative. Our approach supports the client in making strategic investment decisions across its portfolio. To reduce the university's carbon footprint and help meet the ambitious target of net zero by 2030, we're focused on overhauling how energy is generated, consumed, and conserved – including via electrification of heat, procurement of renewables, and energy efficiency improvements.

As we address critical environmental concerns and enhance sustainability for future generations, we've put students, scholars, and local residents at the core of the initiative. The result should be a vibrant, forward-thinking campus that promotes healthy and sustainable living for all.

35,000 t

CO_2e annual emissions **reduction by 2030**

> “Arcadis has continued to provide agile and robust project and program management to the university to address and overcome a wide range of challenges to meet our net zero carbon ambitions.”

Brian Ford, Head of Capital Development Estate Services, University of Leeds

Our Net Zero Catalyst solution

Empowering organizations to cut their carbon emissions

GBA: **Resilience** | Country: **Global application**

Achieving net-zero targets requires a fundamental shift in the way organizations operate. That's why our sustainability advisory experts from around the globe joined forces to develop a powerful digital solution that translates ambitious climate goals into concrete, actionable strategies. Paired with our advisory services, Net Zero Catalyst – launched at the end of 2024 – provides organizations with a clear, step-by-step path to achieving net zero by integrating a unique blend of cost-benefit analysis, data visualization, and measurable impact scoring.

The solution was designed through close collaboration with our clients and drew on real-world experience from our projects. For example, we helped a European real estate developer design an end-to-end, actionable net-zero plan – from quantifying carbon emissions, to setting a reduction target, to implementing strategies across its portfolio. For another client, a prominent US transportation provider, we conducted a robust climate risk assessment and developed key performance indicators to integrate climate strategy into overall business risk management. These projects helped us shape Net Zero Catalyst's features, ensuring the tool's metrics are robust and aligned with real-world client needs.

60-90%

potential reduction
in GHG emissions

100+

decarbonization
recommendations available

> **"Our vision is to enable more organizations to act on climate, accelerating the transition to net zero and improving quality of life for all."**

Kealy Herman, Global Technical Director, Net Zero Strategy

Solutions to Cartagena’s water challenges

Planning for a resilient future in Colombia's port city

GBA: **Resilience** | Country: **Colombia**

In its culture, economy, and urban layout, water is central to the Colombian city of Cartagena. However, a range of challenges – from climate change to fast-paced urban growth and socio-economic inequality – threaten the health and sustainability of Cartagena’s waterways. The Water as Leverage (WaL) project is about finding solutions that work for the city's people and for the environment.

Our consortium of Colombian and Dutch experts developed concept designs to address Cartagena's water-related challenges. During 2024, we advanced three of these designs to the pre-feasibility stage. Sustainable solutions integrated into our designs include mangrove restoration, circular water management solutions, water transport initiatives to benefit locals and tourists, and collecting and processing waste to prevent clogging of water bodies. With ongoing community engagement through workshops, we have reached out to hundreds of community members to ensure that the designs align closely with local needs. The next phase will see one final design detailed to the feasibility stage, focusing on bankability to support future investment.

500 km^2
water body included in the **La Bocana WaL project**

50,000
estimated **population in flood zone**

> **“By combining local input with our own technical expertise in water management, we've set out a path to a more resilient future for Cartagena.”**
>
> **Jeroen Klooster,** Senior Economist

Places

Summary highlights of our performance in 2024

Total headcount
in 2024

12,006

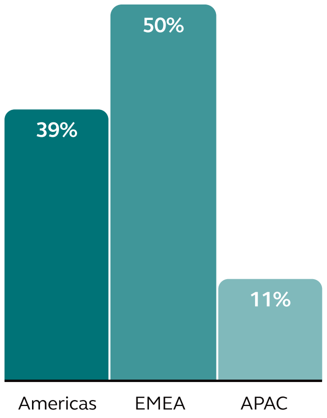
2023: 12,505

Total net revenue
in millions of euros

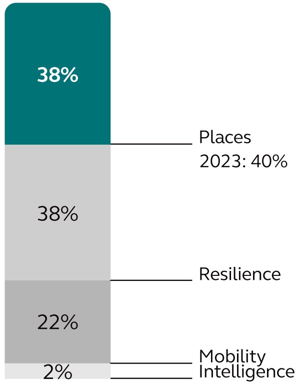
1,478

2023: 1,509

Geographical
Net revenues 2024 / Full Year in %



Total revenue
as % of total Arcadis



There have been many bright spots in 2024, despite challenging market dynamics. Highlights include our successes in designing and delivering data centers, meeting the growing demand for semiconductor technologies, and shaping the urban environment across residential and government projects.

Agility and collaboration with our clients

This year, we have continued to evolve to meet the changing needs of our clients. As they have met with market and regulatory challenges, we have been with them every step of the way. Our people continue to be a differentiator for us, with our market-leading talent bringing valuable perspectives and experience to benefit clients. Further integration of our acquired entities has opened the door to exciting new projects, recognizing the breadth of capability and skills that we have within our business.

Of course, this is not only about agility within Places, but also about collaboration across the GBAs. Our partnership with brewing company Heineken is an example of this, won with the help of our colleagues from Resilience and Intelligence. This project will see different parts of the Arcadis business come together to help Heineken reduce energy demand at its production and logistics sites and support the company's transition to renewable energy.

Partnering for success

Decarbonization is a huge challenge for our clients and is not something one company can solve alone. So, whilst we have world-renowned expertise and a proud heritage in this area, it is important that we continue to differentiate and make it easier for clients to get the help they need.

Arcadis' partnerships with like-minded companies and organizations can enable us to create complementary solutions that further serve our clients. As mentioned, we're partnering with technology pioneers Honeywell on the Heineken project, who will help implement the solutions we propose and ultimately ensure an end-to-end approach to decarbonization.

Another example of an exciting partnership is our Mission Zero solution, formed through a strategic alliance between Arcadis and CoolPlanet, which enables clients with complex and large-scale industrial manufacturing facilities to move from strategy to delivery using a single contract model. This collaboration won the 'Excellence in Sustainability' category at the Irish Construction Industry Awards 2024, and we're excited to take it forward on a global scale.

Focusing on facilities

The integration of DPS Group since its 2022 acquisition has enabled us to present an even stronger offering to clients through synergistic opportunities in process engineering and advanced manufacturing facilities.

In this space, our capabilities have grown from facilitating construction, to facilitating production. We can help a client to design the physical building – but we can also go a step further by meeting the client's more complex needs in terms of process engineering, equipment, infrastructure, workflows, use of space, and energy consumption. Our clients in advanced technology, industrial manufacturing, life sciences and logistics require cutting-edge technologies and processes – including state-of-the-art machinery, automation systems, specialized controlled environments and digital technologies – in order to ensure the highest levels of safety, productivity, efficiency, and product quality. The capabilities we now bring in this area enable Arcadis to contribute significantly more value to these clients as a project partner.

In life sciences, our 'blue chip' pharmaceutical clients have continued to invest in new advanced facilities. We have also seen demand for support in the design and delivery of new facilities from semiconductor manufacturers, particularly across the US and in Europe. With government-backed incentives such as the US Chips and Science Act, we expect to see future opportunities being realized in this space.

The data center sector has emerged as a strong growth area, as demand for computing power rises globally. As we scale-up our work in this area, we have looked for ways to facilitate sustainable practices within these projects. This has seen our architectural experts create ground-breaking facility designs that could help clients to achieve near net-zero operations, incorporating impressive advances in carbon sequestration and use of alternative fuel sources.

> **“This is an exciting moment for Places. Across our sectors we see many opportunities for us to go further with our clients. There are few companies like ours. We offer a unique blend of capabilities to meet challenges head-on, and are well-placed for future growth.”**

Juud Tempelman, GBA President, Places

Market dynamics and opportunities

Inflation and high interest rates have impacted the property sector, affecting spending among our clients around the world. Decision-making and investing has been slow. However, we are well positioned in 2025 to capitalize on opportunities as market growth returns.

Government stimulus programs

The infrastructure investment programs previously announced by various governments have been slower to get off the ground than hoped. This includes the US Chips and Science Act, intended to revitalize America’s manufacturing industries, and the European Chips Act, intended to encourage semiconductor production in the European Union.

Awaiting this funding, our clients have been reluctant to make quick decisions around when and where they will spend. This has already begun to change as governments operationalize the promised investment.

Building on our existing client work, we also see more opportunities to support national governments in the management of their defense estates, particularly around repurposing former military bases and creating new homes and sustainable communities on surplus land.

Energy security and transition, and gigafactories

In last year’s annual report, we highlighted opportunities for Arcadis in creating new battery manufacturing facilities – known as ‘gigafactories’ – to meet rising demand for battery technologies in support of the energy transition, and we have built a very strong proposition in this area.

In 2024, Electric Vehicle (EV) demand slowed, but while we have adjusted our short-term expectations, legislative imperatives signal that EV-related opportunities are likely to grow in the longer-term, alongside ongoing investment in technologies to support the energy transition.

Our clients in this space are already benefitting from the agility and collaboration mentioned earlier as we continue to expand our offer to include process engineering and architectural expertise, alongside environmental expertise from our teams in Resilience.

University of Toronto student housing

Designing a sustainable, energy efficient residence

GBA: **Places** | Country: **Canada**

Student housing, community spaces, conference services, and commercial facilities come together in Harmony Commons, a mixed-use residence on the University of Toronto’s Scarborough campus. As Architect of Record, we were instrumental in the design, which balances the need for new student housing with the university's sustainability commitments and the need for healthy, social environments that enhance student experiences.

The design prioritizes heat retention and airtightness to improve the building’s sustainability and protect inhabitants during harsh Canadian winters. Key elements include insulated steel studs, mineral wool insulation, and airtight construction. A decentralized HVAC system with variable refrigerant flow units and heat recovery strategies also ensures excellent indoor air quality. Plus, the building’s cooking, heating, hot water, and cooling systems are all electric, eliminating dependence on fossil fuels.

Harmony Commons has successfully achieved Passive House status – a globally recognized certification system for energy-efficient building projects. The building's TEDI score is 13.2kwh/m^2, lower than the 15kwh/m^2 required to qualify as a Passive House.

746 beds
for first-year **students**

261,400 sq ft
space available

13.2 kWh/m^2
TEDI score

> “This state-of-the-art, innovative residence facility will provide an outstanding environment for living and learning, a place where friendships are forged and memories are made.”

Meric Gertler, President, University of Toronto

A sustainable post-Olympics legacy

Pioneering reversible design in Paris

GBA: **Places** | Country: **France**

The legacy of the 2024 Olympic Games is about more than just sporting inspiration. In fact, the residents of the Paris suburb of Île-Saint-Denis are now enjoying an eco-friendly community hub formerly used as a temporary residence for athletes during the summer games. With its pioneering reversible design, this project was France's first to operate under a dual use building permit. The feat was made possible through Arcadis' close collaboration with our architecture and development partners. Together, we co-developed adaptable structural solutions, including elevators, technical ducts, and even cable trays which were strategically designed to serve both athletes and, later, the local community.

To reduce the site's carbon footprint, we selected low-carbon materials, including decarbonized concrete and wood. Plus, using adaptable materials allowed the facilities to be transformed more easily once the athletes departed. Residents can now enjoy a mix of housing, a student residence, shops, a nautical base, and an arts center, all within a sustainably designed community hub. This 'eco-district' will welcome its first permanent residents in mid-2025, embodying a lasting achievement in sustainable, community-centered urban planning.

47,000 m²
space

2,700
athletes **stayed for the Olympics**

320
available **housing units**

> **"We were able to identify innovative ways to reduce the project's carbon footprint and implement reversible design, bringing in expertise from teams across Arcadis."**
>
> **Mohammed Bounab**, Project Manager

© PichetLegendre

Groundbreaking data center design

Designing one of the world's most sustainable data centers

GBA: **Places** | Country: **United States**

For data center owners, and for the communities in which they operate, energy consumption and water usage are major concerns. But what if we could create a data center with minimal carbon emissions? That was the question behind our project for our client Terra Ventures, who are building a data center in San Jose, California.

The prototype design we developed will bring the site close to net-zero carbon emissions. It includes power structures, a three-storey data center, and a greenhouse that would leverage CO_2 and H_2O byproducts to grow fresh produce. A self-sufficient microgrid powered by natural gas fuel cells would eliminate the need for backup generators while reusing waste heat to meet up to 50% of the center's cooling needs. Any surplus power would also be returned to the utility grid, creating an additional revenue stream for the site. Arcadis' innovative design combines sustainability and cost savings with significant long-term benefits to local communities.

241,050 sq ft
cutting-edge **data center**

50%
forecasted reduction in **energy for cooling**

Three-story
greenhouse designed **to sequester carbon**

> "We are pushing the boundaries of sustainable design, finding bold alternatives to the norm and taking cues from nature."

Jeff Gyzen, Global Practice Group Director, Mission Critical & Industrial Facilities, Arcadis

Mobility

Summary highlights of our performance in 2024

Total headcount
in 2024

6,549

2023: 7,018

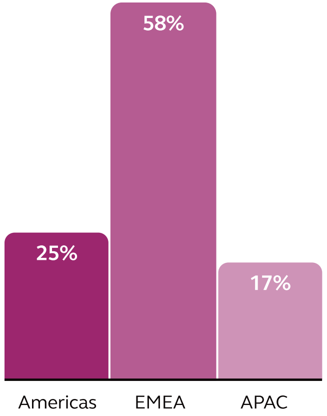
Total net revenue
in millions of euros

861

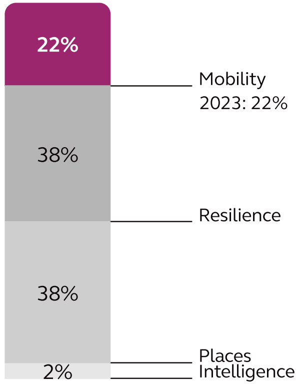
2023: 814

2024 was a successful year for Mobility, as we continued to deliver strongly for our key clients and won major new multi-year projects which set us up for success in 2025 and beyond. We've also made progress on diversifying our project portfolio to include more asset and operational management work, incorporating leading digital and artificial intelligence (AI)-driven software solutions.

Geographical
Net revenues 2024 / Full Year in %



Total revenue
as % of total Arcadis



Three major multi-year project wins

Across our pursuits in 2024 we demonstrated strong credentials and expertise in decarbonization and sustainability, presenting ideas to minimize carbon and looking holistically at whole-of-life costs. Arcadis' teams in different countries came together to win three major multi-year projects through a truly global, collaborative effort – and our success highlights positive results from our global work sharing and major projects initiative.

Enhancing resilience and efficiency with digital solutions

Our clients are increasingly looking for data driven insights to improve the efficiency of their programs and assets.

Synergistic opportunities across the GBA's, in particular with Intelligence, continue to drive growth. By the end of 2024, our Intelligent Asset Insights (IAI) product was being implemented in the Netherlands, Canada, and across six US states. IAI uses automated data collection and advanced data analytics methods with AI to monitor and track assets and generate insights to optimize the asset life cycle and its maintenance.

For bridges, one of the most complex assets to inspect with accuracy, we offer Bridge Health – a detailed bridge inspection service using AI and machine learning. Bridge Health was the winner of the Innovation of Bridge Inspections Award at the 2024 NCE Bridges Awards. In 2024 we worked with National Highways UK who have approximately 22,000 structural Assets in their remit. Using our Bridge Health Service we implemented drone technology, acoustic monitoring combined with AI to identify defects in the structure. The outcome of using this technology is a smarter, safer and more efficient method to manage assets.

In rail, we also have technology that can help us detect signal failures and overhead power issues before they occur, significantly reducing delays. This is deployed through Asset Rail – a joint venture in the Netherlands delivering performance-based asset maintenance.

- **Hudson River Tunnel, New York, US.** As part of the joint venture Mace-Parsons-Arcadis (MPA Delivery Partners), we've been selected as the delivery partner for this USD $16 billion project. We will help improve the capacity, reliability, and resiliency of commuter and intercity rail transit on the busiest section of the Northeast Corridor, which serves 800,000 daily passengers from Washington DC to New York, New Jersey, and New England. Sustainability and community engagement are strong themes for our client, Gateway Development Corporation, with environmental, social, and economic sustainability woven throughout every phase of their project packages for the Hudson Tunnel Project.

- **Fraser River Tunnel, Vancouver, Canada.** Arcadis will help deliver the CAD $4.15 billion Fraser River Tunnel Project as Design and Engineering Consultant to the Cross Fraser Partnership consortium. The new eight-lane, immersed-tube tunnel will replace the existing George Massey Tunnel on Highway 99 and promote more sustainable travel by featuring a dedicated public transit lane in each direction and a separate multi-use path for pedestrians and cyclists. To realize this project, we are bringing together the best of Arcadis from across the business. Mobility Canada is working in partnership with Mobility colleagues in the Netherlands, where Arcadis has significant immersed-tube tunnelling expertise, and we're also bringing in contributions from across all GBAs, spanning ten countries. The project will ultimately improve travel times, alleviate congestion, enhance safety, and support local economic growth by increasing connections in the region.

- **Torrens to Darlington (T2D), Adelaide, Australia**. As part of the T2D Alliance, we will deliver this AUD $15.4 billion project with 10.5km of non-stop motorway between the River Torrens and Darlington, completing the 78km North-South Corridor. The project will provide safe and efficient journeys for motorists, pedestrians and cyclists, connect open spaces and recreational facilities, and unlock economic opportunities and growth for South Australia.

Our pioneering platform for data collaboration, DynDash™ , has also transformed key European Rail Traffic Management System (ERTMS) projects in the Netherlands by integrating the various complex dimensions of rail design – making data visualization, manipulation and verification fast, effortless and accessible.

These solutions bring together digital and human innovation, with our talented Arcadians working closely with clients to meet their goals. That includes net zero and sustainability goals, as these solutions can help minimize carbon emissions, improve efficiency and enhance asset lifecycles.

> **“Our big project wins in 2024 are testament to how we’re coming together as a global team and making the most of the huge talent and digital capability we have within Mobility.”**
>
> **Greg Steele**, GBA President, Mobility

Market dynamics and opportunities

This is an exciting time in the transport and mobility sector, as countries and cities look to the future while tackling the challenges of the present – including decarbonization, network reliability, ageing infrastructure, and the complexities of modern cities. Amid many uncertainties, there are a multitude of opportunities Mobility can seize by being agile and leveraging our global workforce and skills.

Decarbonization of the transport sector

The economic drivers behind decarbonization remain intact, continuing to drive investment and reinforcing the momentum towards a low-carbon future. Notably, there has been a significant swing into transit such as rail and trams, and active mobility including walking and cycling, in order to reduce carbon emissions and improve quality of life in urban areas.

In the highway space, there is a notable trend towards using technology and intelligent transport systems to maximize efficiency, increase safety and improve the overall user experience. Different countries and cities are at very different stages in rolling out electric vehicle (EV) infrastructure and incentivizing EV uptake, but in some regions we’re now seeing these two areas coming together. More futuristically, some cities are really getting ready not just for autonomous vehicles, but also for advanced air mobility (AAM). That’s something we’re already involved with in San Diego, where we are developing the city’s policy for AAM and Electric Vertical Take-Off and Landing (eVTOL), helping the client think through all of the potential implications of these new mobility modes and their interfaces with other systems.

In the ports and maritime sector, we are seeing a particularly strong – and collaborative – move towards decarbonization, with the whole shipping industry in support, even if the financial costs of the transition are enormous. We're already working with clients including DP World to dramatically cut their energy consumption, improve efficiencies, and reach their sustainability ambitions.

Political change, regional dynamics

Elections and changes of government in the US, UK, Belgium, France and the Netherlands led to a period of uncertainty in 2024, leading to some delays in decision making on public sector projects. As a result, we've seen weaker markets in some countries (including the UK and Australia) and stronger growth markets in others (such as Canada).

Different countries are also at different stages with their infrastructure renewal needs. In Australia the last two decades have brought a lot of new transport infrastructure, so the need for further projects is not as strong. By contrast, the US and Germany are on an upswing, because they're having to invest in addressing their aging assets. The UK also has aging transit infrastructure that urgently needs investment to make it fit for purpose, and we are cautiously hopeful for an uplift in that market in 2025. In the Netherlands, the slowdown in infrastructure projects is more related to restrictions on nitrogen emissions, a situation we continue to monitor as it develops – while in Canada, demand is driven partly by the needs of a growing population.

With these dynamics in mind, we see an opportunity for Mobility to strengthen its business in North America, being agile about how we use our global workforce. Secondly, as new governments come in, we can open conversations to help them understand their infrastructure challenges and potential solutions.

Shifting to asset and operations management

Many countries are grappling with how to get the most out of their existing transportation infrastructure. Cities are facing complex challenges as urban populations grow and place greater strains on their transit systems. Public sector bodies seek ways to manage their mobility infrastructure more efficiently and cost-effectively, and more sustainably – minimizing negative environmental impacts such as emissions and air pollution. From 2025 the Yarra Journey Makers joint venture (comprising Transdev and John Holland) will be using our Enterprise Decision Analytics (EDA) software - a cross-GBA product in collaboration with Intelligence - to optimize maintenance and operational spend on the Yarra Trams network in Melbourne.

Considering these dynamics together, we see a large-scale, long-term opportunity to shift our portfolio towards clients' operating expenditure (OpEx) rather than capital expenditure (CapEx). Not only will this meet the needs of our clients – current and future – but it will also ensure a steady stream of revenue for our business. Many of the solutions we can offer our clients include smart deployment of digital products and services, for this, thanks to our new operational organization, we will work in full integration with our colleagues from the Intelligence GBA in our new Intelligent Mobility Services (IMS) business, to ensure digital solutions are natively embedded in our approach, alongside our strategic advisory services and our technical offering.

Smarter traffic management in the Netherlands

Providing Noord-Holland with Traffic Management as a Service

GBA: **Mobility** | Country: **The Netherlands**

The province of Noord-Holland has switched to a Traffic Management as a Service (TMaaS) solution that efficiently and effectively handles traffic monitoring, data analysis, and real-time interventions. Developed by Arcadis, Trigion and Equans (as ATEam), this solution enables smarter, cleaner, and more sustainable use of Noord-Holland's extensive road network. ATEam crowd sources and collates data from more than three million users of the Dutch mobile traffic app Flitsmeister, and uses advanced tools such as intelligent traffic lights and smart cameras to quickly respond to traffic issues, for instance by managing traffic jams or prioritizing public transport.

With our ten-year agreement in place, the province's road transport authority can now focus its efforts on infrastructure policy implementation and direction, leaving ATEam to manage day-to-day operations of complex technical systems. This strategic shift to TMaaS not only addresses a shortage of available traffic management experts, but has also led to a reduction in operating costs. Moving forward, our client will always have access to the latest, most innovative and safest technologies as we continuously improve our offering.

500
dispatches of **emergency services** per month

750
connected **traffic management systems**

5,100
crowdsourced app triggers processed per month

> "Traffic Management as a Service is accessible to all infrastructure asset owners, and an especially good fit for those with specific goals for maintaining traffic control, safety, sustainability and accessibility."

Gerben Quirijns, ATEam Project Director

Measuring HS2's impact

Demonstrating the economic effects of HS2 on the West Midlands

GBA: **Mobility** | Country: **United Kingdom**

Since the HS2 project received Royal Assent in 2017, the areas surrounding the planned HS2 stations in the West Midlands – such as Birmingham Curzon Street – have witnessed a wave of regeneration and investment. Yet, the potential economic impact of the rail project was unmeasured, based primarily on anecdotal evidence and individual case studies. Arcadis played a pivotal role in quantifying this impact, delivering the first comprehensive study to capture the economic benefits HS2 has brought – and will bring – to the region.

Drawing on 13 years' worth of planning application data from every local authority within 10 miles of the new HS2 stations, we compared development trends from before and after Royal Assent. Our analysis revealed that HS2 has catalyzed a strong increase in planned residential units, commercial floorspace, and overall investment, far outpacing growth in areas outside HS2's influence zones. The additional development linked to HS2 is set to deliver 704,000 square meters of new commercial space where local and small businesses can flourish, as well as tens of thousands of new homes and jobs – contributing £10 billion in economic uplift over the next decade.

41k
additional homes

30.9k
new jobs

£10 billion
added to the West Midlands economy over the next 10 years

> **"Arcadis' study provides definitive proof that investment and regeneration activity close to HS2's regional assets has surged since 2017, when HS2 from London to the West Midlands gained Royal Assent."**

Iain Andrews, Head of Campaigns, Creative and Events, HS2 Ltd

Enhancing Victoria's road networks

The Smarter Roads program

GBA: **Mobility** | Country: **Australia**

The Victorian Government's Smarter Roads program, a five-year AUD 340 million investment, was designed to enhance the efficiency, safety, and sustainability of Victoria's arterial road network. In response to Melbourne's growing population and rising demand for transport infrastructure, the program introduced 730 new traffic cameras, 260 travel time sensors, 42 electronic message signs, and 75 dynamic pedestrian sensors. These features have streamlined road operations, enhanced incident responses, and improved real-time traffic management.

Throughout the ambitious project, we provided critical expertise, offering rapid-response specialist support services and a proactive operating model for the Department of Transport and Planning (DTP). By implementing our global design solutions, the DTP gained real-time situational awareness and could execute more effective, data-driven decisions.

Our collaboration has enhanced the DTP's ability to forecast congestion and proactively manage road network demand. Furthermore, we supported the DTP's deployment of air quality roadside stations across Melbourne, monitoring greenhouse gases and noise pollution for a cleaner, healthier urban environment – and improving the quality of life for residents.

11
areas in metropolitan **Melbourne catering to pedestrian and vehicle demand**

260
travel time **sensors**

75
dynamic pedestrian **sensors**

> **"Arcadis has exceptional depth of knowledge in civil and transport engineering... The team's knowledge of our industry is second to none and they are always willing to help and go further than expected."**

David Eales, Director of Road Operations and Transformation

Intelligence

Summary highlights of our performance in 2024

Total headcount
in 2024

1,022

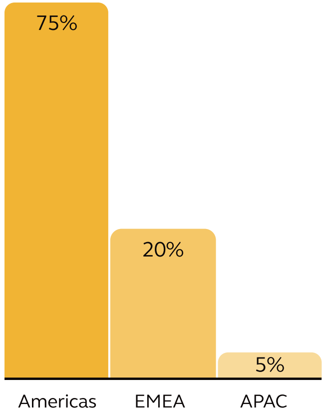
2023: 1,063

Total net revenue
in millions of euros

93

2023: 94

Geographical
Net revenues 2024 / Full Year in %



Total revenue
as % of total Arcadis

This was a year in which we collaborated closely with Resilience, Places, and Mobility, increasingly integrating our capabilities and solutions within client offerings throughout the entire business.

Enterprise Decision Analytics

One of our flagship products that has seen significant growth is Enterprise Decision Analytics (EDA), which is a platform that companies and organizations can implement to better understand their asset portfolios so they can make data-driven decisions about investment and maintenance.

In the transport sector, one of our biggest wins in 2024 was a five-year digital asset management contract with the Ministry of Transportation (MTO) in Ontario, Canada. Arcadis will spearhead the transformation of MTO's legacy systems, consolidating disparate assets into a centralized transportation asset management system and boosting sustainability. Another big achievement in the municipal sector, where we won a contract with the City of Henderson in Nevada, US to implement EDA for water and wastewater asset lifecycle planning and optimization.

When included as part of wider projects, EDA is also a product that can differentiate Arcadis in the marketplace. The Mobility GBA's proposition for the Fraser River Tunnel included EDA as part of the overall solution, which was a major contributor to the success of our bid.

Transit, traffic and urban mobility

Intelligence's portfolio of scalable digital products can be deployed to clients across a range of different industries, and in a variety of businesses and organizations. A range of successes from 2024 are highlighted on the right.

On the services side, we now have long-term fare payment, systems integration and systems management roles with four of the largest transit agencies in North America: Metrolinx Presto (Ontario), Clipper (San Francisco), MARTA (Atlanta) and – as of 2024 – MBTA (Boston).

Using digital products to unlock benefits for clients

- Our Enterprise Asset Management (EAM) solution, Arcadis EAM Core, remains an integral part of our portfolio, with many ongoing projects with rail clients in the UK, North America, and Australia
- HotSpot, our parking management digital solution, is increasingly breaking into larger urban centers in Canada and the US.
- CurbIQ, our digital tool to help cities better understand how their curbs are working today and improve operations in the future, also had a good year – with project wins in the City of West Hollywood, California; the City of Kirkland, Washington; and Los Angeles, California, which you can read more about here.
- Our Intelligent Asset Insights (IAI) product is being used to manage pavement health across road networks in the Netherlands, US, UK, Belgium, and France, where our clients can analyze video data to assess the condition and deterioration of pavements.

Advanced industrial manufacturing and tailor-made solutions

Our Intelligence portfolio is especially focused on the mobility sector, where we had a strong year both in terms of rolling out existing projects and securing new agreements. That said, we are investing in bringing our products and services to asset management in other sectors, including the property sector. Here, we can help clients efficiently and sustainably manage their built assets – including commercial buildings, public facilities, and infrastructure assets such as water and wastewater systems.

Embedding Intelligence's capabilities across Arcadis

Since the foundation of Intelligence, we have been making good progress in embedding our portfolio of digital products and services much more deeply into Arcadis' core business. Instilling a 'digital mindset' across Arcadis remains a priority, ensuring that digital technology and solutions are seamlessly integrated into everything we do for our clients. We continue to identify synergies between Intelligence and the other GBAs; learning what works well and enhancing our offerings to our clients by making Intelligence solutions a fundamental part of our go-to-market strategy and approach.

Through Intelligence, Arcadis is differentiating itself as a leader, offering smart, sustainable transformation solutions and products - for example in asset management, integrated mobility, smart buildings and future proof factories.

Looking ahead, we are focused not only on integrating Intelligence within client solutions across all the GBAs but also on embedding it into the way Arcadis operates globally. While we have established a strong presence in Canada, the US, and the UK, we are now expanding our pipeline of Intelligence consultancy and software product implementations across various sectors in other geographies.

By combining capabilities across multiple GBAs, products, and services, we can scale our digital solutions more effectively - harnessing the power of data to drive innovation and efficiency. Our deep understanding of markets, sectors, and clients informs our product development, ensuring we continuously enhance our offerings. With this 'One Arcadis' approach, we can deliver greater value and impact for our clients, strengthening our position as a digital leader.

- **Ontario Ministry of Transportation, Canada (Mobility/Intelligence).** We are implementing our Enterprise Decision Analytics solution to optimize investments in transportation infrastructure, consolidating disparate assets into a centralized asset management system. The scope extends beyond highways and bridges to encompass assets including lighting, traffic signals, overhead signs, airports, and intelligent transportation systems. By integrating these into a single system, we can streamline and optimize investment planning, enhance data sharing, and improve operational efficiencies.
- **Nevada Department of Transportation, US (Mobility/Intelligence).** In 2024 we were awarded multiple contracts to support Nevada's Highway Safety Improvement Program and its Multi-Application Geographic Information Center. The scope of work includes modernization of the statewide freeway management software by replacing the legacy Advanced Transportation Management System (ATMS) with our inSIGHT ATMS software. This enhances safety and reduces congestion by providing real-time situational awareness through video camera integration, traffic sensors, weather sensors, and other interfaces.
- **South West Water, UK (Resilience/Intelligence).** We secured a strategic design role with South West Water to support delivery of its capital investment program for AMP8. Our role encompasses technical advisory, feasibility studies, and outline and detailed design for capital schemes. Using digital design solutions - such as our Asset Generator software - we have been able to rapidly generate visual and data driven solutions – for example around carbon reduction strategies – early in the design process. Digital tools also play a role in our detailed process modelling, allowing us to assess and optimize the performance of both existing and new assets across multiple scenarios. This advanced modelling capability enhances our understanding of cause-and-effect relationships, so we can adapt designs swiftly and efficiently.

- **Confidential Financial Institution, US (Places/Resilience/Intelligence).** We have been appointed to create an actionable net zero roadmap by modeling 400+ buildings (offices, retail outlets, data centers) then translating results across our clients' entire portfolio. By reviewing and assessing existing data, we are validating current net zero targets and establishing a baseline for future reductions. Our digital carbon assessment tool, known as 'COSIS', is key in identifying and prioritizing potential reduction projects, enabling us to develop a tactical roadmap that will outline short-, mid-, and long-term steps to achieve net zero.

Market dynamics and opportunities

There are potential applications for intelligent solutions across a variety of industries and sectors. Asset management is a particular priority for our clients, and we are well positioned to support them by integrating digital solutions to assist in efficient, effective and sustainable operations.

Across Arcadis, we work in many fast-evolving industries, where technological innovations are unlocking new possibilities. At the same time, public bodies and private sector companies are facing increasingly complex challenges. This includes the challenges involved in managing ageing physical assets and infrastructure in a cost-efficient and sustainable manner. Similarly, there is also demand for ways to better manage the use of shared spaces in cities – such as roads and curbsides – as urbanization accelerates and the variety of transit options expands. Such challenges drive market dynamics as clients look for partners who can help them with efficient, intelligent, smart solutions, which is where we identify significant opportunities for our business.

> **"Our Intelligence business is integral to unlocking opportunities across Arcadis, enabling us to maintain and improve our growth strategy. With all the capabilities that we have, and by working in collaboration with the other GBAs, we can grow even louder and prouder in the market and make a bigger impact for our clients."**

Edel Christie, Chief Growth, Digital Intelligence & Advisory Officer

An augmented mobile mapping solution

Enabling efficient urban mobility in Los Angeles

GBA: **Intelligence** | Country: **United States**

Curbside space has become more sought after than ever, with ride-shares, delivery trucks, and bike-share programs all competing for limited space alongside private vehicles. To help public authorities respond to this challenge, we partnered with Urban Movement Labs in Los Angeles to pilot an innovative, budget-friendly mapping solution. Using our specialized CurbIQ tool, we used a smartphone-based, augmented mobile mapping (AMM) solution to capture curb data across the densely populated neighborhoods of Hollywood, South Park, Warner Center, and Maywood.

Normally, mapping is a complex surveying process where operators collect street-level data using multiple cameras. However, this pilot project leveraged smartphone technology to collect imagery, reducing costs. By using a more economical data-collection method, we created a digital curbside inventory that offers a clear view of assets like parking zones and signs – making this AMM option accessible to smaller cities on tighter budgets. The mapping solution gives drivers access to a digital map showing safe parking and regulations, while city officials can use parking and curbside data to assess street redesigns, optimize transport routes, and create safe bike lanes, enhancing public services and urban mobility.

90% signage detection **accuracy**

83 miles **analyzed**

8x faster to use AMM versus mapping **by foot**

> **“As a leading end-to-end curbside management solution, CurbIQ provides an innovative, efficient approach to meet the goals and objectives of cities worldwide.”**

Peter Richards, Product Bundle Director

Washington DC’s public property

Optimizing decision making and asset management

GBA: **Intelligence** | Country: **United States**

Washington DC and its municipalities were grappling with how to manage their assets and decide which future investment projects to prioritize based on available budgets. With more than USD 14 billion worth in assets – ranging from roads and bridges to schools and public buildings – the district needed a streamlined, accurate record of the condition of public property to maintain high standards of public services.

We introduced our Enterprise Decision Analytics (EDA) tool to create a reliable inventory of all district-owned assets, evaluating their condition and forecasting future requirements. The district gained clear insights into its assets' health and reliability, using EDA's predictive capabilities to prevent failures, cut down on maintenance backlogs, and enable informed investment planning. Our approach delivered significant results: the district achieved one of the highest bond ratings in the country for state and local governments, allowing for lower-cost borrowing. The comprehensive asset inventory analysis provides leaders with actionable data to prioritize projects, ensuring funds are directed where they’re needed most.

>14$ billion

value of **Washington DC’s public assets**

> “With our support, Washington DC can now strategically plan for growth, improve the resilience of its assets, and elevate the quality of life for its residents.”

Rob Corazzola, Global Sales Director for Enterprise Decision Analytics, Arcadis

The UK's largest railway franchise

Helping Govia improve operational efficiency

GBA: **Intelligence** | Country: **United Kingdom**

Govia Thameslink Railway (GTR)'s fragmented legacy systems were hampering fleet reliability and timetable efficiency. Searching for a way to unlock the potential of its data, and to make its IT systems more integrated and compatible with each other, the company asked Arcadis to implement its digital solution – Arcadis Enterprise Asset Management (EAM) – across all four of its brands: Gatwick Express, Great Northern, Southern, and Thameslink.

To implement the EAM solution and unify the brands' legacy systems under one comprehensive platform, our team worked on-site with GTR's engineering, IT, procurement, and maintenance depot teams. We established asset hierarchies, a mature suite of smart mobile applications to improve the productivity of GTR's services, and hundreds of predefined reports to enable more informed decision making. GTR's key decision-makers now have swift access to insights that help improve schedule reliability and fleet management. Beyond the initial implementation, we continue to support GTR's digital infrastructure, laying the foundation for world-class engineering and asset management that will serve the railway franchise and its passengers for years to come.

50% of UK rail fleet **managed by EAM**

20% **reduction** in maintenance costs

15% **increase** in productivity

> **"By consolidating asset data and processes, Arcadis EAM has delivered long-lasting improvements to Govia's service quality and reliability."**

Matt Goram, Enterprise Asset Management Delivery Director, Aracadis

Financial performance

We executed successfully in the first year of our strategic plan, expanding our Key Client program, automating our processes, training our people for the skills of tomorrow and increasing utilization of our Global Excellence Centers. This has driven margin expansion and strengthened our leading market positions globally. In a year marked by geopolitical uncertainty and major elections, we have continued to grow while remaining selective in the projects we pursue, improving backlog quality and further aligning our portfolio with solutions for the future of the planet. Our record backlog and pipeline provide multi-year visibility and position us well for 2025 and beyond.

Financial Highlights for the year:

- Record backlog of €3.7 billion, organic growth of 16%, from large multi-year project wins driving visibility
- Record net revenues of €3.9 billion, organic growth of 4.5%
- Strong Operating EBITA margin improvement to 11.5% (2023: 10.4%)
- Net debt / Operating EBITDA of 1.3x
- Record EPS of €2.70, proposed dividend increased by 18% to €1.00 per share (2023: €0.85)
- On track to deliver strategic targets set for 2024-2026 strategy cycle “Accelerating a Planet Positive Future”

Profit & Loss Items and Backlog

Net revenues totaled €3,880 million with an organic growth of 5%, reflecting good growth in Energy Transition, Climate Adaptation and Intelligent Highway solutions while being offset by the impact of increased selectivity in project pursuits. The operating EBITA margin increased to 11.5% (2023: 10.4%) driven by continued focus on sustainable project choices, a higher GEC contribution and internal efficiencies from standardization and automation efforts. Non-operating costs were €29 million driven by portfolio optimizations and merging of our offices.

Net financing expenses were €53 million (2023: €65 million), decreasing year on year as a result of an increased net derivative asset position. Net Income increased by 52% to €243 million (2023: €160 million) leading to a record EPS of €2.70. Net Income from Operations (NIfO) increased by 20% to €270 million (2023: €226 million), or €3.00 per share (2023: €2.51), as a result of improved performance.

Backlog Net Revenues ended at a record €3.7 billion resulting in an organic growth of 16%. A record order intake of €4.4 billion was driven by projects for clients in Mobility, Technology, Energy Transition and Climate Adaptation, and resulted in a Book-to-Bill of 1.14x for the year. Our strong backlog position and growing project pipeline are providing significant visibility on future performance.

Balance Sheet and Cash Flow Items

We achieved Net Working Capital as percentage of annualized quarterly gross revenues of 10.8% (2023: 9.3%). As a result, Days Sales Outstanding (DSO) was 61 days (2023: 56 days). Free cash flow was €183 million for the quarter resulting in €228 million for the full year (2023: €190 million), driven by improved performance and disciplined net working capital management. The strong cash performance resulted in further deleveraging from 1.7x Net debt / operating EBITDA in 2023 to 1.3x for 2024, below the strategic target range of 1.5 – 2.5x. Net debt decreased to €739 million (2023: €873 million) and includes a €51 million share buyback program for long term incentive purposes.

Investor Relations Policy

Arcadis has an active investor relations policy aimed at supporting the company's long-term plans by keeping existing and potential shareholders fully abreast of its strategy and latest operational and financial developments. To emphasize its focus on the long term, Arcadis releases a trading update for the first and third quarters of the year, and a full set of financial results for the full and half-year. Four times a year, at the presentation of its results, Arcadis hosts an analyst call, which is broadcasted live.

In 2024, Arcadis held investor roadshows and participated in (virtual) investor conferences in the world's major financial centers including Boston, Brussels, Chicago, Copenhagen, Frankfurt, London, New York, Paris, Stockholm and Toronto. Approximately 236 investors' meetings were held in the year.

Arcadis shares in general

Arcadis shares are listed on Euronext Amsterdam under the symbol ARCAD, where it is a constituent of the Amsterdam Midkap Index (AMX). The average daily trading volume in Arcadis shares on Euronext Amsterdam in 2024 was 262,379 shares, an increase of 36% versus 2023. Of the total volume traded, 70% of the shares were traded via Euronext, 29% via BATS, and 1% via Equiduct.

The largest shareholders in Arcadis

Lovinklaan Foundation	19%
APG Asset Management N.V.	6%
Amundi Asset Management	5%
Katalys[1]	4%
Capital World Investors	4%

[1] Arcadis has a long-standing and close co-operation with Katalys (formerly named Koninklijke Nederlandsche Heidemaatschappij) with respect to realising Arcadis' corporate social responsibility initiatives.

Share Price Development and Equity Research

Over 2024 Arcadis' share price increased by 20% to €58.80, outperforming its peer group, that increased by 13% over the year and the AMX index with a -10% result for the year. Arcadis equity research coverage increased from 11 to 12 active analysts over the year, with UBS onboarded. For a list of our current analysts' coverage please refer to: https://www.arcadis.com/en/investors/research-coverage

Arcadis' Peer Group

The peer group consisted of the following publicly listed companies in the consulting and engineering industry with activities and size comparable to those of Arcadis:

Aecom (New York Stock Exchange)
AFRY (The Nordic Exchange, Stockholm)
Alten (Euronext Paris)
Atkins Realis (Toronto Stock Exchange)
Fugro (Euronext Amsterdam
Jacobs (New York Stock Exchange)
Spie (Euronext Paris)
Stantec (Toronto Stock Exchange)
Sweco (The Nordic Exchange, Stockholm)
Tetra Tech (NASDAQ)
Worley (Australian Securities Exchange)
WSP (Toronto Stock Exchange)

Investor Relations Calendar

7 May 2025	2025 Q1 Trading update
16 May 2025	Annual General Meeting of Shareholders
31 July 2025	2025 Q2 & Half Year Results
30 October 2025	2025 Q3 Trading Update

Sustainability statement

Introduction and General Disclosures

Sustainability strategy

We are delighted to present Arcadis' first Sustainability Statement. We start this statement by outlining our ESG ambitions.

Our 2024-2026 Strategy - Accelerating a Planet Positive Future - sets our course to further excel in sustainability by integrating sustainability into how we run our own operations and into how we approach the projects we undertake for our clients. This strategy provides our people and our business with a clear purpose, as well as guiding us towards achieving our commitment to investors.

Based upon our company mission, 'improving quality of life', we find solutions to today's most pressing challenges, from the impact of climate change to increasing urbanization and digital transformation – all with the ultimate goal of improving quality of life for people around the world. This can be seen in the work we do for our clients, the opportunities we create for our people, and in our efforts to enhance the communities in which we live and work. The new strategy was defined with our core values – People First, Client success, Integrity, Collaboration and Sustainability – as strong foundation.

Increasingly, sustainability is key to getting projects funded, to securing acceptance by society and to winning work. Incorporating sustainability into our work can bring benefits like pricing power, cost reductions, a stronger labor market position, business opportunities for new products and services, as well as a reduction in risk and better access to capital. Sustainability is a key design principle when we work with our clients. Through our solutions, we are committed to contributing to the sustainable development agenda and having a positive impact on society, the people, and communities where we operate.

In support of mitigating climate change and improving equity, we intend that our Sustainability Statement provides relevant information that enables investors to make informed sustainability-related investment choices. Overall, the Sustainability Statement will serve to inform and involve them in our stakeholders in our ESG implementation journey.

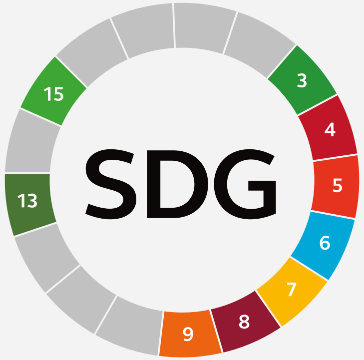
Arcadis will partner with clients on sustainable project choices that benefit their business and communities, and that support the Paris Agreement ambitions to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels by 2050. To this end, we will sharpen our pursuits and business selection criteria to deliberately focus on projects that accelerate a planet positive future and add the most value. We commit to achieving net zero across Arcadis' global operations by 2035.

Our commitment for 2024-2026 is to empower our people to shape their own future and advance their careers. We want them to develop new opportunities, to help them make choices based on their capabilities. This will allow us to continuously upskill and align expertise to the needs of our clients and their projects around the world. In 2024, we became a Skills Powered Organization, aiming to expand towards over 2,500 skilled energy transition professionals in our teams, and grow numerous capabilities in our GECs. These investments will ensure the long-term resilience of our people while enabling us to future-proof our business.

Sustainable Development Goals as strategic guiding principles

In previous years, the United Nations (UN) Sustainable Development Goals (SDGs) served as strategic guiding principles for Arcadis. With the introduction of CSRD, we have reviewed the selection of our 'focus SDGs' and 'special impact SDGs'. This review was based on the double materiality analysis (DMA) we carried out in preparation for CSRD implementation and compliance. Following this review, we have connected and integrated several SDGs into our CSRD implementation approach. Arcadis had previously developed five key sustainability lenses based on the UN SDGs. These lenses are: Energy & Carbon, Circularity, Nature & Biodiversity, Water Stewardship, and Societal Impact. Below, we have outlined how each of these key sustainability lenses relates to the European Sustainability Reporting Standards (ESRS), which form the backbone of our Sustainability Statement.

SDG Framework



SDG 3
Good health and wellbeing

Ensure healthy lives and promote wellbeing for all at all ages.

What we do:
- Proactive risk mitigation for health and safety for all staff activity
- Integrate wellbeing into all aspects of our people's work

SDG 4
Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

What we do:
- Life time learning for our people
- Promote technical education for women and children

SDG 5
Gender equality

Achieve gender equality and empower all women and girls.

What we do:
- Top company for women according to Forbes, Bloomberg and Financial Times
- Working with women-owned small businesses

SDG 6
Clean water and sanitation

Ensure availability and sustainable management of water and sanitation for all.

What we do:
- Water supply and waste water treatment design
- Water network optimization, leakage prevention

SDG 7
Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

What we do:
- Energy transition consulting
- Assist clients in decarbonization programs

SDG 8 Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

What we do:
- Make *sustainable project choices* when engaging with clients
- Create a skills powered organization

SDG 9 Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

What we do:
- Climate adaptation consultancy
- Industry 4.0 – Facilities of the Future

SDG 13
Climate action

Take urgent action to combat climate change and its impacts.

What we do:
- Climate adaptation solutions
- Set SBTi approved net zero target for 2035
- Help optimize the energy transition pathway for companies

SDG 15
Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

What we do:
- Assist clients in soil and water remediation projects
- Design nature positive solutions

Energy & Carbon

Our effort to mitigate future climate change impacts by taking the whole life approach to reduce carbon and cost in client projects through more sustainable design, construction and use. This lens reflects SDG 7 (Affordable and Clean Energy), as well as SDG 13 (Climate Action). All detailed information on these topics can be found in our ESRS E1 Climate change chapter.

Water Stewardship

A holistic approach to water resources that engages stakeholders comprehensively to achieve environmentally sustainable, socially equitable and economically beneficial water use for all, while ensuring the long-term health of water resources and the communities that depend on them. SDG 6 (Clean Water and Sanitation) aligns with this lens, and via ESRS E3 Water and marine resources chapter we report our detailed approach to this topic.

Circularity

A whole lifecycle approach to resource planning and efficiency with an aim to reduce waste, recycle, and move towards biobased and circular materials. Although the focus is on how materials can be reused or repurposed at the end of their initial useful life, planning for this starts at the earliest phases of a project. This lens is connected to SDG 9 (Industry, Innovation and Infrastructure). Detailed reporting is found within ESRS E5 Resource use and circular economy chapter.

Nature & Biodiversity

A project approach that recognizes the financial and non-financial values that can be delivered by incorporating nature and biodiversity positive elements into designs and aims to maximize the benefit to the project owners and habitats/ecosystems. This lens connects to SDG 15 (Life on Land) and reporting can be found via the chapters ESRS E2 Pollution and ESRS E4 Biodiversity and ecosystems.

Societal Impact

Recognition that the projects we deliver have an impact that extends far beyond the project owner. An effort to ensure that all stakeholders are considered and the impact of our projects is positive and just, while respecting human rights and promoting health and wellbeing. SDG 3 (Good health and well-being), 4 (Quality education), 5 (Gender equality) and 8 (Decent work and economic growth) fall within the scope of this lens, and reporting can be found in the ESRS S1 Own workforce and ESRS S2 Workers in the value Chain chapters, as well as the social impact program “Local Sparks”, covered in our strategy update.

For further details on Arcadis’ products offering, headcount details and revenues per each of the areas in which Arcadis is active, see also the Executive Board Report, within the updates on our Global Business Areas and the ‘At a glance’ pages.

Benchmarks

Arcadis measures, monitors, and communicates its sustainability performance in a manner that is transparent and responsive to the needs of stakeholders. Our ESG performance is reflected in several third party assessed ESG performance benchmarks and assessments, including Sustainalytics, CDP, MSCI, ISS and EcoVadis. We take a pro-active approach in disclosing our policies, programs, actions, and results. We welcome feedback from these ESG rating agencies on our journey to continuously improve and maximize our positive impact to society, through the projects we undertake for our clients, in our own business operations and through the way we engage with people and communities.

The table below shows our scores for several key ESG-related rating agencies over the last two years.

	Score		Rank	
	2024	2023	2024	2023
Sustainalytics (Lower ESG Risk Rating score = lower risk)	ESG Risk Rating: 15.5	ESG Risk Rating: 15.3	Top 2% (3rd place) in industry Top 14% of all companies (15,000+ companies)	Top 2% (3rd place) in industry Top 12% of all companies (15,000+ companies)
EcoVadis	Overall score: 84/100 points Platinum medal	Overall score: 77/100 points Platinum medal	Top 1% of industry Top 1% of companies globally	Top 1% of industry Top 1% of companies globally
MSCI	AA 'Leader'	AA 'Leader'	N/A	N/A
ISS ESG Corporate Rating	C+ 'Prime status' (designated status for industry leaders)	C+ 'Prime' status	Within top 10% (1st decile) of industry	Within top 10% (1st decile) of industry
CDP Climate change questionnaire	B	A-	Management category	Leadership category

CSRD - General disclosures

Statement of compliance

The Sustainability Statement for the financial year ended 31 December 2024 has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and is compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). We draw your attention to the fact that this Directive has not yet been transposed to the Dutch national law, which might lead to different interpretations in future.

In line with the requirement in ESRS 1, we have included the prescribed disclosures pursuant to the EU Taxonomy regulation (Article 8 of Regulation (EU) 2020/852 and the accompanying delegated acts) as a separately identifiable chapter within the Sustainability Statement. The publication of the detailed tables required by the Taxonomy Regulation can be found in the annex.

Arcadis remains committed to the Sustainable Development Goals (SDGs) and the Task Force on Nature-related Financial Disclosures (TNFD), albeit with a lighter emphasis than in previous years. The Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), and United Nations Global Compact (UNGC) are fully incorporated into the ESRS.

Regarding the reporting framework, Arcadis seeks compliance with the ESRS and utilizes the EFRAG GRI-ESRS interoperability index for cross-referencing with the GRI standards. ESRS E1 fully incorporates the TCFD guidelines according to the EFRAG reconciliation. Lastly, Arcadis has been a member of the United Nations Global Compact (UNGC) since 2009 and supports the Ten Principles regarding four areas: human rights, labor standards, environmental stewardship and anti-corruption. Our operations and strategy reflect the UNGC principles and our membership of UNGC is a testament to our commitment and our ambition to be a sustainability leader. Our UNGC Communication of Progress (CoP) is available on our website.

Basis of preparation

Scope

The Sustainability Statement incorporates information about Arcadis N.V., encompassing its controlled entities in scope of consolidation in the Consolidated Financial Statements (as included in Note 1 to the Consolidated Financial Statements). Where applicable, information presented contains information about own operations and value chain, including products, services in business relationships and its supply chain. This Sustainability Statement represents the consolidated sustainability statement of the Group. Henceforth, any reference to a sustainability statement will pertain to the consolidated sustainability statement. Arcadis is applying the option to omit specific information related to intellectual property, know-how, or innovation results.

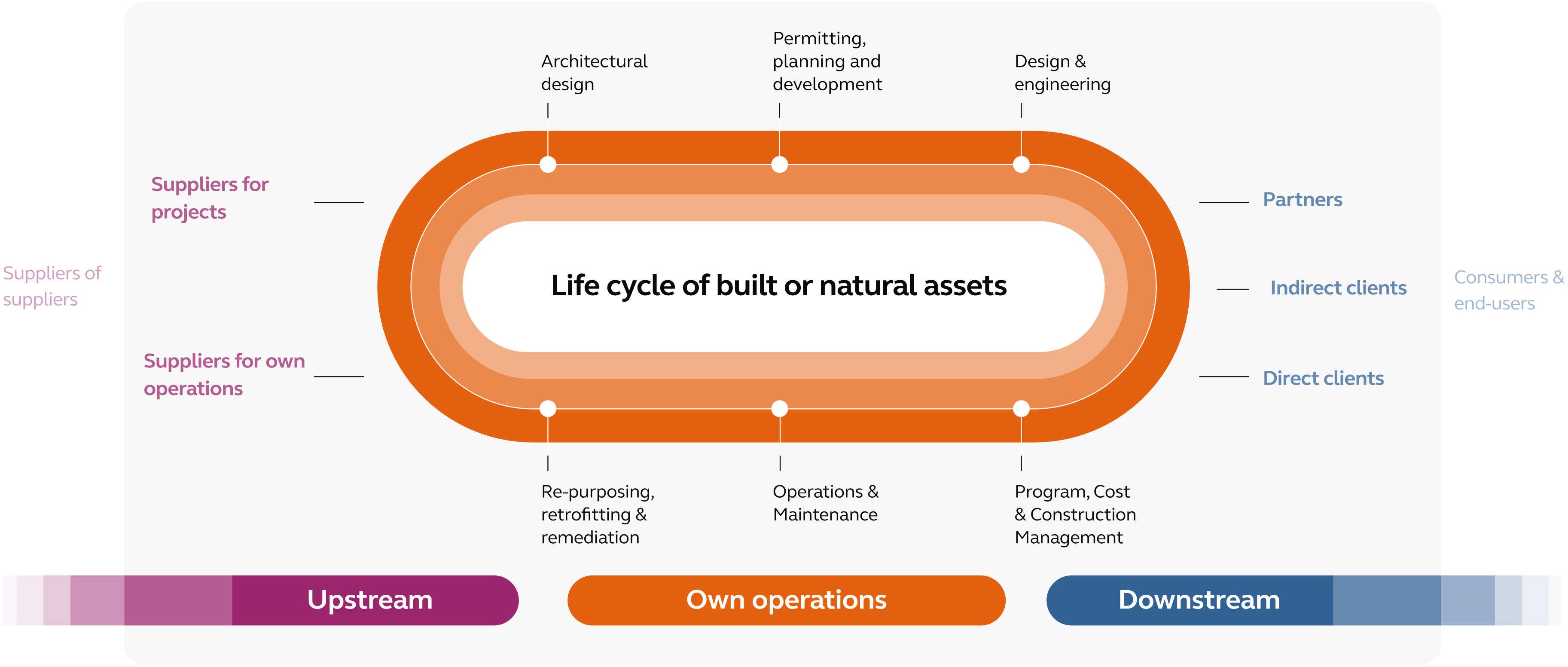
Arcadis has a global business model, which is applied throughout all our departments and the countries and jurisdictions we work in; no exceptions are made to this global approach. Similarly, the implementation of CSRD has one approach without differentiations: we have global standards, global policies, global targets and a global way of working. Potential regional differences in Impacts, Risks and Opportunities are addressed in this global approach. For illustrative purposes some local examples have been added into the Sustainability Statement.

Value chain

The term “own operations” refers to our workforce, and the elements of our operations over which we have direct operational control.

In our upstream and downstream value chain, we recognize participants as follows:

- Upstream: The actors in our upstream that provide products or services that are used in the development of Arcadis products or services, including procurement activities linked to our project execution and ongoing business operations.
- Downstream: The actors that receive products or services from Arcadis, including clients and the assessment of (outcomes from) our projects. We report on certain aspects of the value chain by presenting detailed strategic information in a qualitative manner rather than quantitative, due to the sensitivity of this market information. This approach is primarily reflected in the required quantifications when addressing value chain-related risks and opportunities.



From a value chain perspective, we expect our suppliers to conduct their operations in an environmentally, socially, and economically responsible way and to use their influence to help ensure the same happens within their own supply chains. We also carefully select the clients we want to work with, and we subsequently vet the projects we want to engage in. This is enacted via client due diligence as well as via “making sustainable project choices”, one of the three strategic focus areas of our 2024-2026 Strategy, as outlined in our Executive Board Report. Within our service delivery we adhere to the applicable standards as defined by local legislation and regulation and align with standards set by our clients, as applicable. When a project is closed out, Arcadis hands over responsibility for the project to the client. Upon acceptance by the client, our involvement stops. If a product or service provided by Arcadis proves defective, we may become re-involved in a project. Reporting on value chain-related matters will be established throughout the allowed phase-in period of three years. These three years of extra time are granted by the European Commission to prepare reporting on the most challenging and hard-to-obtain data.

Double Materiality Analysis

An important cornerstone of ESRS disclosures is the double materiality assessment (DMA). This assessment determines the material sustainability matters (and their associated impacts, risks and opportunities) about which a company must disclose. The double materiality process and outcomes are described in the “impact, risk and opportunity management” section of this chapter, with additional details provided in each ESRS chapter. Based on the material topics and the identification of material IROs, we have determined which data points are considered material and fall within the scope of this Sustainability Statement. The data point list was formed in accordance with EFRAG’s Implementation Guidance 3 – List of ESRS Data Points. We then assessed each data point at the data point level to confirm its materiality. The outcome of the DMA serves as the starting point for our topical disclosures, as outlined in the Environmental, Social, and Governance chapters. Where applicable, Arcadis makes use of the possibility to phase-in certain disclosure requirements during the transitional period.

The double materiality assessment process may be impacted in time by sector-specific standards to be adopted. The sustainability statement may therefore not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder may consider important in its own assessment.

Time horizons

In general, Arcadis assesses material impacts, risks and opportunities (IROs) over the short, medium and long term. For forward-looking information on Arcadis’ material IROs in the Sustainability Statement, Arcadis defines:

- One year as short term;
- Between one year and three years as medium term; and
- More than three years as long term.

The time horizons are aligned with the annual financial reporting period and the three-year strategic cycle adopted at Arcadis. An exception is made for the climate-related risks and opportunities identified under ESRS E1, which were aligned with the time horizons applied for Arcadis' TCFD 2023 submission and which have therefore not been updated for 2024. For these disclosures, the time horizons are: short term (0-3 years, from 2023 to 2026), medium term (3-8 years, from 2023 to 2031), and long term (10-30 years, from 2023 to 2050).

Sources of estimation, outcome uncertainty and comparative data

The preparation of the Sustainability Statement requires management to make judgements, estimates and assumptions that may affect the reported information. The estimates and assumptions are based on industry standards, experience and various other factors that are believed to be reasonable under the circumstances. The use of estimates as well as the use of indirect sources such as sector-average data or proxies is explained in each topical standard chapter where applied, and is detailed in the Glossary. The most significant estimations are made within the carbon footprint measurement and within the calculations of the metrics regarding payment practices, followed by calculations for metrics in the Water and Waste paragraph. Indirect sources of data are used in the carbon emission scope 3 category 1 reporting, for which we used inputs from CDP (see the E1 chapter and Glossary comments on Estimates). Where feasible, the quantitative data in this report is presented alongside comparative data from the previous financial year for context and clarity. In case of changed definitions, we have restated the comparative data if the change is greater than our threshold of 5% change in the total corporate-wide GHG emission inventory relative to the previously reported value.

Changes in preparation or presentation of sustainability information and prior period errors

Arcadis' GHG inventory has been adjusted for the year 2023 due to an update in our calculation methodology for the estimated part of our purchased goods and services. The published value for the year 2019 doesn’t change because the calculation methodology resulted in a difference that is below our threshold of 5% change in the total corporate-wide GHG emission inventory relative to the previously reported value. The 2023 reported value for scope 3 category 1 changed from 181,000 to 202,000 (tCO_2eq). Additional details are presented in chapter E1.

EU taxonomy results have been adjusted retrospectively for the year of 2023 after additional analysis in 2024. Eligibility for 2023 went up from originally reported 17.7% to 34.8% following the addition of the revenues of most of the Environmental Restauration solution. Alignment went down from 13% to 0% as the ongoing effectiveness tracking of our adherence to UN Global Principles on Human Rights is on several ways already in place, but not yet on all aspects, and by that is not meeting all alignment criteria. Any other changes in underlying calculation methodologies are explained in each topical standard chapter where applied.

Incorporation by reference

Some ESRS are closely linked to requirements that Arcadis is already subject to, for example the requirements prescribed in the Dutch Corporate Governance Code to describe our governance structure. These requirements are therefore not included in the Sustainability Statement, but in other relevant chapters of the Arcadis Annual Integrated Report, and we incorporate information by reference to those chapters.

- Information of strategy, business model, headcount and revenue per GBA, and the relevance of material sustainability matters: as included in Executive Board Report (Accelerating a planet positive future, Our current strategic context, Strategy progress update, The Global Business Areas).
- Information related to the administrative, management, and supervisory bodies: as included in Governance & Compliance Chapter (Introduction to the Executive Board and the Executive Leadership Team, Composition of the Executive Board, Composition of the Executive Leadership Team, Introduction to the Supervisory Board, Composition of the Supervisory Board, Supervisory Board Report, Other Governance information).
- Sustainability-related performance in incentive schemes: as included in Remuneration report (Short-term Variable Remuneration, Long-term variable remuneration: performance shared).
- Information related to the Arcadis Risk and Control framework: as included in the Enterprise Risk Management chapter.
- Information on compliance and governance regarding business conduct in supplier relationships and payment practices as included in the Governance section within the Business Ethics chapter.
- Specific monitoring details of AGBP and the Grievance System as included in the Business Ethics chapter under Monitoring and Accountability, Integrity Line, Seek Advice, and Speak Up.
- Information related to current financial effects of the entity’s material risks on its financial position as included in Enterprise Risk Management section in the Governance and Compliance chapter.

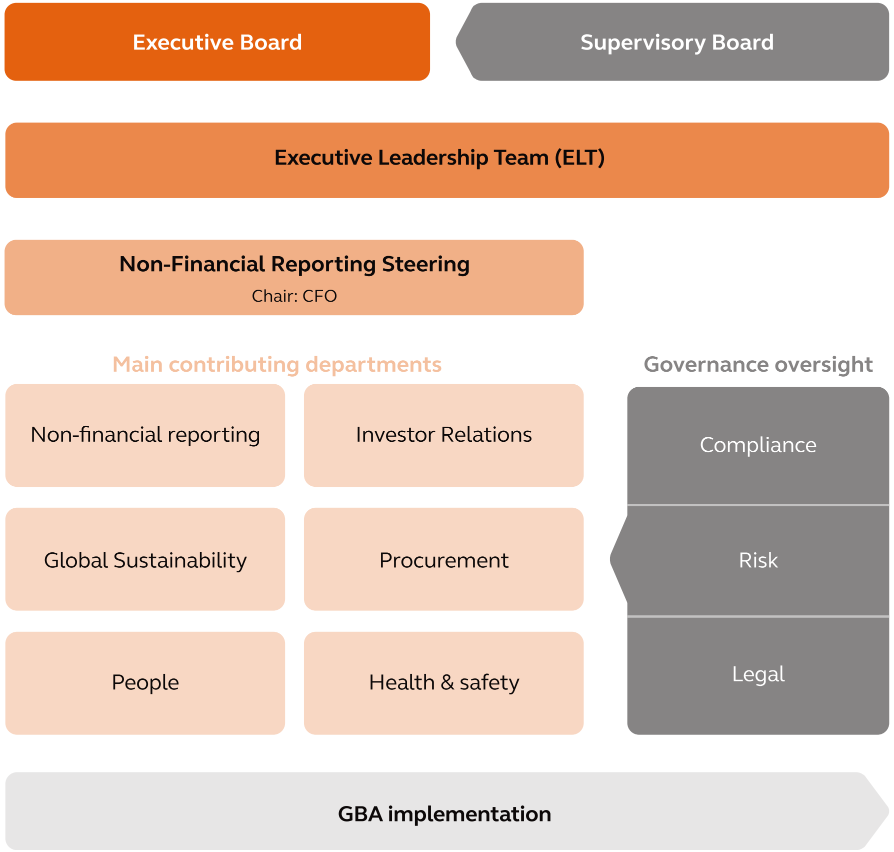
Governance of sustainability matters

Below, we set out the governance structure and processes, controls and procedures put in place to monitor and manage sustainability or ESG matters, focusing primarily on the Executive Board and the Supervisory Board. The composition of these management bodies is listed in the respective chapters of the Arcadis Annual Integrated Report (Composition of the Executive Board, Composition of the Executive Leadership Team, Composition of the Supervisory Board).

Roles and responsibilities

For the governance on CSRD implementation, the roles are defined as follows:

- The Supervisory Board Sustainability Committee (SusCo): assists and advises the Supervisory Board on sustainability matters. The SusCo prepares plenary discussion and decision-making for the Supervisory Board on items within the remit of sustainability. The SusCo composition is further specified in the Supervisory Board Report.
- Executive Leadership Team (ELT), including Executive Board members: responsible for the final review and approval of progress and direction, facilitating leadership endorsement and accountability, and enabling the integration of internal stakeholders' views into strategic decisions. The ELT receives consolidated inputs on a quarterly base to evaluate, and gives final approval on the solutions' design effectiveness. Where required, further implementation across the business, along with performance monitoring, is assigned to Global Business Areas (GBAs) and respective departments to ensure operational effectiveness.
- NFR Steering Committee: monthly discusses the progress overview, delivers strategic guidance, approves methodologies, and creates alignment with the company's goals. The Steering Committee also discussed the identification of relevant metrics and guided target setting where applicable. The Steerco consists of the Chief Financial Officer, Chief Growth Officer, Global General Counsel, Global Accounting Officer, one of the two Global Sustainability Directors, the ESG Relations & Public Affairs Director and the Global Managing Director of Sustainability Advisory.
- NFR Team: manages the coordination of the various work streams, creates and shares monthly reports on the implementation of all CSRD requirements. The team aligns with all contributing departments as well as with those that also have an oversight.



While the NFR team and NFR Steering Committee focus on the specific reporting requirements from CSRD, the content and implementation side of sustainability is driven by other teams. The Arcadis Global Sustainability team is responsible for the global Sustainability Program, and its Global Sustainability Directors report directly to the ELT member accountable for Sustainability, while ELT and the SusCo provide guidance and direction.

Employee representation in governance

Besides the direct governance around sustainability, it is important to stress the valuable role of our employees.
As the largest shareholder of Arcadis, with 18% of the company's shares, the Lovinklaan Foundation holds a significant role in shaping Arcadis' future. What sets Lovinklaan Foundation apart is its composition: the entire Board of the Lovinklaan Foundation consists of Arcadis employees from diverse backgrounds and countries across the globe. Guided by the Articles of Association established in 1981, the Foundation's purpose is to promote the continuity of Arcadis and advance the interests of Arcadis workforce worldwide. It achieves this by reinvesting its dividends directly into Arcadis' people, funding programs that empower employees of Arcadis to develop their skills and contribute meaningfully to Arcadis' success.

Employee representation in governance can also be seen via the Bellevue Foundation, which consists of ten Arcadis employees, and is the holder of 600 priority shares in the capital of Arcadis. Members of the Bellevue Foundation form half of the members of the Board of the Priority Foundation. The remaining members of the Priority Foundation Board consist of representatives from the Arcadis Supervisory Board, the Executive Board, and one member from the ELT. All priority shares that have been issued since 1987 are held by the Priority Foundation Board.

Employee feedback on ESG-related matters is actively sought through a variety of informal channels. These include engaging platforms such as Communities of Practice , interactive webcasts, specialized training sessions, regular dialogues between employees and managers, and Your Voice surveys. This diverse range of channels not only provides continuous feedback collection but also demonstrates a deep commitment to valuing and integrating employee perspectives on essential ESG issues.

Integration of sustainability-related performance in incentive schemes

Goals related to ESG aspects are included in the long-term incentive (LTI) performance targets for the Executive Board and ELT. These goals are also cascaded down to the senior leadership levels. A detailed breakdown of the targets, including the 2024 performance, is also included in the Remuneration report (Short-term Variable Remuneration, Long-term variable remuneration: performance shares). The remuneration of Supervisory Board members is not dependent on company results.

Due diligence statement

In 2024, we established the design of our due diligence processes by integrating human rights and environmental due diligence into both our overarching Sustainability Policy and our Third-Party Due Diligence Policy . As part of our continuous improvement process, our near-term objective is to develop procedures that further operationalize these policies. In the annex a table is added with all required references to due diligence.

Risk management and internal controls over sustainability reporting

Arcadis has implemented a system of risk management and internal control to mitigate and manage risks around sustainability reporting. The main risks identified are listed below, with the mitigating strategy for these risks represented by the system of risk management and internal control over sustainability reporting:

- The risk of material misstatement due to omissions, errors or incomplete data in our sustainability reporting.
- The risk of non-compliance with regulatory requirements and standards.

Our system of risk management and internal control over sustainability reporting is aligned to the proven principles of the Committee Of Sponsoring Organizations (COSO) Integrated Framework. The key features and components are described in the table below:

Component	Description
Control Environment	Our company values, strategy, AGBP and sustainability policies provide the pervasive environment for controls over sustainability reporting. The Supervisory Board Sustainability Committee, EB, ELT and Non-Financial Reporting (NFR) Steering Committee provide oversight of sustainability reporting.
Risk Assessment	We have performed both a Double Materiality assessment and Impact, Risk and Opportunity assessments of all applicable aspects of ESG. Sustainability is embedded within the specific risk categories of the ARC framework (more details of which can be found in the Enterprise Risk Management chapter of this report). Multiple functions, including the NFR, Global Sustainability, Human Rights and Compliance teams continuously assess laws and regulations that impact ESG topics.
Control Activities	The majority of the data used for Sustainability reporting is prepared by GBAs and the Finance, Workplace, Health and Safety, Procurement, Global Sustainability and People teams and business processes therein.
Information and Communication	A broad range of ESG training is provided, including Sustain Abilities which aims to help all Arcadis employees to have a common language and understanding of sustainability. We have collated the relevant data from our business information systems, which are supported by our internal control and monitoring systems (including IT General Controls), and from suppliers and other sources. This is centrally consolidated by our NFR function and ultimately reviewed by our Finance function.
Monitoring Activities	Risk Management provide second line assurance as part of the annual Risk Assurance Program. In 2024, Internal Audit have also provided assurance over compliance with CSRD. Any deficiencies are reported as described in the Enterprise Risk Management chapter of this report.

Developments in sustainability reporting will be monitored going forward and our system of risk management and internal control will evolve accordingly.

Integrating sustainability in our way of working and culture

Training and development

Acquiring and maintaining knowledge on sustainability matters is of critical importance to Arcadis. Our commitment to sustainability has enabled us to develop expertise among our employees and board members. Arcadis is determined to share and leverage this knowledge on behalf of our clients and to continuously improve our sustainability-related knowledge and capabilities. Through training programs, Arcadis seeks to further equip its people with tools to address the sustainability needs of its clients.

Arcadis developed an online training program, Sustain Abilities, supported by the Lovinklaan Foundation. Sustain Abilities consists of a series of e-learning modules developed by Arcadis experts for all Arcadis employees. Since the way we understand and talk about sustainability is different across the globe, our first objective was to create a common language and understanding of sustainability and basic sustainability concepts.

SUSTAIN ABILITIES
Powered by Lovinklaan Foundation

Basic
Sustainability Knowledge

Module 1
What is sustainability?
- What is sustainability?
- The challenge of sustainability
- The levers of climate action

Module 2
Arcadis' sustainability strategy
- Our sustainability strategy and ambition
- Net zero, 5 sustainability lenses, and our projects
- Sustainability for our clients

Module 3
Understanding (y) our impact
- Understanding stakeholders
- Engaging stakeholders
- Stakeholder impact

Module 4
Greenwashing risks & lessons
- What is greenwashing
- Best & worst practices
- Getting it right at Arcadis

SUSTAIN ABILITIES
Powered by Lovinklaan Foundation

Focused
Sustainability Knowledge

Module 5
Applying sustainability in projects
- What sustainability means to our clients
- Six opportunities for sustainable outcomes
- Sustainability ambition levels and KPI's

Module 6a
Understanding the Carbon Challenge
- Carbon basics explained
- Carbon in our projects
- Organizational carbon (footprint)

Module 6b
Addressing the Carbon Challenge
- Standards and tools
- Carbon removal and offset
- Decarbonization strategies

Module 7
Sustainable Design
- Principles and Benefits of Sustainable Design
- 5 Sustainability Lenses and Sustainable Design
- Design Guides per GBA

Module 8
Nature & Biodiversity
- Nature basics explained
- Biodiversity focus
- Nature based solutions

Module 9a
Understanding Energy Transition
- Energy transition defined
- Core goals of energy transition
- Challenges in energy transition

Module 9b
Energy Transition - Solutions
- Arcadis' perspective on energy transition
- Client Challenges
- Solutions for Energy Transition

Module 10
Water Stewardship
- Water stewardship defined
- Global challenges to sustainable water management
- Water and Climate Connection
- Water resource management frameworks

Module 11
Sustainable Procurement
- What is sustainable procurement?
- Potential benefits of sustainable procurement
- Sustainable Procurement at Arcadis

Module 12
Circularity
- An overview of Circularity and Circular Economy
- Circular Principles and Practice

Module 13
Societal Impact
- Understanding social value
- What is societal impact?
- Societal impact legislation
- Embedding social value into projects and programs

Sustain Abilities has significantly grown in scope since its 2023 launch. New modules have been added, covering topics such as low-carbon energy transition, water resource management amid climate change, sustainable procurement, circular economy integration, and societal value creation in Arcadis projects. To broaden the program's reach, we have made the initial five modules available in six additional languages. Further, we have increased the frequency of live training sessions for four of the modules fostering global engagement and knowledge sharing among employees. More live sessions in English and local languages are planned for 2025.

All ELT and Supervisory Board members are expected to have a sufficient level of knowledge and understanding of sustainability. When assessing candidates to join the ELT or Supervisory Board, we consider each candidate's knowledge and experience of ESG matters, so that the ELT and Supervisory Board will be equipped with the appropriate ESG-related skills and expertise, on both an individual and collective level, in order to understand and steer on the relevant ESG related matters.

Interests and views from stakeholders

In line with the Dutch Corporate Governance Code 2022, we have published an Arcadis Stakeholder Engagement Policy on Sustainable Topics. As detailed in the policy, we engage with a broad range of stakeholders, including employees, shareholders and potential investors, clients, suppliers and subcontractors, business partners and non-governmental organizations as well as – where necessary – with people impacted by the projects Arcadis undertakes on behalf of its clients. By following this Stakeholder Engagement Policy, we aim to build trust, foster collaboration, and integrate stakeholder perspectives into our decision-making processes and strategy. Throughout the year, the Executive board and Supervisory board are regularly updated with insights from our client experience program, employee engagement initiatives, and investor feedback. As part of our DMA, we also consulted with representatives from these key stakeholder groups to assess the materiality of sustainability topics. The outcomes, representing all stakeholder perspectives, were reviewed and approved by the ELT and Executive Board, and were shared with the Supervisory Board.

Stakeholder channels

See below a table of the key stakeholders, engagement methods and considerations:

	Engagement method	Key interests	Outcome consideration
Employees	• Quarterly survey Your Voice to understand what influences employee experience and engagement • Virtual global and country Town Hall meetings to inform our people on organization's decisions • 5 Affinity Groups on diversity themes • Training and development programs	• Experience as an Arcadian – talent engagement, and personal development, diversity representation, inclusion and belonging • Business strategy progress and implementation • Health and safety issues	• Feedback informs strategic decisions and workplace improvements • Open and inspirational environment, sense of ownership and belonging • Actions that demonstrate that the business cares for people's wellbeing
Shareholders & investors	• Publication of trading updates (quarterly, HY and FY figures) and other press releases • Direct contact with investors and shareholders (e.g. online meetings and face to face roadshows and conferences) • Responding to Investor and Rating Agencies questionnaires	• Financial returns, growth strategy, risk management • ESG-performance	• Enhanced shareholder return • Expansion of shareholder base
Clients	• Annual Client Experience Surveys • Targeted interviews	• Project outcomes and satisfaction • Sustainability strategy and net zero commitment	• Client feedback drives service improvements and business strategy
Suppliers & subcontractors	• Ongoing interactions focused on project delivery and sustainability	• Fair practices, sustainability, timely execution	• Supplier input informs procurement strategies and sustainability efforts
NGOs	• Collaboration on sustainability projects • Direct contacts	• Environmental impact, social equity	• NGO contributions influence sustainability initiatives and practices • Progress on our human rights program

Material IRO’s and their interaction with strategy and business model

As part of our DMA, we assessed the impacts, risks, and opportunities (IROs) related to ESG issues and how they align with our strategy and business model. This evaluation involved engaging with internal and external stakeholders to assess both impact and financial materiality across the topics identified as material for Arcadis. The outcome is an outline of the material potential and actual IROs across our own operations and value chain.

We actively embed sustainability in our strategy, business model and decision making (see also the Strategy section of this Annual Integrated Report). We are in the process of progressively building the ability to evaluate when appropriate the current and expected financial effects of sustainability-related topics. Our 2024-2026 strategy, Accelerating a Planet Positive Future, has been designed with sustainability at its core, and its underlying financial framework is resilient to incorporate the identified sustainability related financial risks and opportunities. Continuous tracking of the overarching progress of the CSRD implementation will be continued by the NFR team and others, and deviations of the plans to address the material IROs will be reported via the monthly Steering committee sessions to ELT and others.

Material IROs have been identified and included in the 2025 planning process in accordance with the guidance/regulation provided by CSRD. Regarding the material IROs related to our own operations, we are now defining roadmaps that integrate our policies, actions and targets where required, which will be then implemented in day-to-day management processes. Tracking of the effectiveness of these policies, actions and targets, as well as the identification of any new risks and opportunities via the annual process of the DMA update, will follow throughout 2025 and later years. The NFR team will organize this and revert the findings to the NFR Steering Committee, and if necessary other governance bodies. For the material IROs that are related to impact within the value chain, Arcadis will take a phased approach and disclose progress at a later date.

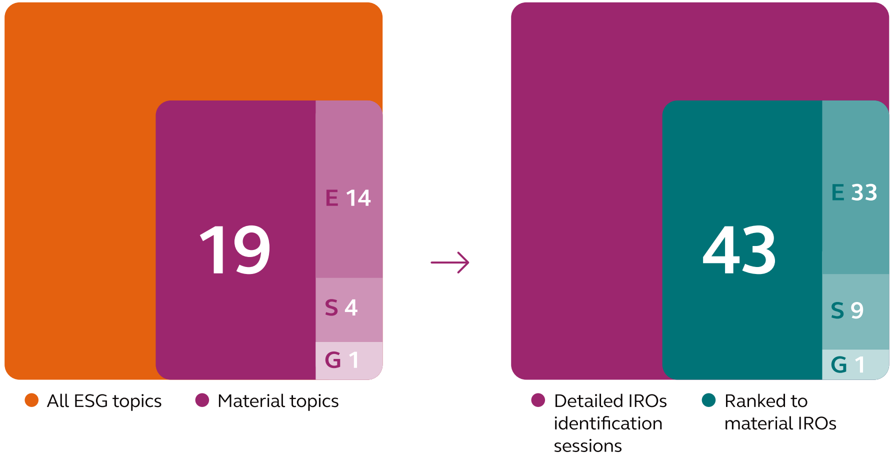
For more detailed information on the identified material IROs, please see the dedicated disclosures in the Environmental, Social, and Governance chapters. Further details on the steps taken in the DMA are provided in the following paragraph.

Process to identify and assess material impacts, risks and opportunities

We adopted a two-phase approach to identify the materiality of topics (phase 1) and further material IROs (phase 2) , based on the thresholds that were defined. Four steps are outlined in the following visual to illustrate our process as well as the resulting material topics and IROs across Environment, Social, and Governance.

Phase 1:
Material topics identification

Phase 2:
IROs identification



Understand the organizational context

Internal expert & external stakeholder engagements to identify topic materiality

Assess detailed impacts, risks, opportunities on material topics

Management assessment

Final reporting scope

Phase 1

During the initial stage of the DMA, we conducted background research on potentially material topics for Arcadis. This involved examining various sources, including:

- ESG rating agencies for insights on material topics within our broader and specific sectors, along with those of our suppliers and their industries;
- Sustainability reports from peers;
- Impact materiality assessments from previous years;
- Sustainability matters listed in ESRS.

This information shaped our understanding of potentially material ESG topics for Arcadis.

We conducted stakeholder engagement sessions, both internally and externally, to assess the material topics for Arcadis. Internally, we engaged with various departments, including Growth, People, Compliance, Sustainable Procurement, Global Sustainability, Risk, and the client-facing Sustainability Advisory group. A random selection of employees was also invited to represent employees' views. Externally, we obtained input from clients, NGOs, experts, investors and suppliers using a consistent virtual format consisting of a presentation and discussion.

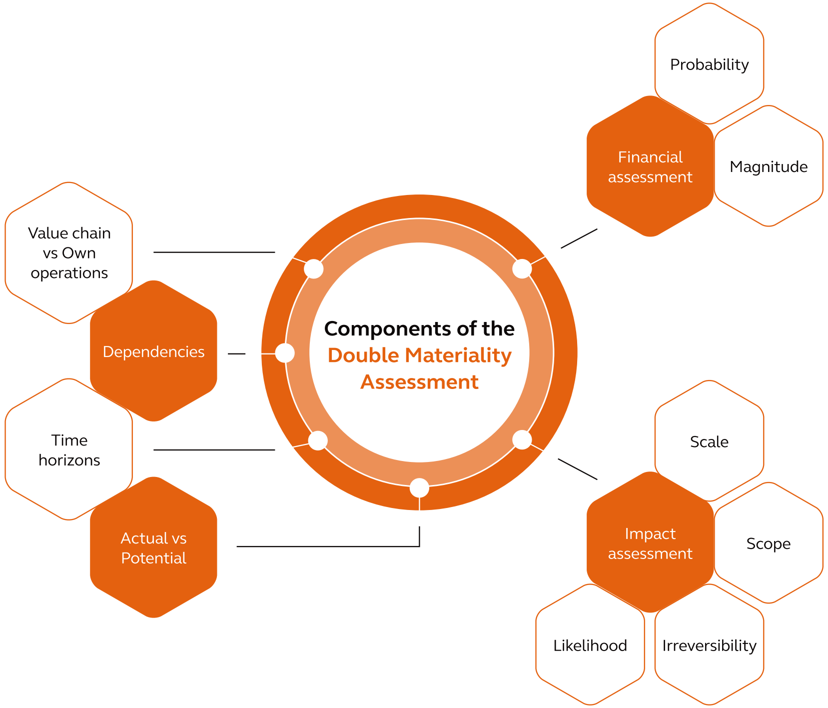
Phase 2

We conducted a series of workshops involving internal subject matter experts to evaluate and calibrate both potential and actual IROs across all identified material topics. These workshops assessed IROs based on CSRD requirements and Arcadis' thresholds, considering factors such as severity (scale, scope, and irreversibility) and likelihood. This evaluation was segmented by value chain area (upstream, own operations, downstream). Impact was considered from an individual project perspective, as well as from framework contracts and overarching client perspectives. Impact was identified as either global or local, and we identified which GBA(s) could be impacted.

Financial materiality scaling was internally determined based on relevant financial metrics and in close cooperation with senior financial management. The dependencies Arcadis has on natural and human resources, and how these dependencies result in both risks and opportunities, were considered. Arcadis' business primarily relies on human capital, with dependencies on our staff, contractors, value chain workers in terms of our ability to serve our clients. Such considerations are reflected in the financial materiality assessment.

For all IROs, both financial (risk and opportunity) and environmental and social impact (positive and negative) were evaluated using five-point scales from 1 (very low) to 5 (very high). Items with a very high score were classified as material based on the materiality thresholds. If no material IRO was identified for a topic, that topic was removed from the shortlist of material topics.

Within the DMA, a global approach was adopted where participants were requested to consider both global perspectives and potential local and/or entity-specific perspectives.



Finally, we generated a shortlist of material topics and their associated IROs. This was informed by the outcomes of the workshops.

The shortlist underwent validation by internal stakeholders, specifically the NFR Steering Committee, the internal audit team, and management teams of subject matter experts who had been involved in the DMA process. The ELT endorsed the results after a final management review.

We commit to an annual review of the DMA so that we can update our material IROs, starting in 2025. Once every three years, we will carry out a more extensive review, and in other years we will take a lighter approach. This will enable us to maintain continuation and multi-year focus on our goals.

Double materiality results

The results of the scoring indicated that the most material impacts are found within our value chain, specifically in our projects and with our clients. These impacts are more positive than negative. The combined stakeholder view is that the developments in many of these areas create opportunities not only for Arcadis, but also for our clients and value chain partners to realize positive social and environmental impacts.

Most of the material impacts are captured and monitored at the global level, in line with our global business model. However, we have not yet established a comprehensive view and process to monitor material risks and opportunities that have or may have financial effects on material sustainability matters. We will ascertain this via detailed future investigations. For each of the ESRS the main material topics are explained in short.

E1 – Climate change: All three sub-topics in this standard - 'climate adaptation', ‘climate mitigation’, and ‘energy’ - offer opportunities for Arcadis for positive financial and environmental impact. As key provider of climate adaptation and resilience services, we are well-positioned to support clients’ adaptation to current and future climate change risks. Arcadis supports clients and communities in enhancing climate resilience and nature-positive services around climate adaptation, water optimization, smart sustainable buildings, sustainable operations, new mobility and transportation hubs, architecture and urbanism, among other aspects. Our own role also includes efforts to reduce GHG emissions across our own operations and value chain partners in pursuit of our ‘net zero by 2035’ target, by e.g. purchasing renewable energy for our offices, reduce business travel and transition the Arcadis fleet to electric vehicles. Risks were also identified on e.g. carbon credit price developments and the impact of purchased goods and services on our carbon footprint.

E2 – Pollution: Only the sub-topic ‘pollution of soil’ was identified as material within this standard, given the positive financial and environmental impacts we can generate from our environmental restoration and PFAS consulting activities. Across the markets in which we operate, we see growing demand for soil restoration projects, soil remediation, PFAS consulting activities, among other aspects.

E3 – Water and marine: The material sub-topics in this standard are ‘water withdrawal’, ‘water consumption’ and ‘discharges in water’. They stem from the opportunities we have identified to support clients with water management, water supply and wastewater treatment solutions. Many possibilities for positive financial and environmental impacts were identified during the IRO sessions, alongside risks of missing market opportunities due to a potentially too slow pace of internal innovation. Additionally, potentially high water consumption in areas facing shortages could hinder project development.

E4 – Biodiversity and ecosystems: ‘Climate change’, ‘land use change’, ‘pollution’, ‘biodiversity loss’, ‘land degradation’ and ‘desertification’ have been identified as material due to the positive financial and environmental impact Arcadis may bring through our biodiversity consulting, environmental impact assessments and environmental restauration. These topics were specified to a wide range of positive environmental impacts and financial opportunities via our project delivery to clients. The potential positive impacts go hand in hand with potential negative impacts stemming from ineffective execution of projects, which could potentially lead to negative environmental impact, including e.g., habitat destruction and pollution due to ineffective waste management.

E5 – Resource use and circular economy: Materiality for this standard relates to the sub-topic ‘waste’. Arcadis assists clients with responsible management of assets and with identifying opportunities to increase the circularity of material and resource choices, and waste disposal after product end of life . Also, optimization of waste management in Arcadis' own operations was identified with material positive impact to the environment.

S1 Own workforce and S2 Workers in the value chain: As the own workforce is our most important asset, many S1 topics were deemed relevant, but the IRO scoring led to the following material topics: ‘health and & Safety’ (for both S1 and S2), ‘worklife balance’ and ‘training and skills development’. Both the potential positive social impact connected to these topics in case of successful steering on these topics, as well the potential negative side of them if not given sufficient attention, were scored high.

G1 – Business conduct: Corporate culture, whistleblower treatment, lobbying, and bribery and corruption touch our basic principles of doing business, and Arcadis has an established governance framework for these areas, supported by policies, processes, and compliance with the Dutch Corporate Governance Code. The materiality within G1 was set on the sub-topic ‘management of relationships with suppliers and payment practices’, given the significant role of third-party suppliers and contingent workers in our project delivery and in our value chain. We seek to further improve these relationships and the way we conduct business with these partners.

The table on the next page presents the materiality of each ESRS sub-topic and sub-sub-topic identified as material through our DMA. It also shows the number of material IROs received, split between our own operations and the value chain. The five-point scale used here reflects the assessment of these IROs. Material IROs are those that received the highest score (5 out of 5). For more information on material IROs, see the respective topical chapters.

		Financial materiality		Impact materiality	
		Opportunity	Risk	Negative impact	Positive impact
E1 - Climate change					
Climate change adaptation	Value chain				1
	Own operations	1	1		
Climate change mitigation	Value chain			1	1
	Own operations	1	2		
Energy	Value chain				
	Own operations	1	1		
E2 - Pollution					
E2 Pollution of soil	Value chain				1
	Own operations				
E3 - Water and marine resources					
Water withdrawals	Value chain				1
	Own operations	2	2		
Water consumption	Value chain	1	1		1
	Own operations				
Water dischargers in the oceans	Value chain				
	Own operations	1			
E4 - Biodiversity and ecosystems					
Climate change	Value chain				
	Own operations	1			
Land-use change - fresh water-use change and sea-use change	Value chain				
	Own operations	1			

		Financial materiality		Impact materiality	
		Opportunity	Risk	Negative impact	Positive impact
E4 - Biodiversity and ecosystems (continued)					
Pollution	Value chain				
	Own operations	1			
Biodiversity loss	Value chain			1	1
	Own operations	1			
Land degradation	Value chain			1	1
	Own operations	1			
Desertification	Value chain				1
	Own operations				
E5 - Circular economy					
Waste	Value chain				1 1
	Own operations	1			
S1 - Own workforce					
Training and skills development	Own operations only	1	1	1	1
Health and safety	Own operations only				1
Work-life balance	Own operations only	1	1		
S2 - Workers in the value chain					
Health and safety	Value chain only		1	1	
G1 - Business conduct					
Management of relationships with suppliers and payment practices	Value chain				
	Own operations		1		

🟩⬛ The number within indicates the count of material IRO

Design effectiveness and operational effectiveness

Arcadis has approached CSRD conformance at two levels: design effectiveness, which focuses on establishing policies and governance frameworks for material topics; and operational effectiveness, where implementation, including action plans, metrics, and target setting, is carried out and monitored to meet objectives.

Policies adopted to manage material sustainability matters

In adherence to ESRS, Arcadis has formulated and updated a series of policies to address material topics, outlining actions and establishing measurable metrics and targets. These policies were approved by the Executive Board before being internally disseminated through our intranet and global website. Unless otherwise specified in the topical standards, all policies are available on our website for relevant stakeholders and on our intranet, where they are accessible to Arcadis employees responsible for their implementation. Crafted in a standardized format, these policies encompass all essential information to ensure CSRD compliance.

These policies, collectively termed 'design effectiveness', are accompanied by an implementation roadmap delineating the trajectory from policy creation to the installation of tracking and tracing mechanisms, as well as assigning ownership and defining processes, procedures, and responsibilities. Notably, for some IROs affecting own operations, both design and operational effectiveness have already been reached. As we progress in planning for operational effectiveness in our full value chain, we will update the relevant policies to include additional information on actions and targets specific to our full value chain.

For ease of reference to stakeholders, Arcadis has developed an overarching Global Sustainability Policy, which outlines how Arcadis governs its material environmental, social and governance (ESG) topics, aimed at minimizing or remediating the negative impacts of our business, and maximizing our positive contributions to the improvement of environmental and social conditions touched by our business and volunteering activities. This policy establishes the framework for our ESG efforts moving forward and serves as an overarching policy for topical ESG policies. Activities covered by this policy framework include, but are not limited to reporting, disclosures, business practices, policies, procedures, investments, board activities, stakeholder engagement, and investor relations, in alignment with the CSRD. Final responsibility of the implementation of this policy is with the Chief Growth officer.

Through this approach to policy development, action planning, and target setting Arcadis, is positioned to meet CSRD requirements and drive sustainable practices and long-term compliance in the realm of sustainability management.

Resources and actions

Current CSRD implementation is supported by a small, dedicated core team, supplemented by contributions from subject matter experts across various specialist teams and active engagement from senior management, representing both business operations and enabling functions. Additionally, targeted internal and external consultancy is utilized for specific CSRD topics and quality assurance. It is important to note that most individuals referenced in this paragraph are not exclusively allocated to CSRD activities. Resources specifically linked to material sustainability matters, where relevant, are outlined within the respective ESRS chapters.

In the 2025 business planning process, resources are considered through the implementation plans developed to facilitate the integration of new policies. These plans outline actions, expected outcomes, alignment with policies and targets, pertinent scope considerations, and specific timeframes for completion. Long-term action plans are set up for the value chain related material topics in the Environmental remit with the focus on setting up consistent methodology for measuring the impacts that our projects deliver. An example of this is Project Carbon, which is our program to measure carbon in our client projects, thus providing information about a portion of Arcadis' value chain impacts. The action plans also detail the resource requirements for each initiative. Arcadis annual budget planning is carried out on a higher level and only implicitly includes the requirements for each action plan and initiative. Through day-to-day business steering prioritization and realization of the actions is carried out. Value chain-linked (financial) prospects are considered in the planning; in some cases, value chain elements are indirectly incorporated and will be refined gradually.

Metrics and targets

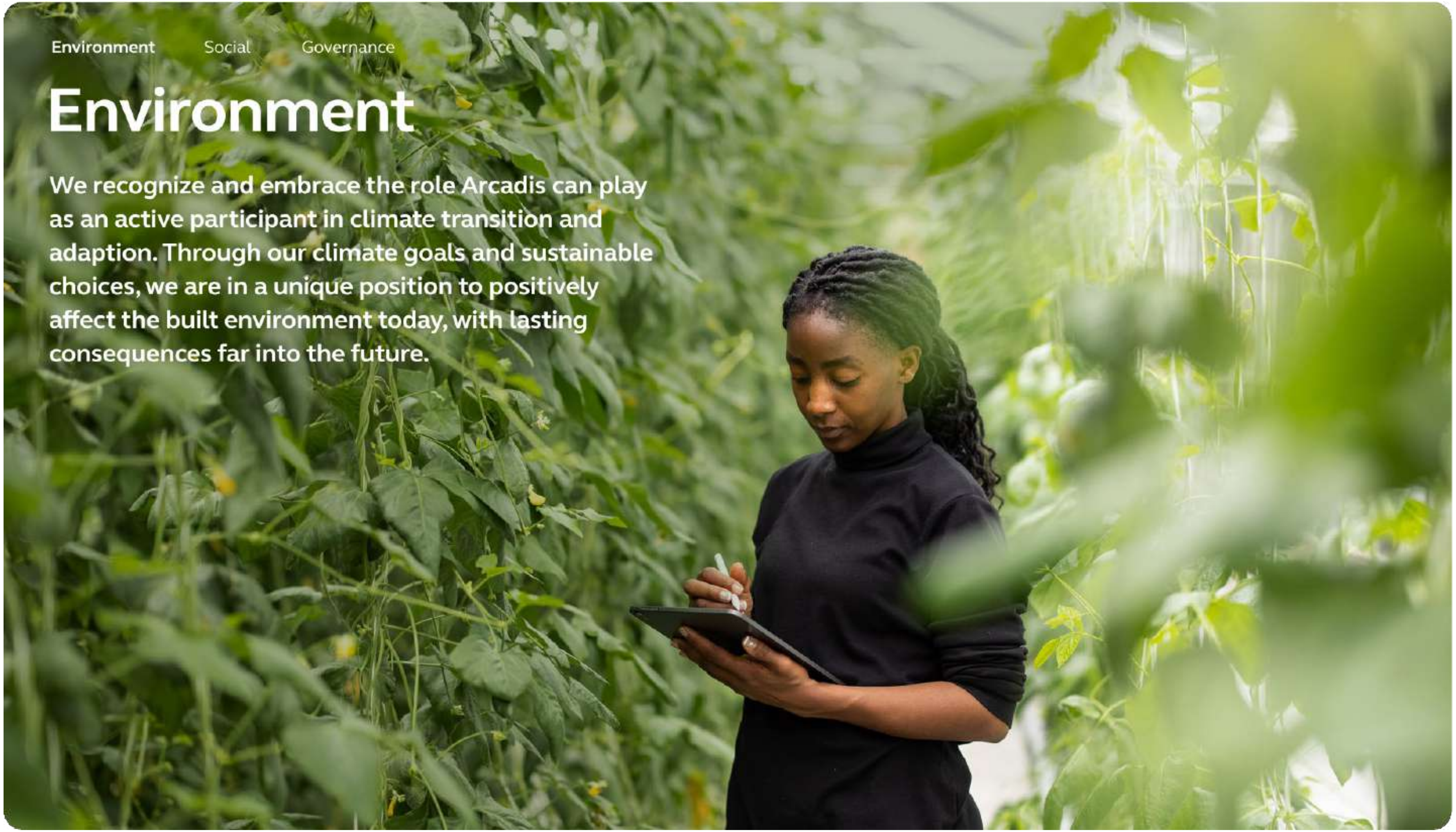
Policies will be integrated into daily operations. In 2024, Arcadis focused on achieving design effectiveness for IROs impacting the value chain. Where readiness is not yet attained, the allowed three-year transition period will be utilized to attain operational effectiveness and further establish monitoring performance.

Our primary formal ESG targets, announced during Capital Markets Day, focus on material sustainability matters and include:
- Related to E1 Climate change: reducing our carbon footprint by achieving a 70% decrease in scope 1 and 2 GHG emissions by 2026 from the 2019 baseline, as well as a 45% reduction in scope 3 GHG emissions by 2029 compared to 2019 levels.
- Related to S1 Own workforce: in terms of employee engagement, we aim to maintain our eNPS ranking in the top 25% of the professional services.

For E4 (Biodiversity), Although not part of the 3-year strategic targets, a biodiversity commitment has been set for our own operations.

No additional targets are disclosed in this Statement for other material sustainability matters. In 2024, Arcadis focused on design effectiveness and undertook efforts to investigate and better understand the broader landscape of material topics. This included collecting data and assessing IROs. For material IROs impacting value chain, Arcadis has adopted a three-year phase-in. Once that assessment is completed, Arcadis can further establish measures to track policy effectiveness and consider setting relevant targets. The Executive board, Executive Leadership team and Supervisory Board will be involved in any decision-making about the target setting via the NFR Steering Committee and the Supervisory Board SusCo.

Arcadis has set a range of metrics to monitor progress. For detailed information on performance monitoring, please refer to each ESRS chapter and the Glossary for methodologies. It is important to note that these metrics have not been externally validated except for the limited assurance provided to this Statement.



Environment Social Governance

Environment

We recognize and embrace the role Arcadis can play as an active participant in climate transition and adaptation. Through our climate goals and sustainable choices, we are in a unique position to positively affect the built environment today, with lasting consequences far into the future.

E1 Climate change

Transition plan for climate change mitigation

Addressing climate change is the paramount challenge of our era – and driving change in the built environment is particularly critical, because the construction and operation of buildings accounts for almost 40% of energy use-related carbon emissions worldwide. This underlines the need to pursue climate change mitigation and adaptation across the sector, such as by decarbonizing and fortifying against extreme environmental events.

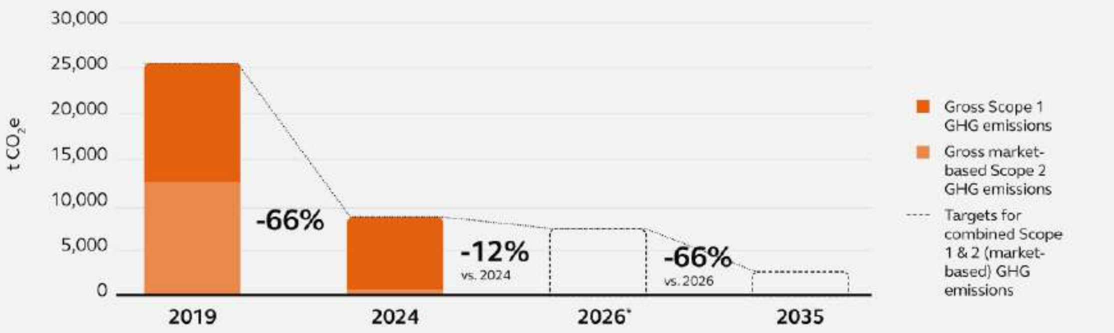
At Arcadis, we recognize and embrace the role we can play as active participants in the climate transition, both today and in the future. This encompasses how we work with our clients to mitigate their climate change impacts and help them adapt to the challenges of a changing climate. Our role also includes efforts to reduce greenhouse gas (GHG) emissions across our value chain in pursuit of our 'net zero by 2035' target, and efforts to meet interim targets approved in 2024 by the Science-Based Targets initiative (SBTi).

As a major player in this industry, we are well-placed to positively affect the built environment today and help drive sustainable progress for tomorrow.

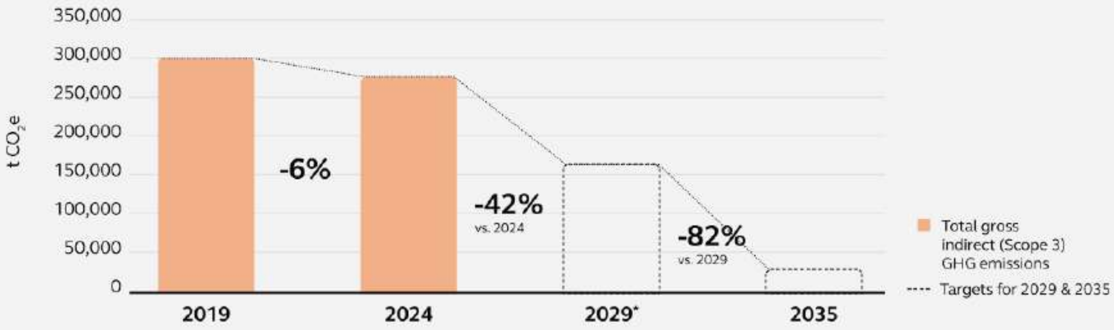
Emissions sources, key reduction measures, and performance

Emissions category	Actions
SCOPE 1 **Fleet vehicles, stationary energy, and refrigerants**	Transition to EVs Reduce & replace natural gas for heating
SCOPE 2 **Purchased electricity**	Reduce electricity Purchase renewable electricity
SCOPE 3 **Supply chain and business travel**	Reduce business travel Collaborate with suppliers to reduce purchased goods & services emissions

Scope 1 & 2 Performance and Targets



Scope 3 Performance and Targets



* For our interim targets, we show two different target years. For Scope 1+2 emissions, we have a target for the year 2026 to align with our strategy cycle and Capital Markets Day target. For Scope 3, we show our SBTi-approved target for 2029.

Our Climate Transition Plan (CTP) demonstrates our commitment and plan for action and outlines our approach to meeting the climate goals we have set to accelerate a planet positive future supported by sustainable project choices. The plan was reviewed and approved by the Executive Leadership Team member responsible for Sustainability and by the Chief Executive Officer, in accordance with Arcadis' internal policy approval process. No additional approvals of the CTP by administrative, management, or supervisory bodies are required by Arcadis' policy approval processes.

Arcadis published its CTP due to evolving market demands, stakeholder interests, and the current regulatory landscape, including the European Union Corporate Sustainability Reporting Directive (CSRD). To develop this plan, we conducted a maturity assessment based on the CDP technical guidance on Climate Transition Plans and the Assessing low-Carbon Transition (ACT) guidance. We are also aware of the European Financial Reporting Advisory Group's (EFRAG) transition plan guidance published in November 2024 and plan to incorporate any new elements or information from that guidance in future iterations of the CTP. Connections with EU taxonomy insights are made on several places to enrich our Climate Transition Plan, via e.g. performing a joint Climate risk assessment and a joint adherence of the minimum safeguards, amongst others.

As part of our CTP, we will continue to reduce our emissions through initiatives such as renewable energy procurement, fleet electrification, purposeful business travel policies, and employee commuting initiatives. We also commit to serving our clients by helping them combat their carbon reduction challenges through the adoption of digital innovation and other cutting-edge technology. We do this by continuously improving our capabilities and proprietary tools.

Quick facts: Arcadis' 2024 carbon footprint

8,970t

Scope 1 and 2 (market-based) CO_2e emissions

2026 target: 70% reduction compared to 2019 baseline

275,800t

Scope 3 CO_2e emissions

2029 target: 45% reduction compared to 2019 baseline

8.3t

Total CO_2e emissions intensity per FTE

0.000076t

Total market-based CO_2e emissions intensity per €m revenue

t = metric tonnes

Note that our Capital Markets Day target for 2026 for scope 1+2 emissions is a 70% reduction compared to 2019, while our SBTi-approved target for 2029 is a 71% reduction compared to 2019.

In 2022, we conducted a qualitative and quantitative assessment of the potential impacts on Arcadis from four climate-related transition risks and opportunities under two climate scenarios and three time horizons to align with the Task Force for Climate-Related Financial Disclosure (TCFD) guidance. Following this analysis, we also evaluated physical climate risks that could potentially impact our business. This analysis included the largest Arcadis offices by number of full-time equivalents (FTEs) (124 offices), the then recently acquired IBI offices

(44 offices) as well as 86 of the largest project sites by net revenue generated. In 2023, we expanded the assessment to include the offices of newly acquired companies DPS and Giftge. These analyses were previously described in our Annual Integrated Reports for the year in which they were performed. In 2024, Arcadis analysed another 82 of its office sites and performed a physical climate risk check on 75 of its largest active project sites.

To explore potential transition risks and opportunities from climate change we used two scenarios, “Net Zero 2050” and “Current Policies”, from the Network for Greening the Financial System (NGFS) climate scenarios framework. The NGFS framework provides a set of harmonized transition pathways and includes metrics that provided us with greater understanding of the prolonged impacts of climate change on Arcadis’ regions of operation.

In this analysis, Arcadis picked two scenarios: Net Zero 2050 from the Orderly category, and Current Policies from the Hot house world category. The Orderly scenarios assume that climate policies are introduced early and become gradually more stringent, and that both physical and transition risks are relatively subdued. The Hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but that global efforts are insufficient to halt significant global warming. The Hot house scenarios result in severe physical risk impacts, including irreversible impacts such as sea-level rise.

We identified three main risks related to climate change. The first risk concerns the price of energy and carbon. Implementing external carbon pricing policies – such as taxes on aviation, energy, or fuel suppliers to drive the low-carbon transition, or the elimination of fuel subsidies – could impact Arcadis’ expenses. Quantifying these risks helps Arcadis make better informed investment decisions and enhances our management of financial and regulatory risks. The potential financial impact is associated with the costs of carbon price exposure and a shift in energy prices. Outside of energy-intensive sectors, economies are not directly exposed to carbon tax or market-based carbon prices. This analysis assumes all emitters become subject to the same exposure to carbon taxes or market-based carbon prices as energy-intensive sectors are presently.

The second risk concerns growth drivers. Given current and prospective clients’ increased focused on projects and solutions with clear sustainability benefits, sustainability is integrated into client pursuits through our five sustainability lenses: carbon and energy, social value, water stewardship, nature and biodiversity, and circularity. This includes our solutions that support growth in both technical advisory and digitally empowered management. Potential client loss risk is possible due to client association with high-emitting sectors, client inability to adapt to a rapid transition associated with a net zero scenario, and client infrastructure facing harmful impacts from acute and chronic physical risks.

The third and final risk concerns brand reputation. Reputational risks related to not achieving our climate actions and commitments could impact our relationship with clients, investors, shareholders, communities, and employees and affect our ability to attract talent. As our ability to deliver our sustainability and climate services depends on attracting the right talent, failure to do so will result in further operational costs to our business. This connection underscores the interplay between brand reputational risk and the growth driver risk, as a strong, positive brand reputation is essential for attracting and retaining the talented employees needed to support clients in their transition to a low-carbon economy.

Our strategy has been influenced by the climate scenario analysis, which played an integral part in shaping our CTP. The insights drawn from this process influence our business in the following ways:

- Products and services: Opportunities for revenue growth from increased demand for services that support a low carbon economy and climate resilience. This focuses on the impact on revenue from a shift in demand for products and services. We are growing our global Sustainability Advisory and Energy Transition practices to accelerate our clients’ ambitions and cater to clients’ needs resulting from climate change. To accelerate a planet positive future, our Sustainable Project Choices strategic focus area embodies:
  - A deliberate focus on projects that contribute to our strategic ambition. We have committed to increasing the robustness of our project selection process by selecting projects that align with planet positive, sustainability, and economic criteria.

  - An enhanced, next-generation Key Client Program. By growing our share of wallet within key clients, we're aiming to increase cross collaboration between GBAs. Arcadis also intends to expand this program to target a broader group of clients and drive success in our growth markets, which anchor our sustainable project choice ambitions. As we introduce a more tailored and target-driven approach, we can address the needs of our clients more effectively, including through increased advisory-led client engagements.
  - An evolution of our commercial models. We are committed to helping our clients achieve their sustainability goals and making their assets more resilient against climate change risks. By embracing value-based pricing and incentive-based models, we aim to provide advisory services that support our clients' sustainability ambitions. Our approach includes developing solutions that engage our Intelligence GBA, our Resilience GBA (which regularly conducts climate risk assessments for clients), our Places GBA (which works on Net Zero buildings, and our Mobility GBA (which focuses on lower carbon means of transportation).
- Supply chain and/or value chain: Responsible and sustainable procurement has been recognized as a key area for further development for Arcadis. We are incrementally growing our Sustainable Procurement Program and building an impact-based approach while continuing to assess our operational readiness from a supply chain perspective to address our scope 3 emissions reduction target. Core principles that guide Arcadis' sustainable procurement practices are represented in our publicly available Arcadis Global Procurement Policy Statement and the Arcadis Global Supplier Code of Conduct, which outline the collaborative approach we aim to facilitate with our supply base. These also detail Arcadis' expectations that suppliers need to meet regarding ESG topics.
- Investment in R&D: To drive sustainability innovation in the services we deliver, we have invested in market research, client interviews, industry-wide network organizations, internal teams and capability development, business development, and digital and innovation. One way that we encourage R&D is though the Imagine Awards, an annual opportunity for individual employees and teams of employees to submit their innovative ideas and win an opportunity to develop these into reality, making use of prize money awarded by the Lovinklaan Foundation. Seven out of eight of our finalists in the 2024 Imagine Awards are developing solutions focused on climate risks, climate mitigation, renewable energy, and ESG due diligence. Furthermore, in partnership with the Lovinklaan Foundation, Arcadis launched a program, Ignite, that is dedicated to enhancing the skills of both seasoned innovators as well as budding talents within Arcadis. This program includes a virtual training experience focused on developing value propositions, designing business models, and testing business ideas. A smaller group of employees who complete the virtual training will be invited to an in-person innovation masterclass experience, facilitated by Arcadis' Global Innovation and Ecosystems team.
- Operations: Climate-related risk management is embedded in our Environmental Management System (EMS) Policy. The EMS monitors and tracks identified environmental risks or opportunities. In particular, physical risks identified through physical climate risk assessment have been incorporated into our Business Continuity Plans, as appropriate, at the country level.

The main uncertainties associated with our scenario analysis, which informs our strategy and business model, include:

- Regional conflicts in Europe and elsewhere leading to market uncertainty and supply chain disruption
- Changing political dynamics and governmental policy directions, which also lead to market uncertainty and, potentially, supply chain disruption
- The use of third-party supplied data in calculating our scope 3 emissions, which although is the recommended method per the GHG Protocol and is widely adopted, does have inherent limitations

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Climate change adaptation			●		●	●	We have identified one actual material positive impact under the sub-topic ‘climate change adaptation’. Arcadis provides climate adaptation and resilience services to clients, contributing to making communities more resilient to the effects of climate change.
Climate change adaptation		●				●	In terms of climate change adaptation, we have identified actual risks to our value chain from climate-related hazards, impacting both our own supply chain and our clients. This can affect the delivery of client projects.
Climate change adaptation	●					●	With regard to climate change adaptation, we anticipate demand growth for climate resilience solutions.
Climate change mitigation			●		●	●	Under the sub-topic ‘climate change mitigation’, we have identified one actual material positive impact and one actual material negative impact. In terms of the positive impact, Arcadis provides climate mitigation services to clients, contributing to reducing global GHG emissions.
Climate change mitigation				●	●	●	In terms of the negative impact, Arcadis contributes to GHG emissions generated via its involvement in client projects.
Climate change mitigation		●				●	In terms of climate change mitigation, firstly we have identified an actual risk of scope 3 GHG emissions associated with purchased goods and services related to our projects.
Climate change mitigation		●				●	Secondly, we have identified volatile carbon credit pricing as a potential risk, as we anticipate relying on carbon credits to address residual emissions once we reach net zero. We also considered whether there was a material risk related to locked-in GHG emissions. However, because we lease our office spaces and vehicles and do not produce products, we have very limited locked-in GHG emissions, thus locked-in GHG emissions are not expected to jeopardize Arcadis’ GHG emission reduction targets or drive transition risk.
Climate change mitigation	●					●	With regard to climate change mitigation, we anticipate demand growth for decarbonization services across our GBAs (Resilience, Mobility, Places and Intelligence).
Energy		●				●	Related to the sub-topic ‘Energy’, we have identified an actual risk that power grid limitations may affect client project implementation.
Energy	●					●	With regard to energy, we anticipate growth in demand for consulting services related to energy transition.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Processes to identify and assess material climate-related impacts, risks and opportunities

In 2022, we conducted a qualitative and quantitative assessment of the potential impacts on Arcadis from four climate-related transition risks and opportunities under two climate scenarios and three time horizons to align with the TCFD guidance.

Key risks and opportunities were assessed based on their estimated financial impact on Earnings Before Interest, Taxes, and Amortization (EBITA) from 2021. The scope of this analysis included Arcadis’ operations in Germany, the United States, the Netherlands, the United Kingdom, and Australia, our top five earning countries at the time of the analysis. Impact ratings were then combined with probability assessments for each risk or opportunity to derive probability-adjusted estimated impacts, which were used to prioritize key risks and mitigation strategies.

In 2024, we again reviewed Arcadis’ impacts, risks, and opportunities. The step-by-step process applied for this review is detailed in the Impact, Risk and Opportunity management section of the ESRS 2 General Disclosures chapter in this Sustainability Statement.

Policies related to climate change mitigation and adaptation

Arcadis has a dedicated policy for Climate Change Mitigation and Adaptation which outlines our approach to climate change. This policy establishes design effectiveness across Arcadis’ value chain. Our double materiality assessment identified all three sub-topics within ESRS E1 – climate change adaptation, climate change mitigation, and energy – as material. These issues are addressed in our Climate Change Mitigation and Adaptation Policy.

Arcadis’ goals regarding climate change adaptation and mitigation, as per this policy, are to:

- Identify how Arcadis affects climate change, in terms of material positive and negative actual and potential impacts.
- Describe Arcadis’ current and future mitigation efforts to stakeholders in our annual Sustainability Statement, sharing how these efforts are in line with the Paris Agreement and compatible with limiting global warming to 1.5°C.

- Outline our plans and capacity to adapt our strategy and business model in line with the transition to a sustainable economy, and our plans and capacity to contribute to limiting global warming to 1.5°C.
- Describe in our Sustainability Statement any other actions taken by Arcadis, and the result of such actions to prevent, mitigate or remediate actual or potential negative impacts, and to address risks and opportunities.
- Explain to stakeholders the nature, type and extent of Arcadis' material risks and opportunities arising from our impacts and dependencies on climate change, and how we manage them.
- Provide stakeholders within insight into the financial effects on Arcadis, over the short-, medium- and long-term, of the risks and opportunities arising from our impacts and dependencies related to climate change.

We will track the effectiveness of our policies and actions in relation to our material impacts on climate change through the further implementation of our Environmental Management System Policy, our procurement processes, and the Climate Transition Plan itself. Our defined level of ambition is to achieve operational effectiveness for our full value chain by the year 2027. Quantitative indicators to evaluate progress will be the reduction of our absolute market-based carbon footprint.

Stakeholders affected by our Climate Transition Plan include our employees, suppliers, clients and investors.

The Chief Growth Officer is the member of the Executive Leadership Team who is responsible for sustainability, including accountability for the implementation of the Climate Change Mitigation and Adaptation Policy.

The Climate Change Mitigation and Adaptation Policy's scope applies to Arcadis' office-based activities globally, including the spaces leased by Arcadis in multi-tenant buildings with shared common facilities. It also applies to our project-related activities for our clients and with suppliers in our upstream and downstream value chain.

Climate change actions and resources

Arcadis commits to reaching net-zero greenhouse gas emissions across the value chain by 2035. We are actively reducing our carbon footprint through a series of strategic emissions reduction initiatives based on our climate-related risks and opportunities.

Because our scope 3 emissions make up the majority of our total global carbon footprint, a significant portion of our emissions reduction initiatives are focused on reducing scope 3 emissions. To enable our net zero transition, we are prioritizing our approach to target the key sources of emissions within areas such as purchased goods and services, enabled by improving data quality.

For each emissions scope, Arcadis is implementing specific emissions reduction levers. For scope 1 and 2 emissions, this includes transitioning our fleet to electric vehicles; incorporating energy sources, consumption, and availability of electric vehicle charging infrastructure in our leasing decisions; and purchasing renewable electricity for our operations globally. We incorporate sustainability-related clauses in our leases and, where possible, we give preference to sustainably rated office properties accredited by third parties (e.g., LEED, BREAM). These levers will contribute to achieving our 2035 net zero target to varying degrees. The three primary levers for scope 1 and 2 emissions are as follows:

1. Transitioning our fleet to electric vehicles is expected to significantly reduce our current fleet emissions, bringing them close to zero. This transition alone will result in a reduction of approximately 6,400 tCO_2e, which accounts for around 71% of our combined scope 1 and scope 2 (market-based) emissions.
2. Shifting from natural gas to electricity or biogas for heating purposes will further help in reducing emissions. This transition is estimated to decrease our emissions by approximately 2,200 tCO_2e, which currently represents about 25% of our combined scope 1 and scope 2 (market-based) emissions.
3. We will continue to purchase Renewable Energy Certificates (RECs) to cover 100% of the electricity consumed by our offices and electric vehicle fleet. This proactive approach will enable us to maintain our progress in reducing scope 2 emissions. Currently, this strategy already leads to a reduction of approximately 9,000 tCO_2e in our 2024 market-based scope 2 emissions. Continuing this measure will help us keep our scope 1 and scope 2 (market-based) emissions 97% lower than scope 1 and scope 2 (location-based) emissions (based on 2024 emissions).

For scope 3 emissions, we have deployed travel carbon budgets and are implementing more globally consistent waste reduction and recycling measures, as well as working with suppliers via a third-party supply chain program to report emissions.

One initiative that has been key to reducing our scope 3 emissions is in the business travel category. In May 2021, we implemented a travel policy with a “virtual first” approach. Covid restrictions on travel taught us that virtual working and collaborative technology can be effective and are a very time- and cost-efficient solution for us and those with whom we are meeting. We want to use this experience to reduce emissions in the long term, as we work toward our net zero target. The policy states: “Employees are advised to take a ‘virtual first’ approach to travel planning. Start with an assumption that all meetings will be virtual requiring no travel and then challenge yourself to justify which types of meetings need to be or should be in-person necessitating travel.”

An overview of Arcadis’ decarbonization measures, as described in our Climate Transition Plan, is presented on the next page.

Arcadis' decarbonization measures

Project name	Emissions impact	Time frame	Responsible business unit	Description
				Scope 1 – Direct emissions from combustion
				Stationary energy
Transition to electrified offices wherever possible	Medium impact	Medium and short-term	Workplace	As office relocations and consolidations occur, transition from non-electric heated buildings to electric heating wherever possible.
				Transportation
Switch to electric leased vehicles	Medium impact	Medium and short-term	Global Business Areas and People	Transition Arcadis fleet to electric vehicles by 2030. Currently at 35% electric vehicles.
				Scope 2 – Purchased electricity emissions
				Low carbon energy
Renewable electricity purchase	High impact	Long-term	Workplace & Global Sustainability	Through the purchase of 100% renewable electricity for our offices, we have substantially reduced our market-based Scope 2 emissions.
Energy efficiency in buildings	Low impact	Short-term	Workplace	Through workplace energy efficiency efforts in our offices, we aim to reduce the electricity consumption per employee in all our offices.
Office consolidation/ Work from home	Medium impact	Long-term	Workplace	Arcadis is leveraging hybrid working in combination with office space reduction at multiple office locations.
Solar PV on offices	Medium impact	Medium-term	Arcadis Netherlands	Four Arcadis offices in the Netherlands have solar panels installed on their roofs and one office is energy positive because the PV system generates more than it consumes.
				Scope 3 - Value chain
				Purchased goods & services
Procurement operational readiness	High impact	Medium and long-term	Procurement	Professionalize procurement to enable responsible and sustainable procurement by growing our Sustainable Procurement Program and progressing our impact-based approach.
Category management strategies	Medium impact	Short and medium-term	Procurement	Development of category management strategies targeted at emissions reduction in higher emitting categories.
Targeted supplier engagement	Medium impact	Medium and long-term	Procurement	Joined third-party supply chain program to encourage reporting emissions. Continue to engage key suppliers regarding emissions reduction and net zero targets.
				Business travel
Carbon travel budgets	High impact	Short-term	Global Travel & Sustainability	Implemented carbon travel budgets for each business unit in 2024. Budgets aligned with target to reduce business travel by 35% by 2025.
Consolidated travel management provider	Medium impact	Short and medium-term	Global Travel	Switched to single travel management provider with user interface that includes carbon emissions information.
Use of remote site visit technology (drones, 360° imagery,…)	Low Impact	Medium-term	Global Business Area and People	Offer and push the use of these remote technologies for virtual site visit.

Project name	Emissions impact	Time frame	Responsible business unit	Description
Sustainable Aviation Fuel (SAF) program KLM - Air France	Low impact	Long-term	Global Sustainability	Since 2017, we have been purchasing SAF credits through the KLM-Air France partnership. SAF credits are used to offset part of the air travel emissions of Arcadis flights on KLM-Air France operated flights.
Personalized traveler emissions reports	Low impact	Short-term	Global Travel	Provide travelers with personalized quarterly emissions updates and overall Arcadis travel emissions information.
Updated travel policy	Low impact	Medium-term	Global Travel	Deployed updated travel policy in 2024 focused on virtual first, then purposeful travel with objective stacking. Travel policy includes guidance on air vs. rail travel based on distance and use of business class during travel.
				Employee commuting
Cycling to work	Low impact	Short-term	Arcadis Netherlands	Employees are encouraged through various awareness raising activities to come to the office by bike if they live within a realistic radius of an Arcadis office.
Mobility week campaigns	Low impact	Short-term	Global Sustainability	Host awareness-raising weeks in various locations that promote more sustainable ways of commuting (e.g., public transit, eBikes, etc.)
Provide public transit cards/ allowances	Medium impact	Short-term	People	Employees in some geographies are supplied with transit cards or allowances to promote use of public transit for work.
Limited office parking	Low impact	Medium-term	Workplace	Offices located near public transit offer limited or no parking to encourage use of public transit.
				Waste
Reduce office waste generation	Low impact	Medium-term	Workplace	We are in the process of standardizing office waste collection and disposal, offering recycling and composting in as many locations as possible. We continue to raise employee awareness regarding proper recycling and waste disposal.

Our activities related to addressing climate change are part of our business-as-usual operations and resources to carry out these activities are included in our annual business plan. As we are a consultancy firm, the resources needed to carry out these activities do not require significant CapEx and the associated OpEx is also not significant since our activities are integrated into our business-as-usual expenses and procurement decisions.

Targets related to climate change

Our climate change targets align with our policy ambition to support the Paris Agreement and Glasgow Accords, including the target to limit global warming to beneath the 1.5°C threshold. In our 2024-2026 strategy we shared our updated near-term and long-term targets which were developed per the Science Based Targets initiative (SBTi) Net-Zero Framework. These targets were validated by SBTi in August 2024. Senior management was involved in the target setting process as a stakeholder as we developed our Climate Transition Plan. Our absolute targets cover scope 1 and scope 2 (market-based) GHG emissions combined, and scope 3 GHG emissions separately.

The detail of our SBTi-approved targets are as follows:

- Near-term: Arcadis commits to reduce absolute scope 1 and 2 GHG emissions 71% by 2029 from a 2019 base year. Arcadis also commits to reduce absolute scope 3 GHG emissions 45% within the same timeframe.
- Long-term: Arcadis commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2035 from a 2019 base year. Arcadis also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.

Our targets are based on our 2019 baseline GHG emissions. We kept our baseline year as 2019, before the COVID-19 pandemic, to avoid pandemic travel restriction effects from influencing our carbon footprint baseline. We have chosen to set and disclose 2029 targets to align with our next company strategy cycle which will be 2027-2029 and have therefore aligned our SBT-approved targets to 2029 as well. Because we have set our net zero target for 2035, we are able to extrapolate target values for 2030. Our 2030 extrapolated target values are:

- A reduction in scope 1 and 2 GHG emissions of 74% by 2030 from a 2019 base year.
- A reduction in scope 3 GHG emissions of 52% by 2030 from a 2019 base year.

Between 2035 and 2050, our goal is to maintain our 2035 emissions level every year.

Calculating our emissions requires us to make professional judgements and use estimates and assumptions that are critical for the data we report. When disclosing our targets, we acknowledge there are inherent uncertainties and indicate that our information is subject to change, as actual data may differ from previous estimations. We disclose the assumptions and approximations we have used to provide context for and support understanding of the information we present. Further details regarding specific estimates used in calculating our emissions are available in the Glossary.

To support our net zero goal, by the end of 2024, we had transitioned 35% of our fleet to electric vehicles. To reduce electricity-related emissions, we have been purchasing renewable electricity certificates for each office that does not yet have direct green electricity contracts. We purchase renewable electricity certificates approximately equivalent to 100% of our office electricity consumption and the electricity consumption of our electric company-owned/leased vehicles, electric private vehicles used for business travel and commuting, as well as for the electricity for working from home (workstations and lighting). Arcadis also joined a third-party supply chain management platform in 2023 to begin collecting and using supplier emissions data in our scope 3 emissions calculations. In 2024, we expanded the number of our suppliers whose emissions are captured in that platform.

Energy consumption

Arcadis does not have operations in high climate impact sectors. The table below presents Arcadis' energy consumption and mix in 2024. To calculate our energy mix, we collected primary data from all our offices (electricity consumption and production, natural gas, district heating) and fuel consumptions of our fleet vehicles in our NFR reporting platform. See more details on our methodology and assumptions in the Glossary.

Energy consumption and mix

	2024
Total energy consumption related to own operations (MWh)	**69,400**
Total energy consumption from fossil sources (MWh)	40,919
Total energy consumption from nuclear sources (MWh)	0
Total energy consumption from renewable sources (MWh)	28,481
Fuel consumption from renewable sources including biofuels (bioethanol) and biogas (MWh)	889
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	27,203
Consumption of self-generated non-fuel renewable energy (electricity from solar energy) (MWh)*	389
Percentage of renewable sources in total energy consumption (%)	41%
Percentage of fossil sources in total energy consumption (%)	59%
Non-renewable energy production (MWh)	**0**
Renewable energy production (MWh)	**389**
Share of energy from contractual instruments (Renewable electricity certificates, Guarantee of origin, etc.) used for the purchase of energy (% of total energy consumption)	**83%**

Total GHG emissions

Arcadis' global carbon footprint numbers presented in Table gross scopes 1, 2, 3 and total GHG emissions contain some estimates which would be replaced with actual data if the changes are greater than our threshold of 5% of our total GHG emissions. Additional details regarding our carbon footprint methodology are available in the Glossary.

Arcadis has determined that emissions from scope 3 categories 8 to 15 are not relevant or not material and are therefore excluded from our footprint, see more details in the Glossary. Emissions from cloud computing and data center services are immaterial, hence are not disclosed separately.

Our combined scope 1 and 2 emissions (own operations) were 17% lower compared to the previous year, and 66% lower when compared to our base year, 2019. This was due, in part, to reducing our company fleet emissions. We also decreased the use of natural gas for heating, in part due to consolidation of offices and closure of some that used natural gas. The reduction of fleet emissions is mainly an effect of the progress of our transition to electric vehicles (EVs), which at the end of 2024 made up 35% of our company-owned vehicles versus 23% at the end of 2023.

Biogenic scope 1 emissions of CO_2 from the combustion of biofuels which are not included in scope 1 are disclosed but not material (around 1 tCO_2e).

Scope 2 (location-based) emissions decreased slightly (-3%) compared to 2023 and are 46% lower than our base year. Scope 2 (market-based) emissions decreased significantly when compared to 2023 and to our base year (-98%). This can be attributed to our purchase of unbundled contracted renewable electricity certificates (I-RECs, US-RECs, GOs, REGOs and TIGRs) for 100% of our offices' and fleet vehicles' electricity consumption.

Our total scope 3 emissions (upstream relevant categories) were 8% higher than in 2023, but remained approximately 6% lower than our base year. The increase versus last year is mostly due to an increase in our category 1 emissions (purchased goods and services) of 11% due to an increase in spend on purchased goods and services. Our employee commuting emissions decreased slightly due to less employees in certain geographies, consolidating offices in the US and some German offices which were temporarily closed during renovation. We updated our methodology for calculating our business travel emissions (see Glossary); however, the resulting change to our 2019 and 2023 values was less than our 5% threshold for total GHG emissions and therefore did not trigger a restatement of prior year values. As a result, our business travel emissions did not change significantly compared to last year. The decrease in category 5 (waste generated in operations) is due to a methodology change: since 2024 we were able to collect actual waste data (see Glossary) and therefore have improved the data quality of the emissions calculations. The resulting change to our 2019 and 2023 numbers was less than our 5% threshold in total emission and therefore didn't trigger a restatement of prior year values.

Outside of the scope of our science-based net zero target, we also report the estimated emissions related to colleagues working from home as we think this is an important aspect to monitor. We also have measures in place to reduce these emissions, such as purchasing renewable electricity certificates for the estimated electricity consumption associated with working from home.

To make the baseline value against which the progress towards the target is measured is as representative in terms of the activities covered as possible, we use the same scope and apply the same methodology of data collection where possible. For example, we are collecting data from the same software systems (e.g. Oracle) for the same scope of activities. In cases where e.g., invoices haven't been available for the baseline year, we've used our approved estimation methodologies (see glossary for more details). SBTi reviewed and approved our baseline year emissions in 2024. Since SBTi's approval, we have adjusted our emissions for scope 3 purchased goods and services. This adjustment was <5% for 2019 and did not trigger a need to update our SBTi net zero target.

Gross scopes 1, 2, 3 and total GHG emissions

In the 2024 reporting, scope 1 and 2 values are rounded to the nearest 10, while scope 3 values are rounded to the nearest 100. The rounding for 2019 and 2023 remains unchanged.

	Retrospective				Milestones and target years		
	2019	2023	2024	% 2024/2023	2029[4]	2035[5]	Annual % target/ Base year
Scope 1 GHG emissions (tCO$_2$eq)							
Gross scope 1 GHG emissions	13,290	10,140	8,690	-14%			
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	0%			
Biogenic scope 1 emissions of CO$_2$ from the combustion of biofuels not included in scope 1	0.61	0.74	1.19	61%			
Scope 2 GHG emissions (tCO$_2$eq)							
Gross location-based scope 2 GHG emissions	17,320	9,680	9,370	-3%			
Gross market-based scope 2 GHG emissions	12,900	710	280	-61%			
Scope 1 + 2 GHG emissions (market-based)	**26,190**	**10,850**	**8,970**	**-17%**	**7,600**	**2,600**	**6%**
Our science-based net zero targets for combined scope 1+2					**-71%**	**-90%**	**N.a.**
Significant scope 3 GHG emissions (tCO$_2$eq)							
Our science-based net zero targets for total scope 3					**-45%**	**-90%**	**N.a.**
Total gross indirect (scope 3) GHG emissions[1]	**292,000**	**256,000**	**275,800**	**8%**	**161,000**	**29,000**	**6%**
1 Purchased goods and services	222,000	202,000	223,400	11%			
2 Capital goods	incl. In cat 1	3,000	3,900	30%			
3 Fuel and energy-related activities (not included in scope 1 or scope 2)	4,000	3,000	3,500	17%			
4 Upstream transportation and distribution[2]	incl. In cat 1	1	1,100	N.a.			
5 Waste generated in operations	3,000	3,000	200	-93%			
6 Business traveling	46,000	32,000	32,300	1%			
7 Employee commuting	17,000	13,000	11,400	-12%			
Total GHG emissions (tCO$_2$eq)[3]							
Total GHG emissions (location-based)	**323,000**	**276,000**	**293,860**	**6%**			
Total GHG emissions (market-based)	**318,000**	**267,000**	**284,770**	**7%**			
Scope 3 (other): Working from home (WFH)[3]	3,000	13,000	15,900	22%			

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[1] Scope 3 categories 8-15 are not relevant or not material for Arcadis. Category 15 emissions are excluded as they're not part of Arcadis' target boundary (first reporting year for this category is 2024: 6 tCO2e).

[2] Upstream transportation and distribution was included within scope 3 category 1 prior to 2024, therefore no comparison can be made between 2023 and 2024.

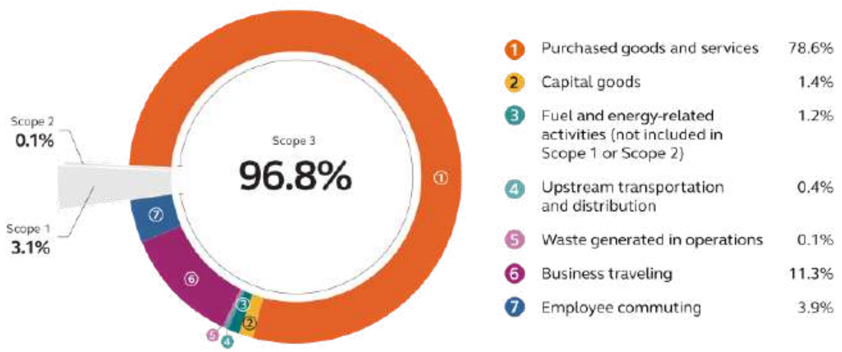
[3] We keep WFH-related emissions separate from our total GHG emissions to align with the requirement for our SBTi net zero targets.

[4] We have chosen to set and disclose 2029 targets to align with our next company strategy cycle which will be 2027-2029 and have therefore aligned our SBT-approved targets to 2029 as well. As we've also set 2035 targets, our extrapolated targets for 2030 are: for scope 1+2: -74% vs. 2019 and for scope 3: -52% vs. 2019.

[5] Between 2035 and 2050, our goal is to maintain our 2035 emissions level every year.

[6] Our 2023 values for scope 3 category 1 have been adjusted following updated DPS emissions estimates. We changed our FTE-based intensity estimation method to a revenue-based estimate approach. The value for 2019 stays the same as the change due to this method update is below our threshold of 5% change in the total corporate-wide GHG emission inventory relative to our previously reported value.

Scope 3 emissions categories



GHG emissions intensity per net revenue

	2024
Arcadis global net revenue (million EUR)	3,880
Total GHG emissions (location-based) per net revenue (tCO_2eq/EUR)	0.000076
Total GHG emissions (market-based) per net revenue (tCO_2eq/EUR)	**0.000073**

Beyond value chain

Beyond our value chain, we purchase carbon offsetting credits for our scope 1, scope 2 and select scope 3 categories (category 2 to 7). The majority of the credits we purchased and retired in 2024 came from the “Nii Kaniti” project in Peru, which is a forest conservation (REDD) project. The project is located in seven communities belonging to the Shipibo Conibo and Cacataibo ethnicity, which, when grouped, occupy an area of 127,004 hectares of forest. Our offsets purchase supports a portion of this project. The purpose of the project is to conserve the forests of these communities against the advance of deforestation and degradation. The project reduces the pressure to change land use in the project area by four means: proper use of communal land, capacity building for the management of natural resources, project finance and market linkages, and finally, strategic alliances. The project has been verified under the VERRA standards VCS and CCB by AENOR. More information and assumptions made can be found on the Verra Search Page for project number 1360.

The carbon offsetting credits listed below in the table Purchased carbon credits are not used to claim lower emissions, meaning that these GHG emission reductions are not subtracted from our published GHG emissions in Table gross scopes 1, 2, 3 and total GHG emissions. For the carbon credits planned to be cancelled in 2025 (for our 2024 emissions), we have an existing contract with our partner Fair Climate Fund. We purchase these credits to help accelerate a planet positive future and improve quality of life for people around the world.

Purchased carbon credits

	2025[1]	2024[2]
GHG emission reductions from climate change mitigation projects outside value chain (tCO_2e)	62,000	75,077
Share of credits from reduction projects (%)	100	100
Share of credits from projects under quality standard Verra (VCS & CCB) (%)	100	100
Share of credits issued from projects in the EU (%)	0	0
Share of credits that qualify as a corresponding adjustment under Article. 6 of the Paris Agreement (%)	0	0

[1] Approximate amount of carbon credits planned to be cancelled in the future (within 2025) for our 2024 emissions.
[2] Carbon credits cancelled during the reporting period (2024) for our 2023 emissions.

To reach our net zero target in 2035, we plan to neutralize our residual GHG emissions (after an approximately 90-95% GHG emissions reduction) and therefore in early 2023 started investing in and supporting a reforestation project in India that will generate carbon removal credits with our partners from Fair Climate Fund and Prasari.

The carbon credits will be verified under the PLAN VIVO framework and its methodologies are described in their publicly available standard, “Methodology Requirements, Version 1.0”.

E2 Pollution

The sub-topic determined to be material for the standard E2 Pollution is ‘pollution of soil’, which refers to a company or organization’s emissions to soil as well as the prevention, control, and reduction of such emissions. It is important to note that, through our mostly office-based design and consultancy activities, we do not contribute to soil pollution in our own operations. In our own operations, we do not emit to soil any of the 91 substances listed in the European Pollutant Release and Transfer Register.

Arcadis does, however, contribute to the reduction of soil pollution through our environmental restoration activities. Our Resilience Global Business Area offers environmental solutions consultancy, including soil remediation services. The purpose of remediation services is to remove pollution. We use analytical testing of the soil to detect pollutants prior to treating it, as well as after treating it where appropriate (i.e., if it wasn't removed and transported to an appropriate disposal facility). This demonstrates our contribution to the reduction of soil pollution.

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Pollution of soil			●		●		An actual material positive impact on soil pollution is the implementation of soil remediation in projects. Pollutants that are remediated by Arcadis on behalf of clients may include some of the 91 substances listed in the European Pollutant Release and Transfer Register, in addition to hydrocarbons and substances which are subject to Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) of the European Union, per- and polyfluoroalkyl substances (PFAS) and other pollutants. Arcadis’ soil remediation projects lead to environmental improvement by restoration of contaminated sites, contributing to the reduction of pollution which in turn can lead to improved environmental quality; a reduction of health risks to humans and wildlife; promoting a safer living environment; increasing the value of properties; and reducing costs incurred by clients, e.g., no need for remediation based on analyses conducted by Arcadis. Arcadis continuously screens the market for opportunities to contribute to the reduction of soil pollution, working across a broad range of sectors and geographies to identify soil remediation projects.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Policies related to pollution

Arcadis has a specific policy related to pollution. Our Pollution Policy outlines our commitment and approach to minimizing pollution to soil and potential environmental harms resulting from our activities. This policy establishes design effectiveness by addressing material IROs in our value chain. We strive to protect the environment and contribute to a cleaner and healthier planet.

To meet this commitment to preventing pollution of soil across our value chain, we aim to:

- Identify how Arcadis affects pollution of soil, in terms of positive and negative material impacts, both actual and potential.
- Report annually to our various stakeholders, via our Sustainability Statement, what actions we have taken –and the result of such actions – to prevent or mitigate material actual or potential negative impacts, and to address risks and opportunities.
- Describe our plans and capacity to adapt our strategy and business model in line with the transition to a sustainable economy and with the need to prevent, control and eliminate pollution. This is to create a toxic-free environment with zero pollution. The policy also states our support for the EU Action Plan, “Towards a Zero Pollution for Air, Water and Soil.”
- Outline to our various stakeholders, via our annual Sustainability Statement, the nature, type, extent and management of our material risks, dependencies and opportunities related to our pollution-related impacts. This includes details about the prevention, control, elimination, or reduction of pollution, including where this results from the application of regulations.
- Provide insight to stakeholders into the financial effects on Arcadis over the short-, medium- and long-term of material risks and opportunities arising from our material pollution-related impacts and dependencies.

Arcadis already performs soil remediation projects as described above and endeavors to have the above steps completed for its value chain related activities by the end of the phase-in period.

The policy clearly outlines the roles and responsibilities related to soil pollution for different teams within Arcadis and is backed up by an implementation plan geared towards embedding the policy throughout Arcadis’ global activities.

The Chief Growth Officer is the member of the Executive Leadership Team who is responsible for sustainability, including accountability for the implementation of the Pollution Policy.

The Pollution Policy's scope applies to Arcadis’ office-based activities globally, including the spaces leased by Arcadis in multi-tenant buildings with shared common facilities. It also applies to our project activities for clients, and our activities with suppliers in our upstream and downstream value chain.

Arcadis tracks the effectiveness of its policy and actions in relation to the material impacts as it tracks growth in its soil remediation activities. The process underlying this is revenue recognition. Our ambition is to further grow these activities; however, revenue targets are not published at that level of granularity as this can be competitively sensitive. It is our intention to ultimately measure progress in cubic meters of soil cleaned. Material risks and opportunities were not identified and are therefore not tracked, while no ambition or measurement for these are expected to be developed.

Actions and resources related to pollution

The expected outcome of the steps described in our Pollution Policy is better visibility of our impacts related to soil pollution, including the potential risks, allowing us to further develop mitigation measures.

The actions described below are expected to provide operational effectiveness for Arcadis’ value chain. For EU taxonomy related disclosure related to CapEX and OpEx, see the EU Taxonomy Chapter.

Own operations

In our own operations, we do not anticipate taking any further action on the issue of soil pollution, as there is no significant risk of an occurrence of soil pollution at our office locations. Tracking for the effectiveness of this policy for our own operations is performed semi-annually via our Environmental Management System, which indicated that further development of mitigation measures was not necessary.

Upstream value chain

We assess our main suppliers on environment-related issues, with the help of a digital tool that continuously scans for sustainability and human rights risks and generates alerts. We use this to check for issues with our main suppliers related to the following topics:

- Environmental issues: Negative adverse or harmful effects or mistreatment of the biophysical environment from human activity, including deterioration of the natural environment through processes such as deforestation, climate change, and unsustainable resource use, leading to loss of biodiversity, ecosystem damage, and health hazards.
- Leakage: Chemical leakage by a company or production site. This includes accidental release of harmful substances, such as wastewater, chemicals, and restricted substances, from production sites or companies, leading to environmental and health hazards.
- Pollution: Pollution or contamination by a company or production site that has negative effects on nature, people or animals, including introduction of harmful substances or contaminants into the natural environment, resulting in air, water, and soil degradation, adverse health effects, and ecological damage.
- POP pollution: Forbidden production and/or use of Stockholmer Convention-listed persistent organic pollutant (POP) substances and non-environmentally friendly use of POP-containing waste, including contamination of the environment with POPSs, which are toxic chemicals that resist degradation, accumulate in living organisms, and pose serious health and ecological risks.
- Toxic release: Toxic pollution (gas, liquid or radiation) by a company or production site, including the release of harmful chemicals and substances, such as lead, Asbestos, and mercury, into the environment, causing poisoning and/or carcinogenic, genotoxic, and mutagenic effects, and leading to serious health and ecological risks.

Where deemed material, Arcadis will follow up with the supplier to address identified issues, as appropriate. These cases are subject to non-disclosure agreements so cannot be shared. The expected outcome of the above steps is that we will address the identified issue with the supplier to mitigate its impact and prevent recurrence. Our ambition is to identify and actively address identified issues with our suppliers to achieve mitigation. We currently apply these scans to a selection of our suppliers, expanding that universe to cover most suppliers when the phase-in period ends.

Downstream value chain

Arcadis has more than 35 years of experience in environmental remediation of soil and (ground)water and our existing remediation activities already contribute to our policy goal of reducing soil pollution.

To improve the outcomes of soil restoration projects and contribute to a further reduction of soil pollution, we continually innovate our remediation activities, this is an ongoing process. For example, we use Thermal In Situ Remediation (TISR®) to effectively treat environmental contaminants in soil and groundwater.

TISR harnesses renewable energy, employing a closed-loop heating system enabled by thermal conduction and advection that elevates subsurface temperatures. The rise in temperature enhances biological, chemical and physical processes, resulting in the attenuation, degradation and removal of contaminants. TISR can be used with existing infrastructure, reducing raw material needs. Once site cleanup is complete, the above-ground equipment can be redeployed.

Targets related to pollution

Arcadis seeks to develop a methodology to measure the magnitude of its contribution to the reduction of soil pollution in cubic meters of soil during the value-chain phase-in period. In the years to come, we hope to be able to quantify our actual contribution to the reduction of the pollution of soil. Associated metrics for this contribution are in development, as is a measurement system. Once this measuring system is in place, and once we have assessed whether the captured metrics are accurate and informative, we may consider setting a voluntary target for our contributions to the reduction of soil pollution.

E3 Water and marine resources

We have identified the following sub-topics for the ESRS E3 Water and Marine Resources to be material: water consumption, water withdrawals and water discharges to the ocean. We recognize the importance of water as a finite and vital resource and we encourage its responsible use, which is crucial in mitigating environmental impacts and water scarcity while supporting access to water. With Arcadis being a primarily office-based consultancy and engineering company, our own water use is limited to water used for drinking, cleaning and sanitation and water management is addressed via our Environmental Management System.

We performed an analysis of 320 Arcadis office locations for which sufficient data was available with the WWF Biodiversity Risk Filter. We had sufficient information to include 295 locations in our analysis, and we did not identify any that demonstrate high risk scores (>3.4) for water scarcity. Of the sites able to be analyzed, we determined that 39 sites may develop water scarcity issues over time as a result of increasing drought conditions.

The far bigger impact Arcadis has on water use is through the work we perform for clients. We assist a variety of clients in managing water resources in a sustainable way by offering a full breadth of services throughout the entire water cycle, from water supply to water resource planning, treatment, and systems optimization. We help create intelligent water networks and advanced asset management strategies, as well as advising on water re-use and desalination for both public and private clients.

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Water withdrawals			●		●		Actual material positive water withdrawal impact is generated by implementing water reduction / reuse in the design of industrial and urban development projects with significant water withdrawals. Impacts include minimization of water withdrawals so there are little to no consequences for the habitat, ecosystems, and communities.
Water withdrawals		●				●	A potential material water withdrawal risk identified for Arcadis is the failure to undertake successful research and development in innovative water infrastructure resilience and conveyance which can lead to decreased revenues, a smaller portfolio of solutions and a worsening of our reputation among clients.
Water withdrawals		●				●	Another potential water withdrawal risk is the lack of project opportunities in water scarce areas which could lead to decreased revenues if not managed effectively.
Water withdrawals	●					●	Two potential material opportunities were identified regarding water withdrawals. Research and development of innovative water infrastructure solutions in resilience and conveyance can lead to increased revenues and expansion of our portfolio of services and an improved reputation among customers.
Water withdrawals	●					●	Design and implementation of water catchment systems and municipal wastewater reuse systems (i.e., sponge city projects) can result in reduced water withdrawals in urban areas and create additional revenues.
Water consumption			●		●		Actual material positive water consumption impact is generated by implementing water reduction/reuse in the design of industrial and urban development projects with significant water withdrawals. Impacts include minimization of water use limiting consequences for the habitat, ecosystems, and communities.
Water consumption		●			●	●	A final potential water consumption risk is that in water scarce areas, Arcadis may not be able to perform projects with high water consumption.
Water consumption	●				●		One potential material opportunity was identified regarding water consumption. Supporting projects in water-stressed areas and integrated designs for low water flow, grey water, and water re-use systems can lead to increased revenues.
Water discharges to the oceans	●					●	One potential material opportunity was identified in water discharges to the ocean. Implementing water reuse and recycling initiatives can reduce freshwater consumption and operational costs, while demonstrating a commitment to sustainable water management. This can reduce water discharges to the ocean.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Policies related to water and marine resources

We have a specific Water Reduction Policy. This policy outlines our approach to reducing water consumption within our operations and encourages sustainable water practices among clients. This policy establishes design effectiveness by addressing material IROs in Arcadis' value chain.

The goals of the Water Reduction Policy are to:

- Identify how Arcadis affects water and marine resources in terms of positive and negative material impacts, including both actual and potential impacts.
- Report annually to our various stakeholders, via our Sustainability Statement, what actions we have taken – and the result of such actions – to prevent or mitigate material actual or potential negative impacts, and to address risks and opportunities. This is in terms of actions to protect water and marine resources, also with reference to reduction of water consumption.
- Assess whether, how and to what extent Arcadis contributes to the European Green Deal's ambitions for fresh air, clean water, healthy soil and biodiversity, as well as to the sustainability of the blue economy and fisheries sectors. In doing so, we take into account the following: Directive 2000/60/EC of the European Parliament and of the Council (EU Water Framework Directive), Directive 2008/56/EC of the European Parliament and of the Council (EU Marine Strategy Framework Directive), Directive 2014/89/EU of the European Parliament and of the Council (EU Maritime Spatial Planning Directive), the Sustainable Development Goals (in particular SDG 6 Clean water and sanitation and SDG 14 Life below water), and respect of global environmental limits (e.g., biosphere integrity, ocean acidification, freshwater use, biogeochemical flows, and planetary boundaries).
- Describe to stakeholders our plans and capacity to adapt our strategy and business model in line with the promotion of sustainable water use based on long-term protection of available water resources, protection of aquatic ecosystems, and restoration of freshwater and marine habitats.
- Outline to stakeholders how we manage our material risks and opportunities arising from our impacts and dependencies on water and marine resources.
- Provide insight for stakeholders into the financial effects over the short-, medium- and long-term of material risks and opportunities arising from our impacts and dependencies on water and marine resources.

The Water Reduction Policy's scope applies to Arcadis' office-based activities globally, including the spaces leased by Arcadis in multi-tenant buildings with shared common facilities. It also applies to our project activities for clients, and our activities with suppliers in our upstream and downstream value chain.

Our Water Reduction Policy also calls for us to report and disclose progress on our water reduction activities as well as review our policy periodically to confirm its effectiveness and relevance. We will also update the policy to align with changing business conditions, stakeholder expectations, and regulatory requirements.

The Chief Growth Officer is the member of the Executive Leadership Team who is responsible for sustainability, including accountability for the implementation of the Water Reduction Policy.

Actions and resources related to water and marine resources

The actions and resources related to our Water Reduction Policy are global in nature as Arcadis is a global company. Key internal stakeholders related to water and marine resources are our employees, while key external stakeholders related to this policy are clients, suppliers and people touched by the projects undertaken by Arcadis on behalf of its clients.

Own operations

As described in our Water Reduction Policy, we evaluate and report to stakeholders our water use associated with our network of offices annually and take action to:

- Identify and select new leased office facilities in which water efficiency is prioritized, whenever feasible.
- Minimize water use within Arcadis' facilities and operations by creating greater water-use awareness and installing efficient fixtures and technologies.
- Regularly monitor and review water consumption data in our own operations to assess progress.
- Report on water consumption and savings annually.

These actions provide operational effectiveness for material IROs in our own operations.

The expected outcome of these steps is a reduction in water use in our operations; however, the lack of base year information does not make a progress assessment possible in this reporting year.

The above actions in our own operations are ongoing under our Environmental Management System Policy and will be continued in the coming years.

Value chain

As described in our Water Reduction Policy, over time, in alignment with the phase-in of CSRD requirements, we will conduct water risk assessments across Arcadis' suite of solutions to identify where actual or potential material negative or positive impacts occur or may occur over the short-, medium-, and long-term. Based on these solution-level risk assessments, as described in our Water Reduction Policy, Arcadis will:

- Work collaboratively with clients to identify, design, and implement water-saving, treatment and reuse measures in their projects and operations.
- Work collaboratively with suppliers to identify water-saving opportunities in our supply chain.
- Monitor and report water use-related data in our upstream and downstream supply chain where possible.

These actions will provide operational effectiveness for material IROs in our value chain.

The expected outcome of these steps is that we help our clients achieve water use reductions in their projects. Our intention is to make that reduction visible once a measurement and reporting approach has been developed for client-related work as part of our Project Water initiative which will support achieving the goals of our Water Reduction Policy.

The above actions are already being performed in projects for clients on an as-requested basis, and we aim for further integration of this approach in our client projects over time which will support achieving the goals of our Water Reduction Policy.

Through its EMS standard, Arcadis tracks the effectiveness of its water policy and actions in relation to material impacts, risks and opportunities for its own operations. EMS processes include the development of action plans to address material sustainable topics, including water. These plans will list the actions to undertake, the resources required, the responsible party, the timeline, progress measurement tools and measurement, as well as reporting. Ambitions will be formulated if base year information is assessed to be of sufficient granularity and quality. Indicators will be the amount of water used, and saved on an annual basis, measured in cubic meters. For value-chain related activities, we will use the phase-in period to develop a similar step-by-step action plan.

Targets related to water and marine resources

In the years to come, we intend to monitor the effectiveness of our actions described in our Water Reduction Policy, which was introduced in 2024. Our Environmental Management System is the primary process we will use to track quantitative effectiveness of our policies and actions. As we have not yet begun tracking the effectiveness of our actions, we have not yet specified our defined level of ambition to be achieved when tracking the effectiveness of our policy and actions.

Water consumption in own operations

In 2024, our total water consumption at our offices was an estimated 610,000 m^3. Due to the complexities of data collection, we used a mixture of data sources to derive this value. The methodology is described below:

- For 21% of our offices, data are based on actual water consumption which is recorded monthly.
- For 8% of our offices, data are estimated monthly based on the actual water consumption of the whole building, scaled for Arcadis' floor area share.
- For 43% of our offices, data are estimates which will be updated in the future when final utility invoices become available.
- For 28% of our offices, data are estimations based on average consumption data derived from public sources, scaled based on our office employee FTEs (without contingent workers) and Arcadis-specific average office attendance per country. The average office attendance has been calculated based on our annual global survey on commuting and WFH behavior which has been sent to all Arcadis employees globally and answered by 23% of our employees. This survey has been completed by the end of October and includes estimations for November and December.

We are working on increasing the share of actual data in our calculations for 2025. Please see the Glossary for additional information.

17 m^3 of water are being stored or recycled and reused at Arcadis offices. No changes in storage volume took place in 2024, based on actual data. No water is consumed in areas at water risk, including areas of high water stress.

Arcadis' water intensity globally is 157 m^3 per million EUR net revenue.

E4 Biodiversity and ecosystems

Within the standard E4 Biodiversity and ecosystems, under the sub-topic 'direct impact drivers of biodiversity loss', we have identified the following sub-sub-topics as material: 'climate change' ‘land-use change, fresh water-use change, sea-use change’ ‘pollution’ and ‘others’ – referring to biodiversity loss.

We do not directly depend on biodiversity and ecosystem developments in the execution of our consulting and engineering activities, which therefore pose no risks to Arcadis’ resilience. We do anticipate opportunities in biodiversity and ecosystem developments as we support our clients in addressing challenges related to these topics in the execution of projects we undertake on their behalf.

For the purposes of the ESRS, the building portfolio we lease is considered part of Arcadis’ own operations. In 2024, this portfolio included 337 sites, all situated in urban or suburban environments. Following the Locate, Evaluate, Assess, and Prepare (LEAP) approach, a selection of physical risk indicators (water scarcity, land use change, tree cover loss, ecosystem condition) and reputational risk indicators (protected areas, key biodiversity areas, other important delineated areas) was assessed in terms of Arcadis' own operations (leased building portfolio). We used the WWF Biodiversity Risk Filter (BRF) to conduct this analysis, and the risk score threshold as prescribed in the WWF BRF guidance was used to identify high risk locations. None of these sites were assessed to be material (either in/near sensitive areas or resulting in likely and/or severe negative impacts) in relation to biodiversity or ecosystems. In addition, the WWF BRF tool was used to evaluate potential overlap with protected areas, Key Biodiversity Areas, and other significant designated regions, such as Ramsar sites. No overlaps were detected. It has also been determined that no Arcadis office locations overlap with Nature 2000 sites.

Applying the mitigation hierarchy is considered common best practice. We apply it in our internal guidance documents related to our biodiversity footprint calculation and in the development of site-based biodiversity targets. The ‘avoid, reduce and restore, offset’ steps are part of the guidance that we have developed on how to manage land use impacts in our portfolio for existing buildings as well as new buildings. Internal guidance for credible restoration has been developed as well.

Impacts, risks and opportunities

We assessed the potential impacts of our own operations on biodiversity and ecosystems in 2022, using the Science Based Targets Network (SBTN) Step 1 assessment (specifically the sector materiality tool). This provided insight into the key drivers of biodiversity loss for Arcadis' direct operations. Land use (by building portfolio), GHG emissions and water use were identified as important potential drivers of biodiversity loss.

In SBTN Step 2 (also performed in 2022) water use and land use (pressures) were assessed using consumption averages in office environments (for water use) or using primary data for land use (surface area of Arcadis office locations). GHG emissions are addressed through Arcadis' Climate Transition Plan.

To evaluate the likelihood and severity (actual) of impacts, in line with SBTN Step 2, the pressures (water and land use) and state of nature were combined to set target boundaries, resulting in selection of sites with high relative pressure and sensitive state of nature. For water use, we applied WWF's Water Risk Filter and Aqueduct to identify water scarce regions. For biodiversity, an MSA-based (Mean Species Abundance) footprint assessment was used to assess the relative importance of land use impact. In 2024, we applied the WWF Biodiversity Risk Filter to further understand potential impact due to land use for protected and valuable nature as described in E3 Water and Marine Resources.

For land use, the actual impact has been evaluated using the MSA-based footprint assessment as described later in this section. Targets have been set and annual monitoring takes place.

In addition to the impacts identified through the SBTN process, Arcadis identified further impacts, risks and opportunities during its double materiality assessment conducted in accordance with the ESRS and stakeholder input.

Topic	O	R	I+	I-	VC	OO	IRO description
Climate change	●					●	Increased demand for biodiversity consulting due to emerging regulations.
Desertification			●		●	●	Actual material positive impacts related to biodiversity and ecosystems resulting from Arcadis' consulting activities consist of: Implementation of projects that mitigate biodiversity loss due to industrial or urban development, mining, or deforestation.
Land degradation			●		●	●	Water management consulting and engineering, contributing to reduced desertification, improved soil moisture retention, reduced soil degradation and increased vegetation, and prevention of erosion and land degradation .
Land degradation				●	●	●	Arcadis has identified potential material negative impacts related to biodiversity and ecosystems resulting from its involvement in projects:· Urban development may negatively impact natural habitats, cause soil degradation, surface runoff and water pollution, fragmentation of natural landscapes, reduced biodiversity, and disruption of ecosystems.
Land degradation	●					●	Increased demand for biodiversity advisory projects related to land restoration.
Land-use change, fresh water-use change and sea-use change	●					●	Increased demand for biodiversity consulting due to emerging regulations.
Biodiversity loss	●					●	Increased demand for consultancy on biodiversity loss and biodiversity-improving design
Biodiversity loss			●		●	●	Actual material positive impacts related to biodiversity and ecosystems resulting from Arcadis' consulting activities consist of: Advisory activities on biodiversity protection and engineering, addressing land degradation by contributing to ecosystem restoration, soil fertility, water retention, biodiversity preservation, and erosion mitigation.
Biodiversity loss				●	●	●	Negative environmental impact, e.g., habitat destruction or fragmentation due to development of infrastructure or industrial estates, may negatively impact biodiversity.
Pollution	●					●	Increased demand for pollution prevention solutions in industrial, urban development, and construction activities.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Policies related to biodiversity and ecosystems

Arcadis has a specific policy related to biodiversity and ecosystems, which outlines our approach to preserving and enhancing biodiversity and minimizing our environmental impact as part of our operations and projects, including our upstream and downstream value chain. We aim to prevent or mitigate negative impacts on biodiversity and ecosystems and contribute to their protection and restoration to support cleaner, healthier and more resilient communities. This policy establishes design effectiveness by addressing material IROs in Arcadis' value chain. As a professional services firm, Arcadis does not have specific dependencies on biodiversity and ecosystems within its own operations and has not adopted sustainable land / agriculture practices or policies. Arcadis' goals with its Biodiversity and Ecosystems Policy are to:

- Identify how Arcadis affects biodiversity and ecosystems in terms of positive and negative material impacts, both actual and potential. This includes the extent to which we contribute to the drivers of biodiversity and ecosystem loss and degradation.
- Report annually to our various stakeholders, via our Sustainability Statement, what actions we have taken – and the result of such actions – to prevent or mitigate material actual or potential negative impacts; to protect and restore biodiversity and ecosystems; and to address risks and opportunities.
- Describe our plans and capacity to adapt our strategy and business model aligned with internationally accepted biodiversity frameworks, including:
  - Respecting planetary boundaries related to biosphere integrity and land system change.
  - The vision of the Kunming-Montreal Global Biodiversity Framework (GBF) and its relevant goals and targets.
  - Relevant aspects of the EU Biodiversity Strategy for 2030.
  - Directive 2009/147/EC of the European Parliament and of the Council and Council Directive 92/43/EEC (EU Birds and Habitats Directives).
  - Directive 2008/56/EC of the European Parliament and of the Council (Marine Strategy Framework Directive).
- Outline to stakeholders, via our Sustainability Statement, how we manage our material risks, dependencies and opportunities related to biodiversity and ecosystems, and the nature, type and extent of those risks, dependencies, and opportunities.
- Provide insights to stakeholders into the financial effects on Arcadis over the short-, medium- and long-term of the material risks and opportunities arising from its impacts and dependencies on biodiversity and ecosystems.
- Meet disclosure requirements on biodiversity and ecosystem related impacts in Arcadis' activities, products, and services, as well as on related actions directed at protecting and restoring biodiversity or ecosystems and to apply that data to assess progress and set targets.
- Work collaboratively with clients and suppliers to identify and implement positive biodiversity and ecosystem impacts in our projects.

The Biodiversity and Ecosystems Policy's scope applies to Arcadis' office-based activities globally, including the spaces leased by Arcadis in multi-tenant buildings with shared common facilities. It also applies to our project activities for clients, and to our activities with suppliers in our upstream and downstream value chain and addresses our material impacts, risks and opportunities.

The Chief Growth Officer is the member of the Executive Leadership Team who is responsible for sustainability, including accountability for the implementation of the Biodiversity and Ecosystems Policy.

Actions and resources related to biodiversity and ecosystems

Own operations

We calculate our static and dynamic biodiversity footprint for our own operations (leased office portfolio) annually using in-house subject matter experts, demonstrating operational effectiveness for material IROs in our own operations. Calculating our static and dynamic footprint allows us to determine the extent to which we contribute to the drivers of biodiversity and ecosystem loss and degradation and to take action to reduce the impacts of our own operations on biodiversity and ecosystems. In 2024, Arcadis focused on improving the underlying data quality for the biodiversity footprint calculations in collaboration with Arcadis' Workplace function. In 2025, we will begin to develop a more detailed understanding of biodiversity at our office locations with >20% green space. This more detailed understanding of biodiversity in these locations will enable us to determine what, if any, location-specific biodiversity improvement actions are potentially feasible and will contribute to a biodiversity net gain at these locations.

Value chain

As described in our Biodiversity and Ecosystems Policy, Arcadis will conduct biodiversity and ecosystem risk assessments across its portfolio of projects to identify where actual or potential material negative or positive impacts occur or may occur over the short, medium, and long-term. Based on these solution-level risk assessments:

- Arcadis will prioritize for which projects it expects to perform biodiversity and ecosystem assessments. These assessments will be conducted by qualified professionals and will help us identify and minimize negative impacts on biodiversity. We will also explore opportunities to enhance biodiversity and ecosystem services, where feasible and appropriate.
- Arcadis will seek to implement measures to prevent pollution, habitat destruction, and degradation in the way we design and assist clients in taking appropriate actions to restore and rehabilitate affected areas, in consultation with relevant stakeholders and experts.

Targets related to biodiversity and ecosystems

Arcadis' biodiversity targets are aligned with the Global Goal for Nature (and the Kunming-Montreal Global Biodiversity Framework, GBF). The objective of the Global Goal for Nature and the GBF is to halt and reverse nature loss by 2030. As our biodiversity targets are focused on our own operations, our internal stakeholders including employees and senior leadership, were consulted during their development.

Our targets are linked to our Biodiversity and Ecosystems Policy, which describes Arcadis' commitment to prevent or mitigate negative impacts on biodiversity and ecosystems and contribute to their protection and restoration in its own operations through these three targets:

1. Biodiversity no net loss for all sites by 2030 (dynamic impact)
2. 10% biodiversity net gain for sites >20% green space on site by 2030 (dynamic impact)
3. By 2050, Arcadis engages to compensate for its biodiversity impact related to the cumulative land-use of its buildings (the static footprint).

Targets are compared to the 2022 baseline, which was 65.0 MSA.ha. Our targets encompass the full range of the mitigation hierarchy: avoid, minimize, restore, offset, with priority given to avoidance, minimization, and restoration of impacts over offsetting. Our key assumption in setting these targets was that we could influence the biodiversity of our office locations even though we are leasing the spaces.

A dynamic biodiversity footprint was calculated for sites that are part of Arcadis' 2024 building portfolio as well as the 2023 building portfolio. The 2024 dynamic biodiversity footprint total is based on data for 318 sites and totals 30.10 MSA.ha. The difference compared to the 2023 static footprint (44.4 MSA.ha) is 14.34 MSA.ha (a 32% reduction), demonstrating a decrease in the impact of our own operations on biodiversity during this timeframe.

For the entire 2024 building portfolio (adding new sites, including any sites that were not part of the 2023 dataset), a new static biodiversity footprint (based on the entire 2024 portfolio of 337 sites) of 30.90 MSA.ha was calculated. This value will serve as the new baseline for next year's biodiversity footprint calculation.

Relative to the 2022 baseline, we have demonstrated no net biodiversity loss at our leased office locations and have decreased the impact of our own operations on biodiversity.

E5 Resource use and circular economy

Arcadis has identified the following sub-topic within ESRS E5 Resource use and circular economy as material: ‘waste’.

At Arcadis, we are committed to promoting sustainable practices, including appropriate waste management, in our operations, in the projects we undertake for our clients, and in our involvement in the value chains to which we belong.

We have screened our site locations and own business activities to identify our actual and potential impacts, risks and opportunities related to waste. Waste data collection for a growing number of Arcadis locations is performed by Arcadis' EMS managers.

In Arcadis' predominantly office-based activities, a limited amount of waste is generated and collected separately for off-site recycling, re-use or disposal. Waste fractions include: paper and cardboard, organic waste, plastic food containers and bottles as well as packaging waste, construction waste from office refurbishments, batteries, e-waste (phones, computers and monitors), office furniture and fixtures, and residual waste.

In our projects for clients, we may also play a role in waste minimization, sometimes directed at reorganizing waste collection systems so that more separation leads to more recycling or by diverting waste streams to make them suitable for other purposes. For example, we engaged in a project in Chile where we assisted in the separation of organic waste streams, helping to reduce methane emissions from landfills and while using those same waste streams for renewable energy production.

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Waste	●					●	Arcadis identified one actual material opportunity in the subtopic waste. Arcadis sees a growth opportunity in assisting clients with responsible asset management to increase the circularity of materials and resources, as well as to plan for more sustainable end of life disposal.
Waste			●		●		Arcadis assists clients with responsible asset management to increase the circularity of material and resource choices, and end of life disposal.
Waste			●		●	●	Arcadis integrates sustainability into standard operating procedures and design guides which can generate improved environmental performance, and enhanced resource efficiency in our operations and client projects.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Policies related to resource use and circular economy

Arcadis has a dedicated policy for Resource Use and Circular Economy which focuses entirely on the material topic of waste. This policy establishes design effectiveness by addressing material IROs in Arcadis' value chain. Arcadis' goals with this Resource Use and Circular Economy Policy are to:

- Identify how Arcadis affects resource use, including resource efficiency, avoiding the depletion of resources, and introducing sustainable sourcing and use of renewable resources in terms of material positive and negative actual or potential impacts.
- Report annually to our various stakeholders, via our Sustainability Statement, what actions we have taken – and the result of such actions – to prevent or mitigate material actual or potential negative impacts arising from resource use, including our measures to help decouple economic growth from the use of materials; and to address risks and opportunities.
- Describe to stakeholders our plans and capacity to adapt our strategy and business model in line with circular economy principles including but not limited to minimizing waste, maintaining the value of products, materials, and other resources at their highest value, and enhancing their efficient use in production and consumption.
- Outline to stakeholders how we manage the material risks and opportunities related to our impacts and dependencies arising from resource use and circular economy.
- Provide insight to stakeholders into the financial effects on Arcadis over the short-, medium- and long-term of the material risks and opportunities arising from Arcadis' impacts and dependencies on resource use and circular economy.

Furthermore, our policy specifically addresses the use of secondary (recycled) resources and sustainable sourcing by promoting the procurement of consumables, cleaning materials, office supplies, office furniture, IT equipment, and other materials for use in our office environments to the extent possible from sources that honor the principles of the circular economy.

The Resource Use and Circular Economy Policy's scope applies to Arcadis' office-based activities globally, including the spaces leased by Arcadis in multi-tenant buildings with shared common facilities. It also applies to our project activities for clients and with suppliers in our upstream and downstream value chain.

The Chief Growth Officer is the member of the Executive Leadership Team who is responsible for sustainability, including accountability for the implementation of the Resource Use and Circular Economy Policy.

Actions and resources related to resource use and circular economy

Own operations

Arcadis applies the following key principles in its own operations regarding responsible resource use and the circular economy, providing operational effectiveness for material IROs in our own operations.

We improve resource efficiency by:

- Conducting regular assessments to identify opportunities for reducing resource consumption and waste generation.
- Implementing measures to optimize the use of energy, water, and materials.
- Encouraging employee awareness to enhance resource efficiency.

We commit to promoting a circular economy by:

- Procuring consumables, cleaning materials, office supplies, office furniture, IT equipment, and other materials for use in our office environments to the extent possible from sources that honor the principles of the circular economy.

We implement effective waste management practices by:

- Implementing waste reduction measures, including waste segregation and recycling, wherever feasible.
- Encouraging the responsible disposal of hazardous and non-recyclable waste.
- Collaborating with waste management service providers regarding proper waste treatment and disposal.

Waste in own operations

We began assessing waste from our own operations globally by waste type and disposal method in 2024 (see tables: Wasted broken down by waste disposal method and Waste broken down by waste type); this provided better visibility into our waste streams, a key objective of our Resource Use and Circular Economy Policy. In a few countries where we operate, our offices have assessed in previous years as well. Measured data for office waste was available from 73 offices. For the offices which had not yet started to collect waste data in 2024, the average waste intensity per FTE by waste type from 40 offices (for which the data was available before the data entry deadline) has been prorated using the FTE of the missing offices and the average Arcadis-specific office attendance in its country. The average office attendance has been calculated based on our annual global survey on commuting and working-from-home (WFH) behavior. The survey was sent to Arcadis employees globally and was answered by 23% of our employees. This survey has been completed by the end of October and includes estimates for November and December. We expect to continue to measure waste annually and increase the amount of measured data available. Employees are our main stakeholders where it relates to this policy for our own operations and play a key role in addressing waste reduction throughout Arcadis.

The expected future outcome of these actions is a further improvement of resource efficiency, an increase in procurement of circular consumables and other materials, and more effective waste management for Arcadis which will support the achievement of our policy objectives.

Wasted broken down by waste disposal method

	2024
Total waste generated (t)	**2,254.8**
Hazardous waste diverted from disposal (t)	**15.1**
Hazardous waste diverted from disposal due to preparation for **reuse** (t)	0.0
Hazardous waste diverted from disposal due to **recycling** (t)	5.8
Hazardous waste diverted from disposal due to **other recovery** operations (t)	9.3
Non-hazardous waste diverted from disposal (t)	**1,371.3**
Non-hazardous waste diverted from disposal due to preparation for **reuse** (t)	0.5
Non-hazardous waste diverted from disposal due to **recycling** (t)	1,291.8
Non-hazardous waste diverted from disposal due to **other recovery** operations (t)	14.9
Non-hazardous waste diverted from disposal due to **composting** (t)	64.2
Hazardous waste directed to disposal (t)	**7.9**
Hazardous waste directed to disposal by **incineration** (t)	0.1
Hazardous waste directed to disposal by **landfilling** (t)	0.2
Hazardous waste directed to disposal by **other disposa**l operations (t)	7.6
Non-hazardous waste directed to disposal (t)	**860.5**
Non-hazardous waste directed to disposal by **incineration** (t)	489.3
Non-hazardous waste directed to disposal by **landfilling** (t)	37.4
Non-hazardous waste directed to disposal by **other disposal** operations (t)	333.0
Non-recycled waste (t)	**868.4**
Percentage of non-recycled waste (%)	**39%**
Total amount of hazardous waste (t)	**23.0**

Waste broken down by waste type

	t in 2024
Total waste amount	**2,254.8**
Non-hazardous waste	**2,231.9**
General office waste	825.2
Mixed recycling	1,194.1
Paper	21.2
Cardboard	34.7
Plastic	14.3
Glass	11.3
Catering waste/food waste	85.6
Textiles/clothes (PPE)	0.6
Furniture	1.9
Confidential waste	42.6
Hard hats	0.3
Hazardous waste	**23.0**
Toner cartridges	0.6
Printer cartridges	0.7
Electrical equipment (WEEE)	0.7
Fluorescent tubes	0.5
Fire extinguishers	7.5
Oils and greases	-
Sanitary waste	1.8
CD's	4.3
Batteries	4.6
Other hazardous waste	2.3

Targets related to resource use and circular economy

Arcadis' first objective for 2025 is to develop a robust baseline assessment of the waste we generate in our own operations broken down by waste stream. Once that assessment has been completed, we may consider setting reduction targets. In the years to come, we intend to monitor the effectiveness of our actions described in our Resource Use and Circular Economy Policy, which was introduced in 2024. Our Environmental Management System is the primary process we will use to track quantitative effectiveness of our policies and actions. As we have not yet begun tracking the effectiveness of our actions, we have not yet specified our defined level of ambition to be achieved when tracking the effectiveness of our policy and actions.

Through its EMS standard, Arcadis tracks the effectiveness of its resource use and circular economy policy and actions in relation to material impacts, risks and opportunities for its own operations. EMS processes include the development of action plans to address material sustainable topics, including waste. These plans will list the actions to undertake, the resources required, the responsible party, the timeline, progress measurement tools and measurement, as well as reporting. Ambitions will be formulated if base year information is assessed to be of sufficient granularity and quality. Indicators will be the amount of waste produced, and the reduction of that amount on an annual basis, measured in metric tons. For value-chain related activities, we will use the phase-in period to develop a similar step-by-step action plan.

EU Taxonomy

This section is a summary of the total EU taxonomy submission. As reference see for the extensive explanation of eligibility and alignment approaches, of adherence to Do Not Significant Harm (DNSH) criteria and the required EU taxonomy tables the Sustainability Statement Annex.

Since January 1, 2021, Arcadis has been subject to the EU Environmental Taxonomy Regulation 2020/852, requiring annual disclosure of its economic activities to align with the EU's environmental objectives. The regulation focuses on six objectives: climate change mitigation, climate change adaptation, sustainable use of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The assessment includes both eligibility (whether activities defined in the EU Taxonomy occur) and alignment (meeting the taxonomy's technical criteria).

Arcadis emphasizes sustainability in its consultancy-focused business model, which includes Project and Program Management, Design and Engineering, and Commercial Procurement strategies. However, its consultancy services are often not recognized under the EU Taxonomy, which favors physical implementations.

For FY23, the eligibility assessment covered all six objectives, but alignment assessment was only required for climate-related objectives. Starting this year, the alignment assessment applies to all six objectives, incorporating both solution-level and group-level, revenue, capital expenditures, and operational expenditures.

Arcadis activities are categorized into Solutions. During the eligibility screening, all solutions are assessed for eligible activities in collaboration with core team members, and solution and project leaders and finance personnel whenever additional information is necessary. Separate engagements were carried out for recent acquisitions and for countries that are not on our main ledger system. Information about IFRS 16 vehicle leases and buildings is centralized for all units. These are therefore assessed at the group level rather than the solution level. The summarized results are that 32.5% of our gross revenues are eligible with EU Taxonomy activities. Extra analysis led to a retrospective restatement of the 2023 eligible revenues, which now are on 34.8% of our 2023 gross revenues.

All eligible activities were analyzed for alignment. The substantial contribution and DNSH criteria for each activity were considered. Many Minimum Safeguards criteria have been met, but one of the various tests led to the conclusion that the alignment criteria are not yet fully reached. The ongoing effectiveness tracking of our adherence to UN Global Principles on Human Rights is on several ways already in place, but not yet on all aspects, and by that not meeting all alignment criteria over the year 2024 and retrospectively also for 2023, and for both years the alignment figures are reduced to zero. Opex was analyzed but given the small size of the results it was labeled as immaterial.

A climate risk and vulnerability study has been conducted by the specialized company Jupiter on behalf of Arcadis. This study started in 2022 with analysis of 124 offices, followed by 44 acquired offices and 86 of the largest project sites. In 2024 another 75 project sites, and a set of 82 offices of Arcadis were analyzed as well. Arcadis was found not to be vulnerable to any significant climate change hazards as the business is spread over a wide variety of geographies, and offices are on locations that are not directly exposed to high risk climate hazards. Furthermore, Arcadis has defined physical and non-physical solutions applicable in the short-term, mid-term, and long term. These two elements combined allow Arcadis to be aligned with the requirements of the generic criteria for Do No Significant Harm criteria (DNSH) to climate change adaptation.

Social

We are ‘Powered by our People’, and at the heart of that is our commitment to fostering an inclusive, supportive and empowering work environment. We respect human rights in our operations and business relationships, and we prioritize health and safety across our own operations and our value chain.

S1 Own workforce

Arcadis - Powered by our People

At Arcadis, our commitment to putting People First is exemplified by the fact that we made "Powered by our People" a core theme of our new strategic direction. Our People First philosophy plays a pivotal role in cultivating a motivated workforce that executes our corporate strategies while fulfilling our external responsibilities.

We implement our strategic vision through a variety of initiatives that enrich the well-being of our workforce and empower our teams to deliver for our clients. This fundamental principle guides our dedication to nurturing a supportive and empowering work environment, investing in the growth of our employees, and fostering a culture of collaboration.

Our DMA showed under the sub-topic ‘working conditions’, three material sub-sub-topics pertaining to our global workforce:

- Training and skills development;
- Health and safety; and
- Work-life balance.

Workforce composition

The characteristics of our workforce which includes both employees and non-employees can be found in the following tables. The workforce population consists of 91% permanent employees, followed by 4% temporary employees, 4% self-employed workers, and 1% third party agency workers. Our approach to engaging our people include policies, consultation and actions that apply to our global workforce.

	As of 31 December 2024				
Characteristics of workforce (Headcount)	**Female**	**Male**	**Other**	**Not disclosed**	**Total***
Number of employees	**13,138**	**20,154**		**141**	**33,433**
Number of permanent employees	12,594	19,329		136	32,059
Number of temporary employees	544	825		5	1,374
Number of non-employees in own workforce					**1,813**
Number of non-employees (self employed)					1,396
Number of non-employees (agency workers)					417
Total workforce					**35,246**

* The most representative number in the financial statements is in Note 9, where it reflects the average, while this table reports the year-end value, resulting in a difference.

Region	**Number of Employees (Headcount)**
Asia	7,071
Australia	1,150
Europe	12,636
North America	10,119
South America	2,223
Middle East	234

Country*	**Number of Employees (Headcount)**
United States	7,330
United Kingdom	5,131

* *Only the UK & US have an employee headcount that is more than 10% of our employee population.*

General policies related to our workforce

Our general policies are designed to enable our workforce to feel valued, respected, and equipped to succeed, and to help us manage our potential positive and negative impacts, risks and opportunities. Our policies are available on our intranet and apply to our own workforce.

Our key policies include the following:

	Material topic(s) addressed by the policy		
Policies	Training and skills Development	Health and safety	Work life balance
Arcadis General Business Principles (AGBP)	X	X	
Seek Advice and Speak Up Policy		X	
Respect at Work Policy			X
Human Rights Policy		X	
Arcadis Health and Safety Vision and Policy		X	X
Workstyle Promise			X

Arcadis General Business Principles (AGBP): The AGBP reflect our commitment to comply with the laws, regulations and culture of the countries in which we operate. The AGBP apply to business activities and form our code of conduct, guiding the behavior we expect of our own workforce when conducting business. We believe that our shared core values ensure our mission is fulfilled: People First, Client Success, Integrity, Sustainability and Collaboration. These values are the foundation of our AGBP. Our behavior creates the integrity and compliance culture of our organization and a sustainable future.

The application of the AGBP is strengthened by a compliance management system, which is designed to ensure that our people understand the principles and act in accordance with them. Ultimate responsibility for the implementation and application of the AGBP lies with the Arcadis Executive Board and the primary responsibility with our people and management in the operating entities (first line of defense). The Compliance team is the second line of defense that assists and supports the first line of defense with identification and analysis of key regulatory & policy compliance risks, trend analysis, mitigation of compliance risks through policies, standards, procedures, and guidelines, providing training and awareness and with periodic assessment of the effectiveness of the risk mitigating controls. For information on the monitoring of AGBP, please refer to the Monitoring and Accountability section in the Business Ethics chapter.

Arcadis Seek Advice and Speak up Policy: This policy outlines the various ways to speak up that are available for our employees and our external partners. We are committed to creating and upholding a culture where our own workforce and our external partners feel comfortable, supported, and safe to raise their concerns, to seek advice and speak up. The ultimate responsibility for the implementation and application of this Policy Statement lies with the Arcadis Executive Board. For information on the the monitoring process of the Arcadis Seek Advice and Speak up Policy, please refer to Integrity Line and Seek Advice and Speak Up sections in the Business Ethics chapter.

Respect at Work Policy: This policy aims to create an environment where our own workforce feel they belong and can succeed with differences recognized and valued. The policy states that we do not tolerate harassment or discrimination of any kind. The Chief People Officer plays the lead role in the implementation of the policy.

As the Respect at Work policy was released and adopted in 2024, the initial work in implementing the policy has begun with raising the awareness with the respective country People teams. To monitor its implementation, we plan to leverage feedback from our established local compliance committees and review our Your Voice engagement survey feedback. The plan will be to weave the policy awareness in our future mandatory training to ensure employees understand the policy and know how to act regarding inappropriate behavior.

Human Rights Policy: This policy guides our efforts to safeguard human rights with key stakeholders, including employees, customers and suppliers. The policy is designed to respect human rights of stakeholders throughout our full value chain. Consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs), our policy commits Arcadis to respecting internationally recognized human rights. Specifically, it mentions respect for: the International Bill of Human Rights; the International Labor

Organizations' (ILO) Declaration on Fundamental Principles and Rights at Work and its core Conventions; and those international laws that protect groups of people who are potentially at heightened risk for vulnerability or marginalization e.g., the ILO Indigenous and Tribal Peoples Convention C169, and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

The policy meets the five requirements specified by the UNGPs:

1. It has been approved at the most senior level of the business;
2. It was informed by relevant human rights expertise when it was developed, in this case with the support of an external consultant. Further improvements will be informed by Arcadis' human rights subject-matter experts;
3. It stipulates Arcadis' human rights expectations of our workforce, business partners and other parties directly linked to our company;
4. It is publicly available (an update will follow in Q1 2025);
5. It has been embedded into internal Arcadis policies. We are further operationalizing the policy through our business procedures. The Global Human Rights Director has overall responsibility for the implementation of this policy.

Our human rights policy also informs an internal roadmap, through which we will implement the policy and continue taking concrete steps to further embed respect and the promotion of human rights in our activities. We implement our Human Rights Policy by proactively identifying and assessing actual and potential human rights risks. We are integrating human rights into our management systems and taking action to address identified risks through specific programs. This includes enhancing the selection and management of our suppliers and services. Additionally, we address and remediate potential human rights infringements via our grievance mechanisms, collaborating with others when necessary to ensure these risks are managed effectively. Given we are in the early stages of implementation, we have not set any time bound outcome oriented KPIs to monitor the implementation or effectiveness.

Arcadis Health and Safety Vision and Policy: This sets out the approach whereby the physical and psychological health and safety of the workforce and stakeholders is protected, by mitigating risks and preventing harm that could be caused by a variety of work-related activities. This policy is part of Arcadis' broader commitment to a culture of 'zero harm' and emphasizes the importance of individual behavior in achieving these goals. The policy sets minimum requirements for conducting business at Arcadis, and it is designed to be flexible to meet local regulations, culture, and customs. The eight Health, Safety and Wellbeing principles mentioned in the H&S section, along side the H&S and Wellbeing management system, are the key enablers for implementing this policy. The Global Director of Health, Safety, and Environment (HSE) has the overall responsibility for the implementation of the policy and monitors the implementation through our Occupational Safety and Health Administration (OSHA) reporting.

Workstyle Promise: In response to the evolving nature of work, we launched the Global Workstyle Promise in 2021, acknowledging the need for flexibility in how people work to manage and balance their work life. As part of our commitment to prioritize our employees' choices, the Workstyle Promise has been integrated throughout Arcadis by offering flexible working arrangements in line with local labor legislation and providing necessary tools and resources to support managers and employees. It aims to allow employees to have the freedom to tailor their workstyles according to their unique needs and responsibilities as well as client requests in alignment with their line manager. The Global Workplace Director has responsibility for the policy and Arcadis uses our global surveys (Your Voice and Workplace and Workstyle survey) to help monitor its implementation.

General processes for enabling dialogue with own workforce

Arcadis encourages two-way dialogue between employees and line management. In some countries we are required to implement a specific, formalized process to facilitate dialogue between management and employee representatives, such as via work councils and collective labor agreements . The following table outlines the key channels we use to engage with our employees to assist in managing any potential or actual impacts, risks and opportunities on our workforce.

Channel for engagement	Description of engagement	Frequency	How the engagement informs our operations and decision-making
Your Voice	Your Voice is our global employee dialogue program. It encourages a culture of feedback and shared accountability for making Arcadis a great place to work. In 2024, 85% of employees shared their thoughts on a variety of topics via our quarterly employee survey. Through Your Voice we gain valuable feedback that helps drive meaningful action across different areas of the business, with the aim of improving the employee experience.	Quarterly (survey)	Results are released shortly after the survey closes. Managers with five or more team members who participated in the survey are able to receive results for their teams. Our senior leadership group have the responsibility for improving engagement, and feedback is actioned in their respective business units after discussing the results and setting actions with their teams. Global key actions are also set and communicated by the CPO. The CPO has ultimate responsibility for the program and reports to the Executive Leadership Team and Supervisory Board on results and outcomes.
Your Voice Wellbeing Survey	Gather insights on employee satisfaction with their health and wellbeing at the company. This survey is part of the Your Voice survey and includes questions on various topics such as work-life balance, the ability to take time off when unwell, and the importance of employee wellbeing to senior leaders.	Annually	The results are used by the Global Wellbeing Director to identify areas for improvement and to develop initiatives that support employee wellbeing.
The Arcadis Workstyle and Workplace Survey	This survey is designed to gather insights on where and how employees prefer to work. It helps Arcadis to understand the value that different workplace settings bring to employees. The results of this survey are analyzed alongside smaller, local 'pulse' surveys to better understand country trends and needs while maintaining a global perspective.	Annually	Results are discussed at a global and country level to inform decisions about workplace design and policies so that Arcadis spaces continue to offer a great working environment for employees.
Diversity Representation Survey	Gathers insights on the diversity attributes of our workforce and the respective engagement levels. This survey includes questions on various topics such as ethnicity and heritage, gender identity, career responsibilities, sexual orientation, physical health or neurodivergent conditions, and faith. This survey enables Arcadis to gain insight into the perspectives of workforce minorities aligned to our five affinity groups (Gender, Access & Neurodiversity, Ethnicity & Heritage, LGBTQIA, Age). The survey provides insight from participating employees to help shape our Diversity, Equity, Inclusion, and Belonging (DEIB) action plans and our Affinity group actions.	Annually	The survey results are reviewed by the Global Diversity teams as well as Arcadis Global Affinity groups, where the results are aggregated to allow for anonymity. The results are discussed in webinars with Q&A sessions for transparency and help inform improvement in our employee experience.
European Works Council	For international initiatives touching two or more European countries, Arcadis introduced a European Works Council. We actively engage by initiating discussions with the Council and providing them with information on transnational matters that have or could have a substantial impact on employees' interests across Europe. The Council includes company representation from senior leaders, as well as employee representation from respective European countries.	Quarterly	In 2024, consultation with the European Works Council covered a wide range of topics related to our business strategy. This included issues surrounding Arcadis' journey towards becoming a Skills Powered Organization, as well as structural changes and implementation of new technology.
Works Councils (per country)	Works Councils are representative bodies of employees. Arcadis has established a Works Council structure/employee representative body in the following countries: the Netherlands, Belgium, Germany, France, Italy, Romania, Poland and Brazil. Arcadis respects the local differences in law on Works Council rights and has dedicated internal Labor Relations teams to help remain compliant and facilitate the consultation between leadership and employees.	Varies from monthly to quarterly based on country.	The Works Councils aim to promote open communication between management and employees, addressing workplace issues and fostering collaboration.

Arcadis' approach to Human Rights

Respecting human rights

Arcadis recognizes the role corporations play in society, and we understand our responsibility to respect human rights in our operations and through our business relationships. Treating people with dignity and respect is aligned with our company's core values: People First, Client Success, Integrity, Collaboration and Sustainability. In the context of our projects and partnerships, this means we aim to make conscious decisions about where we work, and with whom we work. It also means that our goal is to act in ways that will contribute to a more sustainable, inclusive, and equitable world.

Due diligence

To operationalize our Human Rights Policy, Arcadis has started to conduct Human Rights due diligence. We recognize that this is an ongoing effort and commit to regularly assessing our practices and approaches in light of our changing world. To understand potential and actual impacts of policies and practices on our employees, Arcadis conducts proactive and reactive due diligence.

In 2022, Arcadis conducted its first human rights impact assessment in one of our operating countries—the Philippines. The assessment consisted of interviews with employees as well as a survey that went to all employees in the country. It included a focus on access to remedy, freedom of association and collective bargaining, forced labor, health and safety, living wage, non-discrimination and harassment, privacy social security, women's rights, and working hours. Follow-up recommendations were provided, and Arcadis continues to work on closing identified gaps, some of which are global in nature, others of which only relate to the Philippines. In addition, in the countries where Arcadis has Work Councils, Arcadis also learns about working conditions and how improvements can be made by engaging with those councils.

General processes to remediate negative impacts and channels for own workforce to raise concerns

Our human rights policy commits to remedy where Arcadis causes or contributes to adverse human rights impacts. Arcadis reacts to potential or actual impacts when they are reported through our Seek Advice and Speak Up Policy.

Fostering a respectful workplace

Creating a safe and respectful workplace is foundational to fostering inclusion and countering removing discrimination. We understand that a culture free from fear and hostility is critical to unlocking the full potential of our people, allowing them to contribute meaningfully and collaborate effectively.

In 2024 we launched mandatory bystander training, which plays a key role in building a culture of respect and support. This training empowers employees to recognize, respond to, and prevent inappropriate behavior in the workplace. By equipping team members with the knowledge and ability to intervene safely, we foster a culture of collective accountability. This training is not merely about policy enforcement; it represents a proactive approach to building a workplace where everyone is responsible for upholding respect and inclusion.

Respect at work and facilitating our workforce to speak up

Our General Business Principles outline that we treat people with dignity and respect, and our Respect at Work Policy further outlines our commitment to creating an environment where our own workforce can feel they belong and thrive, and where differences are recognized and valued.

We do not tolerate harassment or discrimination, whether due to culture, nationality, race, religion, gender, disability, association, sexual orientation, age or any other characteristic protected by local law or international standards. Arcadis encourages our own workforce, clients and third parties, who feel that they have been subject to or witnessed any violation of this policy to take action via our Arcadis Seek Advice and Speak up Policy.

If employees or external stakeholders wish to remain anonymous, they can use our Integrity Line which is, accessible 24/7 in their own language by web or phone. These Integrity Lines are hosted by an independent third party, which ensures protection against retaliation, and reports are received by Arcadis' Global Compliance Office for initial assessment and redirected for confidential handling as outlined in the Compliance Charter.

Management of material topics

The policies form the boundaries of the objectives for Arcadis to have its employees operate in a healthy and safe environment, for setting the context to progress in development and to keep work and private life well balanced, amongst others. The Your Voice engagement survey, measured by the Net Promoter Score (eNPS), covers all these areas in a structured way with our employees, leading to the establishment of a global engagement target. We have thus selected employee engagement as our central target to help manage the material impacts, risks and opportunities related to our material topics in 'Own workforce'. Employee Engagement is measured through a quarterly employee survey and is administered by a third party, using a platform that allows us to benchmark against our professional services peers on engagement topics. The platform services thousands of customers across nineteen different industries, one of them is the Professional and Businesses Services sector. In this sector 146 companies use the services of the platform, amongst them are peer group members.

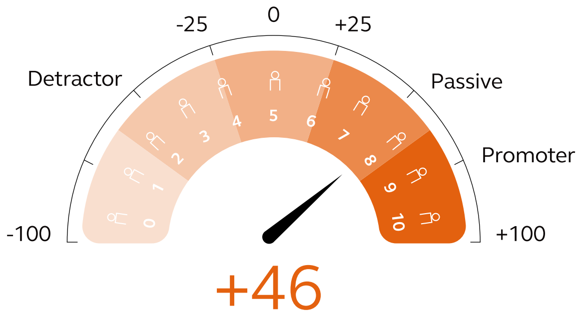
The engagement questions cover a range of areas and there are specific questions that cover our material impacts, risk and opportunities topics. The survey reports allow leaders and managers to facilitate a dialogue with employees and set team and global actions to enhance employee engagement, and ultimately improve productivity and retention.

The company has set a target to remain in the top 25% of the professional services sector (as measured by the third-party platform) by 2026 for employee engagement, as measured by eNPS. Arcadis believes that being in the top quartile of the professional services sector supports its ability to attract and retain the talent needed to deliver its broader strategic objectives. To set this target Arcadis reviewed yearly trends and compared the baseline through insights and benchmarks derived from the platform. Proposed target levels were then discussed with wider senior leadership to align and gather feedback. In each quarter, engagement levels are reported to leadership teams and shared with the workforce, with key insights being provided to global subject matter experts to help with program calibration or ideas for new actions.

Metrics and performance

In 2024, our eNPS was measured at +46, with 85% of employees having responded to the survey. Our engagement has remained at a consistent level during 2024 and within the top 25% of the professional services sector, as measured by the platform. The eNPS target was set with reference to other professional services companies using the same platform , focusing on realistic ambition rather than scenario analysis. While the platform confirmed our position within the top 25%, no more granular ranking was provided. No interim targets were defined, as the goal is to maintain a position within the top 25% across years.

eNPS – employee Net Promotor Score



% Promoters - % Detractors = Net Promoter Score

Material topics – key actions and metrics

On the following pages, we disclose the material IROs, actions, and metrics related to the respective three material sub-sub-topics.

Training and skill Development

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Training and skills development				●		●	Failure to train and develop employees can impact employee job satisfaction, turnover, employee skill development, resulting in lack of personal and career growth for the workforce.
Training and skills development		●				●	Failure to upskill can have an impact on employee job satisfaction, turnover, employee skill development which can risk having an untrained workforce resulting in lower productivity.
Training and skills development			●			●	By prioritizing and investing in capability and skill development, Arcadis can foster creativity and innovation among its employees, thereby enhancing job satisfaction and provide for enhanced client service delivery.
Training and skills development	●					●	A strong emphasis on skills development through becoming a Skills Powered Organization is an opportunity to position Arcadis as an industry leader, poised to meet client demands and drive sustainable growth.

O Opportunity **R** Risk **I+** Positive impact **I-** Negative impact **VC** Value chain **OO** Own operations

At Arcadis, nurturing the capabilities and skills of our employees is a core part of the “Powered by our People” strategic focus area within our business strategy. With our focus on skill enhancement, we aim to equip our employees to meet client needs and aids in attracting talent. The following actions are ongoing, will continue into the future, and apply primarily to Arcadis employees as the main affected stakeholder group, while their training contributes to a more equipped Arcadis workforce, including managers who also oversee non-employees.

Actions related to training and skill development

Progressing to become a Skills Powered Organization

Keeping up with technology and adapting to change, while meeting the needs of our people, requires us to think differently. To do this, we have embarked on a journey to become a Skills Powered Organization (SPO), which means we are building a workforce that is prepared for the future in an ever-changing world of work. An SPO prioritizes skills in every aspect of the employee lifecycle. It focuses on identifying, developing, and aligning people's skills to effectively meet both current and future client and business needs.

We started designing our journey to becoming an SPO in 2023. After two test and learn phases, in May 2024 we began the first phase of our SPO rollout, providing an initial 24,000 employees with access to our new AI-powered SPO platform. Through this platform, we offer personalized recommendations for development, role opportunities and career pathways aligned to individuals’ skills and career aspirations.

As part of the next phase in our SPO journey we have launched a ‘Gigs’ pilot. Gigs will connect employees with short-term, specific opportunities that align with their skills and career aspirations. The introduction of Gigs through the SPO platform provides a flexible way to source skills for both billable and non-billable work across Arcadis globally. This approach enables employees to contribute productively while gaining on-the-job learning experiences beyond their core roles. Gigs will empower employees who have available time, skills, and interests to proactively pursue new projects that align with their career goals and availability. Our aim is to fully deploy the Gigs program in 2025.

Developing capability

To expand our learning offering, we have continued implementing our advanced Learning Experience Platform (LXP). This platform provides access to over 11,000 digital learning resources promoting equitable learning opportunities for our employees globally. Our LXP facilitates access to content covering a wide range of areas, including a focus on equity, inclusion, and belonging; and sustainability; and mandatory and legislative requirements. It also facilitates our performance conversations around career and skill development.

The LXP empowers our employees to embark on personalised learning journeys, tailoring their skill development to foster ongoing growth and progression. Additionally, with integration into our SPO platform, the LXP enables access to development by suggesting learning resources based on skills gaps, career progression, and individual interests.

Developing critical areas

In 2024, we continued our commitment to building our energy transition capabilities, a key skill area for service delivery. By the end of 2024, we had successfully conducted five specialized programs focusing on hydrogen, urban energy solutions, offshore wind, industrial decarbonization and nuclear power. Following the completion of these schools, our next objective is to develop practitioner training that will equip our team with the technical skills necessary to meet our clients' needs. As we look ahead to 2025, we are committed to further expanding this curriculum.

Our Growth Accelerator journey continued in 2024. Growth accelerator is a program aimed to enable our client development leaders to be more entrepreneurial, leverage the wider Arcadis business and adopt great digital solutions for clients at speed. We conducted two key programs in 2024: one tailored specifically for our Places Global Business Area (GBA), and another where we invited delegates from across the GBAs to collaborate on sector-specific solutions .

In 2024 we launched the final Sustain Abilities modules , completing a suite of 13 modules. These cover a wide array of topics– from understanding what sustainability means to Arcadis, to specific strategies for supporting our clients on their sustainability journeys. Notably, two of these modules are dedicated to energy transition.

Upskilling our line Managers

In 2024, there was a continued investment in building managerial and leadership capability globally. Our Management Essentials and Advanced Management programs are part of our Line Management Experience (LMEx) initiative designed to specifically empower managers globally to lead with impact – an initiative that continues to be critical given the pivotal role of managers in transforming our business and driving performance, engagement, and retention of their teams.

Metrics and performance

The formal target that we have set for this topic is employee engagement, as measured through our eNPS score. In addition, while we do not have any other formal targets for this topic, we measure and monitor metrics regarding participation in regular performance and career development reviews and in training and skills development.

At Arcadis, employees are expected to have a regular performance and career development review with their manager once a year. The table below presents the number of employees who participated in at least one such review during the 2024 reporting year.

Training and skill development

	2024				
	Female	Male	Other	Not disclosed	Total
Employees that participated in regular performance and career development	71%	70%		50%	70%
Average number of training hours per employee	63	65		106	65

Health and safety

Our vision for Health, Safety and Wellbeing (HSW) is to empower our own workforce to create a proactive health, safety and wellbeing culture. We do this through our HSW mission, “Protecting our People”. We prioritize our people's physical and psychological health with a proactive, culture-driven approach, incorporating wellbeing into our 2024 health and safety (H&S) efforts to reinforce our People First value.

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Health & Safety			●			●	Prioritizing health and safety across all areas of the business, including project management and execution, to create a safe and healthy work environment that safeguards the workforce's physical and mental well-being while promoting a positive work culture.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Actions to manage the impact

Our Global Health, Safety & Wellbeing Management System Standard (GHSMSS) is built alongside the guidelines of the ISO45001 and ISO45003. Every country in which we operate uses the GHSMSS as a minimum standard and has built in local legislative requirements. Our workforce is bound to follow the requirements of the GHSMSS.

As part of our Health, Safety and Wellbeing Vision and Policy, Arcadis has defined eight fundamental H&S principles which are ongoing actions and will continue on into the future. These activities apply to our own workforce to create a safe and healthy work environment:

Demonstrate H&S Stewardship Daily

STEWARDSHIP
Making sure you and everyone in your team goes home safely

Use TRACK

TRACK
THINK through the tasks
RECOGNIZE the hazards
ASSESS the risks
CONTROL the risks
KEEP Health, Safety and Wellbeing in all things

Exercise Stop Work Authority

STOP WORK
AUTHORITY

Practice "If not me, then who?"

IF NOT ME
THEN WHO?

Health & Safety Planning

HEALTH & SAFETY
PLANNING

Proactive Reporting

PROACTIVE
REPORTING

Health & Safety Knowledge

KNOWLEDGE

Holistic Wellbeing

HOLISTIC
WELLBEING

1. **Health & Safety Planning:** Prepare and maintain a and Safety Plan for work activities performed outside of an office environment.
2. **Proactive Reporting**: Report incidents, significant near misses, and unsafe acts or conditions immediately so that they can be investigated, corrected, and prevented. Lessons learned are then shared within the workforce. In order to monitor awareness and develop our H&S culture we not only focus on reactive actions (reporting of near misses and incidents), but we also aim to foster a culture of proactive actions and reporting.
3. **Stop Work Authority:** If the workforce observe something is unsafe, they have the responsibility to stop their own work or the work of other teams, or work that is under Arcadis' control.
4. **If Not Me, Then Who:** Encourages the workforce to keep themselves and others safe by acting immediately to prevent harm. If the workforce see something is unsafe (or not right) they can speak up within the situation or raise through more formal channels.
5. **TRACK:** Our own workforce is encouraged to apply TRACK (a risk analysis and assessment approach) when planning tasks, before starting tasks and again when conditions change.
6. **Stewardship:** Our own workforce should be able to go home safely every day. To further enable this we have a program in place whereby our leaders are required to undertake and report their stewardship activities once per quarter. Monitoring of stewardship activities helps inform where to focus training and support.
7. **Holistic Wellbeing:** Arcadis proactively protects our people from wellbeing risks within our work processes and the working environment. This commitment involves cultivating psychological safety, fostering a culture of care, and encouraging everyone to self-manage their health and wellbeing within the organization. Support systems are in place for those encountering challenges or illnesses (shown in work/life section below).

8. **H&S Knowledge:** Employees need to engage in training or workshops to enhance H&S knowledge and practices among employees. Learning programs are in place to raise awareness among employees, including within our senior leadership group. In 2024 we rolled out formal HSW stewardship training to our senior leaders. The training was specifically crafted to challenge behaviors and approaches related to leadership and stewardship activities within Arcadis. It emphasized the crucial role of leadership in promoting quality of life and upholding of care, respect, and safety to drive performance excellence. Mandatory refresher training on HSW was also rolled out in June for employees.

Metrics and performance

Aside from employee engagement, no other formal target has been set for this topic. To measure our effectiveness in managing our positive impact on H&S, the following metrics in the table are regular reported and discussed by senior leadership.

The H&S metrics table includes both employees and non-employees, as Arcadis' H&S policies, systems, and processes are applied consistently across the entire workforce. As a result, no distinction was made during data collection for 2024 or in the disclosure. Given that local privacy regulations restricted access to case identities, we did not differentiate between employees and non-employees. To meet ESRS requirements, we retrospectively identified relevant cases where necessary. All recorded incidents have been confirmed to involve only our own employees.

In 2024, Occupational Safety and Health Administration (OSHA) reporting remained a critical component of our H&S performance monitoring alongside ESRS requirements. This was necessitated by the significant portion of our business operations located in the United States and Canada, where OSHA regulations are the principal framework for workplace safety reporting. Adhering to OSHA requirements ensures compliance with both region-specific legal obligations as well as client requirements. Furthermore, integrating OSHA and reporting aligned with ESRS requirements supports the management of H&S across our global operations.

H&S metrics

	Unit	2024
Employees covered by H&S Management System	%	**100%** [1]
Non-Employees covered by H&S Management System	%	**100%** [1]
Fatalities as a result of work-related injuries and work-related ill health[2]	Number	**0**
Recordable work-related accidents *(Recordable cases)*	Number	**42**
Number of work related ill-health cases	Number	17
Number of work related injuries	Number	25
Rate of recordable work-related accidents *(Total recordable case frequency, TRCF)*		
OSHA	200k Wh	**0.14**
ESRS	1000k Wh	**0.7**
Lost time cases	Number	**18**
Lost Time Case Frequency, LTCF		
OSHA	200k Wh	**0.06**
ESRS	1000k Wh	**0.3**
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health *(Lost work days)*		
OSHA	Number	**260**
ESRS	Number	**278**

[1] For the workforce (employees and non-employees) covered by the H&S management system, this metric in 2024 was recorded without differentiation, encompassing the entire workforce in line with Arcadis H&S principles. With a result of 100%, all individuals within the workforce were included in the coverage, and thus the 100% for both.

[2] Value chain workers included.

Work-life balance

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Work-life balance	●					●	One potential opportunity has been identified to offer flexible work arrangements, allowing our workforce to balance their competing work and life demands. This could improve employee engagement and becomes a key part of our employee value proposition.
Work-life balance		●				●	One actual material risk has been identified in that neglecting to support work-life balance could lead to higher absence rates, elevated employee attrition and reduced overall productivity. However, by prioritizing work-life balance, Arcadis aims to enhance employee engagement, increase loyalty, and create a more positive and supportive work environment.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Actions to manage the impact

Achieving work-life balance for employees involves prioritizing the wellbeing of our own workforce and stakeholders through our ‘Protecting Our People' mission and HSW vision and policy. Our shared belief fosters a culture of fairness and understanding, promoting physical and psychological health and safety.

As of 2024, our employees now have access to flexible working arrangements. We recognize that each employee has different circumstances and preferences, and we value their ability to choose work arrangements that best suit their needs whilst balancing business responsibilities. By providing this flexibility in line with local labor legislation, we empower our employees to achieve a healthy work-life balance and optimize their productivity.

Arcadis provides several family-related leave options within respective country legal frameworks to help support employees during significant life events. Examples of options across our diverse country portfolio include parental leave for either parent for the birth of a child, flexible work schedules that allow employees to accommodate work-life balance, dependent care leave and adoption assistance.

Recognizing the diverse needs of our people and the risks they face in the dynamic environments where projects are delivered is crucial for human sustainability.

Arcadis offers several ongoing wellbeing programs. The following actions are ongoing, will continue into the future, and apply primarily to Arcadis employees as the main affected stakeholder group for work-life balance, while these programs also assist line managers manage work life issues with the total workforce including non-employees:

Protecting our People

Employee Assistance Program (EAP) that provides 24/7 confidential support for employees. This program includes counseling services for a variety of issues related to mental, emotional and physical health; legal and financial concerns; returning to work as a new parent; and needing support as a manager.

Global Peer Wellbeing Advocate Network, which consists of dedicated wellbeing advocates who support efforts to enhance quality of life for employees. This encompasses physical health, mental health, and safety.

Global Wellbeing Webinars on various wellbeing-related topics, such as lung and respiratory health, smoking cessation, and celebrating positive role models. These webinars aim to raise awareness and provide support for employees' health and wellbeing.

Surveys on both Wellbeing and Workstyle to listen to workforce needs and seek to incorporate feedback into the design of our programs and workspaces.

Training and resources to support line managers and leaders to be HSW stewards with the confidence and knowledge to support the wellbeing of their teams. Also, to enable our workforce to cultivate resilience, embrace a growth-oriented mindset, and assume responsibility for their own health and wellbeing.

Metrics and performance

As stated above, the formal target that we have set for this topic is employee engagement, measured through our eNPS score. In addition to this, continuous listening in global surveys (Your Voice Engagement Survey, Workstyle and Workplace Survey) enable us to understand concerns raised, so that we can strive to create environments that support employees in managing their work –life balance. By monitoring the attrition levels and reasons for leaving we are able to analyse whether work-life balance issues could be factors causing employees to leave.

Leavers and employee turnover rate

	2024
Number of leavers (permanent & temporary employees)	6,261
Total turnover (permanent & temporary employees)	18.8%*

* Turnover calculation has been revised to align with the ESRS definition and now includes temporary employees. Our total turnover based on permanent employees alone is 16.3% (11.3% voluntary turnover).

Family-related leave

	2024
Percentage of employees entitled to take family-related leave	100%
Entitled employees that took family-related leave	
Female	7%
Male	5%
Other/not disclosed	1%
Overall	6%

Resourcing and reporting

Arcadis demonstrates its commitment to addressing material negative and positive impacts, managing risks, and pursuing opportunities related to its workforce through a core set of activities:

- Regular reporting: We publish detailed internal sustainability and workforce-related reports outlining the company's strategies, targets and performance in workforce-related areas. In recent years we have regularly reported workforce data which has included information on employee well-being programs, and workforce development initiatives. A regular H&S report is also provided to management.
- Stakeholder engagement: To gather feedback on workforce-related practices and show a commitment to continuous improvement, we engage with key stakeholders including clients and employees. This includes engagement with internal communities at Arcadis, such as affinity groups and representative bodies for employees.
- Certifications and ratings: We have obtained ratings from external agencies that look to benchmark us against standards in relation to sustainable workforce practices (i.e., EcoVadis).
- Communication of performance: We provide transparent communication about company policies, practices, and performance related to the workforce through various channels, such as company website or internal communications (i.e., Intranet, webinars).

By actively implementing and transparently communicating these strategies, we can show our dedication to addressing material impacts on our workforce and how we are striving for continuous improvement in managing risks and realizing opportunities. Where targets are not set, regular reporting helps track our progress. To effectively address the identified material topics, Arcadis has the following key teams in place:

- Enabling functions such as the People (HR) team, Global Sustainability team, Health, Safety and Wellbeing team allocate capacity to manage material impacts within our own workforce.
- People expertise: The People (HR) team at Arcadis comprises professionals with expertise in areas such as employee and labor relations, talent management, diversity and inclusion, compensation and benefits, and learning and development. Their role is to assist in managing material impacts on the workforce and developing strategies to address them effectively.

- Industry experts and consultants: From time to time we engage with subject matter experts or consultants who can provide guidance on best practices, help in setting targets, and offer insights on emerging trends in workforce risks and opportunities.
- Global affinity groups: These are employee-led communities that bring together individuals with shared identities, backgrounds, interests, or experiences to promote diversity, inclusion, and a sense of belonging within the organization. We have invested financially in global affinity groups by covering the billable hours of the employee representatives who lead these groups, in cases where those hours would normally be billable to clients.
- Human rights experts: Arcadis has a group of human rights specialists focused on ensuring that the organization upholds and promotes human rights principles within its operations and supply chain.

By leveraging the expertise of various people across the organization, Arcadis aims to appropriately allocate team members to manage material topics within its own workforce.

S2 Workers in the value chain

At Arcadis, our passion is improving quality of life. We believe that fostering a sustainable value chain is our responsibility as a company and a key enabler of our success. Our value chain includes our upstream supply chains, from which we receive products or services that are used in the production of our own products or services, as well as our downstream projects and clients, which receive services from us.

Arcadis relies on value chain workers to support suppliers and clients across a wide range of activities. We seek to minimize and mitigate human rights risks and avoid negative impacts that may stem from our value chain.

For ESRS S2, health and safety (H&S) for value chain workers has been identified as material.

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Health and safety				●	●		The negative impact concerns incidents at the site level, such as exposure to hazardous substances, unsafe systems, or work-related pressures, which can negatively affect the physical and mental well-being of value chain workers.
Health and safety		●			●		Within our upstream and downstream value chain, H&S represents a potential risk for Arcadis and an actual negative human rights impact, due to our operating context and the nature of our business activity. Failure to identify and address value chain-related H&S issues can influence not only the well-being of value chain workers, but could also lead to potential penalties, reputational damage, and loss of stakeholder trust and revenue. Potential risks could include unintended associations with projects, clients, or suppliers that fail to uphold H&S standards or adequately engage with value chain workers.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

Policies related to value chain workers

Human rights

Our Human Rights Policy underpins our commitment to respect all internationally recognized human rights, including rights related to H&S, with specific references to international human rights standards and principles encompassed in the:

- Universal Declaration of Human Rights
- International Labor Organization’s Declaration on Fundamental Principles and Rights at Work
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights.

Our approach to human rights due diligence for the value chain is formalized in both our Human Rights Policy and our Global Sustainability Policy. Our Supplier Code of Conduct outlines Arcadis’ human rights requirements for our supply chain, including H&S expectations, and is aligned with our Human Rights Policy and its underlying international standards and principles. Our Human Rights Policy covers the geographies in which Arcadis operates as well as the geographies in which our value chains operate.

In 2024, our External Integrity Line received no reports of non-compliance with the UN Guiding Principles, ILO Declaration, or OECD Guidelines from value chain workers.

Our Chief Growth Officer is accountable for implementation of the relevant policies in our value chain.

Global commitment to H&S

Our commitment to H&S is embedded within our Global H&S Policy. Our due diligence practice for H&S is detailed within our Global Health, Safety & Wellbeing Management System Standard (GHSMSS), with the aim to cover all value chain workers to prevent work-related ill health, work related ill-health, property damage, and other incidents during Arcadis-related activities, applying the standard of care.

Our Chief Delivery Officer is designated by the Executive Board to have the primary responsibility for H&S within Arcadis.

Our approach - responsible value chain

Upstream value chain – supply chain

Responsible supply chains are essential to Arcadis, and we seek to uphold human rights, including those relating to H&S, throughout our supply chain. An estimated 20-25% of our gross revenues are spent on third parties and subcontractors. In 2024, our project-related suppliers that help deliver projects to our clients accounted for about 2/3rd of our procurement spend. Our project-related suppliers span a wide range of segments including construction, transportation, maintenance and consulting. The other approximately 1/3rd of our procurement spend related to categories such as office supplies, marketing, travel, fleet and technology.

Arcadis seeks to centralize its human rights due diligence in alignment with the United Nations Guiding Principles on Business and Human Rights and embed it in its existing processes and broader risk management systems, as well as at the different stages of our relationship with suppliers. Our due diligence efforts extend to all internationally recognized human rights (including H&S).

Identifying our high-risk areas

To identify our high-risk areas on human rights (including H&S) and other relevant risk factors within our supply chain, we worked with external human rights experts to design a Sustainability Risk Matrix. Within this matrix, we consider, among other aspects, the supplier's services and location of operation. Arcadis' supply chain risk assessment process combines the Sustainability Risk Matrix, our internal expertise, our ESG screening and monitoring tool and publicly available sources. The combination of the matrix and tools allows us to identify our high-risk purchasing categories and countries of our operations, as well as potential vulnerable groups such as migrant workers. The higher-risk regions include, but are not limited to, Latin America, the Middle East and Asia. Our higher-risk categories include construction, IT hardware and materials.

Risk management

Identifying and assessing risks and impacts

Before entering a business relationship with Arcadis, relevant suppliers in high-risk areas undergo a due diligence process that is increasingly centralized via our prequalification questionnaire and screening tools. Commitment to the Supplier Code of Conduct is required in the prequalification questionnaire and our general terms and conditions, which are also referenced in our purchase orders.

Through the Supplier Code of Conduct, suppliers agree to provide appropriate working conditions for supply chain workers, combat child labor, forced labor, human trafficking, precarious practices, and discrimination, as well as H&S requirements. For H&S, this includes:
- Providing clear information on their H&S practices.
- Complying with relevant H&S laws and regulations, and, where applicable, meeting Arcadis' H&S requirements for contractors.
- Providing the necessary H&S training to enable safe performance of tasks.
- Supplying and ensuring the use of appropriate personal protective equipment.

To facilitate the understanding of our Supplier Code of Conduct, a concise training module for suppliers is provided online.

We seek to collaborate with suppliers with whom we have a contractual relationship (first tier). We expect them to require and enforce the same human rights standards and expectations within their own supply chains, as we do within our own.

To support us in identifying potential and actual negative impacts in our supply chain, we use a digital tool for environment and human rights risk alerts. We continuously screen and monitor our suppliers through this digital tool to identify (human rights) risks, including H&S, focusing on our suppliers active in high-risk areas. We analyze the intelligence received based on our decision tree for prioritization and use it to inform internal stakeholders and follow up on the actions expected.

Based on the results of our ESG screening and monitoring, in 2024 we identified a few working conditions-related human rights issues among our suppliers and in its supply chains issues associated with H&S, freedom of association and forced labor were identified.

Integrate, act and monitor

The recommended follow-up actions for the identified issues included engaging with the supplier on its human rights performance and the intelligence received; and contractual clauses and improvement plans, among other recommended actions intended to prevent and mitigate risks and impacts. For prioritized human rights issues, we continuously monitor the follow-up actions taken and the outcomes.

Downstream value chain – projects and clients

Arcadis seeks to minimize and mitigate H&S risks and avoid any negative impacts that may stem from our delivered services to clients. We focus in this chapter on the client selection processes and on the preventive measures that are put in place to mitigate potential and actual negative impacts from the work done on project sites of the clients.

Client selection

Before accepting a client, we conduct a thorough go/no-go procedure. This involves various checks to ensure that the potential client aligns with our strategy and values. In addition to financial and other assessments, we carry out comprehensive H&S (Health & Safety) checks. These checks include acquiring detailed knowledge about the client's H&S management systems and their track record in H&S.

Once a client is accepted, Arcadis implements several measures to avoid any material negative impacts from our activities. These measures include our H&S policy, Standard Operating Procedures (SOPs), trainings, certifications, and protocols. These apply not only to Arcadis employees but also to the workers of our partners and clients. The 8 fundamental H&S principles outlined in S1 are designed to adhere to legislative requirements, legal frameworks, and other obligatory standards relevant to H&S within design, engineering, and consultancy.

On-site, if the client oversees H&S management, we adhere to their standards while maintaining our own Arcadis principles and standards as an absolute minimum if the client's management systems should be less stringent. Conversely, if Arcadis is responsible, we implement our standards and procedures. This entails upfront communication of the Arcadis H&S requirements, client requirements, and H&S expectations for all activities to be performed by everyone involved. Partners must be qualified and approved based on H&S criteria before executing contracts, whether for long-term partnerships or project-specific relationships.

Identifying our high-risk clients and projects

Before accepting a client, we assess the reputational risk of working with them, check if the client is active in restricted or excluded countries, ensure they respect privacy, and evaluate how they uphold human rights. These checks help identify high-risk clients. Similarly, ahead of project acceptance, tender boards discuss these aspects at the project level. Once a project begins, project managers must carry out H&S impact assessments. The goal is to identify and communicate the scope of work activities, determine, and mitigate hazards, assess levels of risk, and document the controls applied to each risk. These impact assessment results must be approved by both the project manager's line manager and the client.

Risk management and monitoring

Continuous monitoring and reporting are obligatory throughout the project, as described in the impact assessment. It's crucial to keep the client, as one of our most important stakeholders, updated on H&S performance, any incidents, any potential extra measures that need to be taken and potential improvements to avoid incidents from happening.

Stakeholder engagement

To learn and develop a global approach for accessible communications channels to engage with value chain workers, we conducted a pilot project in 2024 in Chile. We worked together with a third party to reach out to value chain workers on a project site via an automated survey solution to help collect data at scale directly and anonymously.

As we are enhancing the operational effectiveness of our Stakeholder Engagement Policy, we do not yet have a common global approach to pro-actively engage with our value chain workers, including in which stage(s) engagement occurs and the frequency. The insights and lessons learned from this pilot will be used to inform and guide further operationalization of our Stakeholder Engagement Policy in our value chain.

Overall, as an essential part of our ongoing due diligence process, we will engage with stakeholders about material actual and potential positive and/or negative environmental and human rights impacts, as stated in our Stakeholder Engagement Policy on Sustainable Topics. This will include workers in the downstream and upstream value chain and their legitimate representatives, or credible proxies, as well as other stakeholders.

These insights will be gathered in a structured and continuous approach that helps us understand and address the concerns, expectations, and priorities of our stakeholders, including the perspectives of value chain workers who may be particularly vulnerable to impacts and/or marginalized. We will capture their perspectives through risk and impact assessments, research, surveys, dialogue, collaboration, and other tools.

The Chief Growth Officer is accountable for stakeholder engagement on sustainability topics, and for incorporating the feedback from the engagement into the company's strategy. The Global Sustainability team is responsible for shaping and executing stakeholder engagement activities and providing feedback on outcomes to stakeholders within Arcadis. The Procurement team and our Global Business Areas are responsible for implementing stakeholder engagement in their areas.

Grievance mechanism

Arcadis has established mechanisms to allow value chain workers to anonymously raise concerns via our Integrity Line to seek advice, communicate or report issues or concerns related to our business activities, including suspected or actual breaches of Arcadis policies or issues related to human rights (including H&S), with safeguards in place to prevent retaliation.

In cases where individuals do not have access to the digital reporting tools we use, we rely on grievances reported from within the business to ensure that concerns are addressed. H&S issues can also be raised through these channels, with arrangements made at the project level to address concerns and provide remedy.

The Supplier Code of Conduct includes the Seek Advice and Speak Up Policy Statement which outlines Arcadis' grievance mechanism and non-retaliation approach. This is also included in the online training for suppliers. Monitoring and reporting on Integrity Line and remediation are detailed in the Business Ethics chapter under the Monitoring and Accountability, Integrity Line, Seek Advice, and Speak Up sections.

Targets related to value chain workers

At present, there are no quantitative H&S targets for value chain workers. We are making use of the optional phase-in period specified by the ESRS, so that we can work towards setting specific key performance indicators (KPIs) and targets for S2.

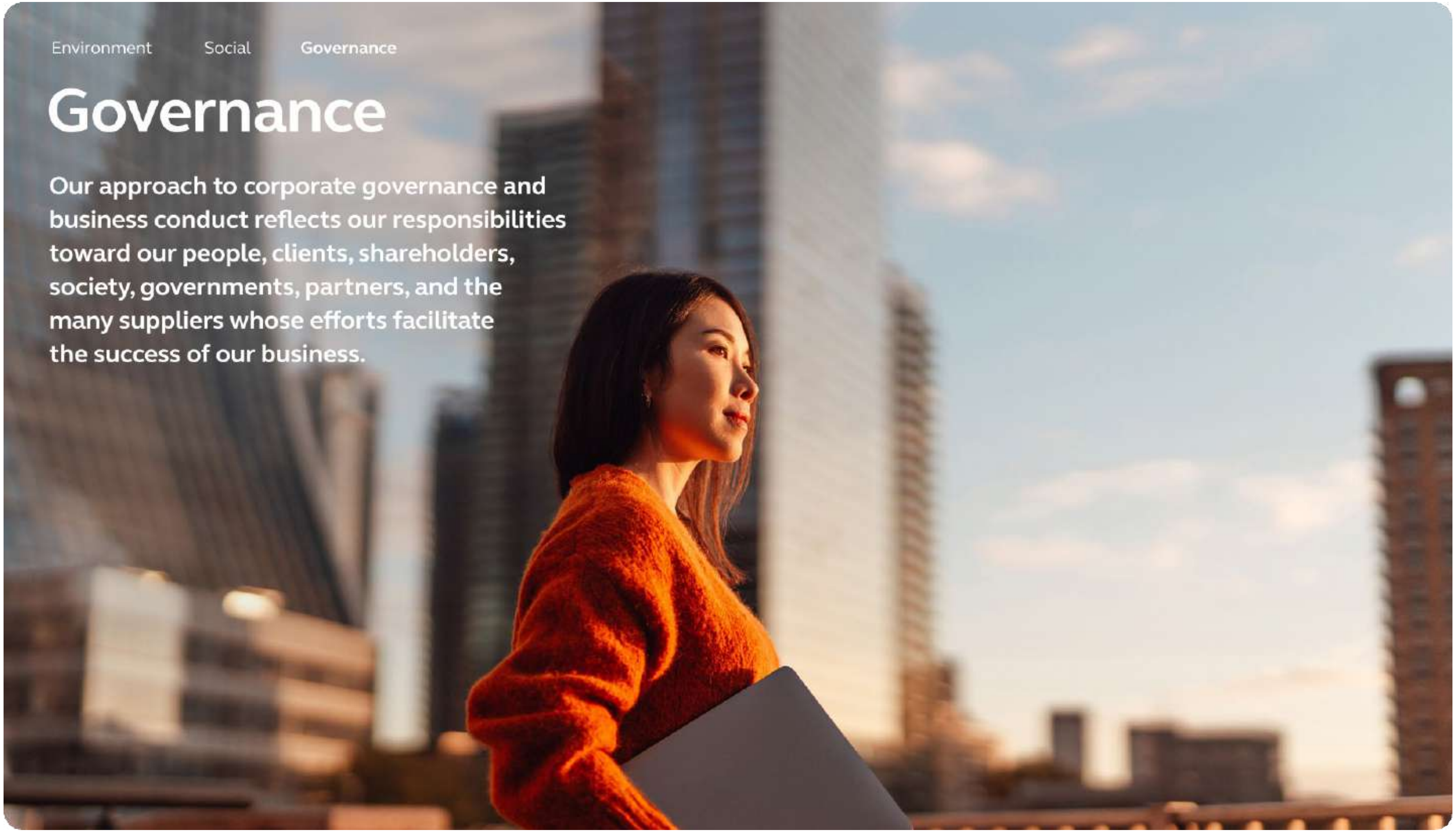
Next steps – actions and resources

Arcadis has implemented a human rights due diligence process for the value chain. In our implementation plan, we have outlined the steps that will be taken to prevent and mitigate human rights (including H&S) risks and impacts in our value chain.

As part of our implementation plan, we will:

- Further strengthen our human rights due diligence process to identify, prevent, mitigate, and account for human rights impacts, as stated in our policies in every stage of our relationship with suppliers, from contract management to development and training.
- Train employees and suppliers to understand the risks that value chain workers can be exposed to.
- Develop KPIs and targets for human rights due diligence.
- Raise awareness of our grievance mechanism within our value chain.
- Facilitate stakeholder dialogue with value chain workers, including workers that may be particularly vulnerable to impacts and (or) marginalized, to inform our due diligence process.
- Explore opportunities for collaboration and develop action plans to enhance human rights topics.
- Modify our reporting structure to track and report H&S metrics separately for different groups of value chain workers.

To enhance our operational effectiveness, we will continue to use our internal tools (including the aforementioned digital tool and our Sustainability Risk Matrix). We will do so with the support of the key teams we have in place, including the Global Sustainability team, Global sustainable procurement team, the Global Health, safety and wellbeing team, the Global human rights team, and other colleagues who support the implementation of and carry out our due diligence processes related to value chain workers.



Governance

Our approach to corporate governance and business conduct reflects our responsibilities toward our people, clients, shareholders, society, governments, partners, and the many suppliers whose efforts facilitate the success of our business.

G1 Business conduct

We believe that our shared core values – People First, Client Success, Integrity, Sustainability and Collaboration – contribute to our how we fulfil our mission of Improving Quality of Life. They are the foundation of Arcadis General Business Principles (AGBP). In the AGBP we outline our responsibilities to our people, clients, shareholders, business partners, society and governments. The AGBP reflect our commitment to comply with the laws, regulations and culture of the countries in which we operate.

The AGBP apply to everything we do. They form our code of conduct, guiding the behavior we expect of our people when conducting business anywhere in the world. We also expect our business partners to operate according to these or equivalent principles.

The material topic within this ESRS is about 'Management of relationships with suppliers and payment practices', given the significant role of third-party suppliers and non-employees (i.e. contingent workers) in our project delivery and in our value chain.

Impacts, risks and opportunities

Topic	O	R	I+	I-	VC	OO	IRO description
Management of relationships with suppliers including Payment practices		●				●	Arcadis has a risk-averse appetite in matters of business conduct, as outlined in the key risk table for the regulatory and policy compliance risk area in the enterprise risk management chapter. The risk that was defined in the IRO sessions is about potential strained relationships with Small and Medium Enterprise (SME) suppliers due to a lack of adherence to contractual payment terms. This could potentially lead to disruptions in the supply chain and potential legal disputes, both of which would negatively affect the company's ability to deliver projects.

O Opportunity R Risk I+ Positive impact I- Negative impact VC Value chain OO Own operations

The Compliance function provides governance and maintains a compliance management system. The scope and responsibilities covered by the Compliance function are communicated via a compliance charter with compliance committees at various levels of the organization. Arcadis leadership reflects the experiences of our colleagues, clients and partners in many countries worldwide where it is active. The diversity of thought and experience in relation to business conduct and integrity matters is reinforced by the composition of the Executive Board and the Supervisory Board which both represent leadership with, among others, risk management, sustainability and People and culture experience.

The Global Compliance Officer reports on AGBP integrity, compliance and related (alleged) issues ultimately to the Executive Board, the Arcadis Audit and Risk Committee of the Supervisory Board (AARC) or directly to the Supervisory Board. Further details on this, and on the role and expertise of administrative, management and supervisory bodies on business conduct matters, are explained the Business ethics paragraph and the Other governance information paragraph in the Governance and Compliance part of this Annual Integrated Report.

Policies related to management of relationships with suppliers

We believe that establishing a sustainable supply chain is our responsibility as a company and a key enabler of our success. To do this, we seek to establish best practices, leverage digital tools, and develop clear policies that govern our actions throughout our supply chain.

Our Procurement Policy is guided by the AGBP, our Sustainability Policy, Third Party Due Diligence Policy and our Human Rights Policy, which further detail Arcadis' integrity, sustainability, and people first core values. The Procurement Policy applies to the purchases of goods and services by Arcadis.

The Global Procurement Policy applies to all purchases of goods and services by Arcadis, whether acting on behalf of a client (direct spend), or on its own behalf (indirect spend) – our value chain. The objective of this Policy covers two main areas where we can deliver sustainable procurement results: (1) sustainable supply chains and (2) strategic procurement. This policy documents our procurement ambition. As the Global Procurement function is still maturing, Arcadis follows an implementation roadmap to implement this policy across our value chain. Our Chief Delivery Officer is primarily responsible for our procurement approach, with ultimate accountability with the Chief Executive Officer and our Executive Board.

As outlined in our Supplier Code of Conduct, we expect our suppliers to conduct their operations in an environmentally, socially, and economically responsible way and use their influence to help facilitate that the same happens within their own supply chains. Our suppliers are responsible for ensuring that their employees as well as their suppliers, conduct business in a responsible manner. We also expect suppliers to adhere to applicable legal and regulatory requirements, and to respect international standards in relation to sustainability, human rights, labor conditions, the environment, health and safety and integrity. Specific training material is available for all Arcadis employees and for suppliers to confirm understanding and compliance with our Supplier Code of Conduct.

The Third Party Due Diligence Policy outlines the global approach for conducting risk based due diligence in selecting, evaluating and monitoring a third party that Arcadis would like to do business with (or continue to do business with). The results of the due diligence process will support the business in making informed and sustainable decisions in engaging third parties, in accordance with our risk appetite and in compliance with internal policies and laws and regulations. This Policy is applicable to the functions designing and operating due diligence processes for third parties that Arcadis is planning to do business with and/or review if we continue to do business with. This Policy is available on the intranet and acts as an overview (umbrella document) and refers to other Global Policies, Procedures and Guidance notes, which provide more detail with respect to requirements for Third Party types aligned with accountabilities (e.g. Growth for Clients and Delivery for Suppliers). Our Global General Counsel is the ELT sponsor of the policy, with ultimate accountability with the Chief Executive Officer and our Executive Board.

Metrics related to payment practices

We recognize the need for increased transparency regarding our payment practices, particularly concerning payment practices to SMEs. Our suppliers are pivotal in the delivery of our projects and should be treated as such. The Global Accounts Payable Practices Policy seeks to govern the expectations of timely payment of payables and includes requirements to cover timely payment of SMEs. The policy outlines the roles and responsibilities of the several involved departments such as the Accounts Payable department, and defines the payment schedules and other items. Final responsibility of the implementation of this policy is with the CFO. It also sets the reporting methodology, content and frequency.

The nature of Arcadis' business is that we take a project-specific approach, carried out over many jurisdictions and multiple accounting systems. The project-specific approach entails customized payment terms per supplier and procurement activities take place at local project level.

For the year of 2024, the vendor master data and administration was not yet sufficiently developed to fully carve out the SME suppliers and handle every labeling of payment moments. To still identify the suppliers that qualify as SME, an internal analysis was carried out based on the revenue definitions of SMEs that are defined by the EU recommendation 2003/361. This EU recommendation defines SMEs with an FTE classification and a revenue classification of up to EUR 50M.

Arcadis considered that if its total spend is less than 500k at a supplier, thus less than 1% of the threshold on revenue established by the EU, then Arcadis assumes that supplier is an SME. This is for 98% of our supplier base the case. To take account of estimation uncertainty, a 2% uncertainty boundary is applied. As a result, for 2024, we report over the total amount of our suppliers in the main ledger system Oracle rather than the 98% mentioned above. Oracle covers ~70% of total Arcadis spend currently.

Payment practices

Percentage of payments aligned with set payment terms	79-83
Average number of days taken to pay an invoice, from the date when the contractual or statutory term of payment starts to be calculated	46-48

As explained above, the standard payment terms are individually agreed per engagement with the relevant supplier. There are a variety of payment terms in place ranging from between 1 day and 120 days. No external target has been set on the measurement of payment terms. Internal dashboards and service level agreements have been created though for progress tracking. There were no (outstanding) legal proceedings related to late payments during 2024.

Arcadis is determined to improve in future our reporting and approach on this. Plans are being made on this, by e.g. moving other ledger systems towards Oracle, improve the measurement processes and define internal targets based on the 2024 insights.

Sustainability statement annex

Reference table

The table below presents the ESRS Disclosure Requirements (DR) in ESRS 2 relevant to Arcadis' material topics. Incorporation by reference is marked with an asterisk (*). The cross-referenced sections within the scope of the Sustainability Statement are detailed in the explanatory notes.

Disclosure Requirement	Description	Reference	Explanatory notes
ESRS2 General Disclosure			
BP1	General basis for preparation of sustainability	Basis of preparation	
BP2	Disclosures in relation to specific circumstances	Basis of preparation	
GOV1	The role of the administrative, management and supervisory bodies	Governance of sustainability matters Governance & Compliance Chapter*	Governance & Compliance Chapter: Introduction to the Executive Board and the Executive Leadership Team, Composition of the Executive Board, Composition of the Executive Leadership Team, Introduction to the Supervisory Board, Composition of the Supervisory Board, Supervisory Board Report, Other Governance information
GOV2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance of sustainability matters	
GOV3	Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes Remuneration report*	Remuneration report: Short-term Variable Remuneration, Long-term variable remuneration: performance shared).
GOV4	Statement on due diligence	Due diligence statement	
GOV5	Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting	
SBM1	Strategy, business model and value chain	Executive Board Report*	Executive Board Report: Accelerating a planet positive future, Our current strategic context, Strategy progress update, The Global Business Areas
SBM2	Interests and views of stakeholders	Interests and views from stakeholders Stakeholder channels	
SBM3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material IRO's and their interaction with strategy and business model	
IRO1	Description of the processes to identify and assess material impacts, risks and opportunities	Process to identify and assess material impacts, risks and opportunities	
IRO2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Double materiality results	

Disclosure Requirement	Description	Reference	Explanatory notes
MDR-P	Policies adopted to manage material sustainability matters	Design effectiveness and operational effectiveness Policies adopted to manage material sustainability matters	ESRS 2 provides a general explanation of Arcadis' approach, with topical specifics in the referenced sections. All MDRs are met unless stated otherwise.
MDR-A	Actions and resources in relation to material sustainability matters	Resources and actions	ESRS 2 provides a general explanation of Arcadis' approach, with topical specifics in the referenced sections. All MDRs are met unless stated otherwise.
MDR-M, MDR-T	Metrics in relation to material sustainability matters Tracking effectiveness of policies and actions through targets	Metrics and targets	ESRS 2 provides a general explanation of Arcadis' approach, with topical specifics in the referenced sections. All MDRs are met unless stated otherwise.
ESRS E1 Climate Change			
GOV3	Disclosure requirement related to ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Integration of sustainability-related performance in incentive schemes Remuneration report*	Remuneration report: Short-term Variable Remuneration, Long-term variable remuneration: performance shared).
E1-1	Transition plan for climate change mitigation	Transition plan for climate change mitigation	
SBM3	Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Quick facts: Arcadis' 2024 carbon footprint	
IRO1	Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Impacts, risks and opportunities Processes to identify and assess material climate-related impacts, risks and opportunities	
E1-2	Policies related to climate change mitigation and adaptation	Policies related to climate change mitigation and adaptation	
E1-3	Actions and resources in relation to climate change policies	Climate change actions and resources	
E1-4	Targets related to climate change mitigation and adaptation	Targets related to climate change	
E1-5	Energy consumption and mix	Energy consumption	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Total GHG emissions	
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Beyond value chain	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Phased-in option used in line with ESRS 1 Appendix C.
ESRS E2 Pollution			
IRO1	IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Impacts, risks and opportunities	
E2-1	Policies related to pollution	Policies related to pollution	
E2-2	Actions and resources related to pollution	Actions and resources related to pollution	
E2-3	Targets related to pollution	Targets related to pollution	
E2-4	Pollution of air, water and soil	E2 opening section	In E2, only pollution of soil is material sub-topic.

Disclosure Requirement	Description	Reference	Explanatory notes
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities		Phased-in option used in line with ESRS 1 Appendix C.
ESRS E3 Water and Marine Resources			
IRO1	IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Impacts, risks and opportunities	
E3-1	Policies related to water and marine resources	Policies related to water and marine resources	
E3-2	Actions and resources related to water and marine resources	Actions and resources related to water and marine resources	
E3-3	Targets related to water and marine resources	Targets related to water and marine resources	
E3-4	Water consumption	Water consumption in own operations	
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities		Phased-in option used in line with ESRS 1 Appendix C.
ESRS E4 Biodiversity and Ecosystems			
SBM3	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	E4 opening section	
IRO1	IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Impacts, risks and opportunities	
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	E4 opening section	
E4-2	Policies related to biodiversity and ecosystems	Policies related to biodiversity and ecosystems	
E4-3	Actions and resources related to biodiversity and ecosystems	Actions and resources related to biodiversity and ecosystems	
E4-4	Targets related to biodiversity and ecosystems	Targets related to biodiversity and ecosystems	
E4-5	Impact metrics related to biodiversity and ecosystems change	Targets related to biodiversity and ecosystems	
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities		Phased-in option used in line with ESRS 1 Appendix C.
ESRS E5 Resource Use and Circular Economy			
IRO1	IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Impacts, risks and opportunities	
E5-1	Policies related to resource use and circular economy	Policies related to resource use and circular economy	
E5-2	Actions and resources related to resource use and circular economy	Actions and resources related to resource use and circular economy	
E5-3	Targets related to resource use and circular economy	Targets related to resource use and circular economy	
E5-5	Resource outflows	Waste in own operations	
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		Phased-in option used in line with ESRS 1 Appendix C.
EU Taxonomy Reporting		EU Taxonomy	
ESRS S1 Own Workforce			

Disclosure Requirement	Description	Reference	Explanatory notes
SBM2	SBM-2 – Interests and views of stakeholders	Interests and views from stakeholders Stakeholder channels	
SBM3	SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	Impacts, risks and opportunities for each material sub-topics: Training and skill Development Health and safety Work-life balance	
S1-1	Policies related to own workforce	General policies related to our workforce	
S1-2	Processes for engaging with own workers and workers' representatives about impacts	General processes for enabling dialogue with own workforce	
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Arcadis' approach to Human Rights General processes to remediate negative impacts and channels for own workforce to raise concerns Business ethics chapter*	Business ethics chapter: Monitoring and Accountability, Integrity Line, Seek Advice, and Speak Up
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Management of material topics Training and skill Development Health and safety Work-life balance Resourcing and reporting	
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Management of material topics Metrics and performance	
S1-6	Characteristics of the undertaking's employees	Workforce composition	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Workforce composition	
S1-13	Training and skills development metrics	Training and skill Development	
S1-14	Health and safety metrics	Health and safety	
S1-15	Work-life balance metrics	Work-life balance	
ESRS S2 Workers in the Value Chain			
SBM2	SBM-2 Interests and views of stakeholder	Interests and views from stakeholders Stakeholder channels	
SBM3	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	Impacts, risks and opportunities	
S2-1	Policies related to value chain workers	Policies related to value chain workers	
S2-2	Processes for engaging with value chain workers about impacts	Stakeholder engagement	
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Grievance mechanism Business ethics chapter*	Business ethics chapter: Monitoring and Accountability, Integrity Line, Seek Advice, and Speak Up
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Our approach - Responsible value chain	

Disclosure Requirement	Description	Reference	Explanatory notes
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to value chain workers	
ESRS G1 Business Conduct			
GOV1	GOV-1 – The role of the administrative, supervisory and management bodies	Governance of sustainability matters Governance & Compliance Chapter* Business ethics chapter*	Governance & Compliance Chapter: Introduction to the Executive Board and the Executive Leadership Team, Composition of the Executive Board, Composition of the Executive Leadership Team, Introduction to the Supervisory Board, Composition of the Supervisory Board, Supervisory Board Report, Other Governance information Business ethics chapter: Governance
IRO1	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	Impacts, risks and opportunities	
G1-2	Management of relationships with suppliers	Policies related to management of relationships with suppliers	
G1-6	Payment practices	Metrics related to payment practices	

Data points that derive from other EU legislation

Data point that derives from other EU legislation	Reference to Sustainability statement
ESRS 2 GOV-1	Governance of sustainability matters Diversity, Equity, Inclusion and Belonging at Arcadis (The composition in the table of Arcadis N.V. reflects this data point.) Introduction to the Supervisory Board (All Arcadis Supervisory Board members are independent, in accordance with the Dutch Corporate Governance Code.)
Board's gender diversity paragraph 21 (d)	
ESRS 2 GOV-1	
Percentage of board members who are independent paragraph 21 (e)	
ESRS 2 GOV-4	Due diligence statement
Statement on due diligence paragraph 30	
ESRS E1-1	Transition plan for climate change mitigation
Transition plan to reach climate neutrality by 2050 paragraph 14	
ESRS E1-1	
Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	
ESRS E1-4	Targets related to climate change
GHG emission reduction targets paragraph 34	
ESRS E1-5	Energy consumption
Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	
ESRS E1-5	
Energy consumption and mix paragraph 37	
ESRS E1-6	Total GHG emissions
Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	
ESRS E1-6	
Gross GHG emissions intensity paragraphs 53 to 55	
ESRS E1-7	Beyond value chain
GHG removals and carbon credits paragraph 56	
ESRS E1-9	Phase-in option used for this DR
Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	
ESRS E1-9	
Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	
ESRS E1-9	
Location of significant assets at material physical risk paragraph 66 ©	
Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	

Data point that derives from other EU legislation	Reference to Sustainability statement
ESRS E1-9	
Degree of exposure of the portfolio to climate- related opportunities paragraph 69	
ESRS E2-4	E2 opening section In E2, only soil pollution is considered material for Arcadis. In our own operations, we do not release any of the 91 substances listed in the European Pollutant Release and Transfer Register to soil. As for pollutants emitted to air and water, these are considered immaterial for Arcadis.
Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	
ESRS E3-1	Policies related to water and marine resources
Water and marine resources paragraph 9	
ESRS E3-1	
Dedicated policy paragraph 13	
ESRS E3-4	Water consumption in own operations
Total water consumption in m ^{3} per net revenue on own operations paragraph 29	
ESRS 2- SBM3 - E4 paragraph 16 (a) i	E4 opening section
ESRS 2- SBM3 - E4 paragraph 16 (b)	
ESRS 2- SBM3 - E4 paragraph 16 (c)	
ESRS E4-2	Policies related to biodiversity and ecosystems
Sustainable land / agriculture practices or policies paragraph 24 (b)	
ESRS E4-2	
Policies to address deforestation paragraph 24 (d)	
ESRS E5-5	Waste in own operations
Non-recycled waste paragraph 37 (d)	
ESRS S1-1	Arcadis' approach to Human Rights
Human rights policy commitments paragraph 20	
ESRS S1-1	
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	
ESRS S1-1	
processes and measures for preventing trafficking in human beings paragraph 22	
ESRS S1-1	General policies related to our workforce Health and safety
workplace accident prevention policy or management system paragraph 23	
ESRS S1-3	General processes to remediate negative impacts and channels for own workforce to raise concerns
grievance/complaints handling mechanisms paragraph 32 (c)	
ESRS S1-14	Health and safety

Data point that derives from other EU legislation	Reference to Sustainability statement
Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	
ESRS S1-14	
Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	
ESRS S2-1	Arcadis' approach to Human Rights
Human rights policy commitments paragraph 17	
ESRS S2-1	Policies related to value chain workers In 2024, our External Integrity Line received no reports of non-compliance with the UN Guiding Principles, ILO Declaration, or OECD Guidelines from value chain workers.
Policies related to value chain workers paragraph 18	
ESRS S2-1	
Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	
ESRS S2-1	
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	
ESRS S2-4	Our approach - Responsible supply chain
Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	

The table below shows the data points listed in ESRS 2 Appendix B that are considered immaterial for Arcadis.

Data point that derives from other EU legislation
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43
ESRS E3-1 Sustainable oceans and seas paragraph 14
ESRS E3-4 Total water recycled and reused paragraph 28 (c)
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)
ESRS S3-1 Human rights policy commitments paragraph 16
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17
ESRS S3-4 Human rights issues and incidents paragraph 36
ESRS S4-1 Policies related to consumers and end-users paragraph 16
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17
ESRS S4-4 Human rights issues and incidents paragraph 35
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)

Due Diligence Statement

In 2024, Arcadis has strengthened our due diligence processes as mentioned in ESRS2. As part of our continuous improvement, our near-term objective is to develop procedures that further enhance the implementation of these policies. Specific planned actions to achieve this include:

- Developing procedures and implementation plans with clear tasks and assignments to support the roll-out of the new or updated policies across the organization with the help of a change management team.
- Creating a feedback loop to capture due diligence insights for inclusion into the future updates of our double materiality analysis.
- Deepening our dialogue with stakeholders on environmental and human rights risk and impacts to inform our material outcomes in our environmental & human rights due diligence approach and process.
- Creating awareness of our human rights focus in our upstream and downstream value chain to improve our insights and explore ways to address salient environmental and human rights risks and impacts.
- Using environmental and human rights due diligence to identify, prevent, mitigate, and account for environmental and human rights impacts in our value chain and our client and opportunity go / no-go procedures.
- Creating additional visibility for our grievance mechanisms which we see as an important tool to signal actual or potential human rights issues.
- Monitoring the effectiveness of how we address grievances and integrating that process and due diligence findings in our business practices and processes.
- Developing key performance indicators, both qualitative and quantitative, for environmental and human rights due diligence.
- Regularly assessing the effectiveness of our due diligence process.

Our current reporting reflects the progress made on due diligence processes and tools that are in place, augmented by expert assessments to evaluate both potential and actual negative impacts, in line with DMA methodology. The following mapping captures these elements as of the reporting period (FY2024). Looking forward, Arcadis plans to integrate more due diligence insights into operational practices.

Core elements of due diligence	Where in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	The Governance of Sustainability Matters section in Introduction and General Disclosures chapter outlines material sustainability topics and double materiality outcomes in alignment with the governance of the overall business strategy. As of this reporting period, environmental and human rights (EHR) due diligence processes have not yet been explicitly and fully integrated. Arcadis seeks to include EHR due diligence, as outlined in our Global Sustainability Policy, in its existing due diligence processes and broader risk management systems.
Engaging with affected stakeholders in all key steps of the due diligence	The Interests and Views from Stakeholders section in Introduction and General Disclosures chapter highlights stakeholder involvement in the overall business strategy and DMA processes. The S1 Own Workforce and S2 Workers in the Value Chain chapters provide detailed insights into stakeholder engagement and due diligence activities.
Identifying and assessing adverse impacts	The material negative impacts are outlined in the relevant ESRS topical chapters, leveraging existing processes, expert input, and IRO outcomes.
Taking actions to address those adverse impacts	Each ESRS chapter specifies planned actions to address material negative impacts. The S1 & S2 chapters include details of human rights and due diligence processes. As we refine and implement our EHR due diligence processes, we aim to develop further measures for preventing adverse impacts.
Tracking the effectiveness of these efforts and communicating	The S1 sections on General processes for enabling dialogue with own workforce and General processes to remediate negative impacts and channels for own workforce to raise concerns, as well as the S2 Responsible Supply Chain section, detail the mechanisms for tracking progress and effectiveness and communicating with affected stakeholders.

EU Taxonomy full note

Context

Since 1 January 2021, Arcadis has been subject to the EU Environmental Taxonomy Regulation 2020/852. This regulation mandates Arcadis to disclose its economic activities annually, by 31 December, in terms of turnover, capital expenditures, and operational expenditures that align with the Taxonomy's environmental objectives. The Taxonomy Regulation aims to unify classification for sustainable investments, driving capital towards the EU's environmental goals.

The EU taxonomy covers the following six objectives:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

The EU taxonomy comprises two levels of assessments: eligibility and alignment. The eligibility assessment determines whether activities defined in the EU Taxonomy are present in the operations of Arcadis. The alignment assessment determines if an eligible activity identified within Arcadis is aligned with the technical criteria set out in the EU Taxonomy, combined with compliance to the minimum safeguards.

For FY23, the eligibility assessment was required for all six objectives. However, the alignment assessment was only required for the climate objectives (CCM and CCA). Starting this year, the alignment assessment is required for all activities under any of the six objectives.

Application to Arcadis Activities

Arcadis places sustainability at the core of its business model, dedicating efforts to shape designs and plans that enable clients to achieve their sustainability objectives. However, our primary focus on consultancy services—including Project and Program Management, Design and Engineering, Contract Solutions, and Commercial and Procurement strategies—means that these advisory activities are often not recognized under the EU Taxonomy, which favors physical implementation and works. Consequently, many of Arcadis' significant contributions to sustainability are excluded from the Taxonomy, despite our role in promoting sustainable practices through expert consultancy.

Eligibility Assessment Methodology

Solution level assessments

Arcadis categorizes its value propositions into Solutions. At the initiation of each project, the ERP system tags them, facilitating the classification by Global Business Area, Solution, and/or type of Service. Arcadis systematically screens each Solution, collaborating with Solution leaders to identify potential eligible activities. In cases where additional scrutiny is required, detailed analyses are conducted with the involvement of project managers, finance personnel, and other pertinent stakeholders. The screening also includes activities of the recently acquired IBI and DPS.

Group level assessments

Capital expenditures related to “6.5 Transport by motorbikes, passenger cars and light commercial vehicles” and “7.7 Acquisition and ownership of buildings” are accounted for under IFRS 16 and are managed at the group level. As such, the eligibility assessment for these two activities is done at a group level.

Eligibility Assessment Results

As a result of the eligibility assessment, previously identified activities were once again confirmed. This year, there are additions for: Activity CCA 9.3 - Consultancy for physical climate risk management and adaptation. This activity was newly added to the EU taxonomy and subsequently identified at Arcadis during this year's screening. Also for Remediation of contaminated sites and areas eligible activities were found after extra analysis, which also was the reason for a retrospective update of the 2023 reported eligibility results. The following table summarizes this year’s findings:

Taxonomy activity	Objective	Corresponding Arcadis activity	KPI
6.14 Infrastructure for rail transport	Climate Mitigation	Most projects under the Intelligent Rail solution are Design & Engineering (D&E) projects for railways, subways, bridges, tunnels, stations, terminals, or rail service facilities. The turnover generated by these projects was found to be eligible to the EU Taxonomy under CCM 6.14. Additional projects related to this activity were found within the Stations Solution (Places GBA), IBI, and Arcadis Brazil.	Turnover
9.3 Professional services related to energy performance of buildings	Climate Mitigation	Eligible projects were identified under the following units: the Net Zero Facilities & Sustainable Communities solution, the Design & Engineering service (part of Places GBU), Sustainability Advisory, and Arcadis China. Arcadis conducts turnover generating projects that fall under technical consultations linked to the improvement of energy performance of buildings and are hence eligible under CCM 9.3.	Turnover
4.1 Provision of IT/OT data-driven solutions	Circular Economy	Eligible projects were identified under the following units: Intelligence, Arcadis Brazil, and IBI. Arcadis conducts revenue generating projects that consist of manufacturing, developing, installing, deploying, maintaining, repairing, or providing professional services, including technical consulting for design or monitoring of remote monitoring and predictive maintenance systems. Additionally, investments in certain long-term assets were identified as eligible capital expenditure under this activity.	Turnover
2.1 Environmental protection and restoration activities	Climate Mitigation	The activity was identified within the Environmental Restoration solution. Arcadis conducts turnover generating projects related to the design and restoration of water quality and biodiversity systems along major European rivers.	Turnover
4.27 Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	Climate Mitigation	The activity was identified within the Energy Transition solution. The content of the projects is related to services around crisis management centers for nuclear power plants.	Turnover
9.1 Engineering activities and related technical consultancy dedicated to adaptation to climate change	Climate Adaptation	The Climate Adaptation Solution ensures communities continue to thrive in the face of climate uncertainty by providing full climate adaptation measures across the life cycle of any asset – from risk mapping, vulnerability assessments, and community-based resilience plans to the design and engineering of flood defense systems and stormwater infrastructure. The Solution works on projects which are all dedicated to adaptation to climate change, making the Solution eligible under CCA 9.1.	Turnover
4.1 Provision of IT/OT data-driven solutions for leakage reduction	Water and marine resources	Arcadis Intelligence conducts projects for a cluster of water customers. These projects generate turnover that is eligible under WTR 4.1. Additionally, investments in certain long-term assets were identified as eligible capital expenditure under this activity.	Turnover
1.1 Conservation, including restoration, of habitats, ecosystems, and species	Biodiversity	A handful biodiversity projects within Climate Adaptation, and Enviro Socio Permitting have been identified and concluded to be eligible under activity CCM 1.1	Turnover
9.3 Consultancy for physical climate risk management and adaptation New	Climate Adaptation	This newly defined activity was found back in the following solutions: Climate Adaptation, Sustainability Advisory, Energy Transition and Optimized asset portfolios.	Turnover
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Climate Mitigation	Company cars leased under IFRS 16.	CAPEX
7.7 Acquisition and ownership of buildings	Climate Mitigation	Buildings, owned or leased under IFRS 16.	CAPEX
9.1 Close to market research, development and innovation	Climate Mitigation	Several project within the Energy Transition solution fitted the eligibility criteria, with for example activities carried out around grid modernization and feasibility studies for heating networks.	Turnover
2.4 Remediation of contaminated sites and areas	Pollution Prevention Control	Many projects within our Environmental Restoration solution were found eligible, by helping in restoring the environment and protecting communities.	Turnover

The assessment covered all the GBAs, Solutions, Services, and Subsidiaries with likely eligible activities generating turnover or engaging a CAPEX or an OPEX. No further taxonomy eligible activities have been identified.

Alignment Analysis: Technical Screening Criteria

All eligible activities were analyzed for alignment. The substantial contribution and DNSH criteria for each activity were considered, see also below. Many Minimum Safeguards criteria have been met, but one of the various tests led to the conclusion that the alignment criteria are not yet fully reached. The ongoing effectiveness tracking of our adherence to UN Global Principles on Human Rights is on several ways already in place, but not yet on all aspects, and by that not meeting all alignment criteria over the year 2024 and retrospectively also for 2023, and for both years the alignment figures are reduced to zero. Opex was analyzed but given the small size of the results it was labeled as immaterial.

CCA 9.1 – Engineering activities & related technical consultancy dedicated to adaptation to climate change & CCA 9.3 - Consultancy for physical climate risk management and adaptation

Many projects in our Climate Adaptation solution fitted into both activities CCA 9.1 and CCA 9.3. The activities in this business were screened and found fit with the Substantial Contribution Criteria, since the main purpose of this solution is to offer nature-based solutions, such as flood prevention, restoration of biodiversity loss and integration of green areas in cities, to adapt to climate change in densely populated and affected areas. Only one criterion concerning architectural services was considered as “non applicable”, since no projects offer services in architecture. In addition to being key parts of the design process, all projects respect stringent local regulations on environmental impact assessments and water quality assessments, as required by DNSH 3 (Sustainable use and protection of water and marine resources). Part of our Sustainability Advisory solution fitted into CCA 9.3 Consultancy for physical climate risk management and adaptation as well.

CCM 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles

All leased fleet vehicles with CO2 emissions lower than 50kgCO2/km (electric and hybrid (PHEV) vehicles) were considered meeting the substantial contribution criteria. Screening of the circular economy DNSH was conducted regarding end-of-life use and waste management, while all European vehicles are compliant with EU directives regarding eco-design and pollution prevention. The circular economy DNSH criteria on waste management has been decisive and led to exclusion of an important number of vehicles.

CCM 6.14 – Infrastructure for rail transport

All substantial criteria have been examined, while DNSH criteria related to circular economy and pollution have been judged non-applicable for activity (6.14) given that Arcadis is a Design & Engineering firm never involved in actual works. Arcadis, consequently, does no significant harm to the transition to a circular economy nor to pollution prevention and control.

CCM 7.7 – Acquisition and ownership of buildings

The new buildings taken into use in 2024 as well as renewed leases are labeled as eligible. To demonstrate compliance with the substantial contribution criteria, adequate evidence has been examined on those buildings. All eligible buildings were built before 31 December 2020. Consequently, the buildings that have at least an Energy Performance Certificate (EPC) class A or that are within the top 15% of the national or regional building stock, were found fit with the Substantial Contribution Criteria. For projects based outside of the EU, and for EU countries with no solid national classification, the analysis was based on the European top 15% threshold. We have based our alignment analysis for buildings in the USA on the threshold for the top 15th percentile of office buildings as defined by the Commercial Buildings Energy Consumption Survey “CBECS”. All DNSH criteria are non-applicable except for the Climate Change Adaptation according to (Annex 1) of the EU Taxonomy. That last requirement has a company wide approach which is explained in the section Alignment Analysis: Adaptation to climate change and in Alignment Analysis: Minimum Safeguards.

CCM 9.1 - Close to market research, development and innovation

Some projects in our Energy transition solution fitted in some of the Alignment criteria, by contributing to new solutions that lead to significant lower GHG emissions and offering significant (financial) and logistic advantages.

CCM 9.3 – Professional services related to energy performance of buildings

All MEP projects in Arcadis involve technical consultations (energy simulations, & project management) linked to the improvement of energy performance of buildings. For activity (9.3), according to (Annex 1) of the EU Taxonomy, all DNSH criteria are non-applicable except for the Climate Change Adaptation.

CE 4.1 – Provision of IT/OT data-driven solutions

Upon considering all the substantial contribution requirements and the DNSH requirements only projects under Intelligence were compliant with technical screening criteria.

WTR 4.1 – Provision of IT/OT data-driven solutions for leakage reduction

Upon considering all the substantial contribution requirements and the DNSH requirements only projects under Intelligence for water customers were compliant with technical screening criteria.

Four eligible activities were found non-aligned already during the eligibility investigations. Activities within 1.1 Conservation of habitats, 2.1 Environmental protection and restauration activities and within 2.4 Remediation of contaminated sites and areas need very long term obligations for remeasurement of the site conditions, this was not seen feasible for the eligible projects. Activities within 4.27 Construction and safe operation of nuclear power plants were not meeting some of the many alignment criteria.

Alignment Analysis: Adaptation to the climate change

A climate risk and vulnerability study has been conducted by the specialized company Jupiter on behalf of Arcadis. It assessed the physical climate risks on the Arcadis' activities using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity (2020-2100). This study started in 2022 with analysis of 124 offices, followed by 44 acquired offices and 86 of the largest project sites. In 2024 another 75 project sites, and a set of 82 offices of Arcadis were analyzed as well. Arcadis was found not to be vulnerable to any significant climate change hazards as the business is spread over a wide variety of geographies, and offices are on locations that are not directly exposed to high risk climate hazards. Furthermore, Arcadis has defined physical and non-physical solutions applicable in the short-term, mid-term, and long term. These solutions have been integrated to Business Continuity Plans. These elements combined allow Arcadis to be aligned with the requirements of the generic criteria for Do No Significant Harm criteria (DNSH) to climate change adaptation.

Alignment Analysis: Minimum Safeguards

Arcadis has been a member of the United Nations Global Compact (UNGC) since 2009 and supports the Ten Principles regarding four areas: human rights, labor standards, environmental stewardship, and anticorruption. Our operations and strategy reflect the UNGC principles, and our membership to UNGC is a statement of our commitment and our ambition to be a sustainability leader. We integrated all principles and rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Human Rights Due Diligence

Arcadis made progress on implementing a human rights due diligence process in order to prevent, mitigate, and remediate any negative human rights impacts caused by, contributed to, or linked to our business activities. Arcadis' approach to human rights is grounded in our human rights policy. To understand potential and actual human rights impacts, Arcadis conducts proactive and reactive due diligence. As to the former with respect to our employees, in 2022, Arcadis conducted its first human rights impact assessment (HRIA) of one of our operating countries. Follow-up recommendations were provided, and Arcadis is committed to continuous improvement in this area. As to reactive due diligence, Arcadis responds to potential or actual impacts when they are reported to one of the companies' three grievance mechanisms: Health and Safety (H&S) for H&S, our Integrity Line (which allows for anonymity for those who want this), and our People (Human Resources) department for matters that are reported to them. The ongoing effectiveness tracking of our adherence to UN Global Principles on Human Rights is on several ways already in place, but not yet on all aspects, resulting in not meeting this alignment criterium.

Anti-bribery and corruption

Arcadis is committed to preventing corruption and bribery through specific guidelines that are an integral part of its General Business Principles. The company has established Speak Up procedures, including the 24/7 multilingual internal and external Integrity Lines, hosted by an independent third party.

Taxation

Arcadis' commitment to sustainability, our core values and the AGBP form natural and essential foundations of our approach to tax which is laid down in the Arcadis Tax strategy and principles as published on our external website. Arcadis has also endorsed the VNO-NCW Tax Governance Code, which is largely aligned with the Arcadis Tax strategy and principles. For further information, we refer to our external website where we have published "Our Approach to tax: tax principles and tax strategy" and the "Arcadis' tax report 2024".

Fair Competition

Arcadis supports the principle of free enterprise and unrestricted competition as a basis for conducting our business and we observe applicable competition laws and regulations. Specific guidance on fair competition is included in our Arcadis General Business Principles.

Legal Monitoring

Arcadis closely manages its key legal claims and proceedings and collaborates with the Risk team to address potential legal risks. Arcadis provides its workforce with regular trainings on legal topics, including new legislation and legal risks.

Key Performance Indicators as of 31 December 2024

The figures reported below relate to the consolidated companies included in Arcadis consolidated financial statements.

Turnover

As of 31 December 2024, the total turnover used as a denominator for the calculation of the Taxonomy Turnover KPI amounts to €4,995 million and corresponds to the group Gross turnover as set up in the Group's consolidated financial statements. The eligible turnover amounts to €1,624 million and represents 32.5% of the group's gross turnover. For 2023, the restated eligible turnover amounts to €1,741 million and represents 34.8% of the group's 2023 gross turnover. The delta in both years is stemming from our Environmental Restauration solution. The aligned turnover is nil for both 2024 and retrospectively for 2023 because of not meeting all criteria of one of the minimum safeguards.

Capital Expenditure

As of 31 December 2024, the total capital expenditures used as a denominator for the calculation of the Taxonomy CapEx KPI amounts to €88.2 million and corresponds to additions to tangible and intangible assets over the period, including increases in IFRS 16 right-of-use and additions related to business combinations, expenditures on software, and PP&E. It is important to highlight that Arcadis does not typically incur CapEx amounts directly associated with activities generating turnover, due to the nature of the services we provide, which are primarily Design and Engineering. Goodwill is not included in CapEx, as it is not defined as an intangible asset in accordance with IAS 38. The figures can be reconciled to note 14, 15 and 16 of the financial statements. As of 31 December 2024, eligible capital expenditures amount to €42.7 million and relate to increases in IFRS 16 buildings' right-of-use (€35.5 million), IFRS 16 company cars' right-of-use (€7.2 million). The aligned CapEx is nil for both 2024 and retrospectively for 2023 because of not meeting all criteria of one of the minimum safeguards.

Operating Expenditures

As of 31 December 2024, the total operating expenditures used as a denominator for the calculation of the Taxonomy OpEx KPI amounts to €9.9 million and corresponds to Research and Development, and Operation and Maintenance expenses only. This amount being not significant compared to the total OpEx of Arcadis Group, the Group opted for the materiality exemption for the OpEx. The amount of eligible OpEx is considered as null.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	Turnover (in € thousands) (3)	Portion of Turnover, Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)[1]	Category enabling activity (19)	Category transitional activity (20)
		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**		
Of which Enabling		**0**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**		
Of which Transitional		**0**	**0.00%**														**0.00%**		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)			%	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)										
Wetland Restoration	CCA 2.1 **CCM 2.1**	2,202	0.04%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.24%		
Construction and safe operation of new nuclear power plants, for the generation of electricity and/or heat, including for hydrogen production, using best-available technologies	CCM 4.27	1,844	0.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Infrastructure for rail transport	CCM 6.14	503,657	10.08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.27%		
Close to market research, development and innovation	CCM 9.1	144	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Professional services related to energy performance of buildings	CCM 9.3	102,259	2.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.30%		
Engineering activities and related technical consultancy dedicated to adaptation to climate change	CCA 9.1	0	0.00%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								1.93%		
Consultancy for physical climate risk management and adaptation	CCA 9.3	4,986	0.10%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	1,032	0.02%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0.03%		
Remediation of contaminated sites and areas	PPC 2.4	830,464	16.63%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								17.11%		
Provision of IT/OT data-driven solutions	CE 4.1	75,018	1.50%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								3.82%		
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	9,363	0.19%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.08%		
Close to market research, development and innovation and Consultancy for physical climate risk management and adaptation	**CCM 9.1**, CCA 9.3	3,040	0.06%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Professional services related to energy performance of buildings and Consultancy for physical climate risk management and adaptation	**CCM 9.3**, CCA 9.3	162	0.00%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Professional services related to energy performance of buildings and Provision of IT/OT data-driven solutions	**CCM 9.3**, CE 4.1	4,400	0.09%	EL	N/EL	N/EL	N/EL	EL	N/EL										
Wetland Restoration , Engineering activities and related technical consultancy dedicated to adaptation to climate change and Consultancy for physical climate risk management and adaptation	CCM 2.1, CCA 2.1, **CCM 9.1**, CCA 9.3	12,322	0.25%	EL	EL	N/EL	N/EL	N/EL	N/EL										

[1] 2023 KPIs were restated to reflect correct eligibility and alignment assessment

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	Turnover (in € thousands) (3)	Portion of Turnover, Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)[1]	Category enabling activity (19)	Category transitional activity (20)
		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Engineering activities and related technical consultancy dedicated to adaptation to climate change and Consultancy for physical climate risk management and adaptation	**CCA 9.1**, CCA 9.3	65,738	1.32%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Engineering activities and related technical consultancy dedicated to adaptation to climate change , Consultancy for physical climate risk management and adaptation and Remediation of contaminated sites and areas	**CCA 9.1**, CCA 9.3, PPC 2.4	2,002	0.04%	N/EL	EL	N/EL	EL	N/EL	N/EL										
Wetland Restoration and Conservation, including restoration, of habitats, ecosystems and species	CCM 2.1, CCA 2.1, **BIO 1.1**	4,016	0.08%	EL	EL	N/EL	N/EL	N/EL	EL										
Conservation, including restoration, of habitats, ecosystems and species and Remediation of contaminated sites and areas	**BIO 1.1**, PPC 2.4	876	0.02%	N/EL	N/EL	N/EL	EL	N/EL	EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,623,525**	**32.50%**	**12.37%**	**1.70%**	**0.02%**	**16.63%**	**1.50%**	**0.29%**								**34.80%**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		1,623,525	32.50%	12.37%	1.70%	0.02%	16.63%	1.50%	0.29%								34.80%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		3,371,195	67.50%																
TOTAL		4,994,720																	

[1] 2023 KPIs were restated to reflect correct eligibility and alignment assessment

	Taxonomy-aligned Turnover per objective	Turnover of Taxonomy-eligible but not environmentally sustainable activities per objective
CCM	0.00%	12.69%
CCA	0.00%	1.89%
WTR	0.00%	0.02%
PPC	0.00%	16.68%
CE	0.00%	1.59%
BIO	0.00%	0.29%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)									
Economic Activities (1)	Code (a) (2)	CapEx (in € thousands) (3)	Portion of CapEx, Year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)[1]	Category enabling activity (19)	Category transitional activity (20)
		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**		
Of which Enabling		**0**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**0.00%**	**0%**	
Of which Transitional		**0**															**0.00%**		**0%**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)			%	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	7,230	8.19%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								19.53%		
Acquisition and ownership of buildings	CCM 7.7	35,479	40.21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								18.38%		
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	0	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.62%		
Provision of IT/OT data-driven solutions	CE 4.1	0	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.33%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**42,709**	**48.40%**	**48.40%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**38.86%**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**42,709**	**48.40%**	**48.40%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**								**38.86%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		45,532	51.60%																
TOTAL		**88,241**																	

[1] 2023 KPIs were restated to reflect correct eligibility and alignment assessment

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2024

Economic Activities (1)	Code (a) (2)	OpEx (in € thousands) (3)	Portion of OpEx, Year N (4)	Substantial Contribution Criteria Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	DNSH criteria ('Does Not Significantly Harm')(h) Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.00**	**0.00%**														**0%**		
Of which Enabling		**0.00**																	
Of which Transitional		**0.00**																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)			%	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)	EL; N/EL (b)(c)										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.00**	**0.00%**																
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**0.00**	**0.00%**														**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		9,944	100.00%																
TOTAL		**9,944**																	

Turnover

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount (in € thousands)	%	Amount (in € thousands)	%	Amount (in € thousands)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total applicable KPI**	**4,994,720**	**100%**	**4,994,720**	**100%**	**4,994,720**	**100%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount (in € thousands)	%	Amount (in € thousands)	%	Amount (in € thousands)	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,844	0%	1,844	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**700,912**	**43%**	**615,864**	**38%**	**85,048**	**5%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1,623,526**	**100%**	**1,623,526**	**100%**	**1,623,526**	**100%**

Row	Economic activities	Amount (in € thousands)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,371,195**	**100%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**3,371,195**	**100%**

CapEx

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount (in € thousands)	%	Amount (in € thousands)	%	Amount (in € thousands)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total applicable KPI**	**88,241**	**100%**	**88,241**	**100%**	**0**	**0%**
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount (in € thousands)	%	Amount (in € thousands)	%	Amount (in € thousands)	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**42,708**	**100%**	**42,708**	**100%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**42,708**	**100%**	**42,708**	**100%**	**0**	**0%**

Row	Economic activities	Amount (in € thousands)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**45,533**	**100%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**45,533**	**100%**

OpEx

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount (in € thousands)	%	Amount (in € thousands)	%	Amount (in € thousands)	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total applicable KPI**	**4,587,135**	**100%**				
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**

		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities	Amount (in € thousands)	%	Amount (in € thousands)	%	Amount (in € thousands)	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**0**	**0%**	**0**	**0%**	**0**	**0%**

Row	Economic activities	Amount (in € thousands)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**4,587,135**	**100%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**4,587,135**	**100%**

Glossary definitions and (estimation) methodologies

Topic (Overall/E/S/G)	Term	Definition
Overall	Double Materiality	Double materiality has two dimensions: impact materiality and financial materiality. A sustainability matter meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.
Overall	Dependencies	The situation of an undertaking being dependent on natural, human and/or social resources for its business processes.
Overall	Financial Materiality	A sustainability matter is material from a financial perspective if it generates risks or opportunities that affect (or could reasonably be expected to affect) the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term.
Overall	Impacts	The effect the undertaking has or could have on the environment and people, including effects on their human rights, connected with its own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. The impacts can be actual or potential, negative or positive, intended or unintended, and reversible or irreversible. They can arise over the short-, medium-, or long-term. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.
Overall	Impact Drivers	All the factors that cause changes in nature, anthropogenic assets, nature's contributions to people and a good quality of life. Direct drivers of change can be both natural and anthropogenic. They have direct physical (mechanical, chemical, noise, light etc.) and behavior-affecting impacts on nature. They include, inter alia, climate change, pollution, different types of land use change, invasive alien species and zoonoses, and exploitation. Indirect impact drivers operate diffusely by altering and influencing direct drivers (by affecting their level, direction or rate) as well as other indirect drivers. Interactions between indirect and direct drivers create different chains of relationship, attribution, and impacts, which may vary according to type, intensity, duration, and distance. These relationships can also lead to different types of spill-over effects. Global indirect drivers include economic, demographic, governance, technological and cultural ones. Special attention is given, among indirect drivers, to the role of institutions (both formal and informal) and impacts of the patterns of production, supply and consumption on nature, nature's contributions to people and good quality of life.
Overall	Effect of Impacts, Risks and Opportunities	Effect refers to the result or outcome caused by business activities connected with the undertaking's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships. In the case of positive or negative impact, the effect may concern people and the environment, whereas for risks and opportunities, it leads to financial effect that impacts the company's operations, for example, increase or decrease in operating costs, revenues or total assets.
Overall	Impact Materiality	A sustainability matter is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium- and long-term. A material sustainability matter from an impact perspective includes impacts connected with the undertaking's own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships.
Overall	Material Opportunities	Sustainability related opportunities with positive financial effects that materially affect, (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.
Overall	Material Risks	Sustainability related risks with negative financial effects that materially affect (or could reasonably be expected to affect) the undertaking's cash flows, access to finance, or cost of capital over the short, medium or long term.
Overall	Own Operations	Refers to Arcadis' own workforce, and aspects of Arcadis operations that Arcadis has direct operational control over, such as leased offices and office spaces, associated leased facilities, company-owned and operated vehicles, leased vehicle fleet and employee-owned vehicles used for company purposes (including commuting), remote working infrastructure, and IT systems.

Topic (Overall/E/S/G)	Term	Definition
Overall	Value Chain	The value chain of Arcadis encompasses activities, resources and relationships Arcadis uses and relies on to create its products or services from conception to delivery, consumption and end-of- life, extending beyond immediate contractual relationships to include upstream and downstream activities. The value chain comprises the following components: Upstream: The actors in our upstream that provide products or services that are used in the development of Arcadis products or services, including procurement activities linked to our project execution and ongoing business operations. Downstream: The actors that receive products or services from Arcadis, including clients and the assessment of (outcomes from) our projects. Arcadis applies this broad definition specifically for its double materiality assessment and assessment of impacts, risks, and opportunities associated with the value chain. These assessments consider the value chain as encompassing the areas it impacts and depends on through projects for clients and its relationships with value chain partners, both upstream and downstream. The specific focus within the value chain may vary depending on the context, with particular actors and elements identified, addressed, and disclosed as appropriate.
Overall	Value Chain Worker	Refers to individuals performing work in the Arcadis value chain through third parties that Arcadis directly contracts with, including but not limited to clients, suppliers, and ecosystem partners. It also considers workers in the extended network of these third parties, provided their work relates to the operations, products or services of Arcadis. The scope of workers in the value chain includes workers in the Arcadis' upstream and downstream value chain who are or can be materially impacted by Arcadis. This includes impacts that are connected to Arcadis own operations, and value chain, including through its products or services, as well as through the business relationships. It is acknowledged that the scope may evolve over time, with further clarifications provided in related disclosures, taking into account the phased approach to implementation. Exclusion of non-employee/Contingent Worker: Contingent workers are classified within Arcadis' workforce (S1) and are therefore not included as value chain workers.
Overall	Environmental and Human Rights Due Diligence	Environmental and human rights due diligence is a process for identifying, preventing, mitigating, and accounting for environmental and human rights impacts. This includes both actual impacts occurring in the present and potential impacts that could occur in the future.
Environmental	Arcadis' Carbon Footprint (tCO_2 per FTE)	Arcadis' carbon footprint consists of the total metric tons of CO2 equivalents from material scope 1, 2 and 3 emissions, based on the methodology used to calculate greenhouse gas (GHG) emission inventories. Our scope 1 includes emissions from our company owned vehicles (purchased or leased for > 6 months) fuel consumptions and our stationary energy consumption at the offices (e.g., natural gas for heating) as well as emissions from refrigerants due to releases from air conditioners. Our scope 2 includes our office's electricity and district heating, as well as our company owned vehicles' electricity. Our scope 3 includes categories 1 to 7, as described under "Scope 3 definition and boundary setting" in this glossary. The general carbon accounting policies and emission factors are described below.
Environmental	General Carbon Accounting Policies and Emission Factors	Our emissions calculations are based on the GHG Protocol "A Corporate Accounting and Reporting Standard" (World Resources Institute and World Business Council for Sustainable Development, March 2004), as well as the "GHG Protocol Scope 2 Guidance" and the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard". The organizational boundaries of Arcadis are based on the 'Operational control approach'. This means that Arcadis takes responsibility for the emissions of the business units over which it has operational control. As emission factors, the factors from Defra v12 (09/2024) have been used and for electricity-related emissions, the factors from IEA v7 (12/2024) have been applied for scope 2 (location-based). For the market-based scope 2 footprint, our renewable electricity purchases via direct contracts or contractual instruments (energy attribute certificates such as (i)RECs, GOs, etc.) have been taken into account with a factor of 0. For scope 3 categories 1, 2 and 4, spend-based US EPA EEIO v1.3 emission factors have been used, as well as supplier emissions from 70 of our biggest suppliers, collected through a third-party supply chain management program called CDP. The latter covers about 10% of our spend-based emissions for scope 3 category 1.
Environmental	Scope 3 Definition and Boundary Setting	In our scope 3 we currently include Category 1: Purchased Goods and Services, Category 2: Capital goods, Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2), Category 4: Upstream Transportation and Distribution, Category 5: Waste generated in operations, Category 6: business travel (including airplanes, private vehicles, short-term hired vehicles, taxi, and public transportation) and Category 7: Employee commuting. Emissions from working from home (WFH) are reported separately, and not part of our total footprint, to align it with the scope of our approved science-based net zero target. Any other scope 3 categories are not reported because previous screenings showed that these are not relevant for our footprint. This means we do include also indirect emissions in our carbon footprint over which Arcadis has limited influence. To illustrate: employees have the choice to meet their business mobility needs in different ways, for example with their private car. Arcadis is responsible for the emissions but has no direct influence on the choice of which type of car that the employee drives.

Topic (Overall/E/S/G)	Term	Definition
Environmental	Scope 3 Calculation Methodology	**Scope 3 category 1, 2, and 4** We have calculated our Scope 3 emissions for Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), and Category 4 (Upstream Transportation and Distribution) for 2024 using prorated data from January to October. Since Q4 spend data was unavailable at the time of calculation, Q4 emissions were estimated by prorating January to September spend (factor 1.33). Once final spend figures are published, we compare our estimated Q4 spend with actual Q4 spend. Dependent on the outcome of the results, one of two actions are taken. If actual spend is greater than a 5% difference from the Q4 estimate, we re-calculate our emissions and submit for verification prior to publishing the annual report. If the actual spend for Q4 is less than a 5% difference from our estimates, we will recalculate the emissions after publishing the annual report and follow our restatement policy, which would mean a restatement if the change is greater than our threshold of 5% of our total GHG emissions. **Spend data and calculation** The primary method for estimating these emissions is the spend-based calculation methodology, utilizing U.S. EEIO (EEIO) data models. These spend-based emissions are calculated by multiplying our spend with each supplier by EEIO emission factors. As a professional services organization, we allocate most of our expenditures to the professional services category because it best reflects our business activities. It also aligns with EEIO models and financial accounting standards, maintaining consistency in our emissions calculations. **Supplier data and validation** We collect primary supplier data from CDP's Supply Chain program, which provides supplier emissions for the previous year (2023) in October 2024. We use supplier-allocated emissions if they meet our quality criteria. To ensure data integrity, we validate the reported emissions by comparing them to a revenue-based intensity derived from the supplier's emissions and our spend with the supplier. If the reported emissions fall within our defined thresholds, we utilize the supplier allocated emissions. Otherwise, we calculate emissions by applying the revenue-based intensity to our spend. To estimate revenue-based intensity, we use supplier-reported Scope 1 and 2 emissions from CDP (market-based where available, or location-based otherwise), combined with their upstream Scope 3 emissions. For suppliers that do not calculate or disclose upstream Scope 3 emissions, we estimate these indirect emissions by applying an industry-specific upstream multiplier published by CDP. This multiplier is applied directly to the supplier's reported Scope 1 and 2 emissions to ensure a comprehensive assessment. **DPS re-baselining of historical years** We updated the DPS emissions estimates for 2023 by shifting from an FTE-based intensity estimation method to a revenue-based estimate. We conducted a sensitivity analysis for each method and determined the revenue-based estimate more accurately reflected emissions for DPS. To provide consistency, we recalculated all historical years using the best available data, which was based on 2024 emissions per net revenue, and applied this intensity factor to each DPS year to estimate emissions. The updates resulted in a significant change for the year 2023, but for our baseline year 2019 this did not lead to a change of more than 5% of total emissions which doesn't trigger re-baselining according to our policy for restatements. Our SBTi net zero target is therefore not affected by this update and our reduction targets in percentage stay the same. **Inflation adjustment for EEIO emission factors** EEIO emission factors measure the CO_2e emissions per 2022 USD spent in a given economic sector. These factors are often expressed in constant dollars to maintain comparability over time. However, when applying these factors to our current-year expenditures, an inflation adjustment is necessary to account for changes in purchasing power and price levels. Since EEIO version 1.3 emission factors were provided in 2022 USD per CO_2e, the dollar amounts in the denominator were inflated to 2024 USD. **Impact on EEIO emission factors** Emission Intensity Decreased – Because the denominator (spend in USD) increased while the numerator (emissions) remained constant, the resulting CO_2e per dollar spent decreased post-adjustment. More Accurate Cost-Based Emissions Estimates – Without adjusting for inflation, applying older emission factors to current spending would overestimate emissions, as the same dollar amount would represent more purchased goods and services in 2024 than in 2022, for example. Better Comparability Over Time – Adjusting for inflation ensures consistency when comparing emissions tied to financial expenditures across multiple years. **For scope 3 category 3:** Fuel-and-energy-related activities (not included in scope 1 or 2), consumption is captured in our NFR platform by each country and calculated according to the mapped emission factors. Months missing data are in line with Scope 1 & Scope 2 data: December in all cases, November most locations and for October or previous month at significantly fewer locations, for which estimation was made. **For scope 3 category 5:** Waste generated in operations, Defra emission factors were applied to the waste amounts by waste type and waste disposal method. Actual waste amounts were available from 71 of our offices and estimated data for the remaining offices (see under "Waste estimation method"). For the offices which didn't yet start to collect waste data in 2024, the average waste intensity per FTE by waste type from 40 offices (for which the data was available before the data entry

Topic (Overall/E/S/G)	Term	Definition
		deadline), representing 21% of our offices, has been prorated using the FTE of the missing offices and the average Arcadis-specific office attendance in its country. The average office attendance has been calculated based on our annual global survey on commuting and WFH behavior which has been sent to all Arcadis employees globally and answered by 23% of our employees. This survey has been completed by the end of October and includes estimations for November and December. **For scope 3 category 6:** Business travel, data is retrieved by our travel agency, and then provided to a third party that calculates our business travel related emissions. These emissions changed compared to previously reported emissions because, firstly, we updated the applied radiative forcing (RF) multiplier from 1.89 to 1.7 following the latest industry recommendations. The RF multiplier that accounts for the indirect effects of the release of greenhouse gasses at altitude. For example, the impact of contrails, black soot, the effect of aviation on clouds, etc.. Secondly, we also now switched from the Defra to the ""Defra+"" methodology which uses more recent aircraft and load factor data for the flight segments for which the required detailed information is available. This was the case for 79% of all flight segments. For December, we've estimated the Business travel emissions based on an extrapolation of January - November. **For scope 3 category 7:** Employee commuting, data was collected via a global employee survey (with an overall response rate of 23%) and was scaled based on headcount per country. The 23% is a representative response rate because for the countries with most Arcadis employees, the number of responses was sufficient for a representativity with <6% error margin for 95% confidence. This is documented per country in our calculation files. For the survey-based emissions calculations, we also applied an uplift factor for each country, depending on the error margin based on the sample size per country in relation to the country's total headcount. Emissions from Working-from-home (WFH) are no longer categorized under category 7. This change was made to align with the requirements for our science-based Net Zero target which mandated us to keep WFH emission out of the scope of this target and report them separately from our total GHG emissions. As a result of this change, the total for category 7 has been modified compared to previous publications. In the past, we provided a breakdown of the subcategories within category 7 for full transparency in our reporting. **Scope 3 category 8** (Upstream leased assets): This category is not relevant. Emissions from upstream leased assets are included within Arcadis's operational control boundary of Scope 1 and Scope 2 emissions. **Scope 3 category 9** (Downstream transportation & distribution): This category is not relevant. Since Arcadis provides professional services and does not sell products, Arcadis does not transport, distribute, or store any sold products in vehicles/facilities that are not owned by Arcadis. **Scope 3 category 10** (Processing of sold products): This category is not relevant. Arcadis provides services which do not have "processing" emissions once sold to Arcadis's clients. **Scope 3 category 11** (Use of sold products) and category 11a (Downstream emissions from fossil fuels distributed but not sold by the company): These categories are not relevant. Arcadis provides design and consultancy services and does not sell products or distribute fossil fuels. **Scope 3 category 12** (End-of-life treatment of sold products): This category is not relevant. Arcadis provides services which do not generate end of life emissions. **Scope 3 category 13** (Downstream leased assets): This category is not relevant. Arcadis does not own any assets that are leased to others. **Scope 3 category 14** (Franchises): This category is not relevant. Arcadis does not operate any franchises. **Scope 3 category 15** (Investments): Arcadis evaluated that emissions from investments based on our spend-based calculation (category 15) are not material. **For Scope 3 (other)**: Working-from-home (WFH), emissions are based on the WFH days per employee collected through a global employee survey, with an overall response rate of 23%. The results were scaled up using the number of respondents and the total headcounts of all colleagues per country and then multiplied this by the country-specific factors from the "ECOMETRICA HOMEWORKER MODEL" to convert into GHG emissions. As we also purchase green electricity via certificates to cover the estimated electricity consumption during WFH, we estimate the emissions from "grey electricity" at homes using the same assumption for electricity consumption as included within the "ECOMETRICA HOMEWORKER MODEL" factors (which assumes 1.2 kWh/homeworker-day), multiplied with the country-specific grid intensities from IEA. These emissions are then subtracted from the total WFH emissions. For consolidation of our entire footprint, we enter the emissions of all categories into our NFR platform.

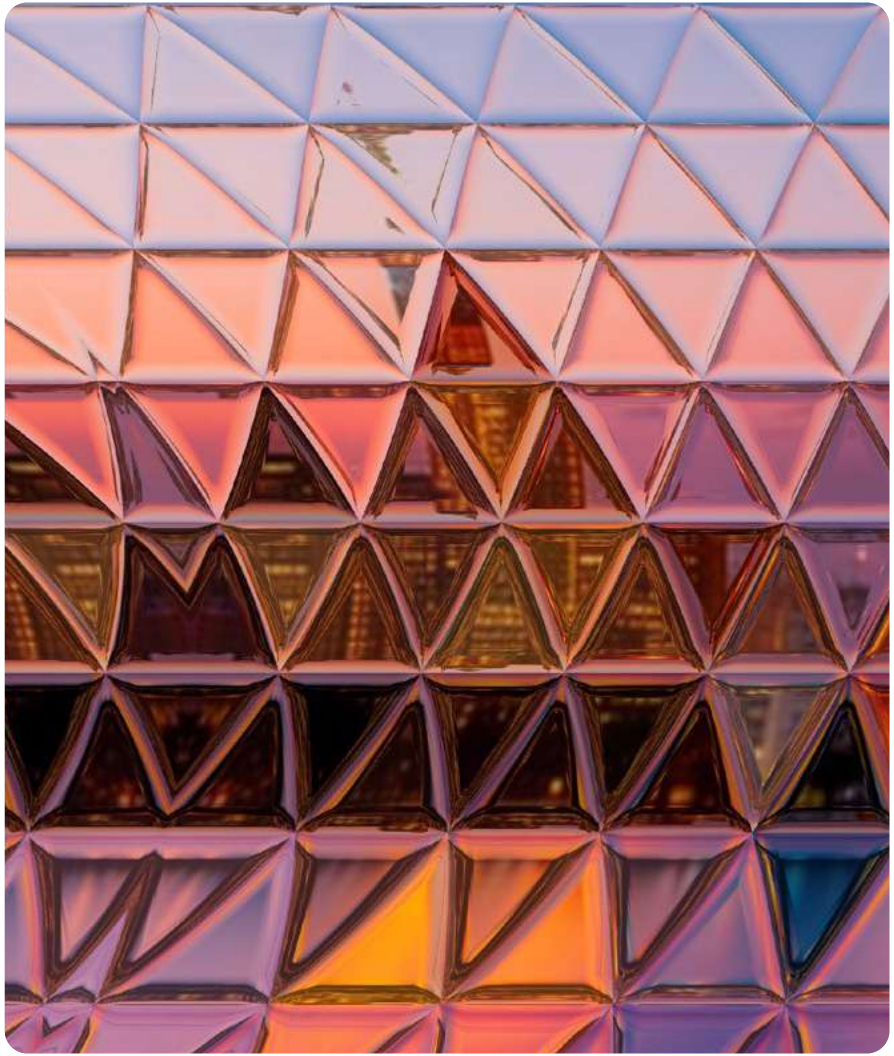
Topic (Overall/E/S/G)	Term	Definition
Environmental	Scope 1 & 2 Calculation Methodology	Scope 1 & Scope 2: As we published this report early in the year, we don't have all final emissions data points by the date of publication, e.g., electricity and heating consumptions for December in all cases, November most locations and for October at a few locations. Therefore, we work with estimates based on historical data for these missing data points and publish an update on our webpage in Q2 each year. For consumptions not depending on the climate (like office electricity for workstations and lighting), we use the consumption of the same month of the previous year for the missing month. In case the office size (floor area) changed since then, we use the % change to scale the consumption for the estimate. If historical data from the previous year is not available, we calculate the average monthly electricity consumption considering the previous months where data is available. In rare cases where also previous year's data is not available, a global average of 25 kWh/m2year in electricity and 0.8 m3/m2year in natural gas is applied (if applicable for that office). These global standardized numbers may be replaced by a better local average (e.g., from the same climate zone) when appropriate documentation can be provided (source, conversion factor, etc.). Estimations for the use of climate-dependent energy (e.g., natural gas, heat (district heating), electricity for heating or cooling if measured separately) are calculated in proportion to the number of heating or cooling degree days if no other historical data is available for that office.
Environmental	Number of Identified Environmental Non-compliances	Environmental violations or notices of violations from a regulatory environmental authority where a monetary civil penalty of an amount higher than €10,000 was imposed on Arcadis. The identified environmental non-compliances are measured in absolute numbers.
Environmental	MSA-based (Mean Species Abundance) footprint assessment	Mean Species Abundance (MSA) describes biodiversity changes with reference to the undisturbed state of ecosystems. It is defined as the average abundances of originally occurring species relative to their abundance in the undisturbed ecosystem. Undisturbed ecosystem is understood here as equivalent to a pristine state, intact and undisturbed by human activity. MSA varies between 0% and 100% (or score 0 to 1). The MSA has a low value in areas where the pressure on biodiversity is high. A score of 1 implies that the area is undisturbed. A score of 0 represents a complete loss of the original biodiversity. The MSA-based footprint assessment is based on: 1) Surface area component - Arcadis' proportionate use of each site (building and surrounding space on-site); and 2) Quality component - Attributing an MSA score for each site.
Environmental	Dynamic biodiversity footprint	The footprint caused by changes, consumptions, or restorations during a specific period (e.g., accounting year). The general formula used to calculate a biodiversity footprint at any point in time is = ∑(areai * [1 - MSAi]) in which i= land use or GHG; and area is in hectare. The dynamic footprint is then calculated as the difference between the 2023 and 2024 biodiversity footprints for the exact same list of Arcadis offices, thus incorporating land use change at these locations.
Environmental	Static biodiversity footprint	A footprint including all the 'persistent' or 'long-lasting' effects which remain over time. This static footprint can result from spatial pressures (land use, fragmentation, encroachment) that are linked to existing facilities and the persistent (and constant) effects impacting biodiversity today. The general formula used to calculate a biodiversity footprint at any point in time is = ∑(areai * [1 - MSAi]) in which i= land use or GHG; and area is in hectare. The static footprint is the biodiversity footprint from 2024, accounting for all Arcadis offices currently in its portfolio that are part of the biodiversity footprint.
Environmental	Waste estimation method	Actual waste amounts were available from 71 of our 335 offices and estimated data for the remaining offices. For the offices which didn't yet start to collect waste data in 2024, the average waste intensity per FTE by waste type from 40 offices (for which the data was available before the data entry deadline), representing 21% of our offices, has been prorated using the FTE of the missing offices and the average Arcadis-specific office attendance in its country. The average office attendance has been calculated based on our annual global survey on commuting and WFH behavior which has been sent to all Arcadis employees globally and answered by 23% of our employees. This survey has been completed by the end of October and includes estimations for November and December.
Environmental	Water consumption estimation method	The following calculation has be performed to estimate water consumption of offices which could not collect their actual consumption: Annual Water Use Estimate = Average daily water use [L/person/day] * FTE of the office [#] * Total net working days in 2024 [days/2024] * Office attendance [country-average %] For the office employee FTE, the FTE without non-employee has been used for the water and waste estimation methodologies. For the office attendance in %, the Arcadis-specific average per country has been calculated based on our Commuting & WFH Survey which has been sent to all Arcadis employees globally and answered by 23% of our employees. This survey has been completed by the end of October and includes estimations for November and December.
Social	Workforce Composition - Methodology	The methodology adopted to disclose the metrics related to our employees and non-employees is to report the information based on headcount as on the last reporting day of the financial year (December 31), with exception to turnover which uses 12 months average headcount from January to December 2024.
Social	Employees that participated in regular performance and career development	The global estimate of 70% (Female 71%, Male 70%, Not Disclosed 50%) is built on data from our main system of record. For the countries that are not on this system, an estimation was applied based on the data out of the system of record. Excluding these estimations, the global figure is 61% (Female 63%, Male 60%, Not Disclosed 56%).
Social	Workforce	Workforce is defined as individuals with an employment agreement with Arcadis, in accordance with national law or its application (employees), as well as individual contractors providing labor to Arcadis ("self-employed") and individuals supplied by other undertakings (companies or organizations primarily engaged in employment activities) to Arcadis ("agency"). Self-employed and agency workers are classified as non-employees. The workforce is measured as an absolute number on the balance sheet date.

Topic (Overall/E/S/G)	Term	Definition
Social	Employees	Individuals that are in an employment agreement with Arcadis, according to national law or its application (i.e. employees). Employees exclude contingent workers, such as consultants and agency workers.
Social	Active Employees	Active employees are individuals that are in an employment agreement with Arcadis, according to national law or its application (i.e. employees). Active employees exclude i) contingent workers, such as consultants and agency workers, ii) employees still on long term leave of absence on 31 December, and iii) employees who have left the organization before 31 December in the relevant year.
Social	FTE	Workforce expressed in FTE (Full Time Equivalent).
Social	Permanent Employees	This includes everybody on the payroll with an employment agreement that is not temporary in nature. This is measured in an absolute number at the balance sheet date.
Social	Temporary Employees	This includes individuals on the payroll with an employment agreement that is temporary in nature. This is measured in an absolute number at the balance sheet date.
Social	Non employees	Also known as Contingent Workers or individuals that are hired for a service from other companies for a limited duration such as consultants and agency workers. This is measured in an absolute number at the balance sheet date.
Social	Total Turnover Rate	Total number of employees who leave voluntarily or due to dismissal, retirement, or death in service divided by the average number of employees during the period. The rate is calculated as a percentage covering the calendar year.
Social	Voluntary Turnover Rate	Voluntary termination of permanent employees (see definition above) divided by the average number of permanent employees during the period. A termination is voluntary when the decision for termination is made by the employee. The rate is calculated as a percentage covering the calendar year.
Social	Women Participation Rate	Number of permanent and temporary women employed at Arcadis as a % of total permanent and temporary employees. This calculation is based on absolute numbers.
Social	Employee Engagement	The eNPS (Employee Net Promoter Score) measures our employee engagement. On a scale of -100 to +100, the eNPS score determines to what extent employees promote Arcadis as a place to work and therefore helps us ascertain how we are progressing on our journey to be a best place to work. The eNPS is only measured for permanent employees and temporary employees (that have a tenure of more than 6 months). eNPS is calculated by subtracting the percentage of detractors (scores between 0 and 6) from the percentage of promotors (scores of 9 and 10). Our final score is based on four quarterly engagement surveys throughout the year, which includes integrating companies (AIBI, CRTKL, Arcadis Gen, DPS) from June. The last survey was in December 2024.
Social	Sub-Top	Employees on job level 12 to maximum of 14.
Social	Employees entitled to family-related leave	Employees entitled to family-related leave are those who are covered by regulations, organisational policies, agreements, contracts or collective bargaining agreements that contain family-related leave entitlements.
Social	Family Related Leave	Family-related leave include maternity leave, paternity leave, parental leave, and carers' leave that is available under national law or collective agreements. Utilization statistics are based on family related leaves utilized within the covered period.
Social	Training	Refers to time spent preparing and attending training events, E-learning, mentoring, coaching and internal/ external conference.
Social	Training Hours	Training Hours are from Oracle Timesheets or equivalent tools (for countries not yet integrated on Oracle).This is based on employees self-declared training hours on their timesheet or/and local equivalent tools.
Social	Lost Time Case Frequency (LTCF)	The number of lost time injuries or ill health per 200,000 or 1,000,000 working hours. This is calculated using both working hours set by regulatory and client requirements. OSHA: (Number of LTIs) x (200,000 hours) / (total Number of Work Hours) ESRS: (Number of LTIs) x (1,000,000 hours) / (total Number of Work Hours)
Social	Total Recordable Case Frequency (TRCF) (ESRS Term: Rate of recordable work-related accidents)	The number of Total Recordable Cases per 200,000 or 1,000,000 working hours. This is calculated using both working hour constants based on regulatory and client requirements. OSHA: (Number of Recordable Cases) x (200,000 hours) / (total Number of Work Hours) ESRS: (Number of Recordable Cases) x (1,000,000 hours) / (total Number of Work Hours)

Topic (Overall/E/S/G)	Term	Definition
Social	GHSMSS (ESRS Term: H&S Management System)	A Global Health and Safety Management System Standard is a structured set of interdependent doctrines, processes, documents, and principles that are intended to ensure that the activities of an organization are directed, planned, conducted, and controlled in such a way as to provide reasonable assurance that the H&S objectives of the organization are met.
Social	Fatality	A death which results from a work-related injury or occupational illness, regardless of the time intervening between the incident causing the injury or occupational illness.
Social	Injury (ESRS Term: Work-related injuries)	Adverse effect on the physical, mental, or cognitive condition of a person that is caused or aggravated by a work-related event such as a cut, fracture, sprain, amputation etc., which results from a single instantaneous exposure.
Social	Occupational Illness (ESRS Term: Work-related ill-health)	Adverse effect on the physical, mental and/or cognitive condition of a person that is caused or aggravated by exposure to environmental factors associated with employment, including chemical, physical, biological, psychological, and ergonomic factors.
Social	Recordable Case (ESRS Term: Recordable work-related accidents)	A work-related injury or occupational illness resulting in a fatality, permanent total disability, lost workdays, restricted workdays, and/or medical treatment.
Social	Lost Workdays (LWD) (ESRS Term: Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health)	The total number of calendar days that an injured or ill person is absent due to a work-related injury, illness, or fatality. This count begins on the first full day of the incident and includes all days in the absence period, such as weekends, public holidays, and non-working days. Both the first day of full absence and the final day of absence are counted as lost days.
Social	Affected Stakeholders	Individuals or groups whose interests are affected or could be affected – positively or negatively – by the undertaking's activities and its direct and indirect business relationships across its value chain.
Social	Forced Labor	All work or service which is exacted from any person under the threat of penalty and for which the person has not offered himself or herself voluntarily. The term encompasses all situations in which persons are coerced by any means to perform work and includes both traditional 'slave like' practices and contemporary forms of coercion where labour exploitation is involved, which may include human trafficking and other forms of modern slavery.
Social	Child Labor	Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that: i. is mentally, physically, socially or morally dangerous and harmful to children; and/or ii. interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. A child is defined as a person under the age of 18. Whether or not particular forms of 'work' can be called 'child labour' depends on the child's age, the type and hours of work performed and the conditions under which it is performed. The answer varies from country to country, as well as among sectors within countries. The minimum age of work should not be less than the minimum age of completion of compulsory schooling, and, in any case, should not be less than 15 years according to International Labour Organisation (ILO) Convention No. 138 on Minimum Age. Exceptions can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organisation (ILO) in response to a special application by the country concerned and in consultation with.
Social	Health and Safety	The right of workers to health and safety measures that ensure physical and mental well-being. This includes the provision of the correct personal protective equipment (PPE) aimed at preventing injuries, illnesses and health issues caused by work-related hazards.
Governance	Percentage of payments aligned with set payment terms	Calculation methodology for the % of payments aligned with set payment terms = Invoices with a term that are paid in time of that term / total number of invoices.

Topic (Overall/E/S/G)	Term	Definition
Governance	Average number of days to pay an invoice	Calculation methodology for the average number of days to pay an invoice = (A+B) / total number of invoices in which: A = Invoices with a term paid in time vs our internal SLA * maximum days of that term + 10 days per invoice for process steps outside of Arcadis influence such as extended approval times by illness, payment processing time at the banks, delays by the fact that some countries do not process payments on daily base. B = Invoices with a late payment * maximum days of that term * 2 (being overdue) + 10 days per invoice for process steps outside of Arcadis The method to assess timeliness of payments for the internal SLA is as follows: • The invoice date plus invoice or Purchase Order terms equal the due date of each invoice. • If the invoice payment date is equal or less than the due date, the invoice is accepted as paid on time. • Invoices that have been received after the due date as calculated above are not accepted as paid on time. • Invoices that have due dates less than 10 days from accounting date are also removed from the population as there is not sufficient time to receive, process, approve and schedule an invoice for payment in accordance with the due date. • Invoices with an immediate due date are set on a term of 1 day. All invoices except intercompany are taken into account. Prudency is applied by counting only with the maximum amount of the set terms, as well as if determined overdue, then set terms are multiplied by two. Also, out of prudency 10 extra days are added for process steps outside of Arcadis.
Governance	Assessed AGBP Alleged Breaches	Number of assessed and, as needed, investigated AGBP alleged breaches, governed by the Seek Advice and Speak Up Policy Statement and AGBP Speak Up Procedure.
Governance	Employees Passing Code of Conduct Training	Percentage of active employees that have successfully passed annual mandatory training on Arcadis' General Business Principles (AGBP, our code of conduct). This training specifically addresses issues like corruption, bribery, conflicts of interest and other risks to which our people may be exposed. The number is expressed as percentage, calculated by dividing the number of active employees that successfully passed the training by the total number of active employees.
Governance	Supervisory body	Arcadis Supervisory Board
Governance	Management body	Arcadis Executive Board. The ESRS term 'Administrative body' is not applicable at Arcadis.

Governance & Compliance



Introduction to the Executive Board and the Executive Leadership Team

Roles, responsibilities and appointments

Executive Board

The Executive Board is entrusted with the management of Arcadis N.V. (Company). It is responsible for the development of the Company's strategy and culture, the realization of the Company's objectives, and the creation of sustainable long-term value. The Executive Board operates under the supervision of the Supervisory Board.

The Executive Board consists of the CEO and the CFO. The General Meeting of shareholders (General Meeting) appoints the Executive Board members. For every appointment, the Supervisory Board is entitled to make a nomination. The General Meeting can overrule a binding nomination by the Supervisory Board by a resolution adopted by a majority of at least two-thirds of the votes, representing more than half of the issued share capital. On a non-binding nomination, the General Meeting decides by simple majority.

The General Meeting can dismiss an Executive Board member. Such a decision, other than when proposed by the Supervisory Board, requires at least two-thirds of the votes, representing at least half of the issued share capital. The Supervisory Board has appointed the CEO as Chair of the Executive Board. In consultation with the Executive Board, the Supervisory Board determines the division of tasks. The composition of the Executive Board and information about its members is provided on pages 176 and 177 of this Annual Integrated Report.

Executive Leadership Team

The Executive Leadership Team has been established by the Executive Board to support with the management of the Company. The Executive Leadership Team advises and assists with the preparation, coordination and implementation of Executive Board decisions.

The CEO determines the number of members of the Executive Leadership Team with approval of the Supervisory Board. The members of the Executive Leadership Team who are not Executive Board members are appointed and dismissed by the CEO, subject to approval of the Supervisory Board. At least once a year, the Executive Leadership Team evaluates its own functioning as a whole and that of individual members. At least once a year, outside the presence of the Executive Board and the Executive Leadership Team, the Supervisory Board evaluates the functioning of the Executive Leadership Team, the Executive Board and that of the individual Executive Board members and discusses the conclusions that must be attached to the evaluation, also in light of succession planning. Periodically, an external expert facilitates the annual evaluation.

Per year-end 2024, the Executive Leadership Team consists of the Executive Board members (CEO and CFO) and seven other executives: the Chief People Officer, the Chief Delivery Officer, the Chief Growth & Digital Intelligence and Advisory Officer, the Global President for Places, the Global President for Resilience, the Global President for Mobility, and the Global General Counsel (since 1 September 2024). The composition of the Executive Leadership Team and information about its members is provided on pages 178 through 180 of this Annual Integrated Report.

Diversity, Equity, Inclusion and Belonging at Arcadis

Diversity, Equity, Inclusion, and Belonging (DEIB) are foundational elements of our strategy, Accelerating a Planet Positive Future. With over 35,000 employees spread across various regions and cultures, Arcadis embraces its role as a global leader by fostering an inclusive environment where every individual can thrive. This commitment is seen through comprehensive DEIB initiatives that aim to not only shape a workplace reflective of the diverse world around us but also to encourage the innovative spirit that diversity unlocks. DEIB at Arcadis is more than a set of policies; it is a shared vision and a commitment to creating lasting impact and driving equitable growth.

In line with the Dutch Corporate Governance Code, Arcadis has a Diversity, Equity, Inclusion and Belonging policy statement (DEIB policy) for the entire company, diversity policies for leadership, and various diversity and inclusion (D&I) programs. The aim of the DEIB policy is to define Arcadis' company-wide commitment to DEIB. Arcadis aims to create a culture of psychological safety, diversity, equity and inclusion, in which every Arcadian feels valued and respected. The DEIB policy includes D&I targets related to the composition of the Executive Leadership Team, senior management (Sub-Top) and the Arcadis workforce. In addition to the company-wide DEIB policy, D&I targets for the Executive Board have been set and are included in a separate D&I policy for the Executive Board.

In line with Dutch diversity legislation and the Dutch Corporate Governance Code, the paragraphs and tables below summarize the targets and outcomes of both the company-wide DEIB policy and the separate D&I policy for the Executive Board for 2024.

Achieving gender parity in the workplace is a critical component of Arcadis' mission to create an equitable and inclusive environment.

Our commitment to achieving over 40% representation of women in the workforce by the end of 2026 demonstrates our ambition to address the gender imbalance historically present in engineering and design fields. Pursuing this target extends beyond simply increasing numbers; it is about being led by data as we create a more inclusive culture, foster opportunities for women at every level, and remove barriers that have historically limited female representation in technical roles. With 39.3% women in the workforce at the end of 2024, we are on our way to achieving our 2026 target.

	Level	Target	Actual per 31 December 2024
Arcadis globally	**Senior management or Sub-Top**[2]	Over 22% women	24.6%
	All employees	Over 40% women by 2026	39.3%
Arcadis N.V.[1]	**Supervisory Board**	At least one-third women and at least one-third men	4 women (57%) 3 men (43%)
	Executive Board	At least one-third women and at least one-third men	1 woman (50%) 1 man (50%)
	Executive Leadership Team	At least one-third women and at least one-third men	5 women (55%) 4 men (45%)
	Senior management or Sub-Top	Target set at global level only	Realization at global level only
Arcadis Nederland Holding B.V. [1]	**Supervisory Board**	At least one-third women and at least one-third men	2 women (50%) 2 men (50%)
	Management Board	At least one-third women and at least one-third men	1 woman (33.3%) 2 men (66.6%)
	Senior management or Sub-Top	n/a (no employees)	n/a (no employees)
Arcadis Nederland B.V. [1]	**Management Board**	At least one-third women and at least one-third men	1 woman (33.3%) 2 men (66.6%)
	Senior management or Sub-Top[3]	Over 30% women	31%

[1] In line with the Dutch gender diversity legislation, Arcadis N.V. has agreed to also report on behalf of Arcadis Nederland Holding B.V. and Arcadis Nederland B.V. both to the Dutch Socio-Economic Council and in this annual integrated report.

[2] Globally, senior management or Sub-Top means employees at job level 12 and above.

[3] At Arcadis Nederland B.V. senior management or Sub-Top means the Management Team, which is not directly job level related.

Gender in the ELT – targets and outcomes

In 2024, we continued to achieve our targets to have at least one-third men and at least one-third women in the Executive Board and Executive Leadership Team of Arcadis.

Nationality in the ELT - targets & outcomes

Arcadis is active in many countries worldwide. We therefore intentionally ensure our leadership reflects the different national backgrounds of our colleagues, clients and partners. Our focus is to build on the diversity of thought and experience across all our leadership teams, recognizing that we can also be more diverse in the nationalities and geographical regions we represent. Arcadis has the following targets in terms of nationality for the Executive Board and Executive Leadership Team.

In the Executive Board, at least two nationalities shall be represented. In the Executive Leadership Team, nationalities from at least three geographical regions where Arcadis is active shall be represented. Based on the composition of the Executive Board and the Executive Leadership Team at the end of 2024 these targets were met.

Current members of the ELT

	Gender	Nationality
Mr. Brookes	Male	British
Ms. Duperat-Vergne	Female	French
Ms. Barker (as of September 2024)	Female	Australian and Dutch
Ms. Christie	Female	British
Mr. Cowlard	Male	British
Mr. Dekker	Male	Dutch
Ms. Polinsky	Female	US
Mr. Steele	Male	Australian
Ms. Tempelman	Female	Dutch

Former members of the ELT[1]

	Gender	Nationality
Ms. van Blokland	Female	Dutch
Ms. Bolder	Female	Dutch

[1] These ELT members left Arcadis in 2024.

Background: education and/or (work) experience in the ELT – targets & outcomes

We believe that Arcadis benefits from having people with diverse backgrounds within our Executive Board and Executive Leadership Team.

Regarding background, meeting the target for the Executive Board requires that at least one member shall have experience in the global design, the engineering and/or the consulting industry or experience in an industry adjacent thereto. In the Executive Leadership Team, at least 30% of the members shall have experience in the global design, the engineering and/or the consulting industry or experience in an industry adjacent thereto. Arcadis met these targets in 2024.

Current members of the ELT

	International experience	Professional service/ engineering and consulting experience	Legal/tax/ risk management	Finance	People and culture	Sustainability	Digital
Mr. Brookes	●	●	●				
Ms. Duperat-Vergne	●	●	●	●			
Ms. Barker (as of September 2024)	●	●	●				
Ms. Christie	●	●	●			●	
Mr. Cowlard	●	●			●	●	
Mr. Dekker	●	●	●			●	●
Ms. Polinsky	●	●	●			●	
Mr. Steele	●	●				●	
Ms. Tempelman	●	●			●	●	●

Former members of the ELT

	International experience	Professional service/ engineering and consulting experience	Legal/tax/ risk management	Finance	People and culture	Sustainability	Digital
Ms. van Blokland	●	●			●		
Ms. Bolder	●	●			●		

Ethnicity in the ELT: members of underrepresented ethnic groups - targets & outcomes

We strive to increase the representation of people who self-identify as being part of an Under-Represented Ethnic Group (UREG) across all levels of the Arcadis organization, including the Executive Board and the Executive Leadership Team combined and the senior management Sub-Top of Arcadis globally and the wider Arcadis employee group.

Currently, there are no members of the Executive Board and Executive Leadership Team who identify as being part of an UREG or background.

Composition of the Executive Board

Alan G. Brookes / Virginie J.H. Duperat-Vergne

Alan was appointed Chief Executive Officer of Arcadis in May 2023.

He started his career as a surveyor, where he grew to lead a chartered surveying practice and then chair Povall, Flood and Wilson, which was acquired by EC Harris in 2000. Alan helped transform the business into a global force, moving to lead the Asian business in 2011 and becoming an EC Harris Board member. When EC Harris was acquired by Arcadis, Alan continued to lead the Asian business supporting the acquisition of Langdon and Seah before returning to the UK in 2014 to integrate the businesses into one Arcadis team.

In 2019, Alan was appointed as Group Executive to lead the UK, Europe, and Middle East businesses across €1.2bn revenue, 12,500 people and 14 countries. In 2020, Alan became Global Chief Operating Officer. He has led the development of the global operating structure of Arcadis - a structure which sets Arcadis up to be successful by enhancing collaboration and sharing of knowledge and expertise, to improve margin and streamline efficiency. After becoming Chief Executive Officer in 2023, Alan led the launch of the new strategy, Accelerating a Planet Positive Future.

Alan is committed to exploring new approaches, using people and tech to deliver innovative digital solutions that keep clients ahead of the curve. He's personally committed to Arcadis' 2035 net zero targets, as well as providing Arcadian knowledge and advice as a force for good for the planet. Since 2014, Alan has chaired and been actively involved in CRASH, the UK construction industry homelessness charity.

Chief Executive Officer and Chair of the Executive Board
Term 2023 – 2027

Composition of the Executive Board

Alan G. Brookes / Virginie J.H. Duperat-Vergne

Virginie joined Arcadis in 2020 and was inspired by the many innovative projects the company supports to create a tangible, positive impact on the world. In her role as Chief Financial Officer, Virginie is tasked with ensuring the company’s financial stability and growth. She leads on investor relations and M&A Strategy.

Virginie started her career in 1997 as an external auditor and spent more than ten years at Arthur Andersen and Ernst & Young (now EY), before joining the French television broadcaster Canal+ as Compliance Officer for Accounting Standards. Virginie held several finance positions at Technip, and then TechnipFMC, where she became Group Deputy Chief Financial Officer and a member of the Senior Leadership Team. Directly before joining Arcadis, she was the Chief Financial Officer of the publicly listed company Gemalto and led the defence process of that group in 2017, which resulted in the acquisition of Gemalto by the Thales Group.

Virginie has a master’s degree in finance and management from Toulouse Business School, France.

Chief Financial Officer and Member of the Executive Board
Term 2020 – 2028

Composition of the Executive Leadership Team

Alan Brookes

British nationality

Chief Executive Officer and Chair of the Executive Board

Virginie Duperat-Vergne

French nationality

Chief Financial Officer and Member of the Executive Board

Heather Polinsky

US nationality | PMP, F.SAME

Global President for Resilience

Composition of the Executive Leadership Team

Juud Tempelman

Dutch nationality | MA

Global President for Places
Since 1 October 2024
(in ELT since October 2023)

Greg Steele

Australian nationality | BEng, Grad Dip Bus.

Global President for Mobility

Mark Cowlard

British nationality | BSc (Hons) FRIC

Chief People Officer
Since 1 October 2024
(in ELT since June 2023)

Composition of the Executive Leadership Team

Emily Barker

Australian & Dutch nationality

Global General Counsel
(in ELT since 1 September 2024)

Edel Christie

British nationality | BEng

Chief Growth and Digital Intelligence and Advisory Officer
Since 1 October 2024
(in ELT since June 2023)

Hans Dekker

Dutch nationality | MSc

Chief Delivery Officer

Other governance information

Arcadis is committed to the principles of good governance: integrity, transparency, accountability, and proper supervision. Arcadis has complied with the Dutch Corporate Governance Code since it was first introduced in 2003, with few deviations.

General Meeting of shareholders

Since 2003, Arcadis N.V. has been an international holding company. Members of the Executive and Supervisory Boards are appointed and dismissed by the annual General Meeting (General Meeting).

At least once a year, Arcadis N.V. convenes a shareholder meeting. Meetings are convened by the Executive and/or Supervisory Board. Meetings can also be convened at the request of shareholders jointly representing at least 10% of the Company's issued share capital if authorized by the relevant Dutch court.

Shareholders who hold at least 3% of the issued share capital have the right to propose an item for inclusion on the agenda. The Company will in principle include the item on the agenda if it receives the substantiated proposal clearly stating the item to be discussed, or a draft resolution, in writing at least 60 days prior to the meeting date. Each shareholder is entitled to attend shareholder meetings in person or be represented by written proxy and to exercise voting rights with due observance of the provisions in the Articles of Association.

Each outstanding share entitles the holder to one vote. Resolutions are adopted by simple majority unless the Articles of Association or the law provide(s) otherwise. Arcadis advocates active shareholder participation at shareholder meetings. Since 2007, the Articles of Association allow for communication and voting by electronic means.

The General Meeting can amend the Articles of Association if proposed by the Executive Board, with prior approval of the Supervisory Board and the holder of the priority shares in the capital of Arcadis N.V., Stichting Prioriteit Arcadis N.V. (Arcadis Priority Foundation). This decision requires a majority of at least three-quarters of the votes cast in a meeting in which at least three-quarters of the issued share capital is represented. If the quorum is not met, a second meeting is required, in which the resolution can be adopted by a majority of at least three-quarters of the votes, regardless of the share capital represented in the meeting.

For more information about the powers of the General Meeting as well as the Company's Articles of Association, please visit: www.arcadis.com/en/about-us/governance.

Share capital

The authorized share capital of Arcadis N.V. consists of ordinary shares, cumulative financing preference shares, priority shares, and cumulative preference (protective) shares, each with a nominal value of €0.02. At year-end 2024, the total number of ordinary shares issued was 90,442,091. Currently, only ordinary shares and 600 priority shares have been issued. See note 25 to the consolidated financial statements for further details. Priority shares and cumulative preference shares have an impact on the governance of the Company.

Priority shares

The 600 priority shares, held by the Arcadis Priority Foundation, entitle the foundation to a right of approval regarding certain important decisions. These include the issuance, acquisition or disposal of shares, amendments to the Articles of Association, dissolution of the Company, as well as certain major co-operations, acquisitions, and divestments. Pursuant to the articles of association of the Arcadis Priority Foundation, its board of directors is comprised of two members of the Executive Board, one member of the Executive Leadership Team, seven members of the Supervisory Board, and ten members who are Arcadis employees. All resolutions of the Priority Foundation Board require a majority of at least 60% of the votes cast, meaning that both employee support and Arcadis leadership support is needed.

Cumulative preference (protective) shares

Currently, no cumulative preference shares have been issued. However, an option agreement to acquire and transfer such shares has been entered into between Stichting Preferente Aandelen Arcadis N.V. (Arcadis Preferred Stock Foundation) and Arcadis N.V., further to the delegation on 31 May 1995 by the General Meeting to the Supervisory Board of the authority to issue shares. The objective of the Arcadis Preferred Stock Foundation is to protect the interests of Arcadis, its enterprises, and all of those involved. In the event of any hostile situation, preference shares can be obtained by this Foundation. This would allow the Executive Board and the Supervisory Board time to duly consider the situation and the interests involved. For more information, please see note 25 to the Consolidated financial statements.

Regulations regarding transactions in Arcadis securities

Arcadis has put in place regulations regarding transactions in Arcadis securities that apply to all employees unless stipulated otherwise. These regulations also prohibit Executive Board members and (other) members of the Executive Leadership Team from executing transactions in the securities of certain identified listed peer companies, regardless of whether they have inside information or not. Members of the Supervisory Board are required to obtain prior approval from the Global Company Secretary if they wish to execute transactions in the securities of such companies.

Executive Board report

The Executive Board report (consisting of pages 14 up to and including 202) and such parts of the Annual Integrated Report, as referred to in the Executive Board report, comprise the 'Bestuursverslag' within the meaning of article 2:391 of the Dutch Civil Code.

Financial & Sustainability reporting and role of auditors

Before being presented to the General Meeting for adoption, the annual financial statements prepared by the Executive Board must be examined by an external certified public auditor. The General Meeting has the authority to appoint the auditor. Each year, the Supervisory Board nominates the auditor for (re)appointment by the General Meeting, taking into account the advice of the Audit and Risk Committee. The auditor’s assignment and remuneration are set by the Supervisory Board, at the recommendation of the Audit and Risk Committee. Prior to publication, the first quarter, half-year and third quarter results and reports are discussed by the Audit and Risk Committee in the presence of the external auditors. The half-year results and reports are additionally discussed by the Supervisory Board.

The external auditor attends all Audit and Risk Committee meetings and the meetings of the Supervisory Board in which the annual financial statements are to be approved and the year-end audit report of the external auditor is discussed.

The Arcadis Auditor Independence Policy contains rules and procedures for the engagement of the external auditor, in order to ensure its independence.

The Audit and Risk Committee reports annually to the Supervisory Board on the functioning of the external auditor and the relationship with the external auditor, whilst giving due consideration to the Executive Board's observations. 2024 was the tenth and final year that PricewaterhouseCoopers Accountants N.V. (PwC) audited the financial statements of Arcadis. PwC also issued a limited assurance opinion on the sustainability report for financial year 2024. In line with the EU audit regulation 537/2014, rotation of the audit firm is required in 2025. During the 2024 General Meeting KPMG Accountants N.V. (KPMG) was appointed to audit the 2025 financial statements of the Company. The Supervisory Board also resolved to grant KPMG Accountants N.V. the assignment to issue a limited assurance opinion on the sustainability report for 2025.

Arcadis has an Internal Audit function which operates under the responsibility of the Executive Board (with lines to the CEO, the CFO, and the Audit and Risk Committee). The role of the Internal Audit function is to assess the design and the operation of the internal risk management and control systems. The scope of work of the Internal Audit function is regulated in an Internal Audit Charter. In line with the Dutch Corporate Governance Code, both the appointment and dismissal of the Global Internal Audit Director shall be submitted to the full Supervisory Board for approval, with a recommendation issued by the Audit and Risk Committee.

In line with the Dutch Corporate Governance Code, the Executive Board, the Audit and Risk Committee and the external auditor are involved in the preparation and approval of the annual internal audit plan. The internal audit plan is submitted to the Executive Board and Supervisory Board for approval. Internal audit reports are discussed by the Executive Board and by the Audit and Risk Committee in the presence of the external auditor. The Executive Board assesses annually the way in which the Internal Audit function fulfils its responsibility, after consultation with the Audit and Risk Committee. An independent third party assesses the performance of the Internal Audit function at least every five years.

Compliance with the principles and best practice provisions of the Dutch Corporate Governance Code

Arcadis applies the principles and best practices of the Dutch Corporate Governance Code, except for the following item and for the reasons set out below:

4.3.3: In 2003, the Articles of Association of the Company were amended to discontinue the application of the structure regime, and to apply the international holding exemption instead. At that time, provisions were included in the Articles of Association that prescribe that binding nominations for the appointment or dismissal of members of the Executive and Supervisory Board can only be overruled by the General Meeting by a qualified majority rather than an absolute majority. This was done in view of the percentage of share ownership of Stichting Lovinklaan (Lovinklaan Foundation). As the percentage of share ownership of the Lovinklaan Foundation is still significant (18.62% on 31 December 2024, see page 299), the reasons for this deviation are still applicable and the deviation is expected to continue to apply as long as the Lovinklaan Foundation has a significant interest. It was further stipulated that nominations to the Executive Board would normally be binding, whereas nominations to the Supervisory Board would, under normal circumstances, be non-binding. The General Meeting explicitly approved this practice in 2003 by adopting the resolution to make the related amendments to the Articles of Association.

Relevant documents on our corporate website

1. Profile Supervisory Board
2. Regulation Supervisory Board
3. Diversity and Inclusion Policy for the Supervisory Board
4. Remuneration Policy for the Supervisory Board
5. Re-appointment Schedule Supervisory Board
6. Arcadis Remuneration Committee Charter
7. Arcadis Audit and Risk Committee Charter
8. Arcadis Selection Committee Charter
9. Arcadis Sustainability Committee Charter
10. Executive Board and Executive Leadership Team Rules
11. Diversity and Inclusion Policy for the Executive Board
12. Global Diversity, Equity, Inclusion and Belonging (DEIB) Policy
13. Dutch Corporate Governance Code
14. Arcadis NV Articles of Association
15. Regulations Regarding Transactions in Arcadis Securities
16. Arcadis Policy on Bilateral and Other Contact with Shareholders
17. Stakeholder Engagement relevant policies on Sustainable Topics

Business **ethics**

As a global business that is passionate about improving quality of life and accelerating a planet positive future by developing sustainable long-term solutions, we have set out in the Arcadis General Business Principles our responsibilities and commitment to our people, clients, shareholders, business partners, society and governments.

The Arcadis General Business Principles (AGBP) reflect our commitment to comply with the laws, regulations and culture of the countries in which we operate. The AGBP apply to everything we do and form our code of conduct, guiding the behavior we expect of all our people when conducting business anywhere in the world. We also expect our business partners to live by these or equivalent principles. We believe that our shared core values ensure our mission is fulfilled: People First, Client Success, Integrity, Sustainability and Collaboration. These values are the foundation of our AGBP which guide our behavior, hold us to professional and ethical standards and promotes trust by being open, honest and responsible.

Governance

The application of the AGBP is strengthened by a compliance management system, which is designed to ensure that our people understand the principles and act in accordance with them. Ultimate responsibility for the implementation and application of the AGBP lies with the Arcadis Executive Board and the primary responsibility with our people and management in the operating entities (first line of defense). The Global Compliance Committee is composed of the Executive Board, the Chief People Officer, Global General Counsel and the Global Compliance Officer. The Global Compliance Officer reports on AGBP integrity, compliance and related (alleged) issues to the Global Compliance Committee, to the Executive Board, the Arcadis Audit and Risk Committee of the Supervisory Board (AARC) or directly to the Supervisory Board.

Both at GBA and at country level the Compliance function is composed of a Compliance Officer and a Compliance Committee. Each Compliance Committee includes the Compliance Officer as well as a Management Team representative, Legal and Human Resource/ People expertise. The Compliance function is the second line of defense that assists and supports the first line of defense with identification and analysis of key Regulatory & Policy Compliance risks, trend analysis, mitigation of Compliance risks through policies, standards, procedures, and guidelines, providing training and awareness and with periodic assessment of the effectiveness of the risk mitigating controls. The Internal Audit function provides the third line of defense and priorities for Internal Audit are defined in annual audit plans which include AGBP integrity or Compliance related risks.

Anti-Bribery and Anti-Corruption

Specific Anti-Corruption Standards (SACS) provide guidelines related to gifts, hospitality and payments to third parties. Arcadis has embedded its commitment to the UN Global Compact principle on anti-corruption by referencing the SACS in the AGBP and having a dedicated chapter on anti-bribery and anti-corruption in the AGBP.

Dealing with Dilemmas

The AGBP and the related global and local policies and standards, cannot directly cover every situation or dilemma that may arise. We must therefore use judgement to take decisions when being faced with specific situations and dilemmas. Arcadis encourages its employees to recognize and discuss integrity dilemmas with each other and with their management, enabling a safe speak-up culture. Real life AGBP related scenarios are worked into anonymized dilemmas and included in the annual training to raise awareness and encourage discussions about lessons learned. The AGBP includes an AGBP Decision Making Tool that assists employees in handling dilemmas by setting out the key questions to help determine whether a particular course of action is consistent with our core values and the AGBP.

Value for Clients

We are a reliable partner for our clients and aim to deliver our services without jeopardizing stakeholder interests. We offer services under terms that do not compromise our independent professional judgment and aim to create value for clients. We are transparent with clients about conflicts of interest that could emerge during the execution of our services.

Responsible Employment Practices

Arcadis employees are key to its success, and we respect human and labor rights so that our employees may work in a safe, healthy, professional and supportive environment. We encourage engagement and support personal development through policies and initiatives. Every Arcadis employee has an equal opportunity for personal recognition, advancement, career development and compensation, regardless of background or beliefs. No form of discrimination is tolerated.

Monitoring and Accountability

Arcadis requires all employees to understand, sign off on and comply with the AGBP every year when Arcadis employees complete the online training aimed at increasing awareness of our AGBP and values. This training specifically addresses issues like corruption, bribery, conflicts of interest, and other risks to which our people may be exposed. It was rolled out in June 2024 and is available in 11 languages. Employees that join Arcadis must successfully pass the AGBP training within 30 days of joining. In 2024, a total of 97% of all active employees passed the AGBP training. Arcadis monitors compliance with the AGBP in all operating companies on a quarterly basis through reporting on AGBP (alleged) issues and mid-year reporting on progress against the annually established Global Integrity & Compliance Program. In addition, management of all operating companies certify compliance and the effectiveness of global controls relating to the Arcadis Risk Category of Regulatory & Policy Compliance through an annual Document of Representation.

Integrity Lines

Arcadis has a reporting procedure which includes an (anonymous) global Integrity Line hosted by a third party for the event people are uncomfortable reporting through their line manager or further in the line, to their Compliance Officer or the relevant Compliance Committee. The Integrity Line is available to our employees 24 hours/7 days a week. Reports of potential or suspected misconduct or other AGBP issues can be made in native languages and can be accessed through local telephone numbers or the internet.

Arcadis also has a reporting procedure available for its external stakeholders (suppliers, clients and other third parties) to report any concerns they may have that the AGBP and/or related policies are being breached. This procedure includes an anonymous global Integrity Line hosted by a third party. This anonymous external Integrity Line is available 24 hours/7 days for the event our stakeholders are uncomfortable raising a concern or reporting suspected misconduct or irregularities related to the cooperation with Arcadis directly with their contact person within Arcadis. The availability of Arcadis' External Integrity Line also ensures our compliance with new regulatory requirements (incl. the EU Whistleblower Directive) and UN Guiding Principles for Business and Human Rights. Reporting can be made in native languages and can be accessed through local telephone numbers or the internet.

Seek Advice and Speak Up

In 2024, a total number of 208 alleged breaches of the AGBP were reported through the various reporting channels, including to the Arcadis Global Compliance Committee (2023: 109). All alleged breaches were assessed and, where necessary, further (being) investigated or advised upon. Inappropriate workplace behavior (employment related) was the category with the most reported issues. There were no confirmed corruption or bribery incidents in 2024 based on our assessment and/or investigation. Violation of the AGBP may lead to sanctions, up to and including termination of employment. Company-wide Arcadis had 11 dismissals on grounds related to breaches of the AGBP. The various ways to speak up are available for our employees and our external partners through our Seek Advice and Speak Up Policy Statement. Arcadis takes various type of actions to address insights from breaches, these actions range for example from refreshing controls and policies, to translating lessons learned into AGBP training scenarios.

Arcadis regularly monitors and reports on the effectiveness of our Speak Up program and non-retaliation policies and procedures. This ongoing evaluation helps us identify any gaps or areas for improvement, ensuring that the safeguards remain effective. We utilize various metrics and feedback mechanisms to assess the program's impact, including the number of reports received, case outcomes, and the type of Speak Up channel used. These findings are compiled into regular reports reviewed by the Global Compliance Committee (this includes the Executive Board), with YourVoice benchmarking ensuring continuous improvement and accountability.

Privacy

Privacy at Arcadis revolves around our six privacy principles. They are a central part of the online training which Arcadis requires all employees to complete. In 2024, over 98% of all active Arcadis employees completed the training. Training and awareness is a cornerstone of our Privacy Program at Arcadis. To increase and improve privacy awareness, we are introducing a set of standardized icons in our internal training and communication materials.

Our privacy practices are designed to engender trust of our key stakeholders: our employees and our shareholders. In 2024 we strengthened the central Privacy function to globalize, streamline and simplify the Privacy Program. The central Privacy Office works alongside the network of country and GBA Privacy Officers and with management to ensure adherence to our privacy principles and policies.

Six Privacy Principles of Arcadis

1 **Lawful, fair and transparent personal data processing**
We communicate what personal data we collect and why.

2 **Purpose limitation**
We only use personal data for specific business purposes.

3 **Data minimization and accuracy**
We only collect what is necessary and keep all personal data accurate, complete and up-to-date.

4 **Storage limitation**
We only retain what is necessary and for no longer than necessary.

5 **Security and confidentiality**
We take appropriate security measures to keep personal data safe and confidential and only give access to those who need it. We report security incidents immediately to IT Service Desk and Privacy Officers.

6 **Accountability and audits**
We are accountable for the personal data we process.

We have also worked alongside our enabling functions to ensure privacy principles are incorporated into various projects being implemented to support our global operating model. One of these landmark projects is the Skills Powered Organization, where we have worked with our People organization to ensure privacy by design principles and responsible artificial intelligence use are ingrained within it.

We continue to work with the EU privacy authorities to revamp the Arcadis Privacy Policies (also called Binding Corporate Rules) to adapt them to regulatory requirements. As well as reviewing and adapting our policies, we have completed a global privacy maturity self-assessment and a policy program framework to ensure consistency in privacy initiatives roll out and in tracking privacy risks. Such risks have been mitigated through the introduction of policies, procedures and guidelines, and through continuously assessing the effectiveness of risk mitigating controls.

Responsible artificial intelligence use

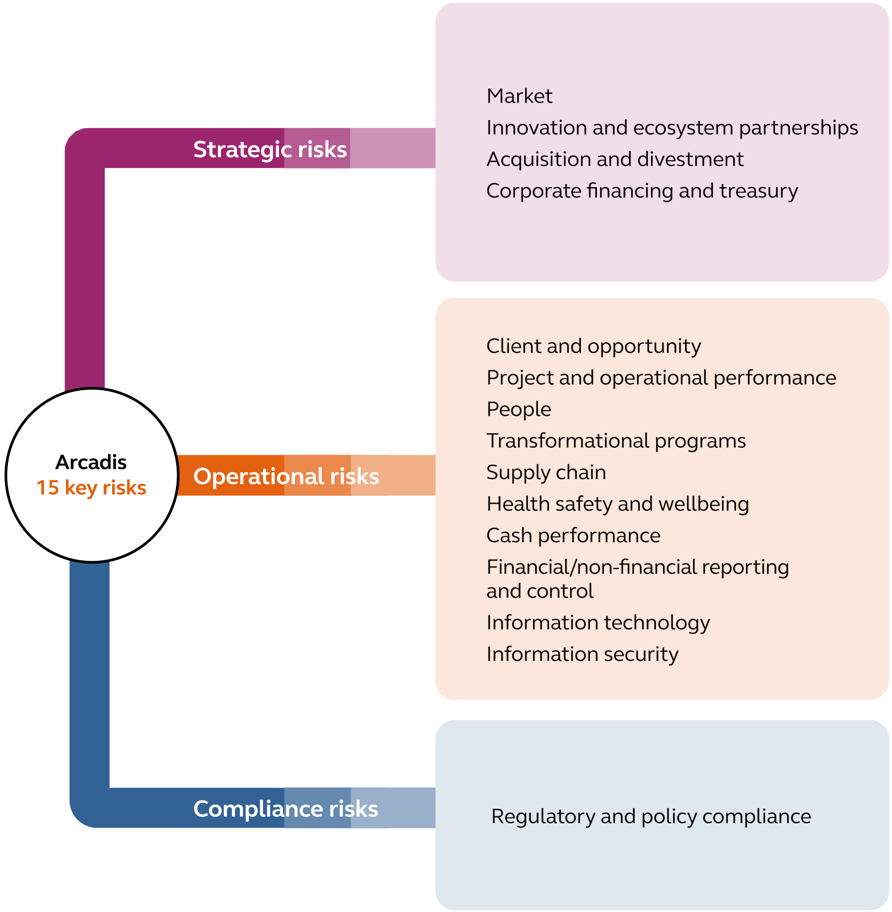
We have introduced a global artificial intelligence policy to promote responsible use of generative artificial intelligence and other artificial intelligence technologies within Arcadis and we are working on a governance framework to ensure this technology is used responsibly and in accordance with the global evolving legal requirements.

Enterprise Risk Management

Exposure to a variety of risks is unavoidable in pursuit of Arcadis' strategy. The level of general risk in the world continues to be impacted by economic uncertainty and geopolitical events. Emerging risks present opportunities which, if well-managed, result in value creation; however, uncontrolled risks can threaten the achievement of long-term strategic objectives.

The Arcadis Risk and Control framework

The Arcadis Risk and Control (ARC) framework enables a culture of risk awareness by providing a standardized framework for identifying risks and implementing controls. The ARC framework identifies key risks across three risk categories - Strategic, Operational and Compliance risks. It includes business controls which are supported by policies, procedures, work instructions and guidelines, all of which target risk mitigation in accordance with Arcadis' risk appetite.



Arcadis
15 key risks

Strategic risks

- Market
- Innovation and ecosystem partnerships
- Acquisition and divestment
- Corporate financing and treasury

Operational risks

- Client and opportunity
- Project and operational performance
- People
- Transformational programs
- Supply chain
- Health safety and wellbeing
- Cash performance
- Financial/non-financial reporting and control
- Information technology
- Information security

Compliance risks

- Regulatory and policy compliance

The ARC framework allows the company to evolve its business in line with its risk appetite, execute strategic priorities in a controlled manner, and experience fewer surprises in business performance. The ARC is a cornerstone of Arcadis' risk management approach and supports Arcadis in embedding a risk conscious way of working in all layers of the organization.

Management of risk

Arcadis' Executive Board is responsible for maintaining a comprehensive risk management and internal control system, and for regularly reviewing its effectiveness. Each year, the Executive Board performs a review of the risks that Arcadis is subject to and based on its risk assessment, the ARC framework is updated and communicated to leadership. The Executive Board is also responsible for ensuring that the risk management and internal control system is integrated and embedded into the way Arcadis works. The Executive Board is supported in this by the ELT members. In order to strengthen risk oversight, each of the 15 key risks identified in the ARC framework is assigned to an ELT member who has overall responsibility for oversight of that risk.

The Risk Management function, led by the Global Risk Management Director, provides guidance and assistance to the Executive Board and ELT. This includes driving risk awareness across the organization and supporting assessments of the design and operating effectiveness of the ARC framework across the global business (see below 'Arcadis Risk Assurance Program').

The Risk Management function provides both risk assurance and proactive risk support to the business. Risk Management plays an active role in Pursuit Committees, which serve to ensure that the selection of the clients and opportunities are in line with the strategy. Additionally, Risk Management engages with leadership teams of the GBAs and enabling functions to identify, evaluate and mitigate enterprise risks that may impact the achievement of strategic objectives.

The quarterly Risk Management Committee, chaired by the CFO, assesses current and emerging risk in the context of Arcadis' risk appetite, considers whether Arcadis has robust risk management in place, and provides advice on these topics to the Executive Board and ELT. The Chair nominates the other members of the Risk Management Committee, which should include (at least) six members: at least one Senior Business Representative, Global General Counsel, Global Internal Audit Director, Global Operations & Services Officer, Global Performance Excellence Director and the Global Risk Management Director. Their appointment is confirmed by the Executive Board.

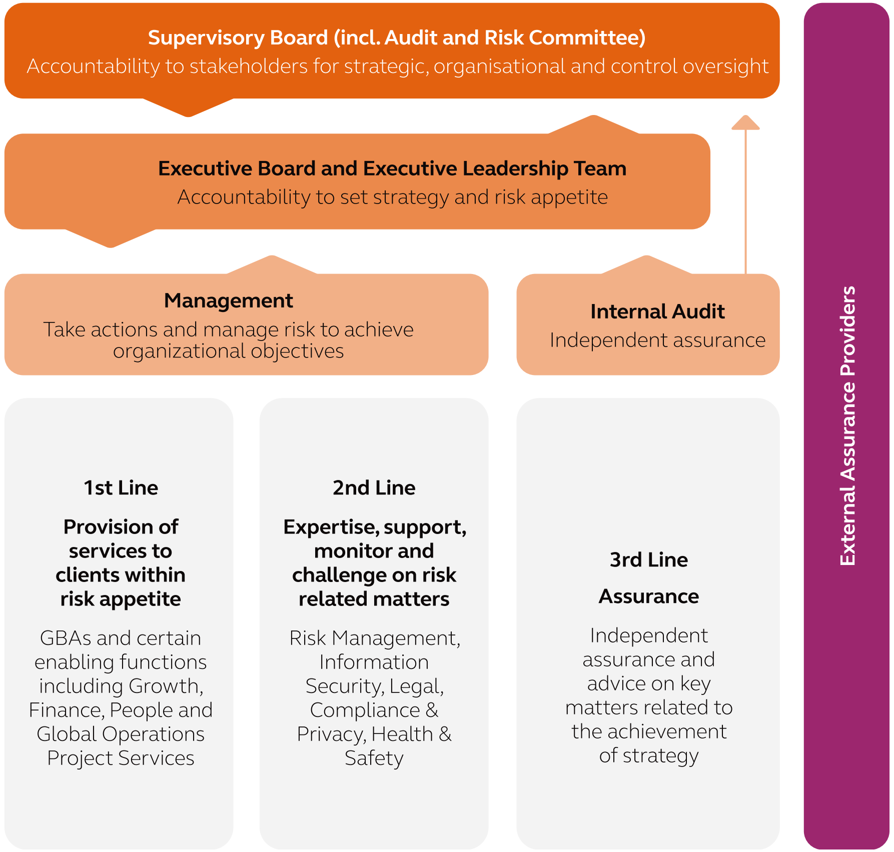
Risk appetite and Key Risk Indicators

The ARC framework balances risks and opportunities and helps define the Executive Board's appetite for risk. Arcadis' risk appetite changes over time, reflecting strategic objectives and developments in society, legislation, geopolitics, the client landscape, and changes within Arcadis.

Key Risk Indicators (KRIs) are in place for each of the key risks. The KRIs are measured and reported to the Executive Board, ELT and Audit and Risk Committee on a quarterly basis to provide an early warning as to where exposure to certain risks may be exceeding the appetite. Where risk exposure is outside of the appetite range, we may place more focus on existing mitigating actions, we may introduce additional controls, or we may choose to tolerate that the current level of risk is outside Arcadis' appetite, in which case leadership will be informed and will monitor the situation closely.

Risk management in action

Arcadis adopts a three lines of defense model to facilitate strong governance and risk management. The GBAs and certain enabling functions are the first line, embedding risk management as a formal part of all major decision-making via tools such as risk registers, project watch lists, and client and opportunity go/no-go assessments. The Risk Management function is part of the second line of defense along with other enabling functions. These functions assist and support the first line with identification and assessment of key risks. Identified risks are mitigated through the introduction of policies, procedures, work instructions and guidelines, and by providing training and promoting awareness. Arcadis' Internal Audit function provides the third line of defense.



Supervisory Board (incl. Audit and Risk Committee)
Accountability to stakeholders for strategic, organisational and control oversight

Executive Board and Executive Leadership Team
Accountability to set strategy and risk appetite

Management
Take actions and manage risk to achieve organizational objectives

Internal Audit
Independent assurance

1st Line

Provision of services to clients within risk appetite

GBAs and certain enabling functions including Growth, Finance, People and Global Operations Project Services

2nd Line

Expertise, support, monitor and challenge on risk related matters

Risk Management, Information Security, Legal, Compliance & Privacy, Health & Safety

3rd Line

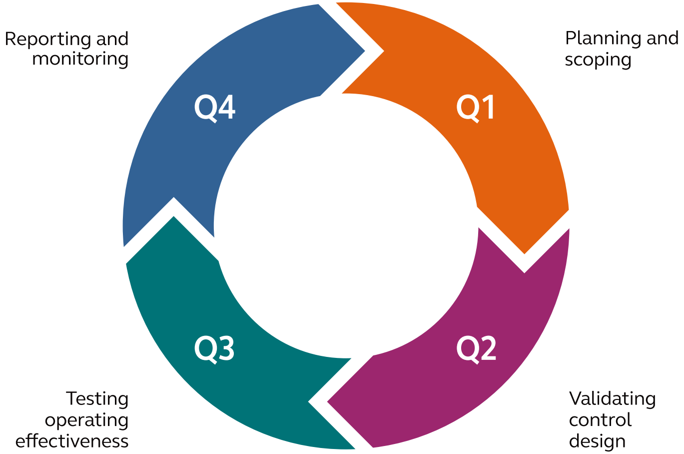
Assurance

Independent assurance and advice on key matters related to the achievement of strategy

External Assurance Providers

Arcadis’ Risk Assurance Program

The Risk Assurance Program provides for a continuous annual cycle of testing the design and operational effectiveness of controls to provide assurance that the key risks are being effectively identified, mitigated or managed within our risk appetite. Each GBA, country and enabling function reports the results of its Risk Assurance Program annual assessment at the end of the financial year to the Global Risk Management Director and Global Group Controller.



Action plans for controls found not to be designed or operating effectively are developed by the business with deadlines established for remediation to be complete.

The Risk Management function monitors the progress of remedial actions and evaluates whether they are working appropriately before closing out the action. Regular status reports are provided to the business and to the ELT in terms of remedial action progress. The Risk Assurance Program also evaluates the design of the controls on an annual basis and updates them as necessary to reflect the current business policies and processes.

Appropriate GBA, country, and enabling function leadership are required to sign an annual Document of Representation (DOR), which is addressed to the Group CEO and CFO. In addition, each ELT member is required to sign enabling function DORs that address the key risks in their areas of responsibility. The DORs include a statement regarding the design and operating effectiveness of controls based on the results of the Risk Assurance Program. Based on the combined DORs, Arcadis N.V. issues a Letter of Representation (including an In-Control Statement) to the external auditor.

Internal Audit

Arcadis' Internal Audit function operates under the responsibility of the Executive Board. Its mission is to enhance Arcadis' performance through assurance. The Global Internal Audit Director has direct access to the Executive Board and the Chair of the Audit and Risk Committee and is a permanent invitee to the Audit and Risk Committee meetings. The priorities for the Internal Audit function are defined with the Executive Board and the Audit and Risk Committee and are approved by the Executive Board and the Supervisory Board.

In 2024, the Internal Audit function updated its annual plan on a quarterly basis to respond to changes in the global risk and internal control environment. Changes were approved by the Executive Board and Audit and Risk Committee on behalf of the Supervisory Board. The Internal Audit function continually interacts with the external auditor regarding the preparation and execution of the annual audit plan, changes to the audit plan and the main reported results.

The function consists of a multidisciplinary team of business, general and IT auditors. Experts are involved where needed. Internal Audit governs itself by complying with the Standards of the Institute of Internal Auditors. Observations and recommendations, as reported by the Internal Audit function, are submitted to management of the GBAs or enabling functions and responsible ELT member. Management is responsible for executing and monitoring the progress of remedial measures put in place to mitigate and manage the reported risks.

The Internal Audit function monitors remediation actions required based on the results of its audit reports. Each quarter, the Executive Board and Audit and Risk Committee receive the results of internal audits and an update on the progress of remedial actions. The role of the Audit and Risk Committee includes monitoring the progress of management follow-up on audit findings.

Integrated assurance

In 2024, Arcadis commenced a program to provide integrated assurance across the three lines of defense. The program will continue through 2025 and will facilitate clearer insights into the risk environment and the effectiveness of the management of risk across the business.

Key risks table (1/8)

The following table provides an overview of the key risks facing Arcadis, its risk appetite for each risk, and how the organization manages the risk.

Strategic risk

■ Averse ■ Low ■ Medium ■ High

Market

Risk description
Market developments have an adverse effect on Arcadis' growth.

Risk appetite: ■ ■●■ ■

Key mitigations

- Continuous market monitoring of the flow of infrastructure investment, competitor activity, economic trajectory, and geopolitical developments supports portfolio pivots.
- Internal portfolio reviews facilitate the organization to understand growth and profitability patterns and compare them with market insights.
- Our Key Client and Global Cities programs create strong client relationships and facilitate us in developing a deep understanding of client market realities. This helps us mitigate the risk of change within our clients' organizations and provides visibility to changing needs, allowing us to broaden the value we provide.

Innovation and ecosystem partnerships

Risk description
Arcadis does not effectively develop and apply innovative solutions for the market including those that require partnering, with a focus on growth and financial return.

Risk appetite: ■ ■●■ ■

Key mitigations

- Continued investment in our digital intelligence business to deliver commercial products that combine digital and human innovation.
- A global innovation culture enhanced by "Innoverse," a global platform for client-centric innovation, covers both the optimization of existing value propositions and the exploration of future value propositions and business models.
- An established global ecosystem partnership function is focused on meeting current and emerging areas of client need that can benefit from complementary capabilities outside Arcadis.

Key risks table (2/8)

■ Averse ■ Low ■ Medium ■ High

Acquisition and divestment

Risk description
Acquisitions and divestments do not deliver the intended value on a timely basis.

Risk appetite: ■ ■●■ ■

Key mitigations

- Acquisitions and divestments are led by a central team of experts in collaboration with the relevant GBAs and enabling functions.
- Formal acquisition and divestment processes are followed to enable EB and SB to make informed decisions, including the assessment of financial and nonfinancial stakeholder value, transaction risk, and the expected implementation and integration approach.
- During the acquisition process, Arcadis has a proven playbook to manage post-merger integration and support the realization of identified synergies.

Corporate financing and treasury

Risk description
Inadequate liquidity for operations and investments, including access to capital from external sources at commercially acceptable terms.

Risk appetite: ■ ● ■ ■

Key mitigations

- The global Treasury function provides expertise and is responsible for all corporate financing activities, including the proactive performance of working capital management through centralized cash forecasting and management of cash pools.
- By carrying out frequent financial scenario analyses, we closely monitor our credit profile. Leadership is provided with continuous insights.
- Arcadis' financing strategy includes diversification of sources of capital as an important element, with a focus on maximizing our access to financing.
- The global treasury policy complemented by strict financial balance sheet targets, financial covenants and an external credit rating ensure an appropriate credit profile.

Key risks table (3/8)

Operational risk

■ Averse ■ Low ■ Medium ■ High

Client and opportunity

Risk description
An insufficient number of strategic pursuits are converted to profitable wins, resulting in growth of revenue that falls short of business objectives.

Risk appetite: ■ ■●■ ■

Key mitigations

- The global business operating model allows for a clear view of all strategic opportunities and is complemented by ELT sponsored key and emerging client programs with a focus on sector and solution diversification.
- The use of our GECs in our pursuit cycles builds expertise and continuously improves win rates. Pursuit committees performed at various levels dependent on thresholds and risks, involving senior stakeholders providing pursuit governance and risk mitigation.
- The annual client experience surveys track Arcadis' performance.
- The continued provision and development of client-focus training programs drives commercial excellence to bring the best of Arcadis to our clients and diversify our offerings to clients.

Project and operational performance

Risk description
Underperformance in the delivery of projects could result in suboptimal project financial results, dissatisfied clients, and claims.

Risk appetite: ■ ■●■ ■

Key mitigations

- The Global Operations Project Services (GOPS) organization institutionalizes the application of a consistent project delivery model across the business.
- Formal programs continue to improve project performance, monitoring a wide range of metrics and providing data-driven feedback loops to projects. For higher-risk projects, Key Risk Indicators are monitored and reported to the ELT on a quarterly business.
- A focus on standardization allows for the automation of our processes e.g., the launch of a digital risk management tool integrated with our Oracle ERP.

Key risks table (4/8)

■ Averse ■ Low ■ Medium ■ High

People

Risk description
Insufficient talent to win and deliver client projects and lead the business to achieve its fullest potential.

Risk appetite: ■ ◉ ■ ■

Key mitigations

- Arcadis has commenced its journey to becoming a Skills Powered Organization.
- The organization continuously acts on feedback received through employee surveys (e.g. “Your Voice”).
- Leadership and line manager programs, continuous performance management through our “Grow Perform Succeed” platform and internal learning programs (such as Expedition DNA, Energy Transition Academy, Sustain Abilities, and Ignite) are embedded in our career development framework, providing employees of all levels with continuous growth.
- Embracing flexible work arrangements and the implementation of our DEIB strategy helps Arcadis achieve its full potential.

Transformational programs

Risk description
Major change programs are not delivered effectively or in a cost-effective manner, impeding the achievement of strategic objectives, such as growth, collaboration, and operational efficiency.

Risk appetite: ■ ◉ ■ ■

Key mitigations

- The delivery office function supports transformational initiatives across the organization, assisting the business to accelerate programs and monitoring benefits realization.
- A change management center of excellence provides capability across the organization.
- A portfolio risk management process enables prioritization of Arcadis’ key risks, facilitating the achievement of transformation and integration while maintaining the current business performance.
- An integration management office supports integration activities in relation to acquisitions.

Key risks table (5/8)

■ Averse ■ Low ■ Medium ■ High

Supply chain

Risk description
An inadequate selection of and/or performance by third parties (such as suppliers and subcontractors) negatively impacts performance, disrupts business operations, and results in reputational damage.

Risk appetite: ■ ◉ ■ ■

Key mitigations

- The global procurement team strengthens our ability to select third parties that are aligned with Arcadis' business principles and core values.
- The Global Procurement Policy and Supplier Code of Conduct documents include a focus on ESG considerations to achieve alignment with Arcadis' strategy.
- The Engaging with Third Parties Standard defines minimum requirements for selecting and contracting third parties.
- Our key supplier base is monitored via a digital tool for environment and human rights risk alerts.

Health safety and wellbeing

Risk description
Health and safety incidents, other crises, or wellbeing concerns adversely affect our people and business, resulting in harm to employees, personal liability, financial loss, and reputational damage.

Risk appetite: ◉ ■ ■ ■

Key mitigations

- HandS leaders are embedded in both GBA leadership teams and country operations. Cultural embedding is achieved through quarterly stewardship activities performed by all senior leaders.
- The global H&S management system is implemented across the organization, which includes reporting on key H&S metrics. It also incorporates the fundamentals of ISO 45001 and 45003.
- Continuous H&S communication campaigns and successful training programs promote the Arcadis H&S culture to employees.
- Centralized unified reporting and monitoring of H&S incidents and metrics across the organization provides critical insights into such events and lessons learned.

Key risks table (6/8)

■ Averse ■ Low ■ Medium ■ High

Cash performance

Risk description
The business cannot fund its operations due to insufficient free cash flow.

Risk appetite: ■ ◉ ■ ■

Key mitigations

- Central monitoring of working capital through monthly reviews is performed with business leadership, and a formal escalation process is in place when required. Analytical reports provide a basis for additional actions (when required).
- Rolling cashflow forecast at country level enables the monitoring of monthly free cash flow performance across the organization.
- Weekly monitoring of client payment performance with client account leaders.
- Leadership incentive structures are aligned with our cash objectives.

Financial/non-financial reporting and control

Risk description
The business cannot fund its operations due to insufficient free cash flow. Financial statements and/or ESG reporting contain material incorrect statements, leading to a loss of confidence in the reporting by key external and internal users.

Risk appetite: ◉ ■ ■ ■

Key mitigations

- The global reporting function oversees and supports financial and ESG reporting across all entities and continually monitors upcoming and effective changes in the accounting and reporting standards.
- The group control function operates across the business providing analytical insights and driving performance through monthly reviews with business leadership.
- Global business process owners lead the standardization and automation of financial and non-financial reporting business processes.
- Annual assessment of financial reporting controls.
- PwC is appointed as Arcadis' external auditor.

Key risks table (7/8)

■ Averse ■ Low ■ Medium ■ High

Information technology

Risk description
Critical IT systems are unavailable or have restricted availability to the business, leading to the loss of operational functionality and business disruption.

Risk appetite: ◉ ■ ■ ■

Key mitigations

- A global technology operating model underpins standardized core technology processes.
- A technology function-wide risk assessment and management plan is maintained.
- An Infrastructure Operations Center identifies and remediates any vulnerabilities or performance issues identified in the Arcadis network.
- Arcadis' data and AI strategy enhances its ability to securely manage and leverage data across the enterprise.

Information security

Risk description
The unauthorized access, use, disclosure, modification, or destruction of information assets arise from various sources, including cyberattacks and insider threats.

Risk appetite: ◉ ■ ■ ■

Key mitigations

- The Global Security Committee oversees the organization's information security risk posture. The committee provides binding recommendations to ensure that the risk posture remains in line with our risk appetite.
- Regular external independent reviews are performed by external parties to test our technology, processes, and employee behavior. This includes cyberattack exercises to test our detection and response capabilities.
- Arcadis obtains ISO/IEC 27001, Cyber Essentials Plus certifications, and SOC 2 Type II assurance statements.
- Awareness campaigns are run to teach all Arcadians what the desired secure behavior is and how to recognize and report cyberattacks. We align our campaigns during the year with existing and emerging threats.

Key risks table (8/8)

Compliance risk

■ Averse ■ Low ■ Medium ■ High

Regulatory and policy compliance

Risk description
Noncompliance with applicable laws and regulations or with internal company policies and procedures results in penalties, claims, or reputational damage.

Risk appetite: ◉ ■ ■ ■

Key mitigations

- The compliance function provides governance to adopt integrity as our core value and maintains a compliance management system. The scope and responsibilities covered by the compliance function are communicated via a compliance charter with compliance committees at various levels of the organization.
- Arcadis adopts the three lines of the defense model to govern and monitor its integrity and compliance commitments, as outlined in our Arcadis General Business Principles (AGBP).
- Policies and procedures are in place to enable compliance with applicable laws and regulations (as outlined in the AGBP) and other policies (as outlined in the compliance charter).
- The AGBP forms our code of conduct. A mandatory annual AGBP training program is launched across the entire organization, and its completion is monitored.
- Arcadis has a Seek Advice and Speak Up Policy Statement that outlines the different ways our employees and external partners (such as suppliers, clients, and other third parties) can voice concerns. Our employees have a duty to report violations of our AGBP or the law.
- The Integrity and Compliance Program supports leadership (the first line of defense) to remain accountable and to enhance the integrity culture and a safe culture that allows speaking up.

Management statements

The GBAs and enabling functions issued signed DORs and In-Control statements to the Executive Board which include the results of the Risk Assurance Program testing carried out in 2024. This process is in line with the Risk Assurance Program as described on page 192.

The Executive Board, supported by the ELT, has reviewed the DORs and In-Control statements, along with reports from the Internal Audit function and the external auditor. There were no significant changes in the internal risk management and control systems during 2024. The Executive Board has assessed the effectiveness of the design and operation of the ARC framework in 2024 and discussed with the Audit and Risk Committee and the Supervisory Board.

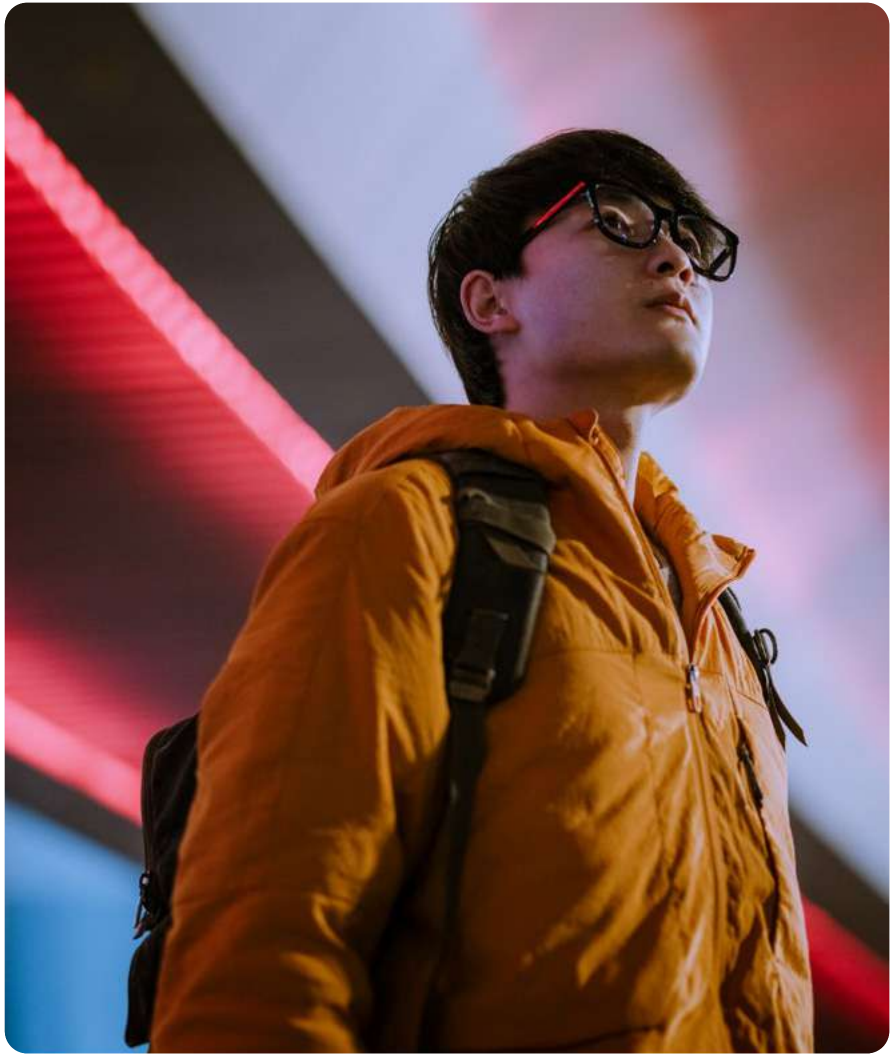
During 2024, no significant weaknesses in the design or implementation of the controls under the ARC framework were observed (i.e., no deficiencies that resulted in material losses or impact). Where a control did not operate as expected, areas for improvement were identified, remedial action plans formalized, and progress against the plans was monitored throughout 2024.

As substantiated in this Enterprise Risk Management chapter of the Annual Report, based on the information referred to above and its assessment, the Executive Board believes that:
1. The Annual Integrated Report provides sufficient insights into any significant deficiencies in the effectiveness of the internal risk management and control systems;
2. The aforementioned systems provide reasonable assurance that financial reporting does not contain any material inaccuracies;
3. Based on the current state of affairs, it is justified that financial reporting is prepared on a going concern basis; and
4. The Annual Integrated Report states those material risks and uncertainties that are relevant to the expectation of the company’s continuity for the period of twelve months after the preparation of the report. See in particular the Key Risks table on the previous pages.

In accordance with Article 5:25c of the Financial Markets Supervision Act (Wet op het Financieel Toezicht), the Executive Board confirms, to the best of its knowledge, that:
1. The Consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of Arcadis and its consolidated companies;
2. The Annual Integrated Report gives a true and fair view of the position as of 31 December 2024 and the developments during the financial year of Arcadis and its group companies included in the consolidated financial statements; and
3. The Annual Integrated Report describes the main risks Arcadis is facing in the Key Risks table on the previous pages.

The above statements are given on the basis that the ARC framework is primarily designed to bring Arcadis’ risk exposure within its appetite and cannot therefore provide full and complete assurance that all human error, unforeseen circumstances, material misstatements, fraud, or non-compliance with laws and regulations will be prevented.

Supervisory Board report



Message from the Chair

A year of good progress

Arcadis has made good progress in implementing its 2024-2026 strategic plan, "*Accelerating a Planet Positive Future.*" Alongside delivering strong financial results and achieving a record order intake, the company has strengthened relationships with key clients, positioning itself as their preferred partner for sustainable transformation. With a focus on providing smart and sustainable solutions, Arcadis continues to solidify its role as a global leader in the industry.

We were excited to see some big wins in 2024, including the Hudson River Tunnel project in New York, the AMP8 water framework in the UK and a major digital asset management contract with Ontario's transport department. We were also impressed by Arcadis' impact through project delivery in 2024: from energy-efficient student housing in Toronto, to Olympics facilities with a positive legacy for residents of Paris.

The year was one of good progress in which the transformation from geographic reporting to the Global Business Areas matured and flourished under the new business strategy. There has been more focus on project selection and operational efficiency, on the use of the Global Excellence Centers, and greater coordination in the approach to key clients. All these measures are delivering positive results, and we thank Arcadians worldwide for their efforts and commitment in achieving this progress.

In September 2024, the Supervisory Board held its strategy off-site in Dublin, Ireland. We visited the Advanced Process Manufacturing (APM) team, who joined Arcadis at the time of the acquisition of DPS in 2022. We had the opportunity to visit one of the largest technology manufacturing facilities in Europe and witness firsthand the close relationship built up with our client over decades in designing and optimising the production processes.

In its priorities for 2024, the Supervisory Board set out four areas of focus:

1. Driving operational efficiency across Arcadis.
2. Broadening and deepening the Key Clients Program.
3. Developing digital client propositions.
4. Strengthening engagement with external stakeholders.

During the course of the year we revisited these topics regularly in Supervisory Board sessions, Supervisory Board committee sessions and separate topic deep dives to monitor progress and provide constructive feedback to the Executive Board. The 2024 priorities were relatively detailed, reflecting the Supervisory Board's awareness of the significant degree of organizational, leadership and strategic change the company was going through. With the impact of these changes having been embedded, our 2025 priorities will focus on the three main themes which will most impact Arcadis in the coming years: Key Clients, Technology/ Digitalisation, and People.

Despite the uncertainties posed by global geopolitical tensions and the subdued economic outlook, Arcadis' end markets remain resilient, with significant client engagement and growth potential in many markets including energy transition and distribution, decarbonisation, and environmental remediation. Arcadis is well placed to meet this demand from clients.

In closing out the year, I want to commend and thank my colleagues on the Supervisory Board for their hard work and commitment – and on their behalf, I also want to thank the Executive Leadership Team and Arcadians worldwide for their achievements over the course of 2024. It has been a successful year.

Michiel Lap, Chair
On behalf of the Supervisory Board

Introduction to the Supervisory Board

Roles, responsibilities and appointments

The Supervisory Board supervises and advises the Executive Board and the Executive Leadership Team on the performance of their tasks and supervises the overall development of the Company and its affiliates. In doing so, the Supervisory Board is guided by the interests of the Company and its stakeholders. Pursuant to the Articles of Association of the Company, the Supervisory Board consists of at least three members (all non-executive). Members are appointed by the General Meeting. For every appointment, the Supervisory Board is entitled to make a nomination. The General Meeting can overrule a binding nomination of the Supervisory Board by a resolution adopted by a majority of at least two-thirds of the votes, representing more than one-third of the issued share capital. In the case of a non-binding nomination, the General Meeting decides by simple majority. The General Meeting can dismiss a member of the Supervisory Board. Such a decision, other than proposed by the Supervisory Board, requires at least two-thirds of the votes, representing at least one-third of the issued share capital. The Supervisory Board appoints one of its members as Chair and one as Vice-Chair. In the case of an appointment or reappointment of Supervisory Board members, the Supervisory Board profile is taken into account.

Members are appointed for a maximum period of four years. Pursuant to best practice provision 2.2.2 of the Corporate Governance Code, a Supervisory Board member may be reappointed once for a second maximum period of four years, and subsequently for a maximum period of two years, which reappointment may be extended by a maximum of another two years. In the event of a reappointment after eight years, reasons will be given in the report of the Supervisory Board.

The Supervisory Board has established the following committees from among its members: the Audit and Risk Committee, the Selection Committee, the Remuneration Committee and the Sustainability Committee. The task of these four committees is to assist and advise the Supervisory Board in fulfilling its responsibilities. The tasks and procedures of the committees are outlined in their charters, which can be found on our website. The composition of the Supervisory Board, its committees, and information about the Supervisory Board members are provided on pages 208 to 210 of this Annual Integrated Report.

At least once per year, outside the presence of the Executive Board, the Supervisory Board evaluates its own functioning, the functioning of the Supervisory Board committees, and that of the individual Supervisory Board members, and discusses the conclusions that are attached to the evaluation. Periodically, an external expert facilitates the annual evaluation.

Diversity and inclusion

In line with the Dutch Corporate Governance Code, Arcadis has a Diversity, Equity, Inclusion and Belonging policy statement (DEIB policy) for the entire company, and various D&I programs, and diversity policies for leadership. These include a separate D&I policy for the Supervisory Board of Arcadis N.V. in which D&I targets for its composition have been set.

Gender in the Supervisory Board – target and outcome

Achieving gender parity in the workplace is a critical component of Arcadis's mission to create an equitable and inclusive environment. In line with the Dutch Civil Code and our D&I policy for the Supervisory Board, we continue to achieve our targets to have at least one-third men and at least one-third women on the Supervisory Board.

Nationality in the Supervisory Board - target and outcome

Arcadis is active in many countries worldwide. We therefore intentionally ensure our leadership reflects the experiences (by geography) of our colleagues, clients and partners. Our focus is to build on the diversity of thought and experience across all our leadership teams, recognizing that we can also be more diverse in the societies we represent. Arcadis aims to have nationalities of at least three geographical regions where Arcadis is active represented in the Supervisory Board. Based on the composition of the Supervisory Board at the end of 2024 this target was met.

Members of the Supervisory Board

	Year of birth	Gender	Nationality
Mr. Lap	1962	Male	Dutch
Mr. Putnam	1960	Male	British
Ms. Goodwin	1965	Female	Canadian and US
Ms. Mahieu	1959	Female	Dutch
Ms. Duganier	1958	Female	US and Italian
Ms. Morant	1963	Female	US
Mr. de Wit	1963	Male	Dutch

Background: education and/or (work) experience in the Supervisory Board – targets and outcomes

We believe that Arcadis benefits from the diverse backgrounds within our Supervisory Board. The background target for the Supervisory Board consists of two requirements. The first requirement, which also follows from the Dutch Decree Establishing Audit Committees, is that at least one member of the Supervisory Board shall have a financial background. As four of the seven Supervisory Board members have a financial background, Arcadis met this requirement in 2024.

The second requirement set by Arcadis is that at least two members of the Supervisory Board shall have experience in the global design, the engineering and/or the consulting industry or an industry adjacent thereto. This target was also met in 2024.

Members of the Supervisory Board

	International experience	Professional service/ engineering and consulting experience	Legal/ Tax/ Risk Management	Finance	People and culture	Sustainability	Digital
Mr. Lap	●	●	●	●			
Mr. Putnam	●	●		●		●	
Ms. Goodwin	●	●	●	●			
Ms. Mahieu	●	●			●		
Ms. Duganier	●	●	●	●		●	
Ms. Morant	●	●					●
Mr. de Wit	●	●			●	●	

Ethnicity in the Supervisory Board : members of under-represented ethnic groups - target and outcome

We strive to increase the representation of people who self-identify as being part of an under-represented ethnic group (UREG) across all levels of the Arcadis organization, including the Supervisory Board. Within the Supervisory Board we have one member who identifies as being part of an UREG.

See for more information on the company-wide DEIB policy pages 173 through 175 of this Annual Integrated Report.

Composition of the Supervisory Board

1	Barbara J. Duganier
2	Michael C. Putnam
3	Deanna L.M. Goodwin
4	Michiel P. Lap
5	Peter A.W. de Wit
6	Linda M. Morant
7	Carla M.C. Mahieu

Michiel P. Lap

Male, Dutch nationality, 1962

Chair Supervisory Board, Chair Selection Committee, Member Audit and Risk Committee and Member Remuneration Committee

Member SB since 2015, term 2023 – 2025

Current other non-executive board positions:

- Member Supervisory Board of ABN AMRO Bank N.V., The Netherlands
- Member Supervisory Board (Raad van Toezicht) Stichting Het Nederlands Kanker Instituut - Antoni van Leeuwenhoek Ziekenhuis, The Netherlands

Previous positions include: Non-executive Director Rijn Capital B.V. (2018 - 2024); Industrial Advisor to EQT Partners (2014 - 2019); Member Supervisory Board Janivo Holding (2015 -2018); Non-executive director Royal Brompton & Harefield Hospitals Charity in London (2012 - 2015); Managing Director and Partner Goldman Sachs Inc. (2004 - 2014); Executive Vice President Orange SA (2001 - 2003); Managing Director Morgan Stanley and Co., London (1988 - 2001); Assistant Vice President JP Morgan (1984 - 1988).

Michael C. Putnam

Male, British nationality, 1960

Vice-Chair Supervisory Board, Chair Sustainability Committee, Member Audit and Risk Committee and Member Selection Committee

Member SB since 2018, term 2022 – 2026

Current other non-executive board positions:

- Independent Director, Member Audit Committee, Member Safety, Environment and Social Responsibility Committee, Finning, Inc. Canada
- Senior Independent Director and Acting Chair Network Rail Ltd, UK
- Independent Non-Executive Director TransPennine Route Upgrade, UK
- Non-Executive Director Bazalgette Tunnel Ltd (Thames Tideway), UK

Previous positions include: Non-Executive Director Southern Water Services Ltd, UK (2017 - 2024); Acceleration Unit Expert Panelist UK Department for Transport (2020 – 2023); Member Advisory Board Association of Consulting Engineers (2012 – 2018); Specialist Advisor to the House of Lords Science & Technology Committee, assisting their Report on ‘Offsite manufacture for Construction’ (2018); Member UK Government’s Construction Leadership Council (2012 – 2018); Chair UK Government’s Green Construction Board (2012 – 2017); CEO Skanska UK PLC (2009 – 2017); Several leadership positions within Skanska UK PLC (1995 – 2009); Area Manager and Contracts Manager Balfour Beatty Plc (1988 – 1995); Trafalgar House (1982 – 1987).

Deanna L.M. Goodwin

Female, Canadian and US nationality, 1965

Chair Audit and Risk Committee and Member Sustainability Committee

Member SB since 2016, term 2024 – 2026

Current other positions:

- Member Board of Directors Kosmos Energy, US
- Member Board of Directors Oceaneering International, Inc., US

Previous positions include: President TECHNIP North America (2013 - 2017); Chief Operating Officer, Offshore TECHNIP North America (2012 - 2013); Senior Vice President Operations Integration, TECHNIP (2011 - 2012); Chief Financial Officer North America, TECHNIP (2007 - 2011); Various positions at Veritas DCG Inc. (1993 - 2007).

Carla M.C. Mahieu

Female, Dutch nationality, 1959

Chair Remuneration Committee and Member Selection Committee

Member SB since 2021, term 2021 – 2025

Current other non-executive board positions:

- Member Board of Directors DSM-Firmenich, The Netherlands/Switzerland
- Member Supervisory Board VodafoneZiggo, The Netherlands
- Member Supervisory Board DIF Management BV, The Netherlands

Current other position:

- Board Member Stichting Continuïteit PostNL, The Netherlands

Previous positions include: Member Management Board at Aegon N.V. (2016 - 2021); Executive Vice-President and Chief Human Resources Officer Aegon N.V. (2010 - 2021); Member Supervisory Board Royal BAM Group (2011 - 2020); Board room consultant, senior HR leader and interim executive, Talent Management (2008 - 2010); Senior Vice-President HRM, Royal Philips N.V. (2003 - 2008); Senior consultant People, Organizational change, Talent management (2001 - 2003); Consultant and principal, Spencer Stuart (1991 - 2001); Various leadership roles HRM, Communication and Corporate Strategy, Royal Dutch Shell (1984 - 1999).

Barbara J. Duganier

Female, US and Italian nationality, 1958

Member Audit and Risk Committee and Member Sustainability Committee

Member SB since 2023, term 2023 – 2027

Supervisory/non-executive directorships:

- Non-Executive Director, Chair Audit Committee, Member Governance, Environmental and Sustainability Committee, CenterPoint Energy, US
- Non-Executive Director, Chair Compensation Committee and Member Audit Committee, Texas Pacific Land Corporation, US
- Non-Executive Director, Chair Audit Committee and Member Governance Committee, McDermott International, Bermuda
- Non-Executive Director and Chair Audit Committee, Pattern Energy, US

Previous positions include: Non-Executive Director, MRC Global, US (2015-2024), Lead Independent Director (from 2020) and Chair Nominating and Governance Committee, West Monroe (2018 - 2021), Non-Executive Director, member Audit Committee and Nominating and Governance Committee, Noble Energy (2018 - 2020), Non-Executive Director, Chair Audit Committee and member Compensation Committee, Buckeye Partners (2013 - 2019), Managing Director & Lead, Global Business Process Outsourcing and Finance Business Services, Resources Operating Group, Accenture LLC (2012 - 2013), Managing Director & Chief Strategy Officer, Outsourcing, Lead, Global Business Process Outsourcing, Growth and Offerings & Vice President, Energy Services, Accenture LLC (2004 - 2012), Independent Consultant, North America, Duke Energy (2003), various leadership roles at Arthur Andersen LLP (1979 - 2002), including Global Chief Financial Officer, Andersen Worldwide.

Linda M. Morant

Female, US nationality, 1963

Member Sustainability Committee and Member Remuneration Committee

Member SB since 2023, term 2023 – 2027

Current position:

- Chief Digital Officer, The Crown Estate, London, UK

Previous positions include: Non-executive Director, Biffa Waste Management, UK (2021 – 2023), Non-executive Director, Autino Ltd. & Autino Holdings, London, UK (2017 – 2020), Vice President, Downstream Digital, British Petroleum, UK (2017- 2020), various roles within Microsoft Corporation (2011 – 2017), various roles within Nokia & Nokia Siemens Networks (2001 – 2011).

Peter A.W. de Wit

Male, Dutch nationality, 1963

Member Audit and Risk Committee and Member Selection Committee

Member SB since 2023, term 2023 – 2027

Supervisory/non-executive directorships:

- Founder and Board Chair, MiekFoundation, Amsterdam, the Netherlands
- Board Member and Chair People Committee, Aliaxis, Brussels, Belgium
- Board Member and Chair People Committee, Royal De Heus, Ede, the Netherlands
- Member Supervisory Board, 100WEEKS foundation, Amsterdam, the Netherlands
- Chair Supervisory Board, Koninklijk Theater Carré, Amsterdam, the Netherlands

Previous positions include: Senior Board Counselor, McKinsey & Company, Amsterdam, the Netherlands (2022-2024), Senior Partner and Member Shareholders Council, McKinsey & Company, Amsterdam, the Netherlands (1995 – 2022), Commercial Manager, Cargill, Amsterdam, the Netherlands (1987 – 1995).

Report by the Supervisory Board

Arcadis N.V. has a two-tier Board structure, consisting of the Executive Board and the Supervisory Board, both with distinct tasks and responsibilities for the Company and its stakeholders. The task of the Executive Board is to manage the Company and to realize its objectives and strategic goals. The task of the Supervisory Board is to supervise and advise the Executive Board. This report sets out the way the Supervisory Board fulfilled its duties and responsibilities in 2024.

The Company's strategy, the Supervisory Board priorities 2024 and our role as Supervisory Board

At the outset of 2024 the Supervisory Board identified the themes it considered most important in light of the Company's strategy and the board's supervisory and advisory role.

1. Driving operational efficiency across Arcadis
2. Broadening and deepening the Key Client Program
3. Developing digital client propositions
4. Strengthening engagement with external stakeholders

The Supervisory Board regularly discussed **operational efficiency** within Arcadis, including progress on consistent target GEC usage across GBAs, accelerating standardisation and automation to increase billability (including billability of senior leaders), employee satisfaction and cost reduction, and right-sizing enabling functions across the footprint.

The **Key Client Program** was the Supervisory Board's second focus item. Discussions centered on the need to broaden and deepen cross-GBA strategic dialogues (and the integration of Intelligence propositions in such dialogues), identify and develop emerging client relationships, and further improve brand positioning and communication. Business leaders from around the globe were regularly invited to discuss the work Arcadis does for specific key clients.

The Supervisory Board gave special attention to the development of **digital client propositions** and the client-facing digital product strategy, a staged approach whereby the company will move away from stand-alone products towards a common platform of scalable digital products aligned to the core mission of Arcadis.

The satisfactory financial performance in 2024 led to Arcadis maintaining the confidence of the Company's investor base and further bridging the valuation gap with peers. The Supervisory Board regularly discussed how to **strengthen engagement with external stakeholders**, including through ESG and CSRD reporting, broadening analyst research coverage, and diversifying the shareholder base.

In 2024, the Supervisory Board also spent time discussing lessons learned from the acquisitions and integrations of IBI and DPS. In a separate deep dive meeting, the Supervisory Board reviewed Arcadis' data strategy: how to leverage data to drive innovation and efficiency, mitigate risks and create value.

Each Supervisory Board meeting started with an update on a health & safety topic or statistic. By sharing experiences and suggestions, the Supervisory Board continues its stewardship of the topic and contributes to further awareness and improvement. The Supervisory Board also discussed the financial performance of the Company each quarter, focusing on further margin improvement and cutting the tail of loss-making projects, increasing billability, continued discipline on cash collection, increasing GEC usage and project selection discipline. As always, the Supervisory Board spent time on important people-related topics like talent management and succession, international talent mobility within Arcadis, diversity and inclusion, leadership development, the Skills Powered Organization project, and further improving the eNPS score.

Supervisory Board meetings 2024: attendance

In 2024, the Supervisory Board held five regular scheduled meetings and one deep dive. All our regular scheduled meetings were attended by the members of the Executive Board and the members of the Executive Leadership Team. We also had five ‘Supervisory Board-only’ meetings.

The attendance percentage for the full Supervisory Board meetings in 2024 was 100% (2023: 100%), for Supervisory Board-only meetings 100% (2023: 100%), for Audit and Risk Committee meetings 100% (2023: 100%), for Remuneration Committee meetings 100% (2023: 100%), for Selection Committee meetings 90% (2023: 90%) and for meetings of the Sustainability Committee 100% (2023: 100%).

Apart from interaction during Supervisory Board meetings, one-on-one discussions between Supervisory Board members and members of the Executive Board, the Executive Leadership Team and other senior leaders and heads of function took place throughout the year.

Finally, we like to mention that all Supervisory Board members and Executive Board members, as well as one Executive Leadership Team member, are members of the board of the Priority Foundation, the holder of the priority shares in the capital of Arcadis. Ten Arcadis employees from across the organization make up the other half of the board of the Priority Foundation. As a group, these ten employees are joined up in the board of the Bellevue Foundation. The board of the Priority Foundation met twice in 2024. Reference is made to note 25 of the consolidated financial statements for further information on the Priority Foundation and the Bellevue Foundation.

Functioning of the Supervisory Board, the Executive Board and the Executive Leadership Team

In accordance with the Dutch Corporate Governance Code, every year the Supervisory Board evaluates its own functioning, the functioning of the Supervisory Board committees and the individual Supervisory Board members. Periodically, this evaluation should take place under the supervision of an external expert. In Q4 2024, an effectiveness review of the Supervisory Board was conducted by an independent external expert. The aim was to review the overall performance of the Supervisory Board and its members and identify strengths and improvement needs. The process included online questionnaires, interviews with all Supervisory Board members, Executive Board members, Global General Counsel and Global Company Secretary, and peer reviews.

The outcome of the review was positive and insightful. The Supervisory Board discussions were considered open and robust, its composition diverse in terms of experience, style and profile, and the relationship with management one based on mutual respect and trust. The Supervisory Board was found to be collegial and thoughtful, and stakeholder interactions were found to be effective. In terms of improvement needs, the review noted that the Supervisory Board’s performance can be further enhanced by decreasing the number of Supervisory Board priorities; by spending more time discussing the (long-term) future of Arcadis; and by further shifting the focus to outside issues (clients, competition, technology), away from operational matters, to fully leverage the experience and knowledge of its Supervisory Board members. The meetings should also move further away from detailed presentations, towards deeper (and more critical) deliberations. The Supervisory Board is implementing the learnings from the review by amending the set-up and agenda of its meetings (and its committee meetings). An evaluation of progress made on implementing the learnings will take place, with help from the external expert, in Q4 2025.

In February 2024, we set personal targets for the Executive Board. During the year we monitored the performance of the Executive Board and the individual Executive Board member(s) in our Supervisory Board-only meetings. At the beginning of 2025 we assessed the performance of the Executive Board, the two Executive Board members and the Executive Leadership Team in 2024. Following the discussions during the year, and following the assessments in early 2025, we have provided or will be providing feedback to all involved.

Composition of the Supervisory Board

During the General Meeting in 2024, Ms. Goodwin was reappointed for a period of two years. Ms. Goodwin has been a member of the Supervisory Board since 2016. Reasons for Ms. Goodwin's reappointment after eight years include the outstanding manner in which she continues to perform her role as Chair of the Audit Committee and her instrumental role in onboarding the new Supervisory Board and Audit Committee members. Ms. Goodwin's international leadership experience and her extensive knowledge of the professional services industry have been very valuable to the Supervisory Board. It was therefore considered in the interest of Arcadis and its stakeholders that Ms. Goodwin be reappointed for a two-year term until the end of the General Meeting in 2026.

The Supervisory Board meets the requirements of Dutch law regarding the independence of its Chair, of the other Supervisory Board members, and of the Supervisory Board as a whole. The Supervisory Board also complies with the requirement that its members do not hold more than five supervisory board positions at certain 'large' (listed) companies or entities. The Executive Board members do not hold more than two supervisory board positions with such companies.

During 2024, no material transactions involving conflict of interest occurred for Executive or Supervisory Board members. There were also no material related party transactions as referred to in section 2:169.1 Dutch Civil Code.

Supervisory Board Committee Reports

Audit and Risk Committee report

D. Goodwin (Chair), M. Lap, M. Putnam, B. Duganier, P. de Wit

In 2024, the Arcadis Audit and Risk Committee (AARC) held four regular scheduled meetings, all attended by the CEO, the CFO and the Global Internal Audit Director and external auditors. There were also four 'AARC-only' meetings. In addition, two intermediate calls allowed for deep dives into higher risk projects and CSRD reporting. These deep dives were attended by the CEO and the CFO.

The Chair of the committee had regular meetings with the CEO and the CFO, as well as with the external auditor, the Global Internal Audit Director and several other heads of function to discuss focus items like financial performance, business risks, claims, compliance and other matters. It is customary that the AARC shares its main deliberations and findings in the Supervisory Board meeting immediately following the AARC meeting.

Financial performance remained the common thread of the AARC's discussions and activities throughout 2024. Each meeting, the AARC reviewed and discussed the financial results per GBA, billability, margin development and the performance on important projects as well as free cash flow, cost and revenue synergies, DRO and the continued importance of cash collection. Likewise, in each meeting risk-related topics were discussed in the presence of the Global Risk Management Director, including geopolitical risks, the importance of the successful ERP integration of recent acquisitions, the need to improve talent mobility to support the global nature of Arcadis' business, and to continue to focus on the quality of project handovers, reviews, and the use of risk registers (in particular for smaller projects). The meeting discussed the need for diversification of services and management of client concentration risk in certain areas. Special attention was given throughout the year to non-financial reporting requirements under CSRD legislation, and the ERP integration of recent acquisitions. The AARC was pleased with the diligence of the process followed and the quality of the outcome: focused, accurate and auditable disclosures which lay a solid foundation for reporting in the years to come. The deep dive into higher risk projects discussed emerging commercial models, related risks and how to mitigate them, noting the need for discipline and tone from the top in ensuring that the relevant processes are followed consistently.

The Company's Global Information Security Officer and Global Technology Officer continued to provide quarterly updates to the AARC. Technology topics discussed in 2024 included work done by the Arcadis AI Taskforce, data quality, the integration of acquired entities into technology's global operating model and the regular review of the tech risk register. Information Security topics discussed in 2024, on the basis of a newly developed Information Security dashboard, included the project to bring security standards in GBA Intelligence on par with the rest of Arcadis, key information security risks and vulnerabilities, and the Company's readiness to respond to cyberthreats.

In each meeting, in the presence of the Global Internal Audit Director the past quarter's internal audit findings and management follow-up were discussed and progress made against the annual internal audit plan was discussed. Other topics included the importance of a solid first line of defense (including embedded controls on high-risk processes and structured documentation), discipline and prioritization regarding audit follow-ups, and closer cooperation between Internal Audit and Risk Management. The Global Internal Audit Director also presented the committee with the positive outcome of a self-assessment on compliance with the requirements that the Dutch Corporate Governance Code imposes on the Internal Audit function.

The meeting also regularly discussed, and reported to the Supervisory Board on, the Arcadis Risk Assurance Program. Every year, the main findings of the annual assessment cycle are discussed in AARC and Supervisory Board meetings. As an overall conclusion for 2024, the meeting confirmed that further progress was made on firmly embedding risk management into the way Arcadis operates. Arcadis leaders take ownership of the key risks, their management, and where necessary, mitigation, and actively promote an appropriate balance between desired risk appetite and risk exposure. Further work is being undertaken, inter alia, to further mature the use of project management plans, the closure of projects and recording of lessons learned, modernization of the company's job structure to ensure compensation and benefits are in alignment with roles and responsibilities, and to fully embed certain tech/information security controls (including controls regarding information classification and system access).

As is customary, the AARC also evaluated the performance of PricewaterhouseCoopers (PwC), the Company's external auditor, and discussed certain improvement areas (for both PwC and the Company). PwC also presented its audit plan for 2024, which was discussed and approved. During the July committee meeting, PwC's half-year review report was discussed. PwC's key financial reporting risks for 2024 and its audit findings, both at mid-year and at year-end, were aligned to the focus items identified by the committee and by the Internal Audit department. They included the planned migration of acquired entities onto Oracle and CSRD reporting. Throughout the year, the committee discussed and assessed with PwC the progress made regarding its key audit findings, and the meeting was kept updated on the handover process between PwC and incoming auditor KPMG.

Like every year, the committee frequently reviewed and discussed the Company's quarterly reports on key legal claims and pending litigation, as well as claims statistics and market trends. There were presentations by the Global Tax Director on the Arcadis tax position and related risks, and by the Global Insurance Manager on the Arcadis insurance portfolio (with special attention for the captive cell underwriting results), as well as the importance of sharing lessons learned back with the business. The committee was also regularly updated on (potential) integrity issues and related statistics, as well as on the status of the Integrity and Anti-Corruption program 2024.

At the end of the year, the committee evaluated the performance, independence and financial literacy of the committee and its members, with a positive conclusion.

And finally, in the context of the annual results for 2024, the meeting discussed and reconfirmed the Company's dividend policy and recommended the dividend proposal of €1.00 per ordinary share to the Supervisory Board.

Remuneration Committee report

C. Mahieu (Chair), M. Lap, and L. Morant

In 2024, the Remuneration Committee (RemCo) met three times. The CEO, the CPO, CFO and others, when deemed important, were invited to attend (parts of) the meetings.

In early 2024, the RemCo conducted a performance assessment of the Executive Board and the Executive Leadership Team members. Based on this evaluation, the RemCo submitted proposals to the Supervisory Board for short-term incentive (STI) and long-term incentive (LTI) pay-outs, ensuring alignment between performance outcomes and pay-out under the variable pay components.

After having conducted a variety of stakeholder engagement sessions, the RemCo advised the Supervisory Board on proposals to revise the Executive Board and Supervisory Board remuneration policies, which proposals were adopted by the General Meeting in May 2024. Additionally, the 2024 STI and LTI plans and their metrics and intervals were reviewed to ensure they supported the strategic cycle. Other key topics discussed during the year 2024 included the evaluation of remuneration-related topics discussed during the 2024 AGM, progress updates on the performance relevant for both the STI as well as the LTI programs, progress made on the design of a new Employee Share Purchase Plan (set to launch in 2025) and feedback from shareholders and other stakeholders.

Arcadis Selection Committee report

M. Lap (Chair), M. Putnam, C. Mahieu, P. de Wit

In 2024, the Arcadis Selection Committee (ASC) met three times. The CEO and the CPO attended (parts of) these meetings.

During the first quarter, the ASC discussed the annual performance calibration of the Executive Board and the Executive Leadership Team, as well as the ELT members' development plans.

Later in the year, the ASC discussed SB and ELT succession planning, the SB mentorship program and the proposed reappointment of Deanna Goodwin to the Supervisory Board in 2025.

Sustainability Committee report

M. Putnam (Chair), D. Goodwin, B. Duganier and L. Morant

The Sustainability Committee (SusCo) of the Supervisory Board convened four times during 2024 to oversee and guide Arcadis' sustainability initiatives and progress.

The year's first meeting focused on reviewing the performance against the 2023 sustainability outcomes and roadmap, as well as the 2023 biodiversity footprint. The SusCo also assessed the proposed roadmap and initiatives for 2024. During this session, the Future Impact Program was introduced, detailing project-specific advancements in areas such as nature and water, and outlining Arcadis' approach to enhancing impact measurement through its projects. Additionally, the Architectural and Urbanism team presented its alignment with sustainable outcomes, highlighting how its efforts contribute to the company's broader sustainability goals.

In May, the SusCo reviewed and updated its charter to reflect recent developments and align with evolving priorities. This meeting featured an in-depth analysis of the 2024 sustainability roadmaps, including key projects and accountability measures for the year. A notable highlight was the presentation of the Resilience GBA roadmap, which exemplified the planned activities. The SusCo also conducted a brief review of the 2024 prioritized events. Results and insights from the project carbon pilot initiatives were presented, followed by discussions on lessons learned and next steps. Furthermore, the SusCo was updated on the approved Science-Based Targets initiative (SBTi) targets and reviewed decisions aimed at achieving Arcadis' net zero commitments.

In the third meeting, the SusCo was briefed on proposed changes to the sustainability framework and how these updates would influence the operations of the global sustainability team moving forward. The session also included a review of the revised Annual Integrated Report structure, an assessment of the progress toward 2025 Long-Term Incentive Program targets, and discussions on required actions to meet these goals. The Carbon Travel Budgets Program and its structure were presented, alongside the new marketing and communications strategy for major events. Additionally, the SusCo received an update on the Sustain Abilities training program, including participation metrics and uptake.

The final meeting of the year provided a comprehensive summary of 2024 sustainability achievements and a forward-looking discussion on impact metrics and goals for 2025. The SusCo was introduced to the proposed pilot program, ‘Sustainnovation,’ designed to deliver innovative and sustainability-focused solutions to clients. Key results from rating agencies and the 2024 biodiversity footprint were presented for review. The SusCo also reflected on Arcadis’ participation in COP16, which showcased the company’s commitment to thought leadership in the 'Nature Positive' agenda.

2024 Financial statements and dividend

The Executive Board has prepared this Annual Integrated Report, including the 2024 financial statements. PwC, the external auditor, has issued its auditor report which can be found starting on page 319 of this Annual Integrated Report.

The members of the Executive Board have issued the statements required under section 5:25c.2.c of the Financial Markets Supervision Act (Wet op het financieel toezicht). The members of the Supervisory Board and Executive Board sign the financial statements in accordance with section 2:101.2 of the Dutch Civil Code.

The Supervisory Board of Arcadis N.V. recommends that the General Meeting (i) adopt the 2024 Financial Statements, (ii) approve the proposal to distribute a dividend of €1.00 per ordinary share and (iii) discharge the members of the Executive Board for their management of the Company and its affairs during 2024, and the members of the Supervisory Board for their supervision over said management during 2024.

Amsterdam, the Netherlands, 12 February 2025

On behalf of the Supervisory Board

Michiel P. Lap, Chair
www.arcadis.com

Remuneration report

The purpose of the Arcadis remuneration policies is to attract, motivate, and retain qualified executives and non-executives by establishing a framework for competitive remuneration. These policies are designed to enable Arcadis to compete effectively in the senior executive talent market with companies of comparable size and complexity.

The Supervisory Board, following recommendations from the Arcadis Remuneration Committee (RemCo), proposes these remuneration policies for the Arcadis Executive Board and Supervisory Board to the General Meeting.

At the 2024 General Meeting, Arcadis shareholders approved revised versions of both the Executive Board remuneration policy and the Supervisory Board remuneration policy.

Introduction

This report outlines the application of the remuneration policies for the Executive Board and the Supervisory Board in 2024 as well as actual performance in 2024 measured using the approved performance criteria and targets set.

2024 General Meeting

During the 2024 General Meeting, the 2023 remuneration reports for the Executive Board and the Supervisory Board were presented for an advisory vote. No questions or concerns regarding these reports were raised. Both remuneration reports received positive advisory votes, reflecting broad shareholder support for the remuneration practices of both the Executive Board and the Supervisory Board.

Executive Board remuneration

Remuneration in line with median level of reference groups

The remuneration policy for Executive Board members is designed to support the company's business strategy, strengthen the connection between pay and performance, and align the interests of Executive Board members with those of shareholders by encouraging share ownership. This policy is grounded in adherence to the highest standards of corporate governance.

The remuneration package comprises four key components: base salary, short-term variable remuneration, long-term variable remuneration, and additional benefits, such as a pension scheme. Variable remuneration plays a significant role in the overall package and is tied to performance criteria that promote the company's long-term value creation.

Arcadis has developed from a multi-local company to a global company. To align with Arcadis' size (in terms of revenues, average market capitalization, total assets and number of FTEs), geographic and industry scope, and labor market competition, a labor market reference group has been defined[1]. The reference group consists of Dutch-headquartered companies with significant international activities, supplemented by global industry peers, as presented below.

Iin 2024, changes were made to the labor market reference group: Boskalis, RPS Group and DSM were replaced by Randstad and Worley.

Dutch headquartered companies with significant international activities	Global industry peer companies
Aalberts Industries	AF Pöyry (FIN)
AkzoNobel	Atkins Realis (CAN)
ASM International	Stantec (CAN)
BAM	Sweco (SE)
Fugro	Worley (AUS)
Randstad	WSP Global (CAN)
SBM Offshore	
TKH Group	
Vopak	

Arcadis is positioned around the median in terms of the parameters revenues, average market capitalization, total assets and number of FTEs.

The Executive Board remuneration policy aims to position total direct compensation (the sum of base salary, short-term variable compensation and long-term variable compensation, both at target) at approximately the median of a defined reference group. This approach ensures that Arcadis remains competitive in attracting and retaining top executive talent while aligning with market standards for companies of similar size and complexity.

Internal pay ratio

When developing the remuneration policy for the Executive Board, Arcadis considered the pay ratio within the organization. In line with the methodology included in the Dutch Corporate Governance Code, Arcadis assessed the ratio between the total annual remuneration of the CEO and the average annual remuneration of a full-time equivalent employee within the company and its consolidated group companies. This calculation reflects a holistic view of internal pay equity and is based on financial data consolidated by the company. The approach aims to ensure that executive remuneration aligns with broader organizational compensation structures while maintaining fairness and transparency, where:

- the total annual remuneration of the CEO includes all the remuneration components (such as fixed remuneration, variable cash remuneration (short-term incentive), the share-based part of the remuneration (long-term incentive), social security contributions, pension, expense allowance, etc.) as included in the consolidated annual financial statements.

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[1] Changes to the reference group may be required from time to time e.g. following mergers or acquisitions in which one or more companies in the reference group are involved.

- the average annual remuneration of the employees is determined by dividing the total salary costs in the financial year (as included in the consolidated annual financial statements) by the average number of FTEs during the financial year.
- the value of the share-based component of the remuneration is determined at the time of assignment in accordance with the applicable rules under IFRS.

Based on this new methodology, the following pay ratios were determined:

Year	Pay ratio	CEO remuneration (€ 1,000)
2020	18	1,266
2021	31	2,244
2022	28	2,156
2023	25	2,201
2024	33	2,925

The CEO pay ratio in 2024 was comparable to 2021 and 2022. The increase in 2024 compared to 2023 was caused by the gross-up of additional tax due (caused by a change in tax legislation), and increased National Insurance employer contribution due, on the CEO's 2024 Long Term Incentive Performance vesting and STI pay-out.

The 2023 CEO pay ratio was lower than in 2022 because in 2023 the average employee remuneration increased[1] whilst the total CEO remuneration decreased.

The 2020 pay ratio was particularly low because the CEO at the time informed the Supervisory Board that he decided to forgo the STI payout due to him in 2020, because of the COVID-19 pandemic.

Total direct compensation mix

In line with the remuneration policy for the Executive Board, the relative proportions of the annual base salary and the short-term and long-term variable compensation components[2] of the members of the Executive Board are as follows:

	Base salary	Short-term variable	Long-term variable	Total
Chief Executive Officer	38%	26%	36%	100%
Chief Financial Officer	24%	17%	59%	100%

The total compensation has a relatively strong focus on long-term remuneration, which reflects the importance of alignment with the long-term strategy and long-term value creation of the Company and with shareholder interests.

Fixed remuneration

In accordance with the remuneration policy for the Executive Board, the Supervisory Board reviews the base salaries of Executive Board members annually. This process includes benchmarking against the labour market reference group, assessing market trends, evaluating salary increases for employees, and considering other relevant factors deemed appropriate.

The Supervisory Board ensures that the increase in base salaries for Executive Board members does not exceed the average salary increase for employees, except when justified by the results of the benchmarking exercise. This approach maintains alignment with market competitiveness and internal equity, while ensuring transparency and fairness in compensation decisions.

In 2024, the Supervisory Board decided to increase the base salaries for the Executive Board by 5%, which is in line with the remuneration policy for the Executive Board.

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[1] The average employee remuneration increased in 2023 because in 2022, the employee remuneration of Arcadis IBI and Arcadis DPS was only included for the months that these companies were part of the Arcadis group. Therefore, the total remuneration of the integrating companies was smaller than a full year total compensation, whilst the number of employees of Arcadis IBI and Arcadis DPS was taken into account in full.

[2] Percentages mentioned are base salary, the at target STI and the at target LTI as a % of Total Direct Compensation.

Executive Board member	2024 annual fixed remuneration
CEO (A. Brookes)	€736,000
CFO (V. Duperat-Vergne)	€529,000

The Supervisory Board decided to increase the base salaries for the Executive Board by 4.62%, applicable in 2025, which is in line with the remuneration policy for the Executive Board.

Executive Board member	2025 annual fixed remuneration
CEO (A. Brookes)	€770,000
CFO (V. Duperat-Vergne)	€553,440

Short-term variable remuneration

The short-term variable compensation incentivizes the Executive Board to create focus and to achieve specific short-term objectives. According to the current remuneration policy for the Executive Board, this compensation is expressed as a percentage of the annual base salary, ranging from 0% to a maximum of 102%, with a target level set at 60%.

The short-term variable compensation is paid in cash, in March of the year following the performance period. This structure ensures alignment between performance outcomes and executive rewards, promoting accountability and focus on annual organizational goals.

The free cash flow target serves as a threshold that should be met to be entitled to any pay out under the STI component. For performance that falls between the threshold and target or between the target and maximum levels, payouts are determined using a linear calculation method.

Performance criteria STI

To support the Company's strategy, the criteria for the short-term variable compensation are linked to the strategy and are partly financial and partly non-financial. Based on the annual priorities of the Company, the Supervisory Board determines the performance criteria applicable to the short-term variable compensation before the start of the performance period.

In line with the remuneration policy for the Executive Board, the Supervisory Board will select from the following performance criteria:

1. Financial criteria (minimum 60% weighting):

- Profit/margin
- Revenue/growth
- Cash flow
- Capital return measures (such as ROA, ROE, ROIC)
- Economic/market value-added measures

2. Non-financial criteria:

- Customer results (e.g. net promoter score)
- People and organization (e.g. employee engagement, voluntary turnover)
- Sustainability (e.g. carbon footprint reduction)
- Individual non-financial criterion (e.g. measuring the success of the implementation of the strategy)

The targets (threshold, target and maximum) for each of the performance criteria will be determined annually by the Supervisory Board.

The Supervisory Board has the discretion to make adjustments, for example to account for unforeseen events that were outside of management's control.

For performance year 2024, the Supervisory Board selected the following three financial performance criteria for the short-term variable remuneration of the members of the Executive Board:

- Operating EBITA (%)
- Free cash flow
- Net order intake Key Clients

In addition, considering the strategic importance of a diverse workforce, the Supervisory Board selected women participation rate as one of two non-financial criteria. The selection of women participation rate is in line with our Capital Markets Day targets as part of the 2024 - 2026 strategy cycle.

Finally, the Supervisory Board decided to continue to set individual (non-financial) criteria to measure the success of the implementation of the 2024-2026 strategy. For each member of the Executive Board an individual target applied in line with their respective roles in the implementation of the strategy. The target for the CEO was to create a high-performing ELT and lead the strategy for Investors and People. The target for the CFO was to lead the financial management to plan and report on the strategy levers to advise the ELT/SB.

In 2024, the performance of the company against each of the targets set was as follows (whereby the weighting of operating EBITA is 30%, to emphasize the importance of margin improvement in the 2024 - 2026 strategy cycle; the weighting of the individual non-financial criterion is 10%; and the weighting of each of the other three criteria is 20%):

				Realization	
Criterion	Threshold	Target	Maximum	amount	percentage
Operating EBITA%	10.4%	11.0%	11.5%	11.5%	170%
Free cash flow (€ million)	165	220	275	228	110%
Net order intake Key Clients (€ million)	2,053	2,281	2,509	2,632	170%
ESG target: Gender diversity	+ 0.4%	+ 0.6%	+ 0.8%	+ 0.9%	170%

The realization on the individual non-financial criteria linked to implementation of the strategy was assessed by the Supervisory Board at 150% for both the CEO as well as the CFO. As this component is weighted 10% of the at target bonus opportunity of 60% of base salary, the pay out under this component is 9% of base salary.

This performance leads to the following payout over financial year 2024:

			Realization (as percentage of Annual Base Salary)						
Name	Annual Base Salary (€)	STI target %	Operating EBITA%	Free cash flow	Net Order Intake Key Client	ESG target: Gender diversity	Individual non-financial criterion	Total	Payout (€)
CEO (A. Brookes)	736,000	60%	30.6%	13.2%	20.4%	20.4%	9.0%	93.6%	689,064
CFO (V. Duperat-Vergne)	529,000	60%	30.6%	13.2%	20.4%	20.4%	9.0%	93.6%	495,265

			Realization (as percentage of target)						
Name	Annual Base Salary (€)	STI target %	Operating EBITA%	Free cash flow	Net Order Intake Key Client	ESG target: Gender diversity	Individual non-financial criterion	Total	Payout (€)
CEO (A. Brookes)	736,000	60%	170%	110%	170%	170%	150%	156%	689,064
CFO (V. Duperat-Vergne)	529,000	60%	170%	110%	170%	170%	150%	156%	495,265

For 2025, the Supervisory Board decided to make use of the same performance criteria for short-term variable remuneration as used in 2024. Actual targets will be disclosed in the 2025 remuneration report.

Long-term variable remuneration

The long-term variable remuneration aims to align the interests of the members of the Executive Board with long-term value creation and shareholders' interests. Under the remuneration policy, members of the Executive Board receive performance shares annually. These performance shares vest after three years. An additional holding requirement of two years after vesting applies. Furthermore, members of the Executive Board are only allowed to sell shares if the following share ownership thresholds are met: a value equal to 300% of the annual base salary for the CEO and 200% of the annual base salary for the CFO. A buildup period of five years applies from the vesting date of the first LTI grant received in their capacity as an Executive Board member. All shares obtained by means of compensation are held until the required ownership level is reached, except for shares sold to cover taxes due on the date of vesting, if any.

The value of the annual award is determined by a percentage of fixed remuneration. The actual grant is determined by the value divided by the applicable volume-weighted average price ('VWAP').[1]

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[1] For the 2024 grant, the VWAP was based on the average share price of five days prior to the actual grant date.

In 2024, the General Meeting approved an increase in the value of the annual award under LTI to 120% of base salary for both the CEO and the CFO. The maximum potential number of shares that can vest is capped at 198% of the number of shares granted.

This adjustment reflects the organization's commitment to maintaining competitive remuneration practices, aligned with market benchmarks and designed to attract and retain top executive talent while incentivizing high performance.

In 2024, the members of the Executive Board received the following grants:

	% of fixed remuneration	Grant value (in €)	VWAP (in €)	Number of shares	Fair value (in €)	Total IFRS grant value (in €)
CEO (A. Brookes)	120%	883,240	60.50	14,599	60.75	869,516
CFO (V. Duperat-Vergne)	120%	634,827	60.50	10,493	60.75	624,963

Performance criteria for long-term variable remuneration

In order to support the three strategic pillars of the strategy, the performance criteria are:
- Total shareholder return
- Earnings per share
- Sustainability

Each parameter is weighted 33.33%.

Performance criterion one: total shareholder return

The vesting percentage of the performance shares is conditional upon the achievement of performance measured as relative total shareholder return ('TSR'), which is defined as share price movements including dividends, assuming dividends reinvested.

The TSR performance of Arcadis is measured against the performance of direct competitors.

The current TSR group is as follows:

TSR peer group		
Arcadis (NL)	AF Pöyry (FIN)	Stantec (CAN)
AECOM (USA)	Spie (FR)	Alten (FR)
NV5 (US)	Atkins Realis (CAN)	Worley (AUS)
Fugro (NL)	Sweco (SE)	WSP Global (CAN)
Jacobs Solutions (USA)	Tetra Tech (USA)	

The position of Arcadis within the peer group, after three years, determines the final number of performance shares that vest and become unconditional, in accordance with the following table:

Ranking	14 - 8	7	6	5	4	3	2	1
Vesting %	0%	50%	75%	100%	125%	150%	175%	200%

Performance criterion two: earnings per share

Earnings per share ('EPS') is calculated by applying the simple point-to-point[1] method at the end of the period. EPS is disclosed in our consolidated financial statement and is calculated by dividing the net income from operations by the weighted average number of shares outstanding during the period, excluding ordinary shares purchased by the Company and held as treasury shares (i.e. shares purchased to cover share/option plans). Earnings are adjusted for changes in accounting principles during the performance period. The Supervisory Board has the discretion to include other adjustments, for example, to account for events that were not planned when targets were set or were outside of management's control.

The EPS growth target, threshold and maximum are set annually by the Supervisory Board. Given that these targets are commercially sensitive, EPS targets and the achieved performance are published in the Annual Report after the relevant performance period.

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[1] % growth from t0 to tx, divided by # years.

The following performance incentive zones will be used to define the vesting for this part of the conditional grant:

	< Threshold	Threshold	Target	Maximum
EPS	0	50%	100%	150%

Performance criterion three: sustainability

For LTI grants made as of 2024, the sustainability target is measured by the percentage of scope 1 + scope 2 (market based) + business travel greenhouse gas (GHG) emissions reduction compared to the 2019 baseline GHG emissions. This replaces the sustainability score approach encompassing wide range of ESG performance objectives followed in the prior years. These targets are aligned with Arcadis' near-term and net-zero targets as submitted to the Science Based Targets initiative for approval in January 2024. Arcadis measures its carbon footprint using the GHG protocol semi-annually and reports its carbon footprint annually in the Annual Integrated Report.

The following performance incentive zones and targets will be used to define the vesting for this part of the conditional grant:

	< Threshold	Threshold	Target	Maximum
Total percent reduction GHG emissions scope 1 + scope 2 (market based) + business travel	0	50%	100%	150%
Target performance period 2024 - 2026 [1]		45%	50%	55%

[1] GHG emissions reduction percentage will be calculated based on a comparison of year end 2026 GHG emissions to 2019 baseline GHG emissions. See page 95 for further information on GHG emissions.

During the Capital Markets Day in November 2023, Arcadis announced its targets in line with its ambition to achieve net-zero across its value chain in 2035:

- 70% reduction in absolute scope 1 and 2 emissions by 2026 compared to 2019 baseline emissions
- 45% reduction in absolute scope 3 emissions by 2029 compared to 2019 baseline emissions

Shares held by members of the Executive Board

In 2024, the aggregate numbers of conditional performance shares held by members of the Executive Board are as per below. The Executive board members did not hold any stock options in 2024.

Number of conditional (performance) shares Arcadis NV	31 December 2024	31 December 2023
CEO (A. Brookes)	46,072	39,176
CFO (V. Duperat-Vergne)	36,398	41,981

Vested shares

For LTI grants made in 2021 - 2023, the sustainability target is measured by reference to the 'management score' applied to the Company by Sustainalytics, a leading independent global Environmental, Social and Governmental ratings firm. Sustainalytics analyzes and rates the performance of 16,000+ companies globally across 138 classifications. The analysis is made by looking at and weighting the core and sub-industry specific metrics to determine the overall ESG performance.

Performance shares vested in 2024

Over the performance period 2021 – 2023, the performance criteria TSR, EPS and Sustainalytics were used.

The realization on these performance criteria was:

					Realization	
Criterion	Weight	Threshold	Target	Max	Value	Percentage
Total shareholder return	33%	Rank 7	Rank 5	Rank 1	Rank 5	100%
Earnings per share growth	33%	7.83%	9.22%	10.60%	19.00%	150%
Sustainalytics	33%	76.3	78.2	80.3	80.3	150%
Overall	100%					133%

As a result of the realization, the following number of shares were vested in 2024 per the vesting date.

# shares	2021 grant	2024 vesting
CEO (A. Brookes)	7,703	10,245
CFO (V. Duperat-Vergne)	16,076	21,381

Performance shares to vest in 2025

Over the performance period 2022 – 2024, the performance criteria TSR, EPS and Sustainalytics were used.

The realization on these performance criteria was:

					Realization	
Criterion	Weight	Threshold	Target	Max	Amount	Percentage
Total Shareholder Return	33%	Rank 7	Rank 5	Rank 1	Rank 4	125.0%
Earnings per share growth	33%	1.69%	1.98%	2.28%	15.20%	150.0%
Sustainalytics	33%	80.6	81.6	82.6	81.8	110.0%
Overall	100%					128.3%

As a result of the realization, the following number of shares will vest in 2025:

# shares	2022 grant	2025 vesting
CEO (A. Brookes)	12,192	15,642
CFO (V. Duperat-Vergne)	13,303	17,068

Total remuneration

The total remuneration of the Executive Board members over 2024 and 2023 (in €1,000):

Name of Director	Reporting year	1. Fixed remuneration		2. Variable remuneration		3. Extraordinary items	4. Pension expenses	5. Total remuneration	6. Proportion of fixed and variable remuneration	
		Base salary	Fringe benefits	One-year variable	Multi-year variable				Fixed	Variable
A. Brookes[1]	2023	580	78	-	-	n/a	n/a	658	100%	0%
based on due	2024	727	639	510	689	1134	n/a	3,700	53%	47%
A. Brookes	2023	569	89	319	436	n/a	n/a	1,413	47%	53%
based on IFRS	2024	903	463	689	665	n/a	n/a	2,720	50%	50%
V. Duperat-Vergne	2023	574	280	372	370	n/a	21	1,617	53%	47%
based on due	2024	597	636	362	1,278	n/a	21	2,894	43%	57%
V. Duperat-Vergne	2023	574	280	362	507	n/a	21	1,743	50%	50%
based on IFRS	2024	597	636	495	617	n/a	21	2,366	52%	48%

[1] A recent tax legislation change relating to the timing of tax in restricted share units in the UK has resulted in an additional tax liability of €1.2 million on the shares vested in 2023 and prior years for Mr. Brookes (in relation to his previous role as Arcadis LLP member in the UK). As a result, the Company paid NI contribution amounting to €0.3 million in 2024 and this is presented as fringe benefits.

An overview of the company's performance, the annual change in remuneration of the Executive Board members, the average remuneration on a full-time equivalent basis of employees of the company and the annual change in remuneration of the Supervisory Board members is as follows:

	2024		2023		2022		2021		2020		2019
	actual	change (%)	actual	change (%)	actual	change (%)	actual	change (%)	actual	change (%)	actual
Operating EBITA margin (%)	11.50%	11%	10.40%	6%	9.80%	2%	9.60%	5%	9.10%	11%	8.20%
Free Cash Flow (in € millions)	228	4%	220	27%	173	-26%	234	-28%	324	234%	97
Organic net revenue growth % (net revenue in %)	4.50%	-4.50%	9.00%	0.10%	8.90%	4.70%	4.20%	5.70%	-1.50%	-4.60%	3.10%
TSR (index 2017 = 100)	159	-65%	458	33%	344	-13%	396	56%	254	30%	195
Sustainalytics	81.8	2%	80.3	0%	80	0%	80	3%	78	7%	73
Average remuneration employees (€ thousands)	88	1%	87	13%	77	8%	71	0%	71	-7%	76
CEO (€ thousands)	3,879	-1%	3,910	-6%	4,538	227%	1,386	-39%	2,273	78%	1,275
CFO (€ thousands)[1]	3,027	88%	1,607	33%	1,220	11%	1,102	45%	762	-13%	879
Supervisory Board											
Carla Mahieu (€ thousands)	72	6%	68	0%	68	49%	46	-	-	-	-
Barbara Duganier[2] (€ thousands)	91	54%	59	-	-	-	-	-	-	-	-
Deanna Goodwin (€ thousands)	99	13%	88	-3%	91	26%	72	4%	69	-14%	80
Linda Morant[3] (€ thousands)	87	1350%	6	-	-	-	-	-	-	-	-
Michael Putnam (€ thousands)	89	6%	84	3%	82	10%	74	7%	69	-14%	80
Michiel Lap (€ thousands)	122	5%	116	14%	101	44%	70	3%	68	-15%	80
Niek Hoek[4] (€ thousands)	-	-	26	-68%	83	-19%	103	5%	98	-6%	104
Peter de Wit[5] (€ thousands)	77	-	0	-	-	-	-	-	-	-	-
Wee Gee Ang[6] (€ thousands)	-	-	32	-59%	77	18%	65	-1%	66	-22%	84
Ruth Markland[7] (€ thousands)	-	-	-	-	-	-	22	-67%	67	-13%	77
Maarten Schonfeld[8] (€ thousands)	-	-	-	-	-	-	-	-	23	-68%	72

[1] The increase in total CFO remuneration as compared to 2023 is due to the lower number of performance shares awarded in 2020 and vested in 2023 as the CFO joined the Company in September 2020.

[2] In the Supervisory Board since 12 May 2023

[3] In the Supervisory Board since 13 December 2023

[4] In the Supervisory Board until 12 May 2023

[5] In the Supervisory Board since 13 December 2023. Pursuant to his employment arrangement with McKinsey in the Netherlands, which terminated on 31 March 2024, until the end of his employment at McKinsey, any remuneration due to Mr. Peter de Wit for services rendered in his capacity of member of the Supervisory Board of Arcadis N.V., shall be donated to charity. Arcadis has donated the full amount due to Mr. de Wit over Q1 2024 (€18,250) to a charity of its choice.

[6] In the Supervisory Board until 12 May 2023

[7] In the Supervisory Board until 29 April 2021

[8] In the Supervisory Board until 6 May 2020

Retirement and other benefits, contracts

Retirement benefits

In 2024, the CFO participated in the Arcadis Netherlands Pension Plan. This is a collective defined contribution plan. The contribution from the participants is 6.64% of the pensionable salary (annual base salary minus offset, €17,545 in 2024) for the salary part below €137,800 (maximum pensionable salary in 2024 under Dutch tax legislation). Executive Board members participating in the Arcadis Netherlands Pension Plan also receive an annual cash allowance in line with legislation in the Netherlands for the salary above €137,800. The participation of the Executive Board members is aligned with the arrangement for employees in The Netherlands. The Supervisory Board decided to grant the CEO a cash allowance in lieu of participation in the Arcadis Netherlands Pension Plan.

Other benefits

Executive Board members receive customary fringe benefits, including the use of a company car or a mobility allowance. In line with best practice, the company provides benefits which the Supervisory Board considers appropriate.

Management agreements and severance pay

All Executive Board members work for Arcadis N.V. under a management agreement: Mr. A. Brookes (appointed in 2023) has a four-year term until the annual General Meeting in 2027 and Mrs. V. Duperat-Vergne (appointed in 2020 and re-appointed in 2024) has a four-year term until the annual General Meeting in 2028. They may be entitled to a severance pay with a maximum of one year’s base salary. They will not be entitled to severance pay in case their management agreement is not renewed after the agreement has expired. Management agreements with Executive Board members do not contain provisions on severance payments in case of termination resulting from a change in control.

Other elements of the Remuneration Policy

The Dutch Corporate Governance Code contains additional best practices regarding executive remuneration. Based on the advice of the RemCo, the Supervisory Board is satisfied that it has complied with these additional best practices in 2024. Before setting proposed targets for Supervisory Board approval, the RemCo carried out scenario analyses of the possible financial outcomes of meeting target levels, as well as maximum performance levels, and how they may affect the level and structure of the total remuneration of the members of the Executive Board.

The Company has not granted any loans, advances or guarantees to Executive Board members. The articles of association of Arcadis N.V. provide current and former Executive Board members with an indemnification for all costs and expenses arising from and against any claim, action or lawsuit related to actions and/or omissions in their function as Executive Board member.

Supervisory Board remuneration

The remuneration of the members of the Supervisory Board consists of a fixed fee and a travel fee. Given the nature of the responsibilities of the Supervisory Board, the remuneration is not tied to the performance of the Company and therefore consists of fixed compensation only. In line with the Dutch Corporate Governance Code, the members of the Supervisory Board are not rewarded in equity-based compensation.

The current remuneration policy for the Supervisory Board was adopted in 2024, based on a benchmark analysis by an external advisor of remuneration at Dutch-headquartered companies with significant international activities.

The remuneration of the Supervisory Board members is as follows:

In €	Chair	Member
Annual fixed remuneration SB	95,000	60,000
Membership AARC	12,000	8,000
Membership ASC and/or RemCo	10,000	8,000
Membership SusCo	10,000	8,000
Membership other committees (if any)	10,000	8,000

Supervisory Board members receive a travel fee of €2,500 for every visit for meetings that take place outside of their country of domicile and that does not involve intercontinental travel, or €4,000 for every visit for meetings that require intercontinental travel. No travel fee is paid if the meeting takes place in the country of domicile of the Supervisory Board member.

As is deemed necessary, the Supervisory Board may decide to introduce additional committees. Members of the Supervisory Board participating in more than two committees will only be compensated for their membership of the two committees with the highest fees. The combined membership of the RemCo and ASC is considered one committee membership for the purpose of remuneration.

Possible share ownership of Arcadis shares by a Supervisory Board member is meant as private investment.

Total remuneration

The total remuneration of the Supervisory Board members over 2024 was as follows:

In €	C. Mahieu	B. Duganier	D. Goodwin	L. Morant	M. Putnam	M. Lap	P. de Wit[1]
SB membership	59,290	59,290	59,290	59,290	59,290	91,452	59,290
Committee membership	10,000	15,290	19,290	14,935	17,350	18,000	15,645
Attendance fee	2,500	16,000	20,000	12,500	12,500	12,500	2,500
Total	**71,790**	**90,580**	**98,580**	**86,725**	**89,140**	**121,952**	**77,435**

[1] Pursuant to his employment arrangement with McKinsey in the Netherlands, which terminated on 31 March 2024, until the end of his employment at McKinsey, any remuneration due to Mr. Peter de Wit for services rendered in his capacity as a member of the Supervisory Board of Arcadis N.V., shall be donated to charity. Arcadis has donated the full amount due to Mr. de Wit over Q1 2024 (€18,250) to a charity of its choice.

Other information

The Company has not granted any loans, advances or guarantees to Supervisory Board members. The articles of association of Arcadis N.V. provide current and former Supervisory Board members with an indemnification for all costs and expenses arising from and against any claim, action or lawsuit related to actions and/or omissions in their function as a Supervisory Board member.

On behalf of the Arcadis Remuneration Committee

Carla Mahieu, Chair

Financial statements

Consolidated Income statement

for the year ended 31 December

In € millions	Note	2024	2023
Gross revenues	7	**4,995**	**5,003**
Materials, services of third parties and subcontractors		(1,115)	(1,244)
Net revenues[1]		**3,880**	**3,759**
Personnel costs	9, 10	(2,988)	(2,944)
Other operations costs	9	(371)	(364)
Depreciation and amortization	14,15,16	(111)	(114)
Amortization other intangible assets	14	(29)	(59)
Other income	8	8	6
Total Operational costs		**(3,491)**	**(3,475)**
Operating income		**389**	**284**
Finance income[2]	11	8	5
Finance expenses[2]	11	(72)	(61)
Fair value change of derivatives	11,19	11	(9)
Net finance expense	11	**(53)**	**(65)**
Result from investments accounted for using the equity method	17	3	4
Profit before income tax		**339**	**223**
Income taxes	12	(97)	(63)
Result for the period		**242**	**160**
Result attributable to:			
Equity holders of the Company (net income)		243	160
Non-controlling interests		(1)	(0)
Result for the period		**242**	**160**
Earnings per share (in €)			
Basic earnings per share	13	2.70	1.78
Diluted earnings per share	13	2.70	1.78

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis and to reconciliation tables on pages 336 to 339

[2] See note 11 for more details.

The notes on pages 235 to 300 are an integral part of these Consolidated financial statements

Consolidated Statement of comprehensive income

for the year ended 31 December

In € millions	2024	2023
Other comprehensive income, net of income tax		
Result for the period	242	160
Items that may be subsequently reclassified to profit or loss:		
Exchange rate differences for foreign operations	48	(28)
Reclassification in income statement	(3)	0
Changes in other comprehensive income	51	(29)
Exchange rate differences for equity accounted investees	0	(0)
Effective portion of changes in fair value of cash flow hedges	0	(2)
Items that will not be reclassified to profit or loss:		
Changes related to post-employment benefit obligations	(3)	(2)
Taxes related to remeasurements on post-employment benefit obligations	1	0
Other comprehensive income, net of income tax	**46**	**(32)**
Total Comprehensive income for the period	**288**	**128**
Total comprehensive income attributable to:		
Equity holders of the Company	289	128
Non-controlling interests	(1)	(0)
Total Comprehensive income for the period	**288**	**128**

Non-GAAP performance measure

In € millions	Note	2024	2023
Net income from operations[1]			
Result for the period attributable to equity holders (net income)		243	160
Amortization identifiable intangible assets, net of taxes		22	45
Disposal and M&A costs, net result from divestments		(0)	10
Integration costs		5	11
Charitable donations	37	-	0
Net income from operations		**270**	**226**
Net income from operations per share[1] **(in €)**			
Basic earnings per share	13	3.00	2.51
Diluted earnings per share	13	3.00	2.51

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis and to reconciliation tables on pages 336 to 339

Consolidated Balance sheet

as at 31 December

In € millions	Note	2024 31 December	2023 31 December
Assets			
Non-current assets			
Intangible assets and goodwill	14	1,506	1,505
Property, plant and equipment	15	103	102
Right-of-use assets	16	228	249
Investments accounted for using the equity method	17	11	11
Other investments	18	4	4
Deferred tax assets	12	107	80
Pension assets for funded schemes in surplus	27	18	15
Other non-current assets	20	9	20
Total Non-current assets		**1,986**	**1,986**
Current assets			
Inventories		0	0
Derivatives	19	10	8
Trade receivables	21	761	731
Contract assets (unbilled receivables)	22	619	580
Corporate tax receivables	12	51	83
Other current assets	23	101	101
Cash and cash equivalents	24	376	290
Total Current assets		**1,918**	**1,793**
Total Assets		**3,904**	**3,779**

In € millions	Note	2024 31 December	2023 31 December
Equity & liabilities			
Shareholders' equity			
Total Equity attributable to equity holders of the Company	25,45	**1,233**	**1,063**
Non-controlling interests	26	(3)	(2)
Total Equity		**1,230**	**1,061**
Non-current liabilities			
Provisions for employee benefits	27	27	40
Provisions for other liabilities and charges	28	50	51
Deferred tax liabilities	12	63	53
Loans and borrowings	29	772	871
Lease liabilities	16	192	211
Derivatives	19	1	2
Total Non-current liabilities		**1,105**	**1,228**
Current liabilities			
Contract liabilities (billing in excess of revenue)	22	516	503
Provision for onerous contracts (loss provisions)	22	13	13
Current portion of provisions	27,28	13	17
Corporate tax liabilities	12	57	67
Current portion of loans and short-term borrowings	29	81	-
Current portion of lease liabilities	16	70	70
Derivatives	19	8	9
Bank overdrafts	24	1	10
Accounts payable, accrued expenses and other current liabilities	30	810	801
Total Current liabilities		**1,569**	**1,490**
Total Liabilities		**2,674**	**2,718**
Total Equity and liabilities		**3,904**	**3,779**

Consolidated Statement of changes in equity

for the year ended 31 December

		Attributable to equity holders of the Company							
In € millions	Note	Share capital	Share premium	Hedge reserve	Translation reserve	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at 1 January 2024		**2**	**372**	**(1)**	**(117)**	**807**	**1,063**	**(2)**	**1,061**
Result for the period		-	-	-	-	243	243	(1)	242
Other comprehensive income:		-	-	0	48	(2)	46	-	46
Total comprehensive income for the period		**-**	**-**	**-**	**48**	**241**	**289**	**(1)**	**288**
Transactions with owners of the Company:									
Acquisitions and transactions with non-controlling interests	26	-	-	(0)	0	-	-	0	-
Dividends to shareholders	25	-	-	-	-	(76)	(76)	-	(76)
Issuance of shares	25	-	-	-	-	-	-	-	-
Share-based compensation	10	-	-	-	-	8	8	-	8
Taxes related to share-based compensation	12	-	-	-	-	-	-	-	-
Purchase of own shares	25	-	-	-	-	(51)	(51)	-	(51)
Share options exercised	25	-	-	-	-	-	-	-	-
Total transactions with owners of the Company		**-**	**-**	**-**	**-**	**(119)**	**(119)**	**-**	**(119)**
Balance at 31 December 2024		**2**	**372**	**(1)**	**(69)**	**929**	**1,233**	**(3)**	**1,230**

		Attributable to equity holders of the Company							
In € millions	Note	Share capital	Share premium	Hedge reserve	Translation reserve	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at 1 January 2023		**2**	**372**	**1**	**(88)**	**708**	**995**	**(2)**	**993**
Result for the period		-	-	-	-	160	160	(0)	160
Other comprehensive income:		-	-	(2)	(28)	(2)	(32)	0	(32)
Total comprehensive income for the period		**-**	**-**	**(2)**	**(28)**	**158**	**128**	**(0)**	**128**
Transactions with owners of the Company:									
Acquisitions and transactions with non-controlling interests	26	-	-	-	-	-	-	-	-
Dividends to shareholders	25	-	-	-	-	(66)	(66)	-	(66)
Issuance of shares	25	-	-	-	-	-	-	-	-
Share-based compensation	10	-	-	-	-	6	6	-	6
Taxes related to share-based compensation	12	-	-	-	-	-	-	-	-
Purchase of own shares	25	-	-	-	-	-	-	-	-
Share options exercised	25	-	-	-	-	1	1	-	1
Total transactions with owners of the Company		**-**	**-**	**-**	**-**	**(60)**	**(60)**	**-**	**(60)**
Balance at 31 December 2023		**2**	**372**	**(1)**	**(117)**	**807**	**1,063**	**(2)**	**1,061**

Consolidated Cash flow Statement

for the year ended 31 December

In € millions	Note	2024	2023
Cash flows from operating activities			
Result for the period		**242**	**160**
Adjustments for:			
Depreciation and amortization	14,15,16	111	114
Amortization other identifiable intangible assets	14	29	59
Income taxes	12	97	63
Net finance expense	11	53	65
Result from Investments accounted for using the equity method	17	(3)	(4)
Adjusted profit for the period (EBITDA)[1]		**529**	**458**
Change in Inventories		0	0
Change in Contract assets and liabilities, provision for onerous contracts		(20)	51
Change in Trade receivables		(12)	(10)
Change in Accounts payable		(21)	(40)
Change in Net working capital		**(53)**	**1**
Change in Other receivables		14	(51)
Change in Current liabilities		6	41
Change in Other working capital		**20**	**(10)**
Change in Provisions	27,28	(15)	3
Share-based compensation	10	8	6
(Gain)/ loss on divestments	8	(2)	2
Result on derecognition of leases		(0)	(0)
Change in operational derivatives		(1)	(0)
Settlement of operational derivatives		-	1
Dividend received		3	4
Interest received[2]		8	2
Interest paid[2]		(52)	(28)
Corporate tax paid		(95)	(131)
Net cash generated from operating activities		**350**	**309**

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[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis and to reconciliation tables on pages 336 to 339

[2] See note 11 for more details.

In € millions	Note	2024	2023
Cash flows from investing activities			
Investments in (in)tangible assets	14,15	(45)	(41)
Proceeds from sale of (in)tangible assets/ reversal of non-cash items		0	1
Investments in consolidated companies	6	(2)	(3)
Proceeds from sale of consolidated companies	6	1	7
Investments in/ loans to associates and joint ventures	17	(0)	(0)
Proceeds from (sale of) associates and joint ventures	17	0	-
Investments in other non-current assets and other investments	18,20	(2)	(5)
Proceeds from (sale of) other non-current assets and other investments	18,20	2	4
Net cash used in investing activities		**(46)**	**(37)**
Cash flows from financing activities			
Proceeds from exercise of options	10,25	-	1
Purchase of own shares	25	(51)	-
Settlement of financing derivatives	19	9	(12)
New long-term loans and borrowings	29	95	719
Repayment of long-term loans and borrowings	29	(116)	(806)
New short-term borrowings	29	60	-
Repayment of short-term borrowings	29	(60)	-
Payment of lease liabilities	16	(78)	(79)
Dividends paid to shareholders		(76)	(66)
Net cash used in financing activities		**(218)**	**(245)**
Net change in Cash and cash equivalents less Bank overdrafts		**86**	**28**
Exchange rate differences		9	(6)
Cash and cash equivalents less Bank overdrafts at 1 January		280	258
Cash and cash equivalents less Bank overdrafts at 31 December		**375**	**280**

Notes to the consolidated financial statements

1 General information

Arcadis N.V. is a public company organized under Dutch law. Its statutory seat is Amsterdam and its principal office is located at:

Gustav Mahlerplein 97
1082 MS Amsterdam
The Netherlands

Arcadis N.V. and its consolidated subsidiaries ('Arcadis', 'the Group' or 'the Company') is a leading global Design & Consultancy firm for natural and built assets. Applying deep market sector insights and collective design, consultancy, engineering, project and management services, the Group works in partnership with clients to deliver exceptional and sustainable outcomes throughout the lifecycle of their natural and built assets.

In accordance with Articles 2:379 and 414 of the Dutch Civil Code, the list of subsidiaries and investments accounted for using the equity method is filed with the Chamber of Commerce in Amsterdam, the Netherlands.

2 Basis of preparation

Statement of compliance

The Consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and in conformity with Part 9 of Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the Consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

The Consolidated financial statements were authorized for issue by the Executive Board and Supervisory Board on 12 February 2025. The Consolidated financial statements as presented in this Annual Integrated Report are subject to adoption by the General Meeting of Shareholders, to be held on 16 May 2025.

Basis of measurement

The Consolidated financial statements have been prepared on historical cost basis, except for the following items, which are measured at a different basis on each reporting date:

- derivative financial instruments and share-based compensation arrangements, which are measured at fair value;
- net defined benefit (asset)/liability, which is measured at the fair value of plan assets less the present value of the defined benefit obligation;
- contingent consideration assumed in a business combination, which is measured at fair value; and
- financial assets at fair value through profit or loss, which are measured at fair value.

For more detailed information on the measurement basis, reference is made to the significant accounting policies as included in the relevant notes to the Consolidated financial statements.

Basis of consolidation

The Consolidated financial statements include the accounts of Arcadis N.V. and its subsidiaries, and the Company's interests in jointly controlled entities and associates. Intra-group balances and transactions, any unrealized gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated financial statements. Unrealized gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Foreign currencies

Functional and reporting currency

The Consolidated financial statements are presented in euros, which is the Company's functional and reporting currency. The financial statements presentation for the current period has been changed from thousands to millions of euros. It ensures more relevant reporting for the users of the financial statements and aligns with market practice considering the increasing size of the Group operations over the years, especially after major recent acquisitions. Comparative figures have been presented accordingly (rounded up to the nearest whole number) and this does not affect the financial position, financial performance, nor cash flows of the Group.

Amounts in the financial statements are presented as a hyphen ('–') when the amounts reported are nil balances. Amounts shown as zero ('0') represent balances lower than 0.5 million. Items included in the financial information of each of Arcadis' entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). If the functional currency of a (foreign) subsidiary, joint venture or associate is not the euro, foreign currency exchange differences arising from translation are recognized as translation differences in Other comprehensive income and presented in the Translation reserve in equity.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of entities using the foreign exchange rate at transaction date. The functional currency of the foreign entities is in general the local currency. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency of the entity using the exchange rates at the balance sheet date.

Exchange rate differences are included in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including Goodwill and fair value adjustments arising on acquisitions, are translated to euros at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros using average exchange rates, approximating the foreign exchange rates at transaction date.

Translation differences are recognized in Other comprehensive income and presented in the Translation reserve in Equity. For subsidiaries not wholly owned, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, in part or in full, the relevant amount in the Translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

Accounting estimates and management judgements

The preparation of the Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the information disclosed. The most significant accounting estimates and management judgments are related to:

- Segment reporting – see note 5;
- Revenue recognition ('cost to complete') and estimate of the variable consideration – see note 7;
- Deferred tax recognition and uncertain tax treatments – see note 12;
- Goodwill impairment testing and assumptions underlying recoverable amount – see note 14;
- Leases- estimating the incremental borrowing rate – see note 16;
- Recoverability of trade receivables – see note 21;
- Contract assets (unbilled receivables), contract liabilities (billing in excess of revenue) and provisions for onerous contracts – see note 22;
- Provisions for defined benefit pension obligations – see note 27;
- Recognition and measurement of provisions: key assumptions about the likelihood and magnitude of an outflow of resources – see note 28.

The accounting estimates and judgements in preparing the Consolidated financial statements are explained in the relevant notes to the Consolidated financial statements. In general, the judgements, estimates and assumptions are based on market information, knowledge, historical experience and other factors that management believes to be reasonable under the circumstances. Actual results may differ from these estimates.

Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Going concern

Management has assessed the going concern assumption and exercised judgment in making reasonable estimates. Based on the latest available financial (cash flow) forecasts and sensitivity analysis performed, management concluded that there is no material uncertainty related to events and conditions that may cast significant doubt on the Group ability to continue as a going concern.

Impairment

The carrying amounts of the assets of Arcadis, other than Contract assets and liabilities, Deferred tax assets and Financial instruments, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the assets recoverable amount is estimated. Goodwill and other assets that have an indefinite useful life are tested annually for impairment, and when an impairment trigger is identified.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to Groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing the value in use, estimated future cash flows are discounted to present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

Impairment losses are recognized in the income statement. Impairment losses recognized regarding CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss of goodwill is not reversed. Regarding other assets, an impairment loss can be reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Financial instruments

Non-derivative financial assets

Financial assets include trade receivables, other receivables and loans and borrowings. Loans, receivables, and deposits are recognized on the date they are originated. All other financial assets are recognized initially on trade date when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The Group classifies its financial assets as those to be measured subsequently at fair value (either through Other comprehensive income or through profit or loss) or those to be measured at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial assets at initial recognition, based on the business model for managing the assets and the contractual terms of the cash flows, and assesses the designation at each reporting date.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported as a net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Cash flow statement

The Cash flow statement has been prepared using the indirect method. Cash flows in foreign currencies have been translated into euros using average exchange rates, approximating the foreign exchange rate at transaction date. Exchange rate differences on cash items are shown separately in the Cash flow statement. Receipts and payments with respect to income tax and interest are included in the Cash flows from operating activities. The cost of acquisition of subsidiaries, associates and joint ventures, and other investments, insofar as it was paid for in cash, is included in Cash flows from investing activities. Acquisitions or divestments of subsidiaries are presented net of cash balances acquired or disposed of, respectively. Cash flows from derivatives are recognized in the Cash flow statement in the same category as those of the hedged item.

New standards, interpretations and amendments adopted by the Group

There are no significant changes in accounting policies but several amendments to International Financial Reporting Standards and interpretations became effective for annual periods beginning on or after 1 January 2024. The new amendments do not have a material impact on the Group's financial performance and the financial position for the year ended 2024.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments have resulted in additional disclosures in note 29, but does not have an impact on the classification of the Group's liabilities.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's consolidated financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group is not a subsidiary as defined in IFRS 10, it is not eligible to elect to apply IFRS 19.

3 Change in accounting policies

There are no significant changes in accounting policies adopted during the year ended 31 December 2024.

4 Significant events in the current reporting period

The financial position and performance of the Group has been affected by the following events and transactions during the reporting period:

Arcadis Australia business reorganisation

Arcadis Australia business announced in 2024 the reorganization of business lines whereby activities will be reported under Mobility GBA (instead of Places, Resilience and Mobility as it was until then). The reporting under the new model will be effective from 1 January 2025.

IBI debenture early repayment

The debenture of IBI Group of €21 million (CAD 31 million) was repaid on 31 December 2024. The 6.5% debenture originally had a maturity of 31 December 2025 and was listed on the Toronto Stock Exchange. Due to the strong cash position in Arcadis and high interest rates of the debenture, Arcadis management decided to fully repay the remaining principal amount due. See note 29.

Arcadis share buyback

Arcadis completed share buyback of 810,000 shares for a total consideration of €51 million to cover the Group's existing and expected future obligations under Arcadis' employee incentive plans maturing in the next 3-4 years. This is in line with Arcadis' commitment to avoid shareholder dilution from share-based remunerations. The repurchase of shares commenced on 4 October 2024 and has been completed on 9 December 2024.

5 Segment reporting

An operating segment is a component of the Company that engages in business activities that can result in revenue and expenses, including revenues and expenses related to transactions with other components of the same Company.

The operating segment reporting follows the internal reporting used by the Executive Board of the Company, to manage the business, assess the performance based on the available financial information and to allocate the resources.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Reportable segments

The operating segment reporting follows the internal reporting used by the "Chief Operating Decision Maker" ("CODM", being the Executive Leadership Team of the Group), to manage the business, assess the performance based on the available financial information and to allocate resources. The most important performance measures are EBITA (earnings before interest, tax, amortization of identifiable intangible assets, and impairment charges) and operating EBITA, as management believes this is key in evaluating the results of the segments relative to other companies that operate within the same industry. However, the "CODM" also receives information about the segments' net revenue.

Finance expenses, finance income, and fair value change of derivatives are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

The amount of segment assets and liabilities is not disclosed. Segment assets and liabilities are not included in the measures used for allocating resources and assessing segment performance. The Group discloses the goodwill by segment (see note 14) which corresponds to the Groups of CGUs for impairment testing purpose. Hereafter, the Groups of CGU's for the purpose of testing for impairment of goodwill, defined at the level of the operating segments are referred to as the CGU or the CGU's (in case of multiple groups of CGU's).

Therefore, the information used by the 'CODM' to monitor progress, and for decision-making about operational matters is based on the four GBAs.

In accordance with IFRS 8, the Company has the following reportable segments as at 31 December 2024:

Operating segment	Reportable segment
Resilience	Resilience
Places	Places
Mobility	Mobility
Intelligence	Intelligence

Geographical information

	Net revenues by origin		Non-current operating assets	
In € millions	2024	2023	2024	2023
United States	1,427	1,341	105	110
Canada	278	263	98	116
UK & Ireland	897	855	147	164
Netherlands	315	308	41	38
Germany	176	156	16	20
Belgium	140	141	17	19
Other Europe	147	149	11	15
Asia & Oceania	373	415	47	49
Latin America	127	131	6	7
Total	**3,880**	**3,759**	**488**	**538**

Non-current operating assets consist of property, plant and equipment, right-of-use assets, and intangible assets (excluding Goodwill).

Gross revenues generated in the Netherlands amounted to €387 million in 2024 (2023: €393 million), Net revenues to €315 million (2023: €308 million). Total assets in the Netherlands, including intercompany assets of Arcadis N.V. and its Dutch holdings companies, amounted to €3,126 million (2023: €2,876 million).

Major customers

The Company has no customers that account for more than 10% of total annual revenues.

In € millions	Resilience	Places	Mobility	Intelligence	Total segments	Corporate and unallocated amounts	Total consolidated
2024							
Total gross revenue	**2,065**	**1,922**	**1,038**	**122**	**5,147**	**-**	**5,147**
Inter-segment	(39)	(83)	(24)	(6)	(152)	-	(152)
External gross revenue	**2,026**	**1,839**	**1,014**	**116**	**4,995**	**-**	**4,995**
Materials, services of third parties and subcontractors	(578)	(361)	(153)	(23)	(1,115)	-	(1,115)
Net revenue[1]	**1,448**	**1,478**	**861**	**93**	**3,880**	**-**	**3,880**
Operating costs	(1,222)	(1,311)	(741)	(77)	(3,351)	(8)	(3,359)
Other income	2	3	2	1	8	-	8
Depreciation and amortization	(40)	(38)	(23)	(10)	(111)	-	(111)
EBITA[1]	**188**	**132**	**99**	**7**	**426**	**(8)**	**418**
Amortization of other intangible assets	(2)	(22)	(2)	(3)	(29)	-	(29)
Goodwill impairment charges	-	-	-	-	-	-	-
Operating income	**186**	**110**	**97**	**4**	**397**	**(8)**	**389**
Operating EBITA[1]	**194**	**151**	**100**	**9**	**454**	**(7)**	**447**
Total capital expenditure[2]	**16**	**13**	**7**	**8**	**45**	**-**	**45**

In € millions	Resilience	Places	Mobility	Intelligence	Total segments	Corporate and unallocated amounts	Total consolidated
2023							
Total gross revenue	**1,981**	**1,998**	**987**	**125**	**5,091**	**-**	**5,091**
Inter-segment	(23)	(54)	(8)	(2)	(87)	-	(87)
External gross revenue	**1,958**	**1,944**	**979**	**123**	**5,003**	**-**	**5,003**
Materials, services of third parties and subcontractors	(615)	(435)	(165)	(29)	(1,244)	-	(1,244)
Net revenue[1]	**1,343**	**1,509**	**814**	**94**	**3,759**	**-**	**3,759**
Operating costs	(1,156)	(1,362)	(707)	(78)	(3,302)	(6)	(3,308)
Other income	1	4	1	1	6	-	6
Depreciation and amortization	(40)	(44)	(23)	(7)	(114)	-	(114)
EBITA[1]	**148**	**106**	**85**	**10**	**349**	**(6)**	**343**
Amortization of other intangible assets	(5)	(44)	(4)	(6)	(59)	-	(59)
Goodwill impairment charges	-	-	-	-	-	-	-
Operating income	**143**	**62**	**81**	**4**	**290**	**(6)**	**284**
Operating EBITA[1]	**159**	**137**	**91**	**11**	**397**	**(6)**	**391**
Total capital expenditure[2]	**14**	**16**	**9**	**1**	**40**	**-**	**40**

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis

[2] Amount of investments in (in)tangible assets

6 Consolidated interests and business combinations

Subsidiaries

Subsidiaries are all companies over which the Company has control. Control over an entity exists when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

Loss of control

Upon the loss of control, the assets and liabilities, non-controlling interests and other components of equity related to the subsidiary are derecognized. Any profit or loss arising on the loss of control is recognized in profit or loss. If a non-controlling interest in the subsidiary is retained, such interest is measured at fair value at the date control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset, depending on the level of influence retained.

Business combinations

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

IFRS 3 establishes the following principles in relation to the recognition and measurement of items arising in a business combination:

- Recognition principle: Identifiable assets acquired, liabilities assumed, and non-controlling interests in the acquiree are recognized separately from goodwill. Acquired intangible assets must be recognized and measured at fair value in accordance with the principles if it is separable or arises from other contractual rights, irrespective of whether the acquiree had recognized the asset prior to the business combination occurring. The Group does not recognize contingent assets acquired in a business combination.
- Measurement principle: All assets acquired and liabilities assumed in a business combination are measured at acquisition-date fair value.

Goodwill at acquisition date is measured as the fair value of the consideration transferred plus the recognized amount of any non-controlling interest in the acquiree less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed.

Lease liabilities of acquired leases are measured at the present value of the remaining lease payments as if the acquired lease were a new lease at the acquisition date. Right-of-use asset is measured at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms. Right-of-use assets and lease liabilities for leases for which the lease term ends within 12 months of the acquisition date and the underlying asset is of low value are not recognized.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognized in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities incurred in connection with the business combination, are expensed.

Contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

If the Company obtains control of a business that is a joint operation, it remeasures previously held interests in that business.

Arcadis N.V. indirectly holds 100% of the ordinary shares of all these subsidiaries, and does not hold direct interests in most of them itself as a result of the intermediate holding structure within the Group. All subsidiaries are included in the financial consolidation. The proportion of the voting rights held directly by the parent company does not substantially differ from the proportion of ordinary shares held.

At 31 December 2024, the total non-controlling interest amounted to €3 million negative (2023: €2 million negative) and is as such not material for the Group.

The main consolidated companies as at 31 December 2024 are listed below:

Name of subsidiary	Country of incorporation
Americas	
Arcadis US, Inc.	United States of America
DPS Group Inc.	United States of America
Arcadis Professional Services (Canada) Inc.	Canada
Arcadis Architects (Canada) Inc.	Canada
Arcadis Logos S.A.	Brazil
Arcadis Inc. *(formerly: CallisonRTKL, Inc.)*	United States of America
DPS Advanced Technology Group Inc.	United States of America
ARCADIS Chile S.p.A.	Chile
ARCADIS Canada Inc.	Canada
Arcadis, a California Partnership	United States of America
Europe & Middle East	
Arcadis Consulting Middle East Ltd.	United Kingdom
Arcadis LLP	United Kingdom
Arcadis Consulting (UK) Limited	United Kingdom
Arcadis Nederland BV	The Netherlands
Arcadis Germany GmbH	Germany
Arcadis France S.A.S.	France
Arcadis Belgium NV	Belgium
White Rock Insurance (Netherlands) Pcc Limited	Malta
DPS Engineering & Construction Limited	Ireland
Asia Pacific	
Arcadis Hong Kong Ltd.	Hong Kong
Arcadis Shanghai Ltd.	China
Arcadis Australia Pacific Holdings Pty Ltd.	Australia

Changes in consolidated interests

Business combinations 2024

There were no business acquisitions during the year.

Business divestments 2024

In € millions	2024
Consideration received, satisfied in cash	1
Cash and cash equivalents disposed of	(0)
Net cash inflows	**1**

During the year ended 31 December 2024, the Company has realized:

- net gain of €3 million from liquidation of an entity in Hong Kong;
- net loss of €1 million adjustment to gain on sale recognized on prior year divestment of two subsidiaries in US and Canada;
- net loss of €0.2 million from divestments of a subsidiary in Ireland.

Business divestments 2023

In € millions	2023
Consideration received, satisfied in cash	7
Cash and cash equivalents disposed of	(0)
Net cash inflows	**7**

During the year ended 31 December 2023, the Company has realized:

- net gain of €2 million from the divestment of two subsidiaries in US and Canada;
- net loss of €4 million from liquidation of an entity in Hong Kong.

Deferred consideration and earn-outs

The contractual deferred consideration and earn-outs for acquisitions are disclosed below.

In € millions	Initial recognition	Discount effect/ interest	2024 Total	2023 Total
Balance at 1 January	**2**	**-**	**2**	**7**
Fair value adjustments[1]	1	-	**1**	-
Interest accrual	-	-	**-**	-
Releases	-	-	**-**	(2)
Payments and redemptions	(2)	-	**(2)**	(3)
Exchange rate differences	0	-	**0**	(0)
Balance at 31 December	**1**	**-**	**1**	**2**

[1] Fair value adjustment relates to correction of an error of deferred payments in IBI Group

An amount of €1 million (2023: €2 million) is due within one year and reported as 'Other current liabilities' (see note 30). This relates to after payments associated with the remaining contingent consideration from acquisition of Hotspot by IBI Group prior to Arcadis acquisition.

The payments made in 2024 mainly relate to RLC Architects (IBI acquisition from 2022) for €1.1 million, Hotspot (IBI acquisition from 2022) for €0.6 million, Teranis (IBI acquisition from 2021) for €0.3 million, and Water Platform Company (acquisition from 2022) for €0.2 million.

7 Revenue

Revenue is recognized by the Group following the five-step model in IFRS 15, consisting of:

1. identification of the contract;
2. identification of the performance obligations in the contract;
3. determination of the transaction price;
4. allocation of the transaction price to performance obligations in the contract, and
5. recognition of revenue.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties (e.g. VAT). It includes initial amounts agreed in the contract plus any variations in contract work and variable consideration, to the extent that it is highly probably that its inclusion will not result in a significant revenue reversal in the future when the uncertainty has been subsequently resolved.

The Group recognizes revenue when it transfers control over a product or service to a customer. For performance obligations that are transferred over time, revenue is recognized in profit or loss in proportion to the percentage of completion of the transaction at reporting date. The percentage of completion is measured by actual (labor) costs incurred in relation to total estimated (labor) costs (input method). In the Group's view this best reflects the value delivered to the customer in a business that mainly uses human and intellectual capital (of its employees) for completion of the performance obligations towards the customer.

For performance obligations that are transferred at a point in time, revenues and costs are recognized in profit or loss when the customer receives the ability to direct the use of the asset and substantially obtains all the benefits of it.

Licenses and Software as a Service

Revenue from (software) licenses is recognized over time, based on time elapsed, in case of a 'right to access'. It is recognized at a point in time in case of a 'right to use', but not before the beginning of the license period. Revenue from Software as a Service (SaaS) is treated as a right to access and is recognized over time, based on time elapsed.

Contract costs and contract cost assets

Contract costs include the costs to fulfil a contract, such as direct labor, costs of materials, services of third parties and subcontractors, and costs that are explicitly chargeable to the customer under the contract. They are recognized as an asset in Contract assets and liabilities, if they are expected to be recovered.

Costs to obtain a contract are only recognized as a contract cost asset in Contract assets and liabilities if they are incremental and expected to be recovered. They are recognized on a systemic basis consistent with the recognition of costs to fulfill a contract.

Provisions for onerous contracts

Estimates of project management are used to assess the progress and estimated outcome of a performance obligation. When it becomes probable that the total expected costs to complete all performance obligations in a contract exceed the total transaction price (consideration) of these performance obligations, a provision for onerous contracts is recognized for the lower of the unavoidable costs and the costs of termination.

Financing component

Arcadis generally does not have any significant contracts where the period between the transfer of the promised goods or services to customer and the payment by the customer, as contractually agreed, exceeds one year. If applicable, the transaction price is adjusted for the time value of money. Payments of customers after the agreed payment term are covered by the accounting policy on Trade receivables, see note 21.

Agent versus principal

For each performance obligation the Group assesses whether the nature of Arcadis' commitment is to provide the goods and/or services itself, or to arrange for those good(s) and/or service(s) to be provided by another party. Arcadis assesses whether it controls the specified good(s) and/or service(s) before it is transferred to the customer.

Arcadis is typically a principal in case of subcontracted work, as Arcadis is primarily responsible for fulfilling the promise to provide the specified good(s) and/or service(s) and bears primary responsibility for it meeting customer specifications and has discretion in establishing the price towards the customer. When Arcadis acts as an agent, only the fee/commission is recognized on a net basis in Gross revenues.

Gross versus net revenues

Gross revenues consist of external revenues net of value-added tax, rebates and discounts and after eliminating sales within the Group. Net revenue is a non-GAAP performance measure, which represents revenue generated by own staff. It is a sub-total calculated as Gross revenue minus Materials, services of third parties and subcontractors, which are project-related costs of materials and services charged by third parties, including cost of subcontractors.

Disaggregation of revenues

Gross revenues arise from the following major categories:

In € millions	2024	2023[1]
Revenue from services	3,993	3,885
Construction contract revenue	983	1,095
Revenue from licenses	19	23
Total Gross Revenue	**4,995**	**5,003**

[1] Comparative information has been adjusted to reflect correct classification of revenues

Revenues from services rendered represent fee income receivable in respect of services provided during the period. Construction contracts include the rendering of services, which are directly related to the construction of assets, contracts for the destruction or restoration of assets, and the restoration of the environment following the demolition of assets. Revenues from licenses represent fee income receivable in respect of allowing customers using Arcadis developed software, and mainly relate to the operating segment Intelligence.

Timing of revenue recognition

The timing of revenue recognition in 2024 was as follows:

In € millions	2024	2023[1]
At a point in time	7	16
Over time	4,988	4,987
Total Gross Revenue	**4,995**	**5,003**

[1] Comparative information has been adjusted to reflect correct classification of revenues

Contract balances

The Group has recognized the following assets and liabilities related to contracts with customers:

In € millions	2024	2023
Trade receivables	761	731
Contract assets (Unbilled receivables)	619	580
Contract liabilities (Billing in excess of revenue)	(516)	(503)
Other non-current assets	1	1
Provision for onerous contracts (loss provisions)	(13)	(13)
Total	**852**	**796**

The Other non-current assets relate to long-term retentions. The Expected Credit Loss allowance is included in the Contract assets (unbilled receivables) balance, see note 22.

Contract costs

The incremental costs to obtain a contract amounted to nil in 2024 and 2023. The practical expedient of paragraph 94 of IFRS 15, stating that those costs can be expensed when incurred if the amortization period is one year or less, is not applied.

Transaction price remaining performance obligations

The table below includes revenue expected to be recognized in the future related to performance obligations that are (partially) unsatisfied at the reporting date. The practical expedient of paragraph 121 of IFRS 15 is applied, and the table therefore does not disclose information about remaining performance obligations that have original expected duration of one year or less. The amounts differ from the contracted backlog and the actual revenue to be recognized per year may differ from the estimated revenue recognized per year based on the resource mix or profiling that can change over the project life cycle.

In € millions	2025	2026	2027	After 2027	Total
Expected Gross revenue from (partially) unsatisfied performance obligations	2,049	673	367	336	3,425

8 Other income (expense)

Other income (expense) includes results that arise from events or transactions that are clearly distinct from the ordinary activities of the Company. Gains on the sale of assets are recognized as part of Other income (expense).

In € millions	2024	2023
Gain / (loss) on divestments	2	(2)
Government grants	1	2
Other	5	6
Total Other income/ (expense)	**8**	**6**

Gain/ (loss) on divestments is related to the gains and losses recognized on the disposal of consolidated entities in 2024 and 2023, respectively (see note 6).

The category 'Other' included, amongst others, gain on sale of assets and gain on derecognition of leases, and several other individually non-significant items.

9 Personnel and other operational costs

All employee-related costs as well as non-project-related out-of-pocket expenses and related restructuring costs, are recognized as operational cost as incurred.

Operational costs include, amongst others, the costs of licenses, testing, data conversation and training costs relating to Cloud computing arrangements that do not provide control over an intangible asset. Part of these costs could be personnel costs if the activities are performed by Arcadis' personnel.

In € millions	2024	2023
Salaries and wages	2,225	2,197
Social charges	261	243
Pension and early retirement charges	98	96
Other personnel costs (including temporary labor)	404	408
Total Personnel costs	**2,988**	**2,944**

In € millions	2024	2023
Computer related	126	122
Audit and consultancy services	61	45
Occupancy	37	40
Travel	36	35
Insurances	22	21
Office related	17	18
Marketing and advertising	15	15
Other	57	68
Total Other operational costs	**371**	**364**

The higher Audit and consultancy services in current year was due to increase in audit and advisory services from IBI and DPS and from the Group's first year application of CSRD sustainability reporting.

The category “Other” included in 2024, amongst others:

- the impact of changes in provisions for trade receivables (expected credit loss) of €0.3 million, expense (2023: €12 million, expense) (see note 21);
- restructuring provision of €2 million, expense (2023: €6 million, expense);
- net litigation expense of €16 million (2023: €11 million, expense) (see note 28);
- membership and licenses renewals of €10 million, expense (2023: €9 million, expense);
- cost of equipment of €5 million, expense (2023: €5 million, expense).

The average number of employees in 2024 was 33,327 (2023: 33,379) spread across the below global areas:

	2024	2023
Resilience	10,888	10,834
Places	10,964	11,328
Mobility	6,377	6,407
Intelligence	1,036	1,036
Corporate	4,062	3,774
Total	**33,327**	**33,379**

During 2024, an average of 30,942 (2023: 30,895) employees worked outside the Netherlands.

10 Share-based compensation

The Company operates share-based incentive plans. The fair value of equity-settled compensations at grant date under the Arcadis long-term incentive plan is recognized as an employee expense (in Salaries and wages), with a corresponding increase in equity, over the vesting period. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as expense is based on the actual number of awards meeting these vesting conditions.

The fair value of granted shares subject to a market condition is measured using a Monte Carlo simulation model. Measurement inputs include the share price on measurement date, the expected volatility, weighted average expected life of the instrument and the risk-free interest rate.

As the fair value is amortized over the vesting period, the costs are recognized in the Income Statement. The amortization costs are adjusted for effects of cancelled and forfeited grants. The vesting and exercise of rights to acquire shares may be conditional to performance conditions and other conditions, as set by the Supervisory Board.

Long-Term Incentive Plans

To stimulate the realization of long-term Company goals and objectives, Arcadis N.V. uses Long-Term Incentive Plans (LTIPs). Since 2014, securities under LTIPs are solely granted in the form of Restricted Share Units (RSUs) and represent an equal number of ordinary shares, subject to meeting the applicable vesting conditions. The RSUs will be converted into ordinary shares on the vesting date and are delivered as soon as practical thereafter.

RSUs are granted conditionally and depend on achieving/meeting certain conditions during the vesting period.

To prevent dilution, (a portion of) the shares required to meet the obligations from exercising LTIPs can be purchased by the Company (instead of issuing new shares), with due consideration to the Company's balance sheet, in particular available freely distributable reserves and available cash. Alternatively, shares may be issued, whereby it is intended to limit this to 1% of the number of issued shares.

Arcadis N.V. 2019 Long-Term Incentive Plan

In April 2019, the Arcadis N.V. 2019 Long-Term Incentive Plan (2019 LTIP) was approved by the General Meeting. Based on this plan the Company can grant equity-settled and cash-settled awards to eligible employees. Conditional performance shares granted to Executive Board members must be held for two more years after vesting.

In summary the following applies to these grants:

- Annual grant to Executive Board (EB) and Executive Leadership Team (ELT) members: subject to continued employment during the vesting period of three years, and achieving performance conditions (1/3 Total Shareholder Return, 1/3 Earnings per share and 1/3 sustainability);
- Annual grant to other employees: subject to continued employment during the vesting period of three years; no performance conditions.

For EB and ELT members, the position of Arcadis within the peer group, after three years, determines the final number of shares subject to meeting a Total Shareholder Return condition (1/3) that vest and become unconditional, in accordance with the following performance incentive zones:

RSUs that vest for EB/ELT

Ranking	14-8	7	6	5	4	3	2	1
Vesting	0%	50%	75%	100%	125%	150%	175%	200%

Arcadis N.V. 2023 Long-Term Incentive Plan

In 2023, the Supervisory Board approved the continuation of the Arcadis N.V. 2019 Long-Term Incentive Plan in the form of the Arcadis N.V. 2023 Long-Term Incentive Plan (2023 LTIP). The Plan was approved by the General Meeting in May 2023.

2023 LTIP terms are the same as 2019 LTIP. The Company can grant equity-settled and cash-settled awards to eligible employees. Conditional shares based on continued employment and achievement of performance conditions are granted to EB and ELT members. Grants to other employees are in principle only subject to continued employment during the vesting period.

The performance incentive zones for meeting the Total Shareholder Return condition presented in the 2019 LTIP applies to 2023 LTIP.

Outstanding options

Outstanding options were fully exercised in 2023 and no new options have been issued during the year ended 31 December 2024.

Outstanding Restricted Share Unit (RSUs)

In 2024, the following number of RSUs have been granted under the 2023 LTIP:

	Number of RSUs	Grant date	Vesting date[1]	Share price at grant date	Fair value at grant date
Annual grant EB/ELT	52,911	10 May 2024	10 May 2027	€60.75	€64.88/ €56.90
Annual grant EB/ELT	2,672	6 November 2024	6 November 2027	€64.60	€68.99/ €60.51
Annual grant other employees	121,090	10 May 2024	10 May 2027	€60.75	€56.90
Annual grant other employees	349	6 November 2024	6 November 2027	€ 64.60	€68.99/ €60.51
Annual grant other employees	788	2 December 2024	2 December 2027	€ 62.65	€ 58.68

[1] Vesting is on the 5th business day after ex-dividend date in the third year after the grant.

The fair value (€56.90 and €60.51) of the RSUs granted to other employees as part of the annual grant and the RSUs granted to the EB and ELT members (subject to meeting Earnings per share (1/3) and sustainability (1/3) conditions) were determined by adjusting the share price at the grant date with the present value of dividends expected to be paid during the vesting period. The fair value (€64.88 and €68.99) of RSUs granted to EB and ELT members subject to meeting a Total Shareholder Return condition (1/3) was determined using a Monte Carlo simulation model, which considers the market conditions expected to impact Arcadis' TSR performance in relation to the peer group, and the following assumptions:

	2024	2023
Expected dividend yield (in %)	2.2	2.3
Risk-free interest rate (in %)	3.17	3.22
Expected volatility (in %)	24.68	30.07

The expected volatility is calculated based on the share price movements of the 36 months prior to grant date.

The total outstanding RSUs at 31 December 2024 is as follows:

Year of issue	Granted	Unconditional in	Total amount to be expensed over the vesting period (in € millions)	Fair value at grant date	Outstanding 1 January 2024	Granted in 2024	De/(In)crease by performance measure 2024	Vested in 2024	Cancelled/ forfeited in 2024	Other changes in 2024	Outstanding 31 December 2024
2021 (3 May)	253,371	2024	9	€33.14 / €38.40	172,657	-	(2,422)	(156,884)	(13,351)	-	-
2021 (4 August)	6,394	2024	0	€37.86	6,394	-	-	(5,930)	(464)	-	-
2021 (3 November)	1,032	2024	0	€41.14	1,032	-	-	(382)	(650)	-	-
2022 (16 May)	73,387	2025	3	€35.29/ €35.14	29,200	-	4,258	-	(3,705)	-	29,753
2022 (16 May)	196,759	2025	7	€35.14	171,679	-	-	-	(28,404)	7	143,282
2022 (3 August)	563	2025	0	€32.02	563	-	-	-	-	-	563
2023 (5 May)	65,395	2026	2	€30.51/ €37.18	65,395	-	-	-	(4,688)	-	60,707
2023 (5 May)	176,596	2026	7	€37.18	171,324	-	-	-	(30,232)	7	141,099
2024 (10 May)	121,090	2027	7	€56.90	-	121,090	-	-	(8,323)	-	112,767
2024 (10 May)	52,911	2027	3	€64.88/ €56.90	-	52,911	-	-	(3,099)	-	49,812
2024 (6 November)	3,021	2027	0	€68.99/ €60.51	-	3,021	-	-	-	-	3,021
2024 (2 December)	788	2027	0	€58.68	-	788	-	-	-	-	788
Total					**618,244**	**177,810**	**1,836**	**(163,196)**	**(92,916)**	**14**	**541,792**

LTIP costs recognized in 2024

The total amount to be expensed over the vesting period is calculated by taking the granted RSUs within a calendar year multiplied by the fair value of the RSUs at grant date and the expected vesting date. This amount is expensed over the vesting period, whereby the costs recognized in a year also consider cancellations and forfeitures. The expected vesting for RSUs with a Total Shareholder Return performance condition is already taken into account in the fair value.

The expected vesting for the RSUs granted in 2022 to the Executive Board and Executive Leadership Team subject to the performance conditions ‘Earnings per share’ and ‘Sustainability’ are estimated at 31 December 2024 at 128.3%.

Costs for the LTIP are spread over the vesting period and included in ‘Salaries and wages’ (see note 9). An amount of €8 million (2023: €6 million) is included in the results of 2024 for the share-based compensation granted in the period 2021 - 2024. Prior year cost was lower due to a 15% deduction in the performance measure adjustment for vested ELT shares in 2023.

11 Net finance expenses

Net finance expenses comprise finance income, finance expenses and the fair value change of derivatives at fair value through profit or loss. Finance income comprises interest income on funds invested and finance expenses comprise interest expense on borrowings, and the unwinding of discount on provisions and contingent consideration.

Finance income and finance expenses are recognized in profit or loss, using the effective interest method. The fair value changes of derivatives comprise the fair value changes on financial assets at fair value through profit or loss, as far as these relate to financing items in the Company. These fair value changes are partially offset by the foreign currency gains and losses.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense if it concerns exchange rate results on financing items. Exchange rate results on operating items are included in Other operational costs (see note 9).

In € millions	2024	2023
Other interest income[1]	8	5
Finance income	**8**	**5**
Interest expense on loans and borrowings	(52)	(57)
Other interest expense	(5)	(1)
Interest expense on leases	(9)	(9)
Foreign exchange differences	(6)	6
Finance expense	**(72)**	**(61)**
Fair value change of derivatives	11	(9)
Total	**(53)**	**(65)**

[1] Comparative figures are adjusted as interest income and expense on notional cash pools are presented as net amount.

Arcadis utilizes notional cash pools, in which debit and credit balances both attract interest income and interest expense, respectively. The outcome is netted and presented in other interest income.

Finance expense, including the interest expense on leases, increased to €72 million (2023: €61 million). The interest expense on loans and borrowings of €52 million (2023: €57 million) are comparable to last year due to comparable average interest rates on loans partially offset by a lower average debt position. The net result from foreign exchange differences and fair value change of derivatives for the year arrived at €5 million positive (2023: €3 million negative), mainly from the positive revaluations on regular FX deals (mainly USD and GBP).

The carrying amount of the financing transaction fees taken into account in the valuation of the underlying loans and borrowings, at 31 December 2024 amounts to €5 million (2023: €7 million) on the balance sheet. The decrease in this amount mainly relates to the amortization of transaction fees related to the Eurobond financing, revolving credit financing and early repayment of debentures. The amortized cost booked in 2024 amounts to €2 million (2023: €1 million) and is booked under Other interest expense. The interest on lease liabilities of €9 million (2023: €9 million) is based on the Incremental Borrowing Rate, see note 16.

12 Income taxes

Income taxes comprise current and deferred tax. Income tax is recognized in profit or loss, except to the extent that the tax arises from items recognized in other comprehensive income, directly in equity or from a business combination.

When the Group considers it probable that tax authorities accept a tax treatment it will be treated as such in the income tax filings. When it is not considered probable that a tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment

Current tax

Current tax is the expected tax payable on taxable income for the year and adjustments to tax payable related to previous years. It is measured using the tax rates enacted or substantively enacted at the reporting date. The difference between income tax recognized in profit or loss and income tax paid in the cash flow statement differs primarily due to deferred tax recognized on temporary differences and payment of income tax occurring after the reporting date.

Deferred tax

Deferred tax is recognized using the balance sheet method and it is not recognized for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss; and
- investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Measurement of deferred tax is based upon tax rates enacted or substantially enacted expected to be applied in the years in which the temporary differences are expected to reverse. Deferred taxes are not discounted.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future profits will be available against which they can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In reference to chapter 2 Basis of preparation, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or ‘GloBE’) to reform international corporate taxation.

The Arcadis group is within the scope of the OECD Pillar Two model rules. The Arcadis Group operates in multiple countries around the globe, which have enacted or planned to enact new legislation to implement the global minimum top-up tax (Pillar Two or GloBe rules).

The Arcadis group applies the exemption for recognizing and disclosing information on deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Arcadis group applied the transitional safe harbor Pillar Two rules, and based on an assessment of these rules using 2023 country-by-country data, all jurisdictions where we operate fall within the scope of the safe harbors and there is no additional Pillar Two Tax liability. For 2024 the transitional safe harbor rules are applied on data gathered from the 2024 tax accounting process and country-by-country data. Taking into account the current state of the legislation, as far substantially enacted by countries and OECD guidance, all jurisdictions where we operate fall within the scope of the safe harbor rules and therefore no additional Pillar Two Tax is recorded.

Arcadis will closely monitor all new developments with respect to Pillar Two regulations, as we anticipate additional guidance from the OECD and the implementation of local legislation and guidance. Furthermore due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation can change based on these new guidance.

Income tax recognized in profit or loss for the period:

In € millions	2024	2023
Current tax expense		
Current year	118	102
Adjustments for previous years	(4)	(28)
Total current tax expense	**114**	**74**
Deferred tax expense		
Origination and reversal of temporary differences	(28)	(40)
Adjustments for previous years	8	22
Changes in tax rates	(0)	(0)
(De)recognition of deferred tax assets	3	6
Total deferred tax expense	**(17)**	**(11)**
Total	**97**	**63**

The total tax expense in 2024 is higher than 2023 due to higher taxable results. In 2023 there was a large movement between current tax expense and deferred tax expense caused by a retroactive tax law change in the US Tax Cuts and Jobs Act of 2017 ('Section 174') which eliminated the option to deduct research and development expenditures immediately in the year incurred and required taxpayers to amortize such expenditures over five years for tax purposes.

At 31 December 2024, the corporate income tax receivable amounted to €51 million (2023: €83 million) and the corporate income tax liability amounted to €57 million (2023: €67 million). During 2024, the Group paid corporate income taxes for a total amount of €95 million (2023: €131 million).

The effective corporate income tax rate (income taxes divided by profit before income tax, excluding total result from investments is 28.7% (2023: excluding total result from investments: 28.9%).

The effective tax rate differs from the corporate income tax rate in the Netherlands, primarily due to the net negative impact of non-deductible items and statutory tax rates in jurisdictions in which we operate that are different than the Dutch statutory income tax rate and non-deductible items. The net negative impact was partially offset by changes in de-recognition of deferred tax assets, prior year adjustments and other.

In % and € millions	2024 (%)	2024	2023 (%)	2023
Corporate tax rate in the Netherlands	25.8	87	25.8	56
Adjustment corporate income tax rates other countries	0.9	3	2.7	6
Weighted average corporate income tax rate	**26.7**	**90**	**28.5**	**62**
Non-deductible expenses/ (income)	(0.4)	(1)	0.6	1
(De)recognition of deferred tax assets	1.3	4	2.8	6
Adjustments for previous years	0.9	3	(2.8)	(6)
Other	0.2	1	(0.2)	(1)
Effective tax rate [1]	**28.7**	**97**	**28.9**	**63**

[1] Taxes on income divided by income before taxes, excluding result from investments accounted for using the equity method

Deferred tax

The movement in deferred tax balances during the year 2024 was as follows:

In € millions	Net balance at 1 January 2024	Recognized in profit or loss	Recognized in Other comprehensive income and Equity	Other	Exchange rate differences	Net balance at 31 December 2024	Assets	Liabilities
Intangible assets and goodwill	(101)	17	-	31	-	(53)	89	(142)
Property, plant and equipment	(1)	2	-	-	-	1	5	(4)
Right-of-use assets and lease liabilities	7	(1)	-	-	-	6	94	(88)
Trade and other receivable, including contract assets	26	(6)	-	-	(1)	19	25	(6)
Loans and borrowings	4	4	(4)	-	-	4	8	(4)
Accrued expenses	50	8	-	(39)	1	20	36	(16)
Share-based compensation	-	-	-	-	-	-	-	-
Deferred compensation	-	-	-	-	-	-	-	-
Net operating losses	14	3	-	-	-	17	17	-
Provisions	17	(7)	-	1	-	11	17	(6)
Others	11	(3)	4	8	(1)	19	29	(10)
Deferred tax assets/ liabilities	**27**	**17**	**-**	**1**	**(1)**	**44**	**320**	**(276)**
Offsetting	-	-	-	-	-	-	(213)	213
Net deferred taxes	**27**	**17**	**-**	**1**	**(1)**	**44**	**107**	**(63)**

The movement in deferred tax balances during the year 2023 was as follows:

In € millions	Net balance at 1 January 2023	Recognized in profit or loss	Recognized in Other comprehensive income and Equity	Other	Exchange rate differences	Net balance at 31 December 2023	Assets	Liabilities
Intangible assets and goodwill	(99)	13	(9)	(8)	1	(102)	25	(127)
Property, plant and equipment	(1)	(0)	-	1	0	(1)	4	(5)
Right-of-use assets and lease liabilities	7	1	-	(1)	(0)	7	96	(89)
Trade and other receivable, including contract assets	(1)	4	-	23	(0)	26	29	(4)
Loans and borrowings	-	4	-	-	-	4	4	-
Accrued expenses	33	(4)	-	21	(0)	50	66	(17)
Share-based compensation	3	-	-	(3)	-	-	-	-
Deferred compensation	3	-	-	(3)	-	-	-	-
Net operating losses	21	(4)	0	(4)	(0)	14	14	-
Provisions	7	2	0	9	(0)	17	23	(5)
Others	45	(5)	8	(35)	(2)	11	20	(8)
Deferred tax assets/ liabilities	**16**	**11**	**0**	**1**	**(2)**	**27**	**282**	**(255)**
Offsetting	-	-	-	-	-	-	(203)	203
Net deferred taxes	**16**	**11**	**0**	**1**	**(2)**	**27**	**80**	**(53)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set of current tax against current tax liabilities and when the deferred tax assets and liabilities relate to the same taxation authority and the same taxable entity.

At 31 December 2024, the Gross amount of net operating losses, amounting to €63 million (2023: €54 million), for which a deferred tax asset has been recognized expires as follows:

In € millions	Total net operating losses	Net operating losses not recognized	Net operating losses recognized	**Deferred tax asset recognized**
2025	-	-	-	-
2026	7	(7)	-	-
2027	13	(13)	-	-
2028	8	(6)	2	-
2029	8	(8)	-	-
>2029	4	(4)	-	-
Unlimited	136	(75)	61	17
Total	**176**	**(113)**	**63**	**17**

The majority of the above-mentioned deferred tax assets relate to tax jurisdictions in which Arcadis has suffered a tax loss in the current of a preceding period. Significant judgement is required in determining whether deferred tax assets are realizable. Arcadis determines this on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. Where utilization is not considered probable, deferred tax assets are not recognized.

At 31 December 2024, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognized was €234 million (2023: €231 million). No liability has been recognized in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

13 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the period, excluding ordinary shares purchased by the Company and held as treasury shares (i.e. shares purchased to cover share/option plans).

Diluted earnings per share is calculated based on the basic earnings per share and using the weighted average number of shares and options outstanding during the period as far as these have a potential dilutive effect, i.e. when the exercise price of these options is lower than the share price. The average number of potentially diluted shares is based on the average share price in the period on the Euronext Amsterdam Stock Exchange and the options that were in the money.

For calculating the earnings per share, the following numbers of average shares are used:

Number of shares	2024	2023
Average number of issued shares	90,442,091	90,442,091
Average number of treasury shares	(415,857)	(618,845)
Total average number of ordinary outstanding shares	**90,026,234**	**89,823,246**
Average number of potentially dilutive shares	-	13,567
Total average number of diluted shares	**90,026,234**	**89,836,813**

The average number of potentially dilutive shares is based on the average share price of 2024 on the Euronext Amsterdam Stock Exchange and the outstanding exercisable options that were in the money. The share option program expired in 2023 and there are no more share options outstanding as at 31 December 2024.

For the calculation of earnings per share, no distinction is made between the different classes of shares (see note 25).

The total earnings of the Group and the earnings per share are as follows:

In € millions	2024	2023
Net income	243	160
Net income from operations[1]	270	226

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis

In €	2024	2023
Earnings per share/Diluted earnings per share		
Net income	2.70/ 2.70	1.78/ 1.78
Net income from operations[1]	3.00/ 3.00	2.51/ 2.51

[1] Non-GAAP performance measure. Reference is made to the Glossary Financial indicators on page 341 for the definition as used by Arcadis

14 Intangible assets and goodwill

Goodwill

Goodwill arises from business combinations and represents the excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company. Goodwill in respect of equity accounted investees is included in the carrying amount of the investment. Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets mainly consist of customer relationships, trade names and expected profits in the backlog of acquired companies at the acquisition date. Measurement of Other intangible assets acquired in a business combination involves the use of estimates for determining the fair value at acquisition date. This mainly relates to expected profits in the backlog of the acquired companies, the customer lists at the acquisition date and the trade name value. The fair value is based on discounted cash flows expected to be received from these identifiable intangible assets. Subsequently, the assets are amortized over the estimated useful life. The amortization is recognized in profit or loss on a straight-line basis, except for the backlog which is calculated based on the expected pattern of consumption of future economic benefits embodied in the backlog. The amortization methods and useful lives, as well as residual values, are reassessed annually.

Software

Software is measured at cost less accumulated amortization and impairment losses. Software has a finite life and is amortized on a straight-line basis over the estimated useful life. The amortization methods and useful lives, as well as residual values, are reassessed annually. Subsequent costs are recognized in the carrying amount of Software only when it increases the future economic benefits. All other expenditures are recognized in profit or loss as incurred.

Configuration and customization costs relating to cloud computing arrangements, whereby the Company does not obtain an intangible asset, are expensed when incurred. In such case, prepaid licenses are recognized as prepaid expenses (as part of Other current assets) and testing, training and data conversion costs are recognized as Personnel costs and/or Other operational costs as incurred.

Estimated useful lives

The estimated useful lives of Goodwill and Intangible assets varies according to their respective categories, as shown below.

Category	Years
Goodwill	Not amortized
Software	0.5 – 10
Other intangibles	1 – 13
Intangibles under development	Not amortized (yet)

In € millions	Goodwill	Other intangible assets	Software	Intangibles under development	Total
Cost	1,330	505	83	1	1,919
Accumulated amortization	-	(268)	(70)	-	(338)
Balance at 1 January 2023	**1,330**	**237**	**13**	**1**	**1,581**
Additions	-	-	9	1	9
Disposals	(8)	-	(0)	-	(8)
Amortization charges	-	(59)	(6)	-	(65)
Reclassifications	-	(0)	1	(1)	(0)
Exchange rate differences	(5)	(8)	0	-	(12)
Movement 2023	**(12)**	**(68)**	**4**	**(0)**	**(76)**
Cost	1,318	426	64	1	1,809
Accumulated amortization	-	(258)	(47)	-	(305)
At 31 December 2023	**1,318**	**169**	**17**	**1**	**1,505**
Additions	-	-	8	1	9
Disposals	(0)	-	(0)	-	(0)
Amortization charges	-	(29)	(9)	-	(38)
Impairment charges	-	-	-	-	-
Reclassifications	-	-	-	-	-
Exchange rate differences	32	(2)	0	0	30
Movement 2024	**32**	**(31)**	**(1)**	**1**	**1**
Cost	1,350	427	70	2	1,849
Accumulated amortization	-	(289)	(54)	-	(343)
At 31 December 2024	**1,350**	**138**	**16**	**2**	**1,506**

The amortization charge for Intangible assets is recognized in the following line items in the Consolidated income statement:

In € millions	2024	2023
Amortization of Other intangible assets	29	59
Depreciation and amortization	9	6

Goodwill

For annual impairment testing, goodwill is allocated to Cash-Generating Units (CGUs). The CGU is the lowest level within the Group at which Goodwill is monitored for internal management purposes.

The carrying amount of the goodwill is allocated to each of the CGUs as follows:

In € millions	2024	2023
Places	633	623
Resilience	366	348
Mobility	271	263
Intelligence	80	84
Total Goodwill	**1,350**	**1,318**

Impairment testing for cash-generating units containing goodwill

The recoverable amount of Goodwill for impairment testing purpose has been determined based on a value in use calculation, which is complex and judgmental. The calculations use cash flow projections based on historical performance, our plan for 2025 as approved by the Executive Board and projections for 2026 - 2029, after which a terminal value was calculated using an estimated growth rate.

The key assumptions used in the projections are:

- (Net) revenue growth: based on experience and market analysis;
- EBITDA margin development: based on historical performance, plan 2025 and management's long-term projections; and
- Weighted average cost of capital (WACC): based on the market participants view on rates of return demanded for investments equivalent to those in the Company. The components of the WACC include the Cost of Equity, Cost of Debt and Cost of Lease Liabilities.

The business plans include management's estimate about the level and timing of the execution of (the improvement of) operating performance and margins.

The applied assumptions in the test of 2024 are included in the below table, for those CGUs with goodwill as at 31 December 2024.

In € millions	Average annual (net) revenues growth[1]	EBITDA margin[2]	Pre-tax discount rate	Terminal growth rate[3]
Places	4.1%	11.8- 15%	11.0%	1.6%
Resilience	5.6%	14.8-16.1%	11.0%	1.7%
Mobility	7.3%	13.7-15.4%	10.5%	1.6%
Intelligence	17.3%	20.4-23.5%	9.0%	1.6%

[1] The average annual (net) revenues growth represents average for the period from 2025 to 2029

[2] EBITDA margin represents 2025 to 2029 range as % of (net) revenues

[3] On a long-term basis the service demand growth rate is expected to be almost similar from one GBA to another

The applied assumptions as disclosed in the 2023 financial statements was as follows:

In € millions	Average annual (net) revenues growth[1]	EBITDA margin[2]	Pre-tax discount rate	Terminal growth rate[3]
Places	3.5%	12.1-15.7%	10.5%	1.5%
Resilience	6.5%	13.9-16.2%	10.5%	1.6%
Mobility	5.8%	13.3-15.9%	10.5%	1.5%
Intelligence	8.8%	20.4-21.9%	9.5%	1.5%

[1] The average annual (net) revenues growth represents average for the period from 2024 to 2028

[2] EBITDA margin represents 2024 to 2028 range as % of (net) revenues

[3] On a long-term basis the service demand growth rate is expected to be almost similar from one GBA to another

The weighted average pre-tax discount rate was 10.8% (2023: 10.5%) and has been determined by iterative computation so that the value in use determined using pre-tax cash flows and a pre-tax discount rate equals the value in use determined using post-tax cash flows and a post-tax discount rate. The weighted average post-tax discount rate used is 8.4% (2023: 8.0%), which includes country specific premiums when applicable.

Observations from impairment testing

The annual impairment test at 31 December 2024 and sensitivity analysis around the key assumptions in that test have indicated sufficient headroom for all CGUs, and as such a reasonably possible change in any of the assumptions would not cause the recoverable amount to be less than the carrying value.

The expected future cash flows used in the goodwill impairment analysis are based on management's estimates. Events in our end-markets as well as the financial markets and the overall economy may have an adverse impact on the estimated future cash flows of the Group.

Other intangible assets

The carrying amounts recognized in the Consolidated balance sheet for Other intangible assets are as follows:

In € millions	2024	2023
Customer relationships	130	148
Trade names	-	1
Backlog	6	17
Other	2	3
Total Other intangible assets	**138**	**169**

15 Property, plant & equipment

Property, plant & equipment is measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the assets.

Subsequent costs are recognized in the carrying amount of Property, plant & equipment if it is probable that future economic benefits will be obtained. The costs of day-to-day servicing of property, plant & equipment are expensed as incurred.

Depreciation is calculated using the straight-line method to allocate the cost of an asset net of its residual value, over its estimated useful life or, in the case of leasehold improvements, the shorter of the asset's useful life and the lease term. The estimated useful life of Property, plant & equipment vary according to their respective categories, as shown in the table hereafter.

Category	Years
Land	Not depreciated
Buildings	Not exceeding 30
Furniture and fixtures	Not exceeding 5
(IT) equipment	Not exceeding 5
Property, plant and equipment under development	Not depreciated (yet)

Depreciation methods and useful life, as well as residual values, are reassessed annually. When parts of an item of Property, plant & equipment have different useful life, they are accounted for as separate items (major components) of Property, plant & equipment.

Gains on the sale of an item of Property, plant & equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, plant & equipment and are recognized within Other income in the Consolidated income statement. Losses on the sale of an item of Property, plant & equipment are recognized within Other operational costs in the Consolidated income statement.

The determination of impairment of Property, plant & equipment involves the use of estimates. The recoverable amount is determined by discounting the estimated future cash flows to present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. The identification of impairment indicators, as well as the estimation of future cash flows, discount rates and the determination of the fair value for the assets requires management to make significant judgements

In 2024 and 2023, no changes were made in the useful lives, depreciation methods and the residual values of Property, plant & equipment elements that materially impacted the Company. No properties were registered as security for bank loans.

In € millions	Land and Buildings	Furniture and fixtures	IT equipment	Property, plant and equipment under development	Total
Cost	79	125	144	4	352
Accumulated depreciation	(48)	(88)	(108)	-	(243)
Balance at 1 January 2023	**31**	**37**	**37**	**4**	**109**
Additions	6	8	18	(0)	31
Disposals	(0)	(1)	(0)	(0)	(1)
Reclassifications	2	(4)	0	1	0
Depreciation charges	(6)	(11)	(19)	-	(36)
Exchange rate differences	(1)	(0)	(0)	(0)	(1)
Movement 2023	**2**	**(8)**	**(1)**	**1**	**(7)**
Cost	72	81	129	5	287
Accumulated depreciation	(39)	(53)	(93)	-	(185)
At 31 December 2023	**33**	**28**	**36**	**5**	**102**
Additions	12	9	16	(2)	35
Acquisitions/ divestments	(1)	(0)	(0)	-	(1)
Disposals	(0)	(0)	(0)	(0)	-
Depreciation charges	(8)	(9)	(18)	-	(35)
Exchange rate differences	1	1	0	0	2
Movement 2024	**4**	**1**	**(2)**	**(2)**	**1**
Cost	74	82	130	3	289
Accumulated depreciation	(37)	(53)	(96)	-	(186)
At 31 December 2024	**37**	**29**	**34**	**3**	**103**

16 Right-of-use assets and lease liabilities

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed when the Group has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

Contracts may contain both lease and non-lease components. The Group allocates the consideration to these components based on its relative stand-alone prices. Non-lease components are not included in the right-of-use asset and lease liability but accounted for separately.

Right-of-use assets

At commencement of a lease, the Group measures right-of-use assets initially at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The cost of the right-of-use assets comprise the following:

- Amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received at or after the commencement date;
- Any initial direct costs; and
- Restoration costs i.e estimate of the costs to be incurred for dismantling, removal and/ or restoration to the conditions required by the terms of the lease.

See note 28 for the accounting policy on provisions for right-of-use assets (restoration provisions).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities

Lease liabilities are initially measured at the present value of the future lease payments that are not paid at the commencement date discounted using an implicit rate of interest, unless this cannot readily be determined, in which case an incremental borrowing rate is used. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate or the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Judgment is applied to determine the lease term for some lease contracts in which it is a lessee that include renewal and termination options. The assessment of whether the Group is reasonably certain to exercise such option impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized. At reporting date all facts and circumstances are considered that create an economic incentive in determining whether it is reasonably certain that an extension or termination option will be recognized. Changes in the estimate are recognized prospectively.

Incremental Borrowing Rate

The Incremental Borrowing Rate (IBR) is determined based on a build-up approach, whereby each category of leases has an IBR based on the country (and currency) of the lessee and the lease term.

Lease incentives

Lease incentives are deducted from the right of use assets if received before the commencement date of the lease; they are deducted from the lease liability if received at or after the commencement date of the lease.

Amounts received for leasehold improvements are depreciated over a period not longer than the lease term.

Short-term and low value leases

Payments associated with short-term and/or low value leases are recognized on a straight-line basis as an expense in profit or loss.

As a lessor

The Group sub-leases some of its buildings, although not significant. The head leases are presented in the right-of-use assets and the sub-lease contracts are treated as operating leases under IFRS 16. Income from sub-leases is presented in Other income, see note 8.

Rent concessions

Rent concessions are accounted for as lease modifications by the Group.

This note provides information for leases where the Group is a lessee.

Leasing activities

The Group's lease portfolio consists of 2,801 active lease contracts at 31 December 2024 (2023: 2,790), mainly related to real-estate and vehicles lease contracts. Approximately 88% of the value of the right-of-use asset is from land and buildings.

Lease terms

Lease terms are generally negotiated locally, with support from the Global Workplace director and/or regional real estate or procurement teams where needed. Contracts are negotiated on an individual basis and contain a wide range of terms and conditions, such as early termination clauses and renewal rights. They may contain both lease and non-lease components, whereby the Group has elected not to include the service element in leases (e.g. fuel, insurance) in the right-of-use asset and lease liability.

Termination clauses and renewal rights are included in several real estate leases across the Group. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a renewal right, or not exercise a termination clause. Both extension and termination options are however only included in the lease term if it is reasonably certain that a lease will be extended or terminated.

Factors that are considered in terminating or renewing leases include amongst others:

- Significant penalties involved;
- Leasehold improvements made with a significant remaining value; and
- Costs and business disruption required to replace a leased asset.

An amount of €22 million (2023: €17 million) extension and/or renewal options are included in the Group's lease liability at 31 December 2024 reflecting that the Group could not replace leased assets without significant cost or business disruption.

As at 31 December 2024, potential future cash outflows of €136 million (undiscounted) (2023: €152 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). During 2024, the financial impact of the reassessment of reasonable certainty led to a decrease in recognized lease liabilities and right-of-use assets of €1 million (2023: €3 million).

If the leased asset is abandoned, the depreciation of the Right-of-use asset needs adjustment as of the date the lessee makes the decision to abandon the asset, so that as of the cease use date, the carrying amount of the Right-of-use asset is zero. Assuming there are no changes in the lease payments, the lease liability will remain the same.

There were no leases abandoned during the year. Right-of-use assets with a carrying value of €3 million were abandoned in 2023. The abandoned property was subleased in 2024, hence, remaining lease liabilities for the abandoned leases amount to nil (2023: €3 million).

The Group does not have leases with variable lease payments and does not provide residual value guarantees.

Maturity profile

The undiscounted value of the lease obligations as at 31 December 2024 amounts to €297 million (2023: €316 million) and the maturity is as shown in the table below.

Maturity (In € millions)	2024	2023
0 - 1 Year	72	73
1 - 2 Year	58	58
2 - 3 Year	49	47
3 - 4 Year	37	40
4 - 5 Year	26	30
> 5 Year	55	68
Total	**297**	**316**

The undiscounted maturity of all sub-leasing contracts at 31 December 2024 amounts to €2 million (2023: €0.2 million) and is not material for the Group.

Amounts recognized in the Consolidated balance sheet

Right-of-use assets

The following right-of-use assets are recognized in the balance sheet:

In € millions	Leased land and buildings	Leased furnitures and fixtures	Leased (IT) equipment	Leased vehicles	Total
Balance at 1 January 2023	**261**	**1**	**1**	**21**	**284**
Additions	22	0	1	17	40
Remeasurements	(1)	0	(0)	1	-
Depreciation charges	(58)	(1)	(1)	(13)	(73)
Derecognitions	(0)	0	(0)	(0)	-
Exchange rate differences	(2)	(0)	(0)	(0)	(2)
Movement 2023	**(39)**	**(1)**	**0**	**5**	**(35)**
At 31 December 2023	**222**	**0**	**1**	**26**	**249**
Additions	30	0	0	14	44
Remeasurements	(1)	0	(0)	0	(1)
Depreciation charges	(53)	(0)	(1)	(13)	(67)
Derecognitions	(2)	-	(0)	-	(2)
Exchange rate differences	4	0	1	0	5
Movement 2024	**(22)**	**0**	**0**	**1**	**(21)**
At 31 December 2024	**200**	**0**	**1**	**27**	**228**

Lease liabilities

The following lease liabilities are recognized in the balance sheet:

In € millions	2024	2023
Balance at 1 January	**281**	**315**
Additions	44	39
Remeasurements	(1)	-
Payments	(78)	(79)
Interest	9	9
Exchange rate differences	7	(3)
Balance at 31 December	**262**	**281**
Non-current	192	211
Current	70	70
Total	**262**	**281**

Right-of-use assets and lease liabilities decreased mainly due to lease terminations in several office spaces in the US, in line with the Group's plan to fully maximize the utilization of leases among numerous subsidiaries in the region. Renewals of larger offices during the year were also downsized.

Amounts recognized in the Consolidated income statement

In € millions	Note	2024	2023
Depreciation		67	73
Interest expense	11	9	9
Other operational costs for short-term leases	9	4	5
Other operational costs for low-value leases	9	3	4
Other operational costs for loss on derecognition lease	9	0	-
Other income for gain on derecognition lease	8	0	(0)
Other income from sub-leasing	8	(0)	(0)
Total		**83**	**91**

17 Investments accounted for using the equity method

Joint arrangements

Investments in joint arrangements are classified as either joint ventures or joint operations. The classification depends on the contractual rights and obligations, rather than the legal structure of the joint arrangement.

Joint ventures are joint arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint ventures are accounted for using the equity method, where interests in joint ventures are initially recognized at cost, including transaction cost. Subsequently the Group's share of the profit or loss and movements in other comprehensive income are included in the Consolidated financial statements, whereby the calculation is based on the Group's accounting policies. When the Group's share of losses in a joint venture equals or exceeds its interest in a joint venture, the Group does not recognize further losses.

Joint operations are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operations are accounted for the Group's direct rights to the assets, liabilities, revenues and expenses of the joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These are combined on a line-by-line basis with corresponding items in the Group's financial statements.

Associates

Associates are those entities in which the Group has significant influence, but no control over financial and operating policies. Significant influence is presumed to exist when the Group holds more than 20% of the voting power of the entity. Associates are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. Initially, investments in associates are recognized at cost, including transaction cost. Goodwill identified on the acquisition of the associate is included in the carrying amount of the investment.

The Consolidated financial statements include the Group's share of the net profit or loss and other comprehensive income of the associates, after adjustments to align the accounting policies with those of the Group. The application of the equity method is applied to loans that form part of a Net investment. Loans to associates are carried at amortized cost less any expected credit losses. The Group applies the Expected Credit Loss model to loans that form part of the Net investment, before recognizing its share of losses from application of the equity method on these loans.

Investments in associates and joint ventures

The nature of business of the Group's associates and joint ventures are similar. They provide comprehensive knowledge-based consultancy, design, engineering and management services in the area of infrastructure, water, environment and buildings. The most significant investments in associates and joint ventures are listed below.

Name of entity	Place of business/ country of incorporation	Associate/ joint venture	% of ownership interest 2024	% of ownership interest 2023
Geodynamique et Structure S.A.	France	Associate	48.68%	48.68%
Asset Rail B.V.	Netherlands	Associate	40.00%	40.00%
CARE/RTKL Ltd	Saudi Arabia	Joint venture	45.00%	45.00%
CTR, a Joint Venture of CH2MHill, Inc., Teng & Associates, Inc. and The Rise Group, LLC	United States	Joint venture	33.30%	33.30%

The movement in associates and joint ventures in the Consolidated balance sheet is as follows:

In € millions	Associates 2024	Associates 2023	Joint ventures 2024	Joint ventures 2023	Total 2024	Total 2023
Balance at 1 January	**10**	**10**	**2**	**2**	**11**	**12**
Share in result by Arcadis	2	4	0	(0)	3	4
Investments	-	0	0	0	0	0
Received dividends	(3)	(4)	-	(0)	(3)	(4)
Exchange rate differences	(0)	(0)	(0)	(0)	(0)	(0)
Balance at 31 December	**9**	**10**	**2**	**2**	**11**	**11**

There are no loans to associates or joint ventures outstanding as at 31 December 2024 (2023: nil).

The joint ventures have share capital consisting solely of ordinary shares, which are held indirectly by the Group, and are non-listed shares. As such there is no available quoted market price for the shares. The Group has no contingent liabilities relating to interests in joint ventures at 31 December 2024 (2023: nil).

18 Other investments

Other investments relate to interests in companies over which the Group has no significant influence nor control. Other investments are accounted for at fair value through profit or loss.

In € millions	2024	2023
Balance at 1 January	**4**	**4**
Fair value changes	(0)	1
Exchange rate differences	(0)	(0)
Balance at 31 December	**4**	**4**

The other investments at 31 December 2024 mainly correspond to:

- Value of the investment in the Techstars cohorts for €3 million (2023: €3 million).
- Value of investment in Switch Energy for €0.3 million (2023: €1 million).

A level 3 valuation was used to determine the fair value. Due to the inherent uncertainty of valuation of privately held companies, the fair value may however differ from what would have been used had a readily available market existed for all companies.

19 Derivatives

General

The Group uses derivatives in order to hedge the exposure to foreign exchange risks and interest rate risks arising from operational, financing and investment activities. Derivatives to be used for hedging purposes can include forward foreign exchange rate contracts, foreign exchange swaps and interest rate swaps and a combination of those, such as cross-currency interest rate swaps. The Group does not hold or issue derivatives for trading purposes. To the extent possible Hedge accounting is applied for cash flow hedges related to forecasted transactions and fair value hedges.

Measurement and recognition

All derivative financial instruments are initially recognized at fair value. Attributable transaction costs are recognized in profit or loss when incurred. Subsequently, derivatives are measured at fair value derived from market prices of the instruments or valuation techniques, with the fair value changes recognized in profit or loss, unless hedge accounting is applied. A gain or loss on remeasurement to the fair value of the interest rate derivatives is recognized in profit or loss under fair value change of derivatives. The fair value changes of forward foreign exchange contracts are recognized in operating income. The carrying values of the derivatives are recognized in the balance sheet as derivatives, which can be classified as current or non-current assets or liabilities, depending on the maturity of the contracts.

Hedge accounting

For a cash flow hedge of a forecasted transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss. In specific cases hedge accounting is applied for cash flow hedges. In that case, the effective part of the fair value change of those derivatives is deferred in Other comprehensive income and presented in the hedging reserve in Equity. The hedging reserve includes the cash flow hedge reserve and the costs of hedging. Changes in the fair value of the currency basis since the inception of the hedging relationship will be deferred into a separate component of Other comprehensive income.

The amount recognized in Other comprehensive income as cash flow hedge reserve is released to the related lines in profit or loss at the same time as the hedged cash flows affect profit or loss. Any ineffective portion of change in the fair value of the derivatives is included in profit or loss immediately.

At inception of the hedge, the relationship between the hedging instrument and the hedged item is documented – including the risk management objectives, strategy of undertaking the hedge transaction, the hedged risk – and, in case of hedge accounting, the methods that will be used to assess the effectiveness of the hedge. Both at the inception of the hedge and at each reporting date, the Group makes an assessment whether the derivatives used are highly effective in offsetting changes in fair values of the cash flows of the hedged items.

The economic relationship between the hedging instrument and the hedged item is, amongst others, determined based upon matching notional amounts, a minimal fair value of the hedging instrument at inception, matching the underlying hedged risk (interest benchmark rate or currency pair), matching repricing and payment dates and an assessment of the likelihood of default of the hedging counterparty. Sources of ineffectiveness can, amongst others, be driven by movements in the credit spread of Arcadis and the relevant hedging counterparty, mismatch of payment flow frequencies, mismatch of interest conditions, such as interest floors and possible changes to the critical terms of the economic relationship.

When a derivative ceases to be highly effective or in case of early redemption of the hedged item, hedge accounting is discontinued prospectively. When a cash flow hedge relationship is terminated, the fair value changes deferred in the cash flow hedging reserve in equity are released to profit or loss under the fair value change of derivatives only when the hedged transaction is no longer expected to occur. Otherwise, these fair value changes will be released to profit or loss at the same time as the hedged item.

Fair value

A fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of derivatives is determined by using valuation models that incorporate various inputs, such as forward interest rate curves and the credit worthiness of counterparties. The methods and assumptions used to estimate the fair value are consistent with the prior year.

The fair value of derivatives held by the Group as at the balance sheet date is presented in the table below:

	Assets		Liabilities		Total	
In € millions	2024	2023	2024	2023	2024	2023
Interest rate derivatives:						
Current	-	-	-	-	-	-
Non-current	-	-	1	2	(1)	(2)
Foreign exchange derivatives:						
Current	10	8	8	9	2	(1)
Non-current	-	-	-	-	-	-
Total	**10**	**8**	**9**	**11**	**1**	**(3)**

See note 31 for the Group Treasury policy and the valuation techniques used for the derivatives. Group Treasury is consulted by entities for alignment of hedge accounting with the Group Treasury policy guidelines and assisted with documentation of the hedge relationship, derivatives valuations and effectiveness testing.

As per 31 December 2024, the Group has €185 million (notional amount) of floating-to-fixed interest rate swaps to manage the interest rate risk on the €185 million Schuldschein loans issued in July 2023. The market value of these derivatives at 31 December 2024 was €1 million negative (2023: €2 million negative) and hedge accounting is applied on these derivatives. Of these interest rate swaps, €100 million will mature in January 2025 and €85 million will mature in January 2026.

Effects of hedge accounting on the financial position and performance

In € millions	2024	2023
Cross currency interest rate swaps		
Notional amount	-	-
Maturity date	-	n/a
Hedge ratio	-	-
Change in fair value of outstanding hedging instruments	-	-
Change in value of hedged item used to determine hedge effectiveness	-	-
Ineffectiveness	-	-

In € millions	2024	2023
Interest rate swaps maturing in 2025		
Notional amount	100	100
Maturity date	2025	2025
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments	(0.1)	(0.5)
Change in value of hedged item used to determine hedge effectiveness	0.1	0.5
Ineffectiveness	0	(0.0)

In € millions	2024	2023
Interest rate swaps maturing in 2026		
Notional amount	85	85
Maturity date	2026	2026
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedging instruments	(1.1)	(1.4)
Change in value of hedged item used to determine hedge effectiveness	1.1	1.3
Ineffectiveness	0.0	(0.1)

During 2024, the Group hedged currency exposures related to transactions in currencies other than the functional currency for subsidiaries by way of foreign exchange forward rate contracts in order to minimize volatility in the operating income of these subsidiaries due to changes in foreign exchange rates. In addition, foreign currency corporate balance sheet positions arising due to foreign currency receivables, payables and loan balances were hedged by way of foreign exchange forward rate contracts and foreign exchange swaps.

The movements in fair value of all derivatives are shown in the table below:

In € millions	2024	2023
Balance at 1 January	**(3)**	**(6)**
Changes in income statement	12	(7)
Changes through Other comprehensive income	1	(2)
Cash settlement derivatives	(9)	12
Exchange rate differences	-	(0)
Balance at 31 December	**1**	**(3)**

The change in fair value of derivatives recognized in profit or loss is €12 million positive (2023: €10 million negative), together with foreign exchange results of €10 million negative (2023: €4 million positive) also flowing through profit or loss. Hence, the overall profit or loss effect of foreign exchange contracts and derivatives amounts to €3 million positive (2023: €6 million negative).

Hedging reserve

The total (after-tax) amount included in Other comprehensive income, on the line hedging reserve within equity, can be specified as follows:

In € millions	2024	2023
Interest rate derivatives	(1)	(1)
Foreign exchange derivatives (classified as cash flow hedges)	0	0
Cost of hedging reserve	-	-
Total	**(1)**	**(1)**

20 Other non-current assets

Other non-current assets are non-derivative financial assets and include long-term receivables (due for settlement after one year). Long-term receivables are initially recognized at fair value plus any directly attributable transaction costs. Subsequently these assets are held at amortized cost, using the effective interest method and net of any impairment losses.

In € millions	2024	2023
Balance at 1 January	**20**	**20**
New receivables	2	5
Received	(2)	(4)
Derecognition	(11)	-
Exchange rate differences	(0)	(0)
Balance at 31 December	**9**	**20**

In 2024, Arcadis has reassessed the presentation of balances related to NQDC plan (Non-Qualified Deferred Compensation) in the US. Applying IAS 19 considerations, the Group has concluded that the balances related to the plan should be derecognized from the balance sheet, as this plan is considered as a defined contribution plan. There are no changes made to the comparatives as it is not considered material to the Group. See note 27 for further details.

Other non-current assets include various long-term receivables, amongst others, rental deposits of €2 million (2023: €3 million), retentions of €1 million (2023: €1 million), loans to personnel of €1 million (2023: €1 million), and judicial deposits of €1 million (2023: €1 million).

21 Trade receivables

Trade receivables include amounts billed to customers for work performed but not yet paid by the clients, and which are expected to be collected within a year after reporting date. Trade receivables are initially measured at fair value, which normally represents the consideration the Company expects to receive within the payment term (invoice amount excluding costs collected on behalf of third parties, such as sales taxes). Subsequently Trade receivables are measured at the consideration expected to be collected.

The Company uses the Expected Credit Loss (ECL) model. Trade receivables are reviewed for collectability on a case-by-case basis at regular intervals. If a Trade receivable is considered credit impaired (e.g. the customer has failed to make a payment when contractually due) the expected loss is determined as the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of expected future cash flows discounted at the effective market interest rates.

A simplified approach is applied that uses a lifetime expected loss allowance to recognize losses for possible impairment of Trade receivables that are not individually impaired yet. The Expected Credit Loss is recognized in Other operational costs.

In € millions	2024	2023
Trade receivables	809	789
Provision for trade receivables (individually impaired bad debt)	(49)	(60)
Provision for trade receivables (Expected Credit Loss)	(1)	(1)
Receivables from associates	2	2
Total	**761**	**731**

Of the total gross Trade receivables, approximately 7% is subject to a so-called ‘paid-when-paid’ clause (2023: 3%). They are classified as current as Arcadis expects to collect the amounts within one year. Further information about Arcadis’ exposure to credit risk is included below and in note 31.

Ageing of Trade receivables

	2024			2023		
In € millions	Gross Receivables	Provision bad debt	Provision ECL	Gross Receivables	Provision bad debt	Provision ECL
Not past due	529	(4)	(0)	518	(3)	(0)
Past due 0-30 days	108	(1)	(0)	96	(1)	(0)
Past due 31-60 days	39	(1)	(0)	40	(1)	(0)
Past due 61-120 days	31	(0)	(0)	36	(1)	(0)
Past due 121-364 days	40	(5)	(1)	37	(4)	(0)
More than 364 days due	62	(38)	(0)	63	(50)	(0)
Total	**809**	**(49)**	**(1)**	**789**	**(60)**	**(1)**

Individual assessments, in combination with the fact that the actual write-offs of trade receivables in recent years did not cause us to expect that the provision should be significantly higher, resulted in the conclusion that the provision for bad debt is sufficient to cover for Trade receivables for which there is objective evidence of an impairment.

Provision for Trade receivables

The total provision for Trade receivable includes the Expected Credit Loss for individually non-impaired items and individually credit impaired items. To apply the simplified approach to the “healthy” portfolio, Arcadis grouped the Trade receivables by country and the days past due. No specific measures were taken by the Group to extend credit terms for customers. The expected loss rate for the stage 1 and 2 losses is based on the country risk and varies from 0.0% to 0.7% for positions less than 90 days past due and up to 5.1% for items past due more than 90 days.

The total provision for Trade receivables developed as follows:

In € millions	2024	2023
Balance at 1 January	**61**	**54**
Acquisitions/ divestments	(1)	-
Additions charged to profit or loss	15	17
Release of unused amounts	(15)	(5)
Remeasurement Expected Credit Loss	-	-
Utilizations	(10)	(5)
Exchange rate differences	0	(1)
Balance at 31 December	**50**	**61**

22 Contract assets and liabilities

When revenue (cost for contract work performed to date plus recognized profits) exceeds the progress billings, the surplus is shown as a Contract asset (unbilled receivables). When progress billings exceed the revenue (cost for contract work performed to date plus recognized profits), the balance is shown as a Contract liability (billing in excess of revenue). Recognized loss provisions are separately presented as Provision for onerous contracts. Contract assets, Contract liabilities and the related Provision for onerous contracts are together generally also referred to as Work in progress.

Contract assets are subject to the Expected Credit Loss (ECL) model. Arcadis applies a simplified approach that uses a lifetime expected loss allowance to recognize losses for possible impairment, in line with the accounting for Expected Credit Loss on Trade receivables. The Expected Credit Loss is recognized in Other operational costs.

For further details on the recognition of Contract assets, Contract liabilities and the Provision for onerous contracts see the revenue accounting policy in note 7.

The balances of Contract assets and Contract liabilities, as well as the Provision for onerous contracts, are as follows:

	2024				2023			
In € millions	Contract assets	Contract liabilities	Provision for onerous contracts	Net position	Contract assets	Contract liabilities	Provision for onerous contracts	Net position
Cumulative revenue	11,122	8,366	-		6,857	6,067	-	
Loss provisions	-	-	(13)		-	-	(13)	
Expected credit loss allowance	(3)	(4)	-		(1)	(4)	-	
Billings to date	(10,500)	(8,878)	-		(6,277)	(6,566)	-	
Total	**619**	**(516)**	**(13)**	**90**	**580**	**(503)**	**(13)**	**64**

Advances received and retentions held by clients reported as part of Contract assets and liabilities amount to:

In € millions	2024	2023
Amount of advances received	0	0
Amount of retentions held by clients	8	7

Advances received relate to advance payments received from clients on projects not yet started. Retentions relate to amounts retained by clients which will be paid to the Company after successful completion of the contract. The outstanding retentions recognized as part of the Contract assets and liabilities are expected to be collected within a year; an amount of €1 million (2023: €1 million) of retentions have been recognized as 'Other non-current assets' (see note 20).

Expected Credit Loss allowance

The Expected Credit Loss allowance developed as follows:

In € millions	2024	2023
Balance at 1 January	5	0
Remeasurement of Expected Credit Loss	2	5
Balance at 31 December	**7**	**5**

23 Other current assets

Other current assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequently these assets are held at amortized cost, using the effective interest method and net of any impairment losses.

In € millions	2024	2023
Other receivables	41	39
Prepaid expenses	60	62
Balance at 31 December	**101**	**101**

Other receivables are non-trade receivables and include, among others, deposits, claims to be received, interest to be received and short-term loans/prepayments to personnel.

Prepaid expenses mainly include prepayments of IT service contracts, rent and insurances. This includes renewal of significant IT software required for the Company's daily operations.

24 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits maturing within three months from the acquisition date and used by the Company in managing its short-term commitments. For cash flow reporting purposes bank overdrafts are included in Cash and cash equivalents.

Cash and cash equivalents at the balance sheet date can be specified as below.

In € millions	2024	2023
Bank and cash	303	254
Deposits	73	36
Balance at 31 December	**376**	**290**
Bank overdrafts	(1)	(10)
Cash and cash equivalent less bank overdraft	**375**	**280**

The average effective interest rate earned on cash during 2024 was 3.8% (2023: 3.6%). At 31 December 2024, €358 million of Cash and cash equivalents was freely available (2023: €270 million).

Restricted cash amounting to €19 million is composed of cash balances mainly held in China (2023: €20 million). The Group has control over these balances; however, repatriation may be limited due to restrictive local regulatory and judicial requirements. As a result, the cash balances of some countries cannot be fully included in the global cash pooling or liquidity enhancement structures. In line with industry practice, the Group considers cash outside of global cash pooling or liquidity enhancement structures to be restricted if the Group is unable to repatriate cash within a defined period via either dividends, intercompany loans, or settlement of intercompany invoices.

At 31 December 2024, Cash and cash equivalents and Bank overdrafts have not been offset (comparable to 2023). The Bank overdraft at 31 December 2024 is €1 million (2023: €10 million).

25 Equity attributable to equity holders

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and rights to acquire shares are recognized as a deduction of equity, net of any tax effects.

Priority shares and preference shares are classified as equity since these are non-redeemable, or only redeemable at the Company's option. Dividends on these shares are recognized as distributions within equity.

Repurchase of shares

When share capital is repurchased, the consideration paid, including directly attributable costs net of any tax effects, is deducted from equity. Repurchased shares (treasury shares) are presented as a deduction from total equity. When treasury shares are sold or reissued, subsequently any amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

Dividends

Dividends are recognized as a liability in the period in which they are declared.

Number of shares	Authorized share capital	Issued and paid-up capital
2024		
Ordinary shares (120,000,000, nominal value €0.02)	2,400,000	1,808,842
Cumulative preferred (protective) shares (150,000,000, nominal value €0.02)	3,000,000	-
Cumulative financing preferred shares (30,000,000, nominal value €0.02)	600,000	-
Priority shares (600, nominal value €0.02)	12	12
Total as at 31 December	**6,000,012**	**1,808,854**

The development of the number of shares issued/outstanding during 2024 and 2023 are presented in the table below.

Number of shares	Ordinary shares	Priority shares	Treasury stock	Total issued shares
Balance at 1 January 2023	**89,572,574**	**600**	**869,517**	**90,442,691**
Shares issued (stock dividend)	-	-	-	-
Shares cancelled	-	-	-	-
Repurchased shares	-	-	-	-
Exercised shares and options	400,355	-	(400,355)	-
At 31 December 2023	**89,972,929**	**600**	**469,162**	**90,442,691**
Shares issued (stock dividend)	-	-	-	-
Shares cancelled	-	-	-	-
Repurchased shares	(810,000)	-	810,000	-
Exercised shares and options	248,376	-	(248,376)	-
At 31 December 2024	**89,411,305**	**600**	**1,030,786**	**90,442,691**

Priority shares

Total number of outstanding priority shares at 31 December 2024 is 600 (2023: 600). In 2024, no preferred (protective) shares or financing preference shares were issued or outstanding.

The priority shares have been issued since 1987 and are all held by Stichting Prioriteit Arcadis N.V. (Priority Foundation); a foundation with its corporate seat in Arnhem. Special rights under the Articles of Association of Arcadis N.V. linked to these priority shares concern decision making related to, among others:

- The issuance, acquisition and disposal of shares in the Company;
- Amendments to the Articles of Association;
- The dissolution of the Company and the filing for bankruptcy;
- The entry into or termination of long-term cooperative ventures of substantial significance; and
- Investments (including entering into participations) for an amount equal to at least 25% of the shareholders' equity.

Pursuant to the articles of association of the Priority Foundation, the Board of the Foundation consists of 20 board members (with three (3) vacancies at 31 December 2024): seven (7) members of the Arcadis N.V. Supervisory Board, both (2) members of the Arcadis N.V. Executive Board, one (1) member of the Arcadis N.V. Executive Leadership Team and ten (10) members from the Board of Stichting Bellevue (a foundation seated in Amsterdam, whose board members are appointed by and from the international employees of the Arcadis Group).

Cumulative Preferred (Protective) Shares

Currently no cumulative preferred (protective) shares have been issued. However, an option agreement to acquire such shares has been entered into between Stichting Preferente Aandelen Arcadis N.V. (Preferred Stock Foundation) and Arcadis N.V. under that agreement. The Preferred Stock Foundation has been granted the right to acquire protective shares up to a maximum equal to the number of outstanding shares at the date in question (call option).

The Board of the Preferred Stock Foundation consists of three (3) members appointed by the Board itself. The Chair (or another member) of the Supervisory Board and the CEO (or the other member of the Executive Board) will be invited to attend the board meetings of this foundation. This will not apply if a decision is to be made on the exercise of the option right or the exercise of voting rights on acquired shares.

Cumulative financing preferred shares

Since 2002, the Articles of Association of Arcadis N.V. include the possibility to issue cumulative financing preferred shares. Currently, no such shares have been issued.

Agreements with shareholders

The Articles of Association of Stichting Lovinklaan (Lovinklaan Foundation) stipulate that their Articles of Association cannot be amended without prior approval of the Priority Foundation. In a separate agreement between the Priority Foundation and the Lovinklaan Foundation it is stipulated that prior approval of the Priority Foundation is required for any resolution concerning the disposal or transfer of shares in Arcadis N.V. if, as a result of such resolution the number of shares held by the Lovinklaan Foundation will drop below 12,000,000 (number of shares held at 31 December 2024: 16,841,554).

Issuance of shares

The General Meeting decides, with the approval of the Supervisory Board and the Priority Foundation, about the issuance of shares or grant of rights to acquire shares. The General Meeting can also delegate its authority to issue shares, or part thereof, to the Executive Board. As long as any such delegation stands, the General Meeting cannot decide to issue. No shares were issued in 2024 (2023: nil).

Purchase of shares

As mandated by the General Meeting and with approval from the Supervisory Board and the Priority Foundation, the Executive Board may purchase fully paid-up shares in Arcadis N.V. The mandate is not needed in case the shares are purchased to be transferred to employees and to fulfill commitments for stock dividend. As a result of its Long-Term Incentive Plan(s) or related arrangements, Arcadis needs to provide shares to persons working for Arcadis. The intention is to minimize dilution by purchasing (a portion of) the shares needed for such Long-Term Incentive Plan(s) (or related arrangements), as opposed to issuing new shares.

The following numbers of shares were repurchased over the past five years:

Year	Number of shares	Price at time of purchase (in €)
2020	504,386	12.30 to 27.96
2021	2,316,830	27.58 to 40.24
2022	-	-
2023	-	-
2024	810,000	61.34 to 66.16

Group announced on 4 October 2024 the start of a share buyback program to repurchase up to 810,000 shares to cover existing and expected future obligations under its employee incentive plans maturing in the next 3 to 4 years. The repurchase of shares commenced on 4 October 2024 and has been completed on 9 December 2024. The repurchased shares are to cover for the vesting/exercise of shares and options granted and commitment for stock dividend. The cash equivalent of the temporary repurchased shares are deducted from Retained earnings.

At 31 December 2024, the number of repurchased shares in stock (treasury stock) amounted to 1,030,786 (2023: 469,162).

The number of outstanding ordinary shares over the past five years developed as follows:

Year	1 January	Issued shares	Repurchased shares	Reissued shares	31 December
2020	89,045,228	-	(504,386)	1,577,872	90,118,714
2021	90,118,714	616,854	(2,316,830)	590,501	89,009,239
2022	89,009,239	-	-	563,335	89,572,574
2023	89,572,574	-	-	400,355	89,972,929
2024	89,972,929	-	(810,000)	248,376	89,411,305

Share premium

Share premium represents the premium paid in excess of the par value of shares at the time of the issuance of new shares or exercise of share options.

Translation reserve

Translation reserve (a statutory reserve) comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. €48 million was added to the Translation reserve in 2024 (2023: €28 million deduction).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred. An amount of €0.4 million was added to the Hedging reserve in 2024 with nil tax effect on the same (2023: €2 million deduction with nil tax effect).

Retained earnings

The Executive Board proposes, with the approval of the Supervisory Board, which part of the profit shall be reserved. The remaining part of the profits shall be at the disposal of the General Meeting and may be distributed as dividend. The holder of the priority shares is entitled to a dividend of 5% of the par value of the priority shares, prior to any dividend distribution being made. On these shares no further distributions shall be made.

Profit allocation

The profit attributable to the equity holders of the Company over fiscal year 2024 amounts to €243 million. The Executive Board, with the approval of the Supervisory Board, proposes to present for approval to the General Meeting its proposal to distribute a dividend amount of €89 million, which represents a dividend of €1.00 per ordinary share (2023: €0.85). Of the total Retained earnings, an amount of €10 million of legal reserves is restricted in distribution (2023: €10 million). See note 45 to the Company financial statements for further details.

26 Non-controlling interests

Non-controlling interests represent the net assets which are not held by the Company and are presented within total equity in the Consolidated balance sheet as a separate category. Profit or loss and each component of Other comprehensive income are attributed to the equity holders and to the non-controlling interests.

The movements in non-controlling interests are specified below.

In € millions	2024	2023
Balance at 1 January	**(2)**	**(2)**
Share in profit for the year	(1)	(0)
Dividends to non-controlling shareholders	-	-
Acquisitions/(divestments)	0	-
Exchange rate differences	(0)	0
Balance at 31 December	**(3)**	**(2)**

At 31 December 2024, the non-controlling interests mainly consisted of:

- Hyder & Solaiman Elkhereiji Engineering Consultants P.C. (30%) (2023: 30%)
- Water Platform Company B.V. (30%) (2023: 30%)

27 Provisions for employee benefits

Most of the pension plans of the Group qualify as defined contribution pension plans. However, the Group also operates a few defined benefit pension plans.

Defined contribution pension plans

For defined contribution pension plans, the Group pays fixed contributions into a separate entity, which are charged to profit or loss in the period during which services are provided by employees. The Group's legal or constructive obligation is limited to the contributions paid into the plans. Prepaid contributions are recognized as an asset to the extent that Arcadis has the unconditional right to cash refunds or reduction in future payments.

Defined benefit pension plans

Some of the pension plans qualify as defined benefit pension plans. For these plans, the costs are recognized as personnel costs and financing costs in profit or loss. The amount charged to personnel costs is the cost of accruing pension benefits promised to employees over the year, plus the costs of individual events such as past service benefit changes, settlements and curtailments (such events are recognized immediately in profit or loss).

The amount charged to financing costs is the net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset. Any differences between the expected interest on assets and the return actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the plans, are recognized immediately in profit or loss.

The majority of the defined benefit pension plans are funded with plan assets that have been segregated in a trust or foundation. These plans are subject to regular actuarial review by external actuaries, using the projected unit credit method.

The defined benefit pension plan on the balance sheet comprises the present value of the defined benefit pension obligation and the fair value of plan assets. The present value of the obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds (or suitable alternative where there is no active corporate bond market) that are denominated in the currency in which the benefits will be paid, and with maturity dates approximating to the terms of the related pension obligations.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

The table below provides a summary of the total provision for employee benefits at the balance sheet date.

In € millions	Asset side	Liability side	Total 2024
Defined benefit pension plans	18	21	3
Other deferred compensation plans	-	11	11
Total provision for employee benefits	**18**	**32**	**14**
Non-current	18	27	9
Current	-	5	5
Total	**18**	**32**	**14**

In € millions	Asset side	Liability side	Total 2023
Defined benefit pension plans	15	26	11
Other deferred compensation plans	-	20	20
Total provision for employee benefits	**15**	**46**	**31**
Non-current	15	40	26
Current	-	6	6
Total	**15**	**46**	**31**

Pension costs recognized in profit or loss

The total pension costs recognized in profit or loss were as follows:

In € millions	2024	2023
Total defined benefit pension plans	2	4
Total defined contribution pension plan and other deferred compensation plans	96	91
Total pension costs	**98**	**95**

The pension expenses of defined benefit and defined contribution pension plans are recognized in the following line items in the Consolidated income statement:

In € millions	2024	2023
Personnel costs	98	96
Finance expenses/ (income)	(0)	(1)
Total pension costs	**98**	**95**

Defined benefit pension plans

Description of plans

The defined benefit pension plans of the Group are either career average, final salary or hybrid plans. In addition, there is a termination indemnity plan for Arcadis Middle East, which pays out a single lump sum at exit (regardless of age or reason for exit).

The two main defined benefit pension plans are in the UK, being the ‘EC Harris Group Pension Scheme’ and the ‘Acer Group Pension Scheme’ (formerly Hyder), which account for 100% of the pension assets for funded schemes in surplus. The defined benefit liability is mainly due to the termination indemnity plan in Arcadis Middle East (24% of the total defined benefit liability) and other individually immaterial defined benefit pension plans within the Group.

As at 31 December 2024 both defined benefit pension plans in the UK have a surplus of €18 million (31 December 2023: €15 million). This increase is primarily due to rise in bond yields which has reduced the value of the liabilities, offset by lower than expected investment performance.

The EC Harris Group Pension Scheme has been closed for future accruals since 31 January 2011, whereas the Acer Group Pension Scheme was closed for future accruals since 30 April 2011. Both plans are funded plans. The other defined benefit pensions plans are mainly active and funded plans.

In June 2023, a High Court legal ruling in the UK decided that rule amendments to certain pension plans were invalid if they were not accompanied by the correct actuarial confirmation. While the ruling only applied to the specific pension scheme in question, if the ruling stands, it will form part of the case law and can therefore be expected to apply across other pension schemes, including EC Harris Group Pension Scheme and Acer Group Pension Scheme. Disclosures have been calculated assuming that this ruling will not affect the benefits of either Scheme on the basis that there is a reasonable prospect of successful appeal against the ruling.

Governance

The majority of the defined benefit pension plans are established as independent foundations or similar entities, with operations governed by local regulations and practice in each country. Boards of Trustees, which consist of employer and employee representatives, are generally required to act on behalf of the plan's stakeholders and perform periodic reviews on the solvency of the funds in accordance with local laws and regulations. They are responsible for administering the plan assets and for defining the investment strategy.

Investment strategy

The investment strategy of the Group in respect of the funded plans is implemented within the framework of the various local requirements of the countries where the plans are based. The objective is to control the risks and maintain an appropriate balance between the risks and the long-term returns. Therefore, the investments are well diversified and managed within the asset-liability matching (ALM) frameworks of the funds. Within these frameworks the objective is to match assets to the pensions obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Specification defined benefit pension plans

The table below provides a summary of the classification of the defined benefit pension plans at 31 December.

			2024			2023
In € millions	Present value of obligation	Fair value of plan assets	**Total**	Present value of obligation	Fair value of plan assets	**Total**
EC Harris Group Pension Scheme (ECH)	75	78	(3)	79	82	(3)
Acer Group Pension Scheme (AGPS)	157	172	(15)	169	180	(11)
ME Termination Indemnity Plan (HME)	5	-	5	10	-	10
Other defined benefit pension plans	19	3	16	17	2	15
Total defined benefit pension plans			**3**			**11**

The next table provides a summary of the changes in the defined benefit obligations and the fair value of the plan assets for the UK (A and B hereafter), Arcadis Middle East (C) and the other defined benefit pension plans (D). It also provides a reconciliation of the funded status of the plans to the amounts recognized in the Consolidated balance sheet.

In € millions	ECH	AGPS	AME	Other	Total
Balance at 1 January 2023	**(6)**	**(4)**	**14**	**15**	**18**
Current service cost	-	-	1		
Interest expense/ (income)	(0)	(0)	0		
One-off equalization cost	-	-	-		
Reclassification	-	-	-		
Subtotal	**(0)**	**(0)**	**1**	**3**	**4**
Remeasurement:					
Return on plan assets excluding amounts included in interest expense/ (income)	2	(5)	-		
(Gain)/ loss from change in financial assumptions	3	5	0		
(Gain)/ loss from change in demographic assumptions	(3)	(5)	0		
Experience (gain)/ loss	3	2	1		
Total remeasurement	**5**	**(3)**	**1**	**(0)**	**2**
Exchange rate differences	(0)	(0)	(0)	(0)	(1)
Contributions by employer	(2)	(3)	-		(5)
Benefit payments from plans	-	-	(5)	(2)	(8)
Balance at 31 December 2023	**(3)**	**(11)**	**10**	**15**	**11**
Current service cost	-	-	0		
Interest expense/ (income)	(0)	(0)	0		
One-off equalization cost	-	-	-		
Reclassification	-	-	-		
Subtotal	**(0)**	**(0)**	**-**	**2**	**2**
Remeasurement:					
Return on plan assets excluding amounts included in interest expense/ (income)	9	19	-		
(Gain)/ loss from change in financial assumptions	(7)	(17)	-		
(Gain)/ loss from change in demographic assumptions	(0)	(1)	0		
Experience (gain)/ loss	0	(1)	1		
Total remeasurement	**2**	**0**	**1**	**0**	**3**
Exchange rate differences	(0)	(1)	1	0	(0)
Contributions by employer	(2)	(3)	-		(5)
Benefit payments from plans	-	-	(7)	(1)	(8)
Balance at 31 December 2024	**(3)**	**(15)**	**5**	**16**	**3**

The current and non-current breakdown of defined benefit pension plan is as follows:

In € millions	2024	2023
Non-current	3	11
Current	0	0
Total	**3**	**11**

(A) EC Harris group pension scheme (ECH)

Plan assets allocation

All invested assets shown in the table below are quoted.

In € millions / %	2024	%	2023	%
Equities	12	16	10	13
Property and real estate	0	1	1	1
Cash	3	3	1	1
Other[1]	63	80	70	85
Total at 31 December	**78**	**100**	**82**	**100**

[1] Others include private credit, diversified growth funds and liability driven investment fund

Actuarial assumptions

The principal actuarial assumptions at the reporting dates are:

in %	2024	2023
Discount rate	5.45	4.60
Pension increases	1.95-3.50	1.95-3.40
Retail price index inflation	3.30	3.30
Consumer price index inflation	2.30	2.30

The discount rate is based on yields on UK AA-rated high-quality corporate bonds, with durations comparable to the duration of the pension plan’s liabilities. Based on the assumptions described in this note, these payments have an average duration of 13 years.

Demographic assumptions regarding future mortality are based on published statistics and mortality tables. The current life expectancy (in years) underlying the values of the liabilities in the defined benefit plans are as follows:

In years	2024	2023
Male/female currently age 65	21.6/ 24.1	21.7/ 24.3
Male/female reaching age of 65 in 20 years	22.9.0/ 25.5	23.0/ 25.6

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to, amongst others, the discount rate, rate of inflation and changes in the mortality assumptions. In 2024, the sensitivity analysis was as follows:

In % / € millions	Change in assumptions	Change in pension liability
Discount rate	0.5%	5
Rate of inflation	0.5%	2
Life expectancy	one-year change	2

The sensitivity analysis as disclosed in the 2023 financial statements was as follows:

In % / € millions	Change in assumptions	Change in pension liability
Discount rate	0.5%	6
Rate of inflation	0.5%	3
Life expectancy	one-year change	3

Defined benefit liability and employer contributions

The Company expects €2 million in contributions to be paid to the plan in 2025. The estimated net pension costs to be recognized in the Consolidated income statement in 2025 amounts to €0.2 million, relating to net interest charges. The estimated weighted average duration of the defined benefit obligation is around 13 years.

(B) Acer Group Pension Scheme (AGPS)

Plan assets allocation

All invested assets shown in the table below are quoted.

In € millions / %	2024	%	2023	%
Equities	36	21	26	14
Property and real estate	7	4	10	6
Hedge funds	88	51	86	48
Cash	2	1	2	1
Other[1]	39	23	56	31
Total at 31 December	**172**	**100**	**180**	**100**

[1] Others include alternatives, credit, diversifying and protection strategies, and insured pensions

Actuarial assumptions

The principal actuarial assumptions at the reporting dates are:

in %	2024	2023
Discount rate	5.45	4.60
Pension increases	1.95-3.50	1.95-3.40
Retail price index inflation	3.30	3.30
Consumer price index inflation	2.30	2.30

The discount rate is based on yields on UK AA-rated high-quality corporate bonds, with durations comparable to the duration of the pension plan's liabilities. Based on the assumptions described in this note, these payments have an average duration of 13 years.

Demographic assumptions regarding future mortality are based on published statistics and mortality tables. The current life expectancy underlying the values of the liabilities in the defined benefit plans are as follows:

In years	2024	2023
Male/female currently age 65	21.7/ 24.2	21.7/ 24.2
Male/female reaching age of 65 in 20 years	23.0/ 25.6	23.0/ 25.6

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to, amongst others, the discount rate, rate of inflation and changes in life expectancy. In 2024, the sensitivity analysis was as follows:

In % / € millions	Change in assumptions	Change in pension liability
Discount rate	0.5%	10
Rate of inflation	0.5%	5
Life expectancy	one-year change	6

The sensitivity analysis as disclosed in the 2023 financial statements was as follows:

In % / € millions	Change in assumptions	Change in pension liability
Discount rate	0.5%	10
Rate of inflation	0.5%	7
Life expectancy	one-year change	7

Defined benefit liability and employer contributions

The Group has agreed that it will aim to eliminate any pension plan deficit within the next nine years. Therefore, funding levels are monitored on an annual basis.

The Company expects €2 million in contributions to be paid to the plan in 2025. The estimated net pension costs to be recognized in the Consolidated income statement in 2025 amounts to €1 million, relating to net interest charges. The estimated weighted average duration of the defined benefit obligation is around 13 years.

(C) Arcadis ME End of service benefits (AME)

Plan assets

There is no local regulation that requires a level of funding of the plan, therefore no assets have been set aside to fund these arrangements.

Actuarial assumptions

The principal actuarial assumptions at the reporting date are:

in %	2024	2023
Discount rate	4.70-5.30	4.80-5.20
Salary increases (expected, per annum)	0-3.00	0-3.00

As there is no deep market in corporate bonds within the Gulf Cooperation Council (GCC) region and the limited number of government bonds available do not provide an adequate reference, the discount rate is based on the US AA-rated corporate bond market as a proxy. The payments have an average duration of three years, which is lower than in previous years due to the strategic decision made in 2020 to reduce the footprint in the Middle East.

Demographic assumptions for mortality, withdrawal, and retirement are used in determining the liability. Because of the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single decrement rate has been used. The retirement age used for the actuarial valuations is as follows:

In years	2024	2023
Male/female Saudi Arabia	60/ 55	60/ 55
Male/female other countries	65/ 65	65/ 65

Sensitivity analysis

The calculation of the liability of AME is sensitive to the discount rate and salary increases. In 2024, the sensitivity analysis was as follows:

In % / € millions	Change in assumptions	Change in pension liability
Discount rate	0.5%	0
Salary increases	0.5%	0

The sensitivity analysis as disclosed in the 2023 financial statements was as follows:

In % / € millions	Change in assumptions	Change in pension liability
Discount rate	0.5%	0
Salary increases	0.5%	0

Defined benefit liability and employer contributions

The Company does not expect additional service costs and €0.1 million of interest costs to be recognized in the Consolidated income statement in 2025. The estimated weighted average duration of the defined benefit obligation is around 1 year.

(D) Other defined benefit pension plans

The other defined benefit pension plans are individually immaterial and mainly relate to France, Germany, the UK and GECs in India and Philippines. No detailed disclosures for these individual plans are provided. For the movement in the balance sheet position of these other defined benefit pension plans in total we refer to the next table.

Other deferred compensation plans

The other deferred compensation plans consist of the following balances:

In € millions	2024	2023
Deferred salaries	-	10
Future jubilee payments	4	4
Other	7	6
Balance at 31 December	**11**	**20**

The movement in the other deferred compensation is as follows:

In € millions	2024	2023
Balance at 1 January	**20**	**18**
Acquisitions	-	-
Additions	1	3
Amounts used/released	(1)	(0)
Derecognition	(10)	-
Exchange rate differences	1	(0)
Balance at 31 December	**11**	**20**
Non-current	7	15
Current	4	5
Balance at 31 December	**11**	**20**

Deferred salaries

The deferred salaries mainly include a plan for deferred compensation of our operating company in the United States. Management of this operating company can elect not to have its salary paid out, but rather invested in a fund by the Company, and is offered a choice of three different portfolio types: risk averse, neutral and risky. The employees participating in the plan bear the investment risk of the plan. In 2024, it was concluded that the Group does not control the fund and accordingly the asset and provisions balance were derecognized. See note 20 for further details.

Future jubilee payments

An amount of €4 million is recognized for future jubilee payments based on the current agreements in the collective labor agreements and the related staff levels (2023: €4 million).

Other

Other deferred compensation includes €6 million of long service leave provisions in Australia, where employees are entitled to long service leave after a certain number of years of continuous service (2023: €6 million). The time allowance and conditions of entitlement are set out in legislation and vary by territory. An amount of €4 million is expected to be paid within one year (2023: €4 million).

28 Provisions for other liabilities and charges

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, a reliable estimate can be made of the amount of the obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at net present value, taking into account the timing of the cash outflows. The discount rate used reflects the current market assessments of the time value of money and the risks specific to the liability. Unwinding of the discount is recognized as a finance expense (see note 11).

The amounts recognized as provisions reflect management's best estimate of the expenditures required to settle the present obligations at the balance sheet date or to transfer it to a third party at that time.

In € millions	Restructuring	Litigation	Restoration	Other	Total
Balance at 1 January 2023	**5**	**35**	**6**	**7**	**53**
Additions	11	15	0	1	28
Amounts used	(6)	(6)	(1)	(0)	(13)
Release of unused amounts	(1)	(4)	(0)	(1)	(6)
Reclassifications	-	-	0	0	0
Exchange rate differences	(0)	(0)	(0)	0	(0)
Balance at 31 December 2023	**10**	**40**	**6**	**7**	**63**
Additions	9	20	1	1	31
Amounts used	(7)	(19)	(0)	(0)	(26)
Release of unused amounts	(4)	(4)	-	(1)	(9)
Reclassifications	(0)	-	0	(0)	(0)
Exchange rate differences	0	(0)	0	0	0
Balance at 31 December 2024	**8**	**37**	**7**	**7**	**59**
Non-current	5	33	6	6	50
Current	3	4	1	1	9
Balance at 31 December 2024	**8**	**37**	**7**	**7**	**59**

Restructuring

Provisions for restructuring include costs related to certain staff compensation and costs directly related to the existing plans to execute restructurings, mainly in Middle East, DPS, Continental Europe, United Kingdom and CallisonRTKL. A provision is only recognized once the decision to execute said restructuring has been taken, its costs can be reasonably and fairly estimated, and its intended execution has been announced.

Further information ordinarily required by IAS 37 has not been disclosed due to sensitive and confidential information involved.

Litigation

Clients of Arcadis sometimes claim, justified or not, that they are not satisfied with the services provided by the Company. While the outcome of these claims cannot be predicted with certainty, management believes that, based on (external) advisors and information received, the provision of €37 million (2023: €40 million) is the best estimate of the potential financial risk, net of insurance coverage. These insurance policies include a global professional liability insurance and in addition, local insurance in a number of countries. In general, these insurance policies have a self- insured retention and a maximum pay-out level.

Outstanding litigation (including the provisions, defense costs and reimbursement coverage) is reviewed periodically and revisions are made when necessary. Since the outcome cannot be predicted with certainty and settlement of claims could take several years, final settlement could differ from this best estimate.

Further information ordinarily required by IAS 37 has not been disclosed on the grounds that it can be expected to seriously prejudice the outcome of the disputes.

Restoration provision for leased assets

For lease contracts that require the Company to maintain an underlying asset during the lease term and/or restore it to its original condition before returning to the lessor at the end of the lease, a restoration provision is recognized when the obligation arises. For the same amount a right-of-use asset is recognized and depreciated over the lease term. The discount rate used is the Incremental Borrowing Rate.

Other

The category other provisions include individually immaterial items, and the Company expects that they will be substantively used within one to five years.

29 Loans and borrowings

Interest-bearing debts are measured at amortized cost, in which the difference between the proceeds and repayments over time is charged to profit or loss over their duration. The portion of long-term debt that has to be repaid within one year after the balance sheet date is presented as the current portion of long-term debt under current liabilities.

All other financial liabilities are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Non-derivative financial liabilities include loans and borrowings, bank overdrafts, trade and other payables. Initially these liabilities are recognized at fair value plus the directly attributable transaction costs. Subsequently these financial liabilities are measured at amortized cost using the effective interest method.

Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the statement of cash flows.

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future cash flows, discounted at the Company specific market rate of interest at reporting date.

Loans and borrowings at 31 December are as follows:

In € millions	Interest rates between	2024	2023
Short-term bank loans	1.5% - 4.5%	81	-
Long-term bank loans	1.5% - 5.8%	275	355
Debentures	6.5%	-	20
Senior unsecured notes	4.9%	497	496
Total Loans and borrowings		**853**	**871**
Current		81	-
Non-current		772	871
Total		**853**	**871**

Fair value

The fair value of the Group's loans and borrowings has been estimated at €862 million, based on quoted market prices for the same or similar loans or on the current rates offered to the Group for debt with similar maturities (2023: €875 million).

Aggregate maturities of (non-)current loans and borrowings are as follows:

In € millions	2024	2023
2025	78	97
2026	223	223
2027	53	52
2028	499	499
2029	-	-
After 2029	-	-
Balance at 31 December	**853**	**871**

Non-current loans and borrowings

The movement in non-current loans and borrowings is as follows:

In € millions	2024	2023
Balance at 1 January	**871**	**902**
New debt	95	719
Accrued interest	-	-
Redemptions	(116)	(750)
Acquisitions (deferred consideration)	-	-
From long-term to current position other long-term	(81)	-
Other	3	0
Exchange rate differences	(0)	(0)
Balance at 31 December	**772**	**871**

Eurobond

In February 2023, a €500 million Eurobond was issued against a fixed rate of 4.875% with a 5-year maturity. The proceeds of this issuance were used to repay a part (€500 million) of the €750 million bridge loan facility in 2023.

Bridge loan facility

The bridge loan facility used to acquire IBI Group and DPS Group in 2022 has been repaid in the course of 2023. Of the €750 million outstanding at the start of 2023, €500 million was repaid with the issuance of a €500 million Eurobond in February 2023. The remaining €250 million was repaid during the third quarter of 2023 using the proceeds from the €185 million newly issued Schuldschein loans and €65 million with available cash.

Schuldschein loans

In 2024, no additional Schuldschein loans have been arranged. €81 million of Schuldschein loans is due to be repaid in 2025.

In 2023, the €185 million floating rate Schuldschein loans have been swapped with two floating-to-fixed interest rate swaps. There were no changes on these swaps in 2024. For more information, see note 19.

At 31 December 2024, the non-current portion of long-term debt includes a total of Schuldschein debt in the amount of €278 million maturing in 2026 and 2027.

Debentures

At 31 December 2024, the long-term debt acquired after the acquisition of IBI Group was repaid for a value of €21 million (CAD 31 million) of Debentures and presented under the redemptions line in the table above. The 6.5% Debentures originally had a maturity of 31 December 2025 and were listed on the Toronto Stock Exchange.

On or after 31 December 2024 but prior to the maturity date of 31 December 2025, the Debentures were redeemable at a price equal to their principal amount plus accrued and unpaid interest and free of an early repayment penalty.

Revolving Credit Facility

In 2023, Arcadis used both the extension option as well as the accordion option available in the Revolving Credit Facility (RCF) to extend and increase the RCF. Following the exercise of these options, the RCF has been extended by 2 years to 2028 and increased by €100 million to €600 million, with €95 million maturing in October 2026 and the remaining €505 million maturing in October 2028.

In 2024, the Group made a drawdown of €95 million from RCF and repaid it during the year. This has been presented as new debt and redemption respectively in the table above.

Arcadis has the right to defer the settlement of an outstanding balance of the Revolving Credit Facility on a roll-over basis as the balance falls due. Accordingly, any outstanding RCF balances as at reporting date are classified as non-current. The classification of the balances as non-current is compliant with the requirements of IAS 1.76 which is effective from 1 January 2024. There is no outstanding RCF balance as of 31 December 2024 and 2023.

Current loans and borrowings

The movement in short-term debts and current portion of long-term debts is as follows:

In € millions	2024	2023
Balance at 1 January	**-**	**56**
New debt	60	-
Acquisitions	-	-
Redemptions	(60)	(56)
Other	-	-
From long-term to current position other long-term	81	-
Exchange rate differences	-	(0)
Balance at 31 December	**81**	**-**

Short-Term credit facilities

The total available short-term credit facilities amount to €369 million, which include all uncommitted credit facilities, bank guarantee facilities and surety bond lines with financial institutions of which €158 million has been used as per 31 December 2024 (2023: €412 million and €197 million respectively).

The Group has short-term uncommitted credit facilities of €142 million with relationship banks and three bank guarantee facilities totaling €101 million (2023: €120 million and €76 million, respectively). These short-term credit facilities are used for the financing of working capital and general corporate purposes of the Group.

By the end of the year 2024, the total amount of bank guarantees and letters of credit that were outstanding under the €101 million guarantee facilities amounted to €54 million (2023: €48 million). Additionally, there were other outstanding bank guarantees, letters of credit and surety bonds amounting to €102 million (2023: €146 million).

In 2024, the Group utilized €60 million from existing short-term finance facilities and it was repaid during the year and has been presented as new debt and redemptions respectively in the table above.

Interest rates

The interest rate ranges for the total loans and borrowings are as follows:

In € millions	2024	2023
0% - 3%	81	74
4% - 7%	772	797
Balance at 31 December	**853**	**871**
Weighted average interest rate[1]	**4.6%**	**4.7%**

[1] On interest-bearing debt (including the interest effect of swaps)

Financial covenants

The leverage covenant for the €600 million syndicated Revolving Credit Facility and the 2020 Schuldschein loans prescribes that the average net debt to EBITDA ratio is not to exceed the maximum of 3.5x, which is confirmed to the lenders twice a year.

At 31 December 2024, the average net debt to EBITDA ratio calculated in accordance with the credit documentation of the 2020 Schuldschein loans and the €600 million syndicated Revolving Credit facility is 1.6x (2023: 2.2x). No other financial covenants exist for these credit facilities.

The leverage covenant for the 2023 Schuldschein loans prescribes that the average net debt to Operating EBITDA ratio is not to exceed the maximum of 3.5x, which is confirmed to the lenders twice a year.

At 31 December 2024, the average net debt to Operating EBITDA ratio calculated in accordance with the credit documentation of the 2023 Schuldschein loans is 1.5x (2023: 2.0x). No other financial covenants exist for these credit facilities.

30 Accounts payable, accrued expenses and other current liabilities

Other current liabilities are non-derivative financial liabilities, which are initially recognized at fair value plus directly attributable transaction costs. Subsequently these financial liabilities are measured at amortized cost using the effective interest method.

In € millions	Note	2024	2023
Accounts payable		300	313
Accrued expenses		116	96
Payables to employees		216	207
Taxes and social security contributions		101	104
After-payments relating to acquisitions	6	1	2
Other liabilities		76	79
Balance at 31 December		**810**	**801**

Of the total accounts payable approximately 46% is subject to a so-called ‘paid-when-paid’ clause (2023: 41%). The expectation is that all accounts payable will be paid within the normal course of business and are therefore classified as short-term liabilities. Further information about Arcadis’ exposure to liquidity risk is included in note 31.

Other liabilities include various accrued liabilities, such as to be paid occupancy costs, consultancy costs, insurance costs and interest costs. Any lease incentives (‘tenant improvement allowances’) received are part of the right-of-use asset, see note 16.

31 Capital and financial risk management

Arcadis' activities expose the Group to a variety of financial risks, including (A) credit risks, (B) liquidity risks, and (C) market risks.

These risks are inherent to the way the Group operates as a multinational with locally operating subsidiaries. The Executive Board is responsible for the design and functioning of the internal risk management systems. The day-to-day risk management activities related to the financial risk management are carried out by Arcadis Group Treasury, in line with the guiding principles of the Group Treasury Policy, as updated and approved by the Executive Board.

Arcadis Audit and Risk Committee oversees how management monitors compliance with the Group risk management policies and procedures, and the Arcadis control framework. It also reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(A) Credit risks

Credit risk arises from receivables from customers as well as cash balances and fair values of derivatives with financial counterparties (e.g. banks). The credit risk on customers is influenced mainly by the individual characteristics of each customer. Arcadis usually invoices clients for services according to the progress of the work. If clients refuse or are unable to meet their contractual payment obligations, the Group may not have sufficient cash to satisfy its liabilities and its growth and continued operations could be adversely impacted.

The key objective of the Group's counterparty risk management is to minimize the risk of losses as a result of failure of an individual financial counterparty that could negatively impact the Group's results. Arcadis aims to centralize cash balances with banks that have also provided committed credit facilities to the Group in order to reduce this counterparty risk.

The exposure to credit risk is monitored on an ongoing basis at local entity and at group level. Normally, Arcadis only deals with counterparties that have a sufficiently strong credit rating. Where possible, Arcadis uses credit ratings provided by external credit rating agencies, thus monitoring creditworthiness in order to manage the related credit risk. Furthermore, Arcadis strongly focuses on clients by strengthening the commercial relationship and being more selective to which clients services are offered. Through systematic account management we aim to build long-term relationships with selected multinational and key national/local clients. We already have a relationship with the majority of our multinational clients for more than five years. New customers are analyzed individually for creditworthiness before services are offered and monitored regularly.

The carrying amount of financial assets represents the maximum credit exposure. Per 31 December 2024, the maximum exposure to credit risk was:

In € millions	Note	2024	2023
Financial assets:			
Trade receivables	21	761	731
Other receivables	23	41	39
Other non-current assets	20	9	20
Derivatives	19	10	8
		821	**799**
Cash and cash equivalents less bank overdrafts	24	375	280
Balance at 31 December		**1,196**	**1,078**

Trade receivables

Trade receivables are presented net of a provision for expected credit losses. The credit risk is measured and analyzed on a local level at regular intervals, taking into consideration, amongst others, the financial situation of the debtor and ageing of receivables. Expected losses are determined in line with IFRS 9, see note 21.

The ageing of Trade receivables and the provision for Trade receivables at reporting date is disclosed below and in note 21. The ageing of receivables has led to the recognition of (expected) credit losses and calibration of assumptions as included in the Goodwill impairment test.

The movement schedule for the provision for Trade receivables is included in note 21.

There are various reasons for delays in payments that result in past due amounts and that impact Days Sales Outstanding (DSO). Arcadis has overdue receivables which are generally considered collectible and for which the risk of impairment is remote.

Amounts due at 31 December 2024 subject to the 'paid-when-paid principle' are disclosed in note 21. Further details on how Arcadis uses this principle to manage working capital is disclosed in the section on liquidity risk.

Other receivables and non-current assets

Other receivables and Other non-current assets are monitored for expected credit losses. They do not contain impaired assets and are not past due.

Loans to associates and joint ventures

Loans to associates and joint ventures are subject to credit risk. At 31 December 2024, no material loans to associates were outstanding.

Cash and cash equivalents

The credit risk of Cash and cash equivalents is the risk that counterparties are not able to repay amounts owed to Arcadis upon request of Arcadis. The objective of the Group is to minimize credit risk exposure in Cash and cash equivalents by investing in liquid securities and entering into transactions involving derivative financial instruments only with counterparties that have sound credit ratings, a good reputation and belong to the group of Core banks which also provide committed credit facilities. The related risk is monitored on an ongoing basis both at local entity and group level. The Group keeps approximately 67% (2023: 62%) of its cash reserves at our Core banks and is only allowed to invest in short-term, liquid securities with counterparties that have an investment grade rating from Standard & Poor's, Moody's or Fitch. Management monitors these ratings and does not expect any such counterparty to fail to meet its obligations in the short-term. No Expected Credit Losses are recognized on the cash and cash equivalents.

Guarantees and letters of credit

On behalf of the Group and local entities, financial institutions (such as banks and insurance companies) have provided bank guarantees, surety bonds and letters of credit amounting to €157 million outstanding as at 31 December 2024 (2023: €150 million). In addition, Arcadis N.V. has provided financial guarantees to banks and financial institutions for a maximum amount of €163 million (2023: €160 million). No Expected Credit Losses are recognized from these guarantees.

(B) Liquidity risks

Liquidity risk is the risk that Arcadis will not be able to meet its financial obligations as they fall due. The primary objective of liquidity management is providing for sufficient committed credit facilities and cash and cash equivalents to enable Arcadis to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Arcadis. Our Group Treasury Policy supports this principle by stating that the minimal liquidity at any given point in time should always exceed €200 million.

Neither the aged (un)billed receivables of individual customers, nor the profile of the accounts receivable portfolio, impose a significant threat to the Group's liquidity planning.

Over the course of the year, fluctuations occur in the working capital needed to finance operations. The Group strives to have a good liquidity position at all times, strictly controlling working capital by optimizing billing and collection and consequently maintaining a healthy (average) net debt to (Operating) EBITDA ratio.

To manage working capital, but only if legally allowed and commercially possible, Arcadis agrees with part of its sub-contractors so-called 'paid-when-paid' clauses. This means that Arcadis is in such instances better able to match the cash inflows from debtors with the related cash outflows to suppliers, as the timing of the payment of the supplier is dependent on the collection of the receivable from a client. This could however be impacted by contractual clauses and/or local laws and regulations that limit the maximum extension of payment terms to a moment before Arcadis gets paid by its client. In case of non-payment by the debtor, Arcadis still has to fulfil its obligations towards the supplier under a 'paid-when-paid' clause. Accounts payable at 31 December 2024 subject to the 'paid-when-paid principle' are disclosed in note 30. The expectation is that all accounts payable will be paid within the normal course of business and are therefore classified as short-term liabilities.

Lines of credit

The Company maintains the lines of credit as summarized in the table below.

In millions					31 December 2024				31 December 2023
Type	Interest/fees		Available		Utilized		Available		Utilized
		CAD	EUR	CAD	EUR	CAD	EUR	CAD	EUR
Revolving Credit Facility	EURIBOR		600		-		600		-
Debentures IBI	6.5%	-	-	-	-	30	20	30	20
Senior unsecured notes	4.875%		500		500		500		500
Uncommitted multi-currency facilities	Floating		142		-		120		-
Schuldschein notes	Fixed/floating		358		358		358		358
Guarantee facility	0.30% - 0.65%		101		54		76		48
Other (loans)	Various		19		1		20		3
Other (bank guarantees and surety bonds)	Various		107		102		196		146

A description and analysis of the credit lines listed above and its movements compared to last year is provided in note 29.

Contractual obligations

The following tables describe our commitments and contractual obligations for the following five years and thereafter. The other long-term debt obligations are the debt service obligations.

No collateral has been pledged for liabilities or contingent liabilities.

In € millions	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Contractual obligations at 31 December 2024					
Guarantees on behalf of associates	-	-	-	-	-
Off balance sheet lease commitments	2	2	-	-	-
Foreign exchange contracts:					
Outflow	(1,089)	(1,089)			
Inflow	1,093	1,093			
Interest rate swaps:					
Outflow	(192)	(105)	(87)	-	-
Inflow	192	105	87	-	-
Cross Currency swaps:					
Outflow	-	-			
Inflow	-	-			
Deferred consideration	1	1	-	-	-
Interest	124	39	61	24	-
Lease obligations	297	72	107	63	55
Loans and borrowings	859	81	778	-	-
Short-term bank debt	-	-	-	-	-
Accounts payable	300	300	-	-	-
Total	**1,587**	**499**	**946**	**87**	**55**
Contractual obligations at 31 December 2023					
Guarantees on behalf of associates	-	-	-	-	-
Off balance sheet lease commitments	4	4	-	-	-
Foreign exchange contracts:					
Outflow	(678)	(678)	-	-	-
Inflow	683	683	-	-	-
Interest rate swaps:					
Outflow	(199)	(7)	(192)	-	-
Inflow	199	7	192	-	-
Cross Currency swaps:					
Outflow	-	-	-	-	-
Inflow	-	-	-	-	-
Deferred consideration	2	2	-	-	-
Interest	172	42	80	50	-
Lease obligations	316	73	105	70	68
Loans and borrowings	879	-	379	500	-
Short-term bank debt	-	-	-	-	-
Accounts payable	313	313	-	-	-
Total	**1,691**	**439**	**564**	**620**	**68**

(C) Market risks

Market risk includes currency risk (C1) and interest rate risk (C2) and comprises the risk that changes in market prices, such as foreign exchange rates and interest rates will affect Arcadis' income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters set by the Group Treasury policy.

(C1) Currency risk

The key objective of the Group foreign exchange transaction exposure management is aimed at the active management of foreign exchange exposures by Group Treasury to reduce and limit the adverse effects of exchange rate changes on the Group's profitability.

Trade and financing transactions in non-functional currencies

The subsidiaries of Arcadis mainly operate in local markets, and as such both sales invoices and purchase invoices are mainly denominated in local currencies. In some instances, however, invoices are in the functional currency of the counterparty, which results in a currency exposure for the subsidiary. The exposure to foreign exchange risk on sales and costs denominated in another currency than the respective functional currencies of the subsidiaries is very limited. Only in limited cases, e.g., for material transactions, the subsidiaries of Arcadis enter into forward foreign exchange contracts with Group Treasury in order to hedge these transaction risks.

Borrowings are denominated in currencies that partly match the cash flows generated by the underlying operations of the Group, primarily Euro and US dollar.

Arcadis group companies can have positions in foreign currencies which are different than their respective functional currencies. For the main currencies the following positions per currency (translated in euros) are the cumulative gross exposures of non-functional currencies of all Arcadis group companies combined.

In € millions	in EUR	in USD	in GBP	in CNY	in BRL	in AED	in CAD	in AUD
At 31 December 2024								
Trade receivables	5	84	43	1	14	3	25	18
Cash and cash equivalents	4	49	1	-	1	0	2	10
Derivatives	-	148	39	(1)	(13)	(15)	(141)	97
Loans and borrowings	-	(160)	(28)	-	(0)	8	136	(105)
Accounts payable	(4)	(108)	(61)	(0)	(1)	(1)	(25)	(16)
Balance exposure	**5**	**13**	**(6)**	**(0)**	**1**	**(5)**	**(3)**	**4**
At 31 December 2023								
Trade receivables	1	56	23	10	20	4	5	4
Cash and cash equivalents	4	8	0	0	-	0	1	1
Derivatives	-	73	30	(9)	(0)	(16)	(84)	121
Loans and borrowings	-	(65)	(54)	(1)	-	9	81	(121)
Accounts payable	(1)	(65)	(3)	(0)	(20)	(0)	(3)	(1)
Balance exposure	**5**	**7**	**(4)**	**1**	**0**	**(3)**	**0**	**4**

The below exchange rates were applied in the year.

	2024		2023	
In €	Average	Year-end	Average	Year-end
US Dollar (USD)	0.92	0.97	0.92	0.91
Pound Sterling (GBP)	1.18	1.21	1.15	1.15
Australian Dollar (AUD)	0.61	0.60	0.61	0.62
Chinese Yuan Renminbi (CNY)	0.13	0.13	0.13	0.13
Canadian Dollar (CAD)	0.67	0.67	0.69	0.68
Brazilian Real (BRL)	0.17	0.16	0.19	0.19
United Arab Emirates Dirham (AED)	0.25	0.26	0.25	0.25

Arcadis uses derivative financial instruments in order to manage market risks associated with changes in foreign exchange rates as well as interest rates. All transactions are carried out in accordance with the Group Treasury policy. The Group seeks to apply hedge accounting where possible to manage volatility in profit or loss. All foreign exchange forward transactions outstanding at year-end are due to mature in 2025.

Sensitivity analysis currency risks

Foreign currency sensitivity analyses are performed by applying an expected possible volatility of a currency, assuming all other variables, in particular interest rates, remain constant. All monetary assets and liabilities of the Group at year-end are revalued, which results in a hypothetical impact on net income and equity as summarized below.

	2024		2023	
In € millions	Impact on net income	Impact on equity	Impact on net income	Impact on equity
10% change euro against the US dollar	20	77	19	60
10% change euro against the Pound Sterling	10	45	11	43
10% change euro against the Australian Dollar	4	19	4	18
10% change euro against the Canadian Dollar	5	10	1	7

All material balance sheet positions have been hedged with foreign exchange contracts. The translation risk relating to subsidiaries with a functional currency other than the Group reporting currency of Euro are not hedged, in accordance with the Group Treasury policy.

(C2) Interest rate risks

The Group manages interest rate risks by financing fixed assets and part of current assets with shareholders' equity and long-term debt. The remainder of current assets is financed with short-term debt including revolving bank debt with variable interest rates. Based on the interest risk profile, financial instruments were outstanding during the year to cover part of the interest rate risk on long-term borrowings. This risk is applicable to long-term debt, short-term debt and bank overdrafts in the Consolidated balance sheet amounting to €853 million at year-end 2024 (2023: €881 million). The decrease versus last year is driven by the early repayment of the IBI debentures (€21 million) and lower bank overdraft (€10 million).

The Group arranged for two floating-to-fixed interest rate swaps for the €185 million floating interest rate Schuldschein loan that was issued in July 2023. One swap (€100 million) will mature in January 2025; the other swap (€85 million) will mature in January 2026.

Further information can be found in Note 19.

The Group Treasury Policy states that the fixed portion of net debt should be at least 40% to protect against increases in interest rates as well as providing some certainty on expectations for interest expense in profit or loss. As of December 2024, this minimum fixed portion of 40% was applicable.

Sensitivity analysis Interest rate risk

Interest rate sensitivity analyses are performed by applying an expected possible volatility of interest rates, assuming all other variables remain constant. All interest-bearing liabilities of the Group at year-end are revalued, which results in a hypothetical impact on the pre-tax profit for the year and equity as summarized below.

	2024		2023	
In € millions	Impact of pre-tax profit for the year	Impact on equity	Impact of pre-tax profit for the year	Impact on equity
Ten basis-points change to interest rate	(0.2)	(0.2)	0.1	0.1

Capital risk management

Arcadis' objectives when managing capital are to safeguard Arcadis' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure that optimizes its cost of capital and allows for sufficient flexibility towards the execution of Arcadis' strategy.

The Group sets the amount of capital in proportion to its risk appetite. The Group manages the capital structure and makes adjustments to it based on changes in economic conditions and the risk characteristics of the underlying assets. The capital structure can be altered by adjusting the amount of dividends paid to shareholders, return capital to shareholders, or issue new debt or shares. From time to time, Arcadis purchases its own shares, which are used as volume hedges for the transfer of shares under Arcadis' long-term incentive plans and to off-set the dilutive effect of scrip dividends.

Consistent with the financial covenants agreed with the banks, the Group monitors capital on the basis of the average Net debt to (Operating) EBITDA ratio. This ratio is calculated as the average interest- bearing debt minus cash and cash equivalents divided by (Operating) EBITDA. EBITDA is calculated as earnings before interest, tax, depreciation and amortization.

To obtain access to the debt capital markets, the Group obtained an investment grade credit rating of BBB- (Stable outlook) from Standard & Poor's. The Group and its subsidiaries are not subject to external capital requirements, other than financial covenants under the credit documentation of its committed credit facilities, as disclosed in the notes to these financial statements.

During 2024, Arcadis' strategic goal on financing, which was unchanged from 2023, was to maintain a Net debt to (Operating) EBITDA ratio between 1.5x and 2.5x in order to secure access to finance at a reasonable cost.

Financial covenants

The financial covenant set under the contracts of the committed credit facilities that are applicable to Arcadis includes a Total Leverage ratio. The Total Leverage ratio for the €600 million Revolving Credit Facility and the Schuldschein loans issued in 2020 has a maximum of 3.5x.

For the Revolving Credit Facility, the Applicable Rating of the Rating Agency (S&P) prevails over the average net debt to EBITDA ratio in case of a rating of at least BBB or Baa2, which is the case at year-end.

The Total Leverage ratio for the Schuldschein loans issued in 2023, which is based on Operating EBITDA, has a maximum of 3.5x.

Both ratios are included in the next tables.

In € millions	Note	31 December 2024	31 December 2023
Long-term loans and borrowings	29	772	871
Current portion of loans and borrowings	29	81	-
Lease liabilities	16	192	211
Current portion of lease liabilities	16	70	70
Bank overdrafts	24	1	10
Total debt		**1,116**	**1,163**
Less: cash and cash equivalents	24	(376)	(290)
Net debt		**739**	**873**
EBITDA according to debt covenants[1]		**541**	**463**
Adjusted Operating EBITDA according to debt covenants[2]		**568**	**511**

[1] EBITDA adjusted for share-based compensation and acquisition effects, in accordance with debt covenants. Non-GAAP performance measure, to provide transparency on the underlying performance of our business (reference is made to the Glossary Financial indicators on page 341)

[2] EBITDA adjusted for share-based compensation, restructuring, integration, disposal and acquisition related costs and net result from divestments, and any material one-off exceptional non-cash impairments and/or material one-off exceptional non-cash write-offs.

Ratios

	2024	2023
Average net debt to EBITDA ratio according to debt covenants RCF and 2020 Schuldschein (Total Leverage Ratio)	1.6	2.2
Average net debt to adjusted Operating EBITDA ratio according to debt covenants for 2023 Schuldschein and Eurobond	1.5	2.0

The ratios as disclosed above are calculated based on the definitions as agreed with and aligned between the different providers of committed credit facilities. The calculation of the average Net debt to (Operating) EBITDA ratio is based on the average net debt of Q2 and Q4. Throughout 2024, Arcadis complied with all financial and non-financial covenants.

Fair value

The fair values of financial assets and liabilities together with the carrying amounts recognized in the Consolidated balance sheet, are as follows:

			Carrying value per IFRS 9 category				
In € millions	Carrying amount	Out of Scope IFRS 7	Amortized cost	Fair value through Profit or Loss	Fair value through Other comprehensive income	Total	Fair value
At 31 December 2024							
Investments in associates and joint ventures	11	11	-	-	-	-	-
Other investments	4	-	-	4	-	4	4
Other non-current assets	9	-	9	-	-	9	9
Trade receivables	759	-	759	-	-	759	759
Derivatives	10	-	-	9	1	10	10
Cash and cash equivalents	376	-	376	-	-	376	376
Total Financial assets	**1,169**	**11**	**1,144**	**13**	**1**	**1,158**	**1,158**
Loans and borrowings:							
Non-current	772	-	772	-	-	772	781
Current	81	-	81	-	-	81	81
Derivatives	9	-	-	9	-	9	9
Accounts payable	300	-	300	-	-	300	300
Lease liabilities	262	-	262	-	-	262	262
Deferred consideration	1	-	-	1	-	1	1
Bank overdrafts and short-term bank debts	1	-	1	-	-	1	1
Total Financial liabilities	**1,426**	**-**	**1,416**	**10**	**-**	**1,426**	**1,435**

			Carrying value per IFRS 9 category				
In € millions	Carrying amount	Out of Scope IFRS 7	Amortized cost	Fair value through Profit or Loss	Fair value through Other comprehensive income	Total	Fair value
At 31 December 2023							
Investments in associates and joint ventures	11	11	-	-	-	-	-
Other investments	4	-	-	4	-	4	4
Other non-current assets	20	-	20	-	-	20	20
Trade receivables	729	-	729	-	-	729	729
Derivatives	8	-	-	10	(2)	8	8
Cash and cash equivalents	290	-	290	-	-	290	290
Total Financial assets	**1,063**	**11**	**1,039**	**14**	**(2)**	**1,051**	**1,051**
Loans and borrowings:							
Non-current	871	-	871	-	-	871	875
Current	-	-	-	-	-	-	-
Derivatives	11	-	-	11	-	11	11
Accounts payable	313	-	313	-	-	313	313
Lease liabilities	281	-	281	-	-	281	281
Deferred consideration	2	-	-	2	-	2	2
Bank overdrafts and short-term bank debts	10	-	10	-	-	10	10
Total Financial liabilities	**1,489**	**-**	**1,475**	**14**	**-**	**1,489**	**1,492**

Fair value hierarchy

The financial instruments carried at fair value are analyzed by valuation method, using the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value within the Group are categorized in Level 2, except for the other investment in Techstars and the deferred consideration whereby a Level 3 valuation has been used (see note 18).

The fair value of foreign exchange forward rate contracts is based on quoted market prices at the balance sheet date, being the present value of the quoted forward price. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the term and maturity of the contract, using market interest rates.

The fair value of interest rate swaps is calculated by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at measurement date. These calculations are tested for reasonableness by comparing them with bank valuations.

The fair value of loans and receivables is based on the present value of future principal and interest cash flows, discounted at the Group specific market rate of interest at reporting date. For financial leases the market rate of interest is determined by reference to similar lease agreements.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at reporting date. Due to the short-term character of the receivables, the fair value equals the carrying value.

32 Commitments and contingent liabilities

Committed lease payments for short-term and/or low-value leases are reported as off-balance sheet commitment. The lease payments (excluding costs for services such as insurance and maintenance, which are expenses as incurred) are recognized as an expense on a straight-line basis unless another systemic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

Non-financial guarantees are accounted for as a contingent liability until such time it becomes probable that the Company will be required to make a payment under such guarantee. Financial guarantees are subject to the Expected Credit Loss model, and a credit loss is recognized for the expected cash shortfalls.

Contingent liabilities are potential obligations of sufficient uncertainty that it does not qualify for recognition as a provision (see note 28), unless it is assumed in a business combination (see note 6). Contingent liabilities are reviewed periodically to assess whether an outflow of resources will become probable.

Summary of commitments

In € millions	31 December 2024	31 December 2023
Short-term leases	1	1
Low-value leases	1	3
Total committed off-balance leases	**2**	**4**

In € millions	31 December 2024	31 December 2023
Bank guarantees	157	150
Corporate guarantees	163	160
Eliminations	(99)	(110)
Guarantees	**221**	**200**
Leases	2	4
Other commitments[1]	163	132
Total	**386**	**336**

[1] This relates to software and information technology products commitments. The 2023 amount has been adjusted to reflect additional commitments.

Leases

The Group's lease arrangements mainly relate to contracts for leased cars, building and other (IT) equipment. These leases have varying terms, termination clauses and renewal rights. For leased assets the Group has recognized right-of-use assets and lease liabilities as at 31 December 2024, except for short-term and/or low-value leases. The lease expense recognized in profit or loss of 2024 relating to short-term and/or low-value leases amounted to €7 million (2023: €9 million).

See note 16 for further information on leases.

Guarantees

Arcadis has issued corporate guarantees as security for credit facilities, bank guarantee facilities and surety bond lines. Guarantees or guarantee-like items issued by a financial intermediary (such as bank guarantees and surety bonds) can be issued in relation to projects, advances received, tender bonds or lease commitments to avoid cash deposits. Bank guarantees or surety bonds issued for project performance can be claimed by clients where Arcadis fails to deliver in line with the agreed contract. In such cases, the liability of the bank should be no greater than the original liability on Arcadis. Where the failure to perform arose due to an error or omission by Arcadis, the claim could be covered by the professional indemnity insurance cover.

The tables below summarize the outstanding corporate and bank guarantees. They reflect only items that have been drawn or utilized that are not already shown on the balance sheet.

In € millions	Corporate Guarantees	Bank guarantees	Eliminations[1]	Total
Debt facility financing	3	-	-	3
Bank guarantee and surety bond financing	114	157	(75)	196
Other	46		(24)	22
Balance at 31 December 2024	**163**	**157**	**(99)**	**221**

[1] To avoid double-counting and the overstatement of contingent obligations, only one instance of any off-balance sheet item is reported, e.g. if Arcadis N.V. has provided a corporate guarantee for a local bank guarantee facility, any claim for payment by a client on an outstanding bank guarantee can only be honored once.

In € millions	Corporate Guarantees	Bank guarantees	Eliminations[1]	**Total**
Debt facility financing	4	-	-	4
Bank guarantee and surety bond financing	117	150	(70)	197
Other	40	-	(40)	-
Balance at 31 December 2023	**160**	**150**	**(110)**	**200**

[1] To avoid double-counting and the overstatement of contingent obligations, only one instance of any off-balance sheet item is reported, e.g. if Arcadis N.V. has provided a corporate guarantee for a local bank guarantee facility, any claim for payment by a client on an outstanding bank guarantee can only be honored once.

The vast majority of outstanding bank guarantees and surety bonds relates to the commercial performance on projects (e.g. Performance guarantees, Tender bonds, Warranty bonds or Advance payment guarantees) and rental guarantees. On 31 December 2024 and throughout the year, the vast majority of the outstanding bank guarantees and surety bonds posed an immaterial and insignificant risk to Arcadis.

On 31 December 2024, only a part of the local bank guarantee facilities and local debt facilities have been used.

Other commitments

The other commitments amount to €163 million (2023: €132 million) and include the service part of several long-term global IT service contracts, which runs for a remaining period of one to three years.

Contingent liabilities

Litigation

The Company is involved in various legal and regulatory claims and proceedings as a result of its normal course of business, either as plaintiff or defendant. Management ensures that these cases are firmly defended. In some of these proceedings, claimants allegedly claim amounts for project contract breaches that are significant to the Consolidated financial statements.

All legal and regulatory claims and proceedings are assessed on a regular basis. In consultation with in-house and external legal counsels, management regularly evaluates facts and circumstances of those claims and, based on the analysis of possible outcomes of litigation and settlements, provisions are accrued for. Provisions are accrued for only where management believes it is probable that Arcadis will be held liable, the amount is reasonably estimable, and the claim has not been insured. These provisions are reviewed periodically and adjusted if necessary, to the extent that cash outflow of related proceedings is probable, including defense costs and reimbursements by our insurance policies.

Since the ultimate disposition of asserted claims and proceedings cannot be predicted with certainty, final settlement can differ from this estimate and could require revisions to the estimated provision, which could have a material adverse effect on the Company's balance sheet, profit or loss, and cash flows for a particular period.

Further information ordinarily required by IAS 37 has not been disclosed on the grounds that it can be expected to seriously prejudice the outcome of the disputes

Tax

Arcadis operates in a high number of jurisdictions and is subject to a variety of taxes per jurisdiction. Tax legislation can be highly complex and subject to changes and interpretation. Therefore, Arcadis is exposed to varying degrees of uncertainty and significant judgement is required in determining the global tax position. The Company accounts for its income taxes on the basis of its own internal analyses supported by external advice. The Company continually monitors its global tax position including changes in tax laws or interpretations of such laws. Whenever uncertain tax positions arise, the Company assesses the potential consequences and recognizes liabilities depending on the strength of the Company's position and the resulting risk of loss.

Further information ordinarily required by IAS 37 has not been disclosed due to sensitive and confidential information involved.

33 Related party transactions

A related party is a person or an entity that is related to the Group. These include both people and entities that have, or are subject to, the influence or control of the Group (e.g. key management personnel). Transactions with related parties are accounted for in accordance with the requirements of relevant IFRSs, take into account the substance as well as the legal form, and made on terms equivalent to those that prevail in arm's length transactions.

General

The related parties of the Company include subsidiaries, jointly controlled entities, associates, temporary partnerships, Stichting Lovinklaan, Stichting Bellevue, Stichting Prioriteit Arcadis N.V., Stichting Preferente Aandelen Arcadis N.V., the members of the Executive Board, the Executive Leadership Team and the Supervisory Board.

In accordance with article 2:379 and 414 of the Dutch Civil Code, the list of subsidiaries, joint ventures, and associates is filed with the Chamber of Commerce in Amsterdam.

Transactions with subsidiaries

The financial transactions between the Company and its subsidiaries comprise operational project related transactions, financing transactions and other transactions in the normal course of business activities. Transactions within the Group are not included in these disclosures as these are eliminated in the Consolidated financial statements.

Transactions with joint arrangements

The Group has entered into transactions on an arm's length basis through joint arrangements during the year 2024. Total revenues from joint arrangements amounted to €208 million (2023: €260 million).

Transactions with associates

The Group has entered into transactions with associates, see note 17 and the table on the next page.

Transactions with key management personnel

The table below specifies the total remuneration of key management personnel, for the period that they met the criteria, and for remuneration received in the capacity of key management personnel. This includes the remuneration of the Executive Board members of €5 million (2023: €4 million), Executive Leadership Team of €8 million (2023: €8 million), and Supervisory Board members of €0.6 million (2023: €0.5 million).

For the composition of the Executive Board, Executive Leadership Team and Supervisory Board in 2024 see pages 176 to 180 and pages 208 to 210. The remuneration in below table covers the period that members qualified as key management personnel.

In € millions	2024	2023
Salary	6	5
Bonus	4	3
Post-employment pension	1	1
Share-based payment transaction	2	3
Fringe benefits	1	1
Termination benefit	0	1
Total	**14**	**12**

In 2024 (and 2023) no transactions involving conflicts of interest for key management personnel occurred which were material to the Company. In addition, the Company has not granted any loans, advances or guarantees to key management personnel.

Transactions with post-employment benefit plans

The main post-employment benefit plans are the pension funds of EC Harris (ECH) and Hyder (AGPS). In 2024, the Company contributed €2 million (2023: €2 million) to the plan of EC Harris and €3 million to the plan of Hyder (2023: €3 million), see note 27.

Transactions with Lovinklaan Foundation

Stichting Lovinklaan (Lovinklaan Foundation) is one of the main shareholders of Arcadis. The board of the Foundation consists of Arcadis employees. The Foundation had an interest of 18.62% in Arcadis N.V. at 31 December 2024 (2023: 18.51%).

Other contributions made by the Lovinklaan Foundation in 2024 to Arcadis related to the following programs:

- Skills Powered Organisation: €2 million (2023: €3 million)
- Ignite: €0.5 million (2023: nil)
- Energy Transition Academy: €0.4 million (2023: nil)
- Sustain Abilities: €0.2 million (2023: €0.2 million)
- Quest: €0.1 million (2023: nil)
- Imagine: €0.03 million (2023: €0.03 million)
- Expedition DNA: nil (2023: €0.7 million)
- Shelter: nil (2023: €0.2 million)

In 2024 (and 2023) no other financial transactions apart from the above mentioned took place between the Foundation and the Company, except for the dividends on the shares.

Transactions with other related parties

Arcadis N.V. contributed €63,000 to Stichting Preferente Aandelen Arcadis N.V. (the ‘Preferred Stock Foundation’) in 2024 (2023: €45,000) and €500 to Stichting Prioriteit Arcadis N.V. (the ‘Priority Share Foundation’) (2023: €500). See note 25 for further information on these foundations.

The contribution to Stichting Bellevue amounted to €68,000 (2023: €68,000).

Summary

A summary of transactions with related parties (excluding Key Management Personnel) in the financial year is disclosed in the table below:

	Transactions with associates		Transactions with joint arrangements		Transactions with post-employee benefit plans		Other	
In € millions	2024	2023	2024	2023	2024	2023	2024	2023
Sales (to)	15	14	208	260	-	-	4	1
Purchase (from)	1	0	0	1	-	-	(0)	0
Loans (to)	0	-	-	-	-	-	-	-
Receivables (from)	1	3	7	9	-	-	1	0
Payables (to)	0	0	0	0	0	-	0	-
Impairment of loans (to)	-	-	-	-	-	-	-	-
Dividends received (from)	3	4	-	0	-	-	-	-
Provision for bad debts related to outstanding balances	-	-	0	-	-	-	-	-
Related expenses to these bad or doubtful debts	-	-	(0)	-	-	-	-	-
Provision for outstanding loan balances	-	-	-	-	-	-	-	-
Transfer of pension premiums and cost changes	-	-	-	-	1	2	-	-
Contributions	-	-	-	-	5	5	-	0

34 Events after the balance sheet date

A subsequent event is a favorable or unfavorable event, that occurs between the reporting date and the date that the financial statements are authorized for issue. Events after the reporting date that provide evidence of conditions that existed at the reporting date are adjusted within the financial statements. Events that are indicative of a condition that arose after the reporting date of a material size or nature are disclosed below.

There are no material subsequent events, that would have changed the judgment and analysis by management of the financial condition of the Company at 31 December 2024, or the result for 2024.

Company financial statements

Company Balance sheet

as at 31 December - before allocation of profit

In € millions	Note	2024	2023
Assets			
Non-current assets			
Intangible assets and goodwill	39	1	2
Property, plant and equipment	40	1	1
Right-of-use assets	41	1	2
Investment in subsidiaries	42	2,616	2,292
Loans issued to subsidiaries and other investments	43	391	342
Deferred tax assets	47	4	1
Total Non-current assets		**3,014**	**2,639**
Current assets			
Derivatives		15	7
Receivables	44	131	191
Corporate income tax receivable		2	-
Cash and cash equivalents		57	22
Total Current assets		**205**	**220**
Total Assets		**3,219**	**2,859**

In € millions	Note	2024	2023
Equity & liabilities			
Shareholders' equity			
Share capital		2	2
Share premium		372	372
Hedging reserve		(1)	(1)
Translation reserve		(69)	(117)
Other legal reserves		10	10
Retained earnings		676	637
Undistributed profits		243	160
Total Shareholders' equity	**25,45**	**1,233**	**1,063**
Provisions	46	12	9
Deferred tax liabilities	47	-	-
Non-current liabilities			
Long-term debt	48	934	1,059
Lease liabilities	41	0	1
Long-term derivatives		1	2
Total Non-current liabilities		**935**	**1,062**
Current liabilities			
Current portion of provisions	46	1	1
Derivatives		11	8
Bank overdrafts		2	0
Short-term borrowings	48	81	-
Current portion of lease liabilities	41	1	1
Current portion of long-term debt	48	32	-
Corporate income tax payable		0	2
Current liabilities	49	911	713
Total Current liabilities		**1,039**	**725**
Total Liabilities		**1,986**	**1,796**
Total Equity and liabilities		**3,219**	**2,859**

The notes on pages 304 to 317 are an integral part of these Company financial statements

Company Income statement

for the year ended 31 December

In € millions	Note	2024	2023
Corporate charges to subsidiaries	36	59	147
Total Corporate Income		**59**	**147**
Personnel costs	54	(25)	(94)
Other operational costs	37	(19)	(28)
Depreciation and amortization	39,40,41	(1)	(1)
Total Operational costs		**(45)**	**(122)**
Operating income/ (expense)		**14**	**25**
Finance income		32	35
Finance expenses		(103)	(83)
Fair value change of derivatives		14	(6)
Net finance expense	**38**	**(57)**	**(53)**
Profit before income tax		**(43)**	**(29)**
Income taxes		7	2
Net income subsidiaries		281	187
Result for the period		**245**	**160**

35 General

In the Company financial statements, Arcadis N.V. or the Company is referring to Arcadis N.V. as a standalone legal entity.

Unless stated otherwise, all amounts are rounded in millions of euros. The Company financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company financial statements are prepared based on the accounting principles of recognition as applied in the Consolidated financial statements. Foreign currency amounts have been translated, assets and liabilities have been valued, and net income has been determined, in accordance with the principles of valuation and determination of income presented in note 2 of the Consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In the Company financial statements, subsidiaries of Arcadis N.V. are accounted for using the equity method. To achieve optimal transparency between the Consolidated financial statements and the Company financial statements name conventions are aligned.

The Company financial statements were authorized for issue by the Executive Board and Supervisory Board on 12 February 2025.

36 Corporate charges to subsidiaries

Corporate charges to subsidiaries include royalty fees. It includes 'true-ups' for the previous year, which have been calculated and settled in 2024 following the final 2023 results. The decrease in the Corporate charges are due to the split of holding activities between Arcadis Global B.V. and Arcadis N.V. effective 1 July 2023. The headquarter support service fees and license fees have been charged by Arcadis Global B.V. since 1 July 2023.

37 Other operational costs

In € millions	2024	2023
Occupancy	0	1
Travel	1	4
Office related	0	0
Computer related	2	5
Audit and consultancy services	12	13
Insurances	1	2
Marketing and advertising	4	3
Charitable donations	0	0
Intercompany charges	1	0
Other	(2)	0
Total Other operational costs	**19**	**28**

The intercompany charges decreased as a result of the split the holding activities between Arcadis Global B.V. and Arcadis N.V. in 2023 that resulted in significant lower recharges from operating companies directly to the company.

38 Net finance expense

The net finance expense includes income and expenses relating to external loans and bonds, intercompany loans and leases. Foreign exchange differences on financial liabilities and interest on leases are part of the finance expenses.

In € millions	2024	2023
Interest income from loans to subsidiaries	19	28
Other finance income	13	7
Finance income	**32**	**35**
Interest expense on external loans and borrowings	(42)	(44)
Interest expense on loans from subsidiaries	(5)	(5)
Interest expense on external leases	(0)	(0)
Other external interest expense	(43)	(36)
Foreign exchange differences	(13)	2
Finance expense	**(103)**	**(83)**
Fair value change of derivatives	14	(6)
Total	**(57)**	**(53)**

39 Intangible assets

In € millions	Software
Cost	14
Accumulated amortization	(13)
At 1 January 2023	**1**
Additions	1
Amortization charges	(0)
Movement 2023	**1**
Cost	15
Accumulated amortization	(13)
At 31 December 2023	**2**
Additions	0
Amortization charges	(1)
Movement 2024	**(1)**
Cost	15
Accumulated amortization	(14)
At 31 December 2024	**1**

40 Property, plant & equipment

In € millions	Furniture and fixtures	Computer hardware	Prepayments on fixed assets	Total
Cost	2	0	-	2
Accumulated depreciation	(1)	(0)	-	(1)
At 1 January 2023	**1**	**0**	**-**	**1**
Additions	-	-	0	0
Disposals	-	-	-	-
Depreciation charges	(0)	(0)	-	(0)
Movement 2023	**(0)**	**(0)**	**0**	**0**
Cost	2	0	0	2
Accumulated depreciation	(1)	(0)	-	(1)
At 31 December 2023	**1**	**0**	**0**	**1**
Additions	0	-	-	0
Disposals	-	-	-	-
Depreciation charges	(0)	(0)	-	(0)
Movement 2024	**0**	**(0)**	**-**	**0**
Cost	2	0	-	2
Accumulated depreciation	(1)	(0)	-	(1)
At 31 December 2024	**1**	**0**	**-**	**1**

41 Right-of-use assets and lease liabilities

Amounts recognized in the Company balance sheet

Right-of-use assets

In € millions	Leased land and buildings	Leased (IT) equipment	Leased vehicles	Total
Balance at 1 January 2023	**2**	**-**	**0**	**2**
Additions	-	-	0	0
Depreciation	(1)	-	(0)	(1)
Derecognition of fully depreciated assets	-	-	-	-
Remeasurements	0	-	(0)	0
Balance at 31 December 2023	**1**	**-**	**0**	**2**
Additions	-	-	-	-
Depreciation	(1)	-	(0)	(1)
Derecognition of fully depreciated assets	-	-	-	-
Remeasurements	-	-	-	-
Balance at 31 December 2024	**-**	**-**	**0**	**1**

Lease liabilities

In € millions	2024	2023
Balance at 1 January	**2**	**2**
Additions	0	0
Payments of lease liabilities	(1)	(1)
Remeasurements	(0)	0
Interest	0	0
Balance at 31 December	**1**	**2**
Non-current	-	1
Current	1	1
Total	**1**	**2**

Amounts recognized in the Company income statement

In € millions	2024	2023
Depreciation	1	1
Interest expense (included in Net finance expense)	0	0
Other operational costs for short-term leases	-	-
Total	**1**	**1**

42 Investment in subsidiaries

In € millions	2024	2023
Balance at 1 January	**2,292**	**2,083**
Share in income of subsidiaries	281	187
Dividends received	(13)	(82)
Capital contributions	6	309
Capital repayments	-	(171)
Remeasurements on post-employment benefit obligations, net of income taxes	(2)	(2)
Other charges	(0)	0
Provision for negative equity of investments	3	(5)
Exchange rate differences	49	(26)
Balance at 31 December	**2,616**	**2,292**

For the remeasurements on post employee benefits obligations, see note 27.

The exchange rate differences mainly relate to the British Pound Sterling, US Dollar and Canadian Dollar rates.

43 Loans issued to subsidiaries and other investments

In € millions	2024	2023
Balance at 1 January	**342**	**460**
Loans issued to subsidiaries	75	67
Redemptions	(31)	(177)
Investments	-	-
Divestments	-	-
Others	-	-
Exchange rate differences	5	(8)
Balance at 31 December	**391**	**342**

As Arcadis N.V. applies the same valuation principles in the Company financial statements as those applied in the Consolidated financial statements, IFRS 9 is also applicable to intercompany loans and receivables. The assessment of the Expected Credit Loss did not result in a material impact on the Company financial statements. To have consistency between the Consolidated and standalone equity no loss has been recorded, which is in line with the clarification as provided by the *Raad voor de Jaarverslaggeving* (RJ) that a reversal of the Expected Credit Loss can be included in the carrying amount of the loans.

Noted is that Arcadis N.V. has control, directly or indirectly, over all the subsidiaries it granted loans and can convert these into equity if needed.

The fair value of loans to subsidiaries approximates the carrying value since they are all intercompany loans, the duration is short and all less than four years. The interest rates are determined based on the tenure of the loan with the subsidiary, including a mark-up based on transfer pricing principles.

The exchange rate differences mainly relate to loans in US Dollar, British Pound Sterling and Canadian Dollar.

44 Receivables

In € millions	2024	2023
Receivables from subsidiaries and associates	121	175
Other receivables	10	16
Balance at 31 December	**131**	**191**

The Receivables from subsidiaries and associates mainly relate to short-term financing by means of current accounts.

Arcadis applied the simplified approach under IFRS 9 to its intercompany current receivables and concluded that the Expected Credit Loss is immaterial. See note 21 of the Consolidated financial statements for further details on the simplified approach and note 43 on the treatment of the Expected Credit Loss on intercompany positions in the Company financial statements.

The Other receivables include €6.2 million of prepaid amounts, mainly related to software licenses and other prepaid IT support (2023: €7.8 million).

45 Shareholders' equity

In € millions	Share capital	Share premium	Hedging reserve	Translation reserve	Other legal reserve	Retained earnings	Undistributed profits	Total
Balance at 1 January 2024	**2**	**372**	**(1)**	**(117)**	**10**	**637**	**160**	1,063
Net income	-	-	-	-	-	-	243	243
Exchange rate differences	-	-	-	48	-	-	-	48
Effective portion of changes in fair value of cash flow hedges, net of income taxes	-	-	0	-	-	-	-	0
Remeasurements on post-employment benefit obligations, net of income taxes	-	-	-	-	-	(2)	-	(2)
Other comprehensive income, net of income taxes	**-**	**-**	**0**	**48**	**-**	**(2)**	**-**	**46**
Total comprehensive income for the period	**-**	**-**	**0**	**48**	**-**	**(2)**	**243**	**289**
Transactions with owners of the Company:								-
Acquisitions and transactions with non-controlling interests	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	84	(160)	(76)
Addition to (utilization of) other (statutory) reserves	-	-	-	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-
Cancellation of shares	-	-	-	-	-	-	-	-
Share-based compensation, net of income taxes	-	-	-	-	-	8	-	8
Purchase of own shares	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	(51)	-	(51)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**41**	**(160)**	**(119)**
Balance at 31 December 2024	**2**	**372**	**(1)**	**(69)**	**10**	**676**	**243**	**1,233**

In € millions	Share capital	Share premium	Hedging reserve	Translation reserve	Other legal reserve	Retained earnings	Undistributed profits	Total
Balance at 1 January 2023	2	372	1	(88)	10	567	132	996
Net income	-	-	-	-	-	-	160	160
Exchange rate differences	-	-	-	(28)	-	-	-	(28)
Effective portion of changes in fair value of cash flow hedges, net of income taxes	-	-	(2)	-	-	-	-	(2)
Remeasurements on post-employment benefit obligations, net of income taxes	-	-	-	-	-	(2)	-	(2)
Other comprehensive income, net of income taxes	**-**	**-**	**(2)**	**(28)**	**-**	**(2)**	**-**	**(32)**
Total comprehensive income for the period	**-**	**-**	**(2)**	**(28)**	**-**	**(2)**	**160**	**128**
Transactions with owners of the Company:								-
Acquisitions and transactions with non-controlling interests	-	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	65	(132)	(67)
Addition to (utilization of) other (statutory) reserves	-	-	-	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-
Cancellation of shares	-	-	-	-	-	-	-	-
Share-based compensation, net of income taxes	-	-	-	-	-	6	-	6
Purchase of own shares	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	1	-	1
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**72**	**(132)**	**(60)**
Balance at 31 December 2023	**2**	**372**	**(1)**	**(117)**	**10**	**637**	**160**	**1,063**

All the shares have been paid up. The issued and paid-up share capital amounts to €2 million, formed by 90,442,091 ordinary shares and 600 priority shares as at 31 December 2024. All priority shares are held by Stichting Prioriteit Arcadis N.V. and total Legal reserves include the Hedging reserve, Translation reserve and Other legal reserves and are non-distributable. The other legal reserves relate to earnings retained by subsidiaries, associates and joint ventures, as well as internally developed software.

For information on shares purchased to cover the Company's option plans, see note 25 to the Consolidated financial statements.

46 Provisions

In € millions	2024	2023
Balance at 1 January	**10**	**15**
Additions	3	1
Deductions because of use	-	(2)
Release of unused amounts	-	(5)
Balance at 31 December	**13**	**10**
Non-current	12	9
Current	1	1
Total	**13**	**10**

The provisions of Arcadis N.V. at 31 December 2024 relate to a provision for negative equity of direct subsidiaries of the Company for an amount of €11.5 million (2023: €8.8 million), in accordance with article 2:403 paragraph 1 of the Dutch Civil Code. At 31 December 2024, the provision for restructuring amounts to €0.8 million (2023: €1.2 million) and other provision is less than €0.1 million (2023: €0.1 million).

47 Deferred tax assets and liabilities

In € millions	Deferred tax assets	Deferred tax liabilities	Total
Balance at 1 January 2023	**-**	**(3)**	**(3)**
Additions/ deductions	1	3	4
Changes recognized directly in equity/ OCI	-	-	-
Balance at 31 December 2023	**1**	**-**	**1**
Additions/ deductions	3	-	3
Changes recognized directly in equity/ OCI	-	-	-
Balance at 31 December 2024	**4**	**-**	**4**

48 Long-term debt

In € millions	Loans from group companies	Loan notes issued to financial institutions	Total
Balance at 1 January 2023	**269**	**879**	**1,148**
New financing	120	719	839
Redemptions	(179)	(747)	(926)
From long-term to short-term	-	-	-
Exchange rate differences	(2)	0	(2)
Balance at 31 December 2023	**208**	**851**	**1,059**
New financing	179	95	274
Redemptions	(194)	(95)	(289)
From long-term to short-term	(32)	(81)	(113)
Other	1	2	3
Exchange rate differences	-	(0)	(0)
Balance at 31 December 2024	**162**	**772**	**934**

During 2024, there were no loans repaid or newly arranged. The Company made use of the Revolving Credit Facility for €95 million, which was all repaid during the year.

€81 million of Schuldschein loans were reclassified from long-term to short-term loans during 2024; all loans outstanding on 31 December 2024 have a maturity in 2026 or beyond.

The loans notes issued to financial institutions are all due within five years.

Please refer to note 29 for more detail on the long-term debts at consolidated level.

49 Current liabilities

In € millions	2024	2023
Suppliers	3	10
Payables to group companies	868	638
Other liabilities	40	65
Balance at 31 December	**911**	**713**

The payables to group companies mainly relate to the internal cash pool. In 2023 Other liabilities included an amount of €1.7 million which relates to additional tax to be paid on behalf of certain Executive Board and Executive Leadership team members based in the UK due to a tax legislation change on timing of tax on restricted share units, which has been paid out in 2024.

The decrease of other liabilities is mainly related to lower accrued bonusses.

Refer to note 29 and 31 to the Consolidated financial statements for further information on Arcadis' lines of credit.

50 Commitments and contingent liabilities

Commitments and contingent liabilities

As parent company of the fiscal unity in the Netherlands, the Company is severally liable for the corporate income tax and value added tax liabilities of the fiscal unity. The companies that form part of the Arcadis N.V. tax group account for their tax position based on their own taxable result. The tax charge is settled with the Company based on the finalized tax return.

At the end of 2024, the Company had commitments for rent and lease obligations that are exempted from IFRS16 (short-term and/or low value leases) amounting to nil (2023: €4 million). The Company entered into a 10-year non-cancellable lease agreement for the new headquarters' office in Amsterdam, which is expected to commence in 2026, subject to the completion of the building's construction. The total estimated future lease payments under this agreement would amount to €10 million in total over a period of 10 years of the lease.

Additionally, the Company entered into long-term service commitments relating to a global IT outsourcing contract of €75 million (2023: €82 million). The 2023 amount has been adjusted to reflect additional commitments.

Guarantees & short-term facilities

The Company has pledged a limited number of guarantees for the short-term credit and guarantee facilities that are available for use to its operating companies. The total amount available under these facilities is €243 million of which €54 million is used at 31 December 2024 (2023: €196 million of which €48 million was used). In addition to this amount, the Company has corporate guarantees for an amount of €163 million available (2023: €160 million).

For an overview of all off-balance sheet guarantees provided by either Arcadis N.V. or its subsidiaries see note 32 to the Consolidated financial statements.

51 Remuneration of EB and SB members

Remuneration of Executive Board members

In 2024, an amount of €5 million (2023: €4 million) was charged to the Company for remuneration of the current and former Executive Board members, including pension charges, the LTIP expense and fringe benefits.

As reflected in the 'Remuneration report' and the table on the next page, a number of 25,092 conditional (performance) shares were granted to Executive Board members as variable remuneration (2023: 31,883).

For an explanation of the Remuneration Policy, see the 'Remuneration Report' included in this report on pages 217 to 228.

Overview of remuneration of Executive Board members in 2024

							Conditional (performance) shares	
In € millions	Salary	Bonus	Pension compensation	LTIP expense[1]	Fringe benefits	**Total 2024**	Number	Value[2]
Alan Brookes	0.7	0.7	0.2	0.7	0.5	2.7	14,599	0.9
Virginie Duperat-Vergne	0.5	0.5	0.1	0.6	0.6	2.4	10,493	0.6
Total current Board members	**1.3**	**1.2**	**0.3**	**1.3**	**1.1**	**5.1**	**25,092**	**1.5**

[1] The LTIP expense relates to the charge to the Income statement in the year based on the plans granted in the preceding 36 months

[2] This amount is charged over a three-year period to the Company's income statement and only includes the expense for grants received in the capacity of Executive Board member

The fringe benefits of current and former board members of €1 million (2023: €0.4 million) include a representation and expense allowance, a car allowance, social security premium and health and disability insurance.

Overview of remuneration of Executive Board members in 2023

The next table includes all remuneration that has been expensed during 2023 and which was received in the capacity of Executive Board membership.

							Conditional (performance) shares	
In € millions	Salary	Bonus	Pension compensation	LTIP expense[1]	Fringe benefits	**Total 2023**	Number	Value[2]
Alan Brookes[3]	0.5	0.3	0.1	0.4	0.1	1.4	19,281	0.7
Virginie Duperat-Vergne	0.5	0.4	0.1	0.5	0.3	1.7	12,602	0.4
Total current Board members	**1.0**	**0.7**	**0.2**	**0.9**	**0.4**	**3.2**	**31,883**	**1.1**
Peter Oosterveer[4]	0.3	0.2	0.1	0.6	0.0	1.1	-	-
Total former Board member	**0.3**	**0.2**	**0.1**	**0.6**	**0.0**	**1.1**	**-**	**-**

[1] The LTIP expense relates to the charge to the Income statement in the year based on the plans granted in the preceding 36 months

[2] This amount is charged over a three-year period to the Company's income statement and only includes the expense for grants received in the capacity of Executive Board member

[3] Appointed as CEO and Chair of the Executive Board on 12 May 2023

[4] Retired as CEO and Chair of the Executive Board on 12 May 2023

Remuneration of Supervisory Board members

At 31 December 2024, the Supervisory Board consisted of seven members (2023: seven). The joint fixed remuneration for 2024 amounted to €0.6 million (2023: €0.5 million), specified as follows:

In € millions	2024	2023
Michiel Lap	0.12	0.12
Michael Putnam	0.09	0.08
Deanna Goodwin	0.10	0.09
Niek Hoek[1]	-	0.03
Wee Gee Ang[1]	-	0.03
Carla Mahieu	0.07	0.07
Barbara Duganier[2]	0.09	0.06
Linda Morant[3]	0.09	0.01
Peter de Wit[3]	0.08	-

[1] Resigned from Supervisory Board on 12 May 2023

[2] Joined the Supervisory Board on 12 May 2023

[3] Joined the Supervisory Board on 13 Dec 2023

52 Interests held by members of the EB

The interests held in the share capital of Arcadis N.V. by members of the Executive Board were:

Number of shares Arcadis N.V. Current EB members	31 December 2024	31 December 2023
Alan Brookes	48,603	38,358
Virginie Duperat-Vergne	15,868	5,726

Number of conditional (performance) shares Arcadis N.V.[1] Current EB members	31 December 2024	31 December 2023
Alan Brookes	46,072	39,176
Virginie Duperat-Vergne	36,398	41,981

In 2024, the aggregate numbers of conditional performance shares held by members of the Executive Board are as below. The board members did not hold stock options in 2024.

Conditional performance shares	Granted in	Share price at grant date (in €)	Outstanding at 1 January 2024	Granted in 2024	Increase/ (decrease) by performance measure	Vested in 2024	Forfeited in 2024	Outstanding at 31 December 2024	Vesting date[1]
Alan Brookes	2021	34.64	7,703	-	2,542	(10,245)	-	-	2024
	2022	36.92	12,192	-	-	-	-	12,192	2025
	2023	39.52	19,281	-	-	-	-	19,281	2026
	2024	60.75	-	14,599				14,599	2027
			39,176	**14,599**	**2,542**	**(10,245)**	**-**	**46,072**	
Virginie Duperat-Vergne	2021	34.64	16,076	-	5,305	(21,381)	-	-	2024
	2022	36.92	13,303	-	-	-	-	13,303	2025
	2023	39.52	12,602	-	-	-	-	12,602	2026
	2024			10,493	-	-	-	10,493	2027
			41,981	**10,493**	**5,305**	**(21,381)**	**-**	**36,398**	
Total current Board members			**81,157**	**25,092**	**7,847**	**(31,626)**	**-**	**82,470**	

[1] Vesting is on the 5th business day after the ex-dividend date

53 Shares held by members of the SB

None of the members of the Supervisory Board held Arcadis shares in 2024 and 2023.

54 Employees

At 31 December 2024, Arcadis N.V. had 15.6 full-time employees on its payroll (2023: 19). The number of employees working outside the Netherlands is zero (2023:0). For information on share-based remuneration granted to employees of Arcadis N.V., as meant by article 2:383d paragraph 1 of the Dutch Civil Code, see note 10 to the Consolidated financial statements.

Personnel costs for Arcadis N.V. consisted of the following:

In € millions	2024	2023
Salaries and wages	9	22
Social charges	1	1
Pension and early retirement charges	-	1
Other personnel costs (mainly intragroup)	15	70
Total personnel costs	**25**	**94**

Salaries and wages, and other personnel costs have decreased compared to last year, due to the transfer as of 1 July 2023 of most of the employees to Arcadis Global B.V. The other personnel costs include an amount of €0.3 million of payments in relation to the termination of employment agreements (2023: €0.1 million).

55 External independent auditor fees and services

In accordance with article 2:382a of the Dutch Civil Code the following table details the aggregate fees billed by our external independent auditor, PricewaterhouseCoopers Accountants N.V., including the foreign offices of PricewaterhouseCoopers of the last two fiscal years for various services:

Type of services provided (in € millions)	2024	2023
Audit fees	5	5
Audit-related fees	1	0
Tax fees	-	-
Other non-audit fees	-	-
Total	**6**	**5**

Audit-related fees consist of fees for services that are traditionally performed by the external independent auditor. In addition to the statutory audit of Arcadis N.V., PricewaterhouseCoopers Accountants N.V. was engaged by the Supervisory Board to perform the assurance on sustainability reporting.

Of the total fees billed, an amount of €2.5 million relates to PricewaterhouseCoopers Accountants N.V. (2023: €2.1 million) and the remainder to its foreign offices.

Amsterdam, the Netherlands, 12 February 2025

Executive Board **Supervisory Board**

Other information

Independent auditor's report

To: the general meeting and the supervisory board of Arcadis N.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion:

- the consolidated financial statements of Arcadis N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Arcadis N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of Arcadis N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2024;
- the following statements for 2024: the consolidated income statement, the consolidated statements of comprehensive income, changes in equity, cash flow; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2024;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Arcadis N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matter, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the individual key audit matter, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

Arcadis N.V. is a design and consultancy firm for natural and built assets. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the executive board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change.

Arcadis N.V. assessed the possible effects of climate change and its plans to meet the net zero commitments. We discussed Arcadis N.V.'s assessment and governance thereof with the executive board and evaluated the potential impact on the financial position including underlying assumptions and estimates. The expected effects of climate change are not considered a key audit matter.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a global client in the design & consultancy industry. We therefore included experts and specialists in the areas of, amongst others, IT, share-based payments, income tax, valuations, sustainability, forensics and pensions in our team.

The outline of our audit approach was as follows:

Materiality

- Overall materiality: €19 million.

Audit scope

- We conducted audit work on eight components and performed specified procedures on one component. In addition, we also performed audit of specific account balances for four components.
- Site visits were conducted for Arcadis UK, DPS Ireland and (virtual) meetings were held with all the components in scope of our audit.
- We performed procedures over the consolidation, financial statements and more complex areas such as the valuation of goodwill, taxation and share-based payments.
- Audit coverage: 76% of consolidated gross revenue, 85% of consolidated total assets and 71% of consolidated profit before tax.

Key audit matter

- Project revenue recognition and valuation of contract assets.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€19 million (2023: €18 million).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 0.5% of net revenue.
Rationale for benchmark applied	We used net revenue as the primary benchmark as revenue is a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. We believe that net revenue is an important metric for the financial performance of the Company.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €3.5 million and €14 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €950,000 (2023: €900,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Arcadis N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Arcadis N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

Based on this outcome, we subjected eight components to audits of their complete financial information (Arcadis UK, Arcadis US, IBI US, IBI Canada, DPS US, DPS Ireland, Arcadis Netherlands and Arcadis Australia). Additionally, we selected one component for specified procedures and four components for audit of specific account balances to achieve appropriate coverage on financial line items in the consolidated financial statements.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	76%
Total Assets	85%
Profit before tax	71%

None of the remaining components represented more than 5% of total group revenue and 2% of total group assets. For those remaining components we performed, amongst others, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

The group engagement team performed the audit work on the financial information of the Company. For the components we used component auditors who are familiar with the local laws and regulations to perform the audit work.

Where component auditors performed the work, we determined the nature, timing and extent of direction and supervision of the component auditors and review of their work. Consequently we, amongst others:

- Issued group audit instructions to component auditors to set expectations for the component auditor's work and facilitate our direction and supervision of the component auditor and review of their work. These instructions included, amongst others, our risk analysis, materiality and the scope of the work.
- We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach.
- Participated in discussions with component auditors as part of planning the engagement, including when we as the group auditor assigned tasks or procedures such as the performance of risk assessment procedures or determining the nature, timing and extent of audit responses to identified and assessed risks of material misstatement to component auditors.
- Communicated with component auditors throughout the course of the group audit, in order to monitor the progress and evaluate the adequacy of their work.
- The group engagement team met with all component teams and in most cases with a representation of local management virtually or in person. Site visits to component teams occur on a rotational basis. During the current year, the group audit team visited the Arcadis UK and DPS Ireland components where we met with local management and discussed, amongst others, the performance of these components.
- Reviewed relevant parts of the component auditor's work including the component auditor's communication of matters relevant to our conclusion with regard to the Group audit. Our review of the component auditor's work took place throughout the engagement. This included on-site visits for Arcadis UK and DPS Ireland and virtual reviews for the other components in scope.
- Reviewed written communications prepared by the component auditor for management of the component, that were, based on our judgment, relevant to the group audit.
- We attended key client meetings, such as the closing meeting between the component auditor and component management for all the components.

The group engagement team performed the audit work on the group consolidation, financial statement disclosures and a number of more complex items at the head office. These included the valuation of goodwill, share-based payments, Dutch tax positions and taxes impacting the group as a whole.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Arcadis N.V. and its environment and the components of the internal control system. This included the executive board's risk assessment process, the executive board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures, incident registration and investigation protocols. We discussed the fraud risk assessment with Arcadis' risk management and compliance officer. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the executive board and executive leadership team as well as the internal audit department, legal affairs, compliance department, human resources, regional directors and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying and assessing fraud risks, we evaluated, in close co-operation with our forensic specialists, fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
Risk of management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We paid attention to the risk of management override of controls, including risks of potential misstatements due to fraud, based on an analysis of potential interests of management, including the incentive to meet certain targets. Considering this analysis, we paid specific attention to the estimate of the cost to complete for revenue contracts.	To the extent relevant to our audit, we evaluated the design of the internal control environment that reduces the risk of breach of internal control. We paid specific attention to user access management in the IT system and performed compensating procedures when necessary. We selected journal entries based on risk criteria and performed audit procedures to validate these entries. We also performed specific audit procedures regarding important estimates of management, including the cost to complete for revenue contracts as described in the key audit matter below. In performing our audit procedures in respect of significant estimates, we paid specific attention to the inherent risk of bias from management. Refer to the section 'Key Audit Matters' in this report for more information on how we addressed this risk. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.
Risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue transactions or assertions give rise to the risk of fraud in revenue recognition. Arcadis enters into contracts that are considered complex from a revenue recognition perspective. We focused on those contracts that include a fixed price element. The nature of those contracts requires management to estimate the cost to complete, which impacts the revenue recognised. Estimates are inherently uncertain and might be subject to management bias. There might be incentives for management to use estimates in order to satisfy stakeholders, to reach KPIs outlined in compensation plans and/ or to meet debt covenants.	Where relevant to our audit, we assessed the design of the internal control measures related to revenue reporting and in the processes for generating and processing journal entries related to the revenue. We used a primarily substantive testing-based approach with respect to the cost to complete. Reference is made to the Key Audit Matter 'Project revenue recognition and valuation of contract assets' for the audit procedures we performed. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to revenue recognition.

We incorporated elements of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

As disclosed in section 'Going concern' in note 2 in the financial statements, the executive board performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks).

Our procedures to evaluate the executive board's going concern assessment included, amongst others:

- considering whether the executive board's going concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the executive board regarding the executive board's most important assumptions underlying its going concern assessment;
- evaluating the executive board's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account all relevant information of which we were aware as a result of our audit;
- assessing the financing obtained and the related classification as long-term as well as compliance with relevant covenants;
- analysing the financial position per balance sheet date;
- performing inquiries of executive and supervisory board as to its knowledge of going-concern risks beyond the period of the executive board's assessment.

Based on our procedures performed, we concluded that the executive board's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matter to the executive and supervisory board. The key audit matter is not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matter and included a summary of the audit procedures we performed on that matter. The number of key audit matters decreased compared to the prior year. The key audit matter 'Accounting for the acquisition of the IBI and DPS Groups' is no longer applicable as such transactions did not occur in the current year. The headroom between the carrying amount and the recoverable amount of goodwill has increased significantly, resulting in a decreased risk of goodwill impairment. Consequently, 'Valuation of goodwill' is no longer considered a key audit matter.

Key audit matter	Our audit work and observations
Project revenue recognition and valuation of contract assets	We have assessed the design and implementation of controls related to project revenue recognition. We performed substantive audit procedures on individually significant projects as well as high-risk projects. In addition, we sampled the remaining population to ensure sufficient coverage over all projects.
Refer to notes 7, 21 and 22 of the financial statements.	These substantive procedures focused on the key assumptions applied by the Group to determine the cost to complete. The procedures included discussing with project managers regarding the progress of projects, challenging the estimates used and through performing substantive procedures. This included reconciling budgets and changes to budgets to supporting evidence such as contract modifications and obtaining supportive evidence to support applied hourly rates and expected hours to complete the project. In these audit procedures, we addressed whether judgements made with respect to the key assumptions gave rise to indicators of possible management bias.
We consider this a key audit matter since project revenue recognition and the valuation of contract assets are significant to the financial statements based on materiality and because of the degree of management judgement involved.	We assessed the adequacy of the disclosures relating to revenue recognition, in accordance with the requirements of IFRS 15.
Management applies judgement to determine the cost to complete for contracts, which is the basis for revenue recognition and contract asset valuation, as well as for assessing provisions for onerous contracts.	Our procedures did not result in material findings with respect to revenue recognition and the related disclosures.

Report on the other information included in the annual integrated report

The annual integrated report contains other information. This includes all information in the annual integrated report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the executive board' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information, including the executive board report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The executive board and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of Arcadis N.V. on 13 May 2015 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 13 May 2015. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of ten years.

European Single Electronic Format (ESEF)

Arcadis N.V. has prepared the annual integrated report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual integrated report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by Arcadis N.V., complies in all material respects with the RTS on ESEF.

The executive board is responsible for preparing the annual integrated report, including the financial statements in accordance with the RTS on ESEF, whereby the executive board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual integrated report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.

- Identifying and assessing the risks that the annual integrated report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public- interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 55 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the executive board and the supervisory board for the financial statements

The executive board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going-concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The executive board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 12 February 2025
PricewaterhouseCoopers Accountants N.V.

Original signed by J. van Meijel RA

Appendix to our auditor's report on the financial statements 2024 of Arcadis N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, amongst other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluding on the appropriateness of the executive board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the supervisory board regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Limited assurance report of the independent auditor on the consolidated sustainability statement

To: the executive and supervisory boards of Arcadis N.V.

Our limited assurance conclusion

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement of Arcadis N.V. and its subsidiaries ('the Group') for 2024 is not, in all material respects,

- prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the process to identify the information to be reported carried out by the Group to identify the information reported pursuant to the ESRS; and
- compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The subject matter of our limited assurance procedures

We have conducted a limited assurance engagement on the consolidated sustainability statement 2024 of Arcadis N.V., Amsterdam, included in section 'Sustainability statement' of the Executive Board report including the information incorporated in the consolidated sustainability statement by reference, as disclosed in section 'Incorporation by reference' (hereafter: the consolidated sustainability statement).

In the consolidated sustainability statement, references are made to external sources or websites. The information on these external sources or websites is not subject to our limited assurance procedures for the consolidated sustainability statement. We therefore do not provide assurance on this information.

The basis for our conclusion

We conducted our limited assurance engagement in accordance with Dutch law, including the Dutch Standard 3810N 'Assuranceopdrachten inzake duurzaamheidsverslaggeving' (assurance engagements relating to sustainability reporting), which is a Dutch Standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. Our responsibilities under this standard are further described in the section 'Our responsibilities for the limited assurance engagement on the consolidated sustainability statement' of our report. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our independence and quality management

We are independent of the Group in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of ethics for professional accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of ethics for professional accountants).

PwC applies the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NVKM – Regulations for quality management) and the International Standard on Quality Management (ISQM), and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Emphasis of matter

Emphasis on the double materiality assessment process

We draw attention to section 'Double Materiality Analysis' of the consolidated sustainability statement. The disclosure in this section explains possible future changes in the ongoing due diligence and double materiality assessment process, including engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the Group's strategy, business model, activities, business relationships, operating, sourcing and selling contexts relevant for stakeholders as a group. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The consolidated sustainability statement may therefore not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder may consider important in its own assessment.

Our conclusion is not modified in respect of this matter.

Corresponding information not subject to assurance procedures

The corresponding information in the consolidated sustainability statement and thereto related disclosures with respect to previous years have not been subjected to reasonable or limited assurance procedures.

Inherent limitations in preparing the consolidated sustainability statement

In reporting forward-looking information in accordance with the ESRS, the executive board of the Group is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Calculations to determine information as included in the consolidated sustainability statement could be based on assumptions and sources from third parties that include information about, among others, value chain and information collected from actors in the value chain, when appropriate. The assumptions and sources used are explained in section 'Glossary non-financial indicators' of the consolidated sustainability statement. We have not performed procedures on the content of these assumptions and these external sources, other than evaluating the suitability and plausibility of these assumptions and sources from third parties used.

Responsibilities for the consolidated sustainability statement and the review thereon

Responsibilities of the executive board and the supervisory board for the consolidated sustainability statement

The executive board of the Group is responsible for the preparation of the consolidated sustainability statement in accordance with ESRS, including the development and implementation of the double materiality process, which is a process to identify the information reported in the consolidated sustainability statement in accordance with the ESRS and for disclosing this process in the consolidated sustainability statement.

This responsibility includes:

- understanding the context in which Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions and estimates that are reasonable in the circumstances.

The executive board is also responsible for preparing the disclosures in compliance with the reporting requirements provided in Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Furthermore, the executive board is responsible for such internal control as the executive board determines is necessary to enable the preparation of the consolidated sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the Group's sustainability reporting process including the double materiality process carried out by the Group.

Our responsibilities for the limited assurance engagement on the consolidated sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence to provide a basis for our conclusion.

Our objectives are to obtain a limited level of assurance, as appropriate, about whether the consolidated sustainability statement is free from material misstatements, and to issue a limited assurance conclusion in our report. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the consolidated sustainability statement.

The procedures vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

Our other responsibilities in respect of the limited assurance engagement on the consolidated sustainability statement include:

- Performing risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures performed

We have exercised professional judgement and have maintained professional scepticism throughout the assurance engagement, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements. Our procedures included, amongst others, the following:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Group, its activities and the value chain and its key intangible resources to assess the process to identify the information to be reported carried out by the Group as the basis for the consolidated sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the Group's processes for gathering and reporting entity-related and value chain information, the information systems and the Group's risk assessment process relevant to the preparation of the consolidated sustainability statement and for identifying the Group's activities, determining eligible and aligned activities and prepare the disclosures provided for in the Taxonomy Regulation, without testing the operating effectiveness of controls.

- Assessing the double materiality process carried out by the Group and identifying and assessing areas of the consolidated sustainability statement, including the disclosures provided for in the Taxonomy Regulation where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise. We designed and performed further assurance procedures aimed at determining that the consolidated sustainability statement is free from material misstatements responsive to this risk analysis.
- Considering whether the description of the process to identify the information to be reported in the consolidated sustainability statement made by the executive board appears consistent with the process carried out by the Group.
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information. Assessing whether the Group's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. Our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Group's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation at the level of the Group (including other entities or value chain from which the information may stem) for selected disclosures.
- Reading the other information in the Annual Integrated Report to identify material inconsistencies, if any, with the consolidated sustainability statement.
- Considering whether the disclosures provided to address the reporting requirements provided for in the Taxonomy Regulation for each of the environmental objectives, reconcile with the underlying records of the Group and are consistent or coherent with the consolidated sustainability statement, appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical criteria are met, and whether the accompanying key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework, and comply with the reporting requirements provided for in the Taxonomy Regulation, including the format in which the activities are presented.
- Reconciling the relevant financial information to the financial statements.
- Considering the overall presentation, structure and the balanced content of the consolidated sustainability statement, including the reporting requirements provided for in the Taxonomy Regulation.
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the consolidated sustainability statement as a whole, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with ESRS.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the limited assurance engagement and significant findings that we identify during our limited assurance engagement.

Amsterdam, 12 February 2025
PricewaterhouseCoopers Accountants N.V.

Original signed by J. van Meijel RA

Other information

The following information is provided pursuant to Article 2:392.1 Dutch Civil Code.

Profit allocation

Article 27 of the Articles of Association stipulates, among other things, that the Executive Board, with the approval of the Supervisory Board, shall annually decide which part of the profit shall be allocated to the reserves. The remaining part of the profit shall be at the disposal of the Annual General Meeting.

The profit attributable to the equity holders of the Company over fiscal year 2024 amounts to €243 million. The Executive Board, with the approval of the Supervisory Board, proposes to present for approval to the General Meeting of Shareholders its proposal to distribute a dividend amount of €89 million, which represents a dividend of €1.00 per ordinary share (2023: €0.85). Of the total Retained earnings, an amount of €10 million of legal reserves is restricted in distribution (2023: €10 million).

Audit and Risk Committee policies and procedures

The Audit and Risk Committee has adopted a charter that details the duties and responsibilities of the Audit and Risk Committee. These duties and responsibilities include, amongst other things, reviewing and overseeing the financial and operational information provided by Arcadis to its shareholders and others, systems of internal controls, financial risk management, accounting and financial reporting processes, the independence, qualifications and performance of the external auditor of Arcadis and the performance of the internal audit function.

Special rights to holders of priority shares

The priority shares are held by Stichting Prioriteit Arcadis N.V. The Board of the Stichting Prioriteit Arcadis N.V. consists of twenty (20) board members (with three (3) vacancies at 31 December 2024): seven (7) members of the Supervisory Board, both (2) members of the Executive Board, one (1) member of the Executive Leadership Team and ten (10) members from the Board of Stichting Bellevue (a foundation seated in Amsterdam, whose board members are appointed by and from the international employees of the Arcadis Group). Each board member has one vote whereby in the event of a vacancy, the number of votes that can be exercised by the Executive Board and Executive Leadership Team members together with the Supervisory Board members shall equal the number of votes that can be exercised by the employee members. Stichting Prioriteit Arcadis N.V. has special statutory rights, which includes approval of the amendment of the Articles of Association of Arcadis N.V., and certain other topics, which have been described in note 25 to the Consolidated financial statements.

Appendices

Other financial data

Quarterly financial data

	2024				2023			
in € millions	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Gross revenues								
In the quarter	1,230	1,282	1,239	1,244	1,218	1,260	1,237	1,289
Cumulative	1,230	2,512	3,751	4,995	1,218	2,477	3,714	5,003
In the quarter	25%	26%	25%	25%	24%	25%	25%	26%
Cumulative	25%	50%	75%	100%	24%	50%	74%	100%
Net revenues								
In the quarter	968	991	962	959	940	945	932	941
Cumulative	968	1,959	2,921	3,880	940	1,886	2,818	3,759
In the quarter	25%	26%	25%	25%	25%	25%	25%	25%
Cumulative	25%	50%	75%	100%	25%	50%	75%	100%
EBITA								
In the quarter	97	108	102	112	87	82	91	83
Cumulative	97	204	306	418	87	169	260	343
In the quarter	23%	26%	24%	27%	25%	24%	27%	24%
Cumulative	23%	49%	73%	100%	25%	49%	76%	100%
Operating EBITA [1]								
In the quarter	104	114	109	120	92	93	99	107
Cumulative	104	217	327	447	92	185	284	391
In the quarter	23%	25%	24%	27%	24%	24%	25%	27%
Cumulative	23%	49%	73%	100%	24%	47%	73%	100%

[1] Excluding acquisition, restructuring and integration-related costs

Five-year summary

in € millions	2024	2023	2022[3]	2021	2020
Direct economic value generated					
Gross revenues	4,995	5,003	4,029	3,378	3,303
Net revenues	3,880	3,759	3,019	2,565	2,494
Direct economic value distributed					
NIFO Earnings per share (in €)	3.00	2.51	2.26	1.96	1.46
Dividend per share (in €)	1.00	0.85	0.74	1.30 [1]	0.6
Profit & loss performance					
Operating EBITA	447	391	294	246	226
Operating EBITA margin (in %)	11.5%	10.4%	9.8%	9.6%	9.1%
EBITDA	529	458	339	338	337
Net income from operations	270	226	202	175	130
Balance sheet performance					
Net working capital (in %)	10.8%	9.3%	10.0%	10.7%	12.6%
Days Sales Outstanding (DSO)	61	56	60	63	66
Return on Net Working Capital[2]	81.4%	81.5%	58.2%	64.7%	54.5%
Net debt to EBITDA ratio (average)4		2.2	1.6	0.8	1.3
Net debt to EBITDA ratio (end)4	1.3	1.7	2.2		
Cash flow performance					
Free cash flow	228	190	173	234	324

[1] €0.70 per ordinary share plus an additional €0.60 per ordinary share

[2] Revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 31 December 2022.

[3] Except for Gross revenues, Net revenues, Dividend per share, and Free cash flow, amounts were revised in accordance with IFRS 3.49 to reflect the adjustments to the provisional opening balances of acquired entities recognized as at 31 December 2022

[4] For bank covenant purposes

Alternative performance measures

Arcadis uses throughout its financial publications, alternative performance measures (APMs) in addition to the figures which are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The purpose of the alternative performance measures is to provide greater insights into the financial and operating results of the company. These metrics are used to drive the business performance and should be viewed as complementary, rather than a substitute for, the figures determined according to IFRS.

They are subject to the same internal control process as other reporting. These terms may be defined in a different way by other companies and are therefore not always comparable to similar measures used by other companies.

Net Revenues

The company analyzes the financial performance in relation to net revenues for the total business and Global Business Areas. Net Revenue reflects more closely the revenues generated by the fees received for our services and is defined as Gross Revenue (revenue per IFRS), minus materials, services of third parties and subcontractors.

In € millions	2024	2023
Gross revenues	4,995	5,003
Materials, services of third parties and subcontractors	(1,115)	(1,244)
Net revenues	**3,880**	**3,759**

Organic growth

Organic growth represents comparable net revenue growth excluding the impact of acquisitions, divestments and currency translation. Organic growth is used as an indicator of the underlying change in the revenue performance of the Company and its Business Areas.

	Resilience		Places		Mobility		Intelligence		Total	
In %	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total Growth	**7.8%**	**8.4%**	**-2.0%**	**48.4%**	**5.7%**	**9.6%**	**-1.1%**	**355.7%**	**3.2%**	**24.5%**
(-) winddowns	-0.2%	-0.3%	-0.8%	-6.1%	-0.3%	-2.1%	0.0%	0.0%	-0.4%	-2.3%
Total Growth excluding winddowns	**8.0%**	**8.7%**	**-1.2%**	**54.5%**	**6.1%**	**11.7%**	**-1.1%**	**355.7%**	**3.7%**	**26.9%**
(-) acquisitions and divestments	0.0%	0.8%	-2.1%	54.3%	0.0%	2.4%	-0.1%	213.4%	-0.8%	20.4%
(-) Currency effect*	-0.5%	-2.3%	0.0%	-2.6%	0.7%	-2.8%	-0.5%	-7.5%	0.0%	-2.6%
(-) Other effect**	0.7%	-0.4%	-0.4%	0.2%	-0.4%	-1.1%	0.0%	54.7%	0.0%	0.0%
Organic growth* **	**7.7%**	**10.6%**	**1.3%**	**2.7%**	**5.7%**	**13.3%**	**-0.5%**	**24.5%**	**4.5%**	**9.0%**

* FX effects

** Other effect – relates to reallocation or move of operations and projects between the business areas during the year. The organic growth is adjusted to show the underlying change in revenue within each Business area.

*** Intelligence 2023 Proforma Organic growth

Operating EBITA

Operating EBITA is used by the Company as a measure of underlying profit/loss of business operations and is defined as Operating Income before Amortisation of intangible assets (EBITA) adjusted for non-recurring and non-operating items, such as restructuring of a business area or location, Merger & Acquisitions (M&A), costs related to integration of acquired entities and profit or loss on disposal of operations. Operating EBITA is one of the key decision metrics of the Group management.

	Resilience		Places		Mobility		Intelligence		Corporate		Total	
In € millions	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Operating Income	**186**	**143**	**110**	**62**	**97**	**81**	**4**	**4**	**(8)**	**(6)**	**389**	**284**
Amortisation of Intangibles	2	5	22	44	2	4	3	6	-	-	29	59
EBITA	**188**	**148**	**132**	**106**	**99**	**85**	**7**	**10**	**(8)**	**(6)**	**418**	**343**
Restructuring costs	6	4	12	21	4	2	2	0	-	-	24	27
Integration costs	0	3	4	5	0	2	1	0	-	-	5	11
M&A costs	1	1	1	4	0	1	0	0	-	-	2	6
Other	-	0	-	0	-	0	-	-	-	-	-	0
Dilapidation costs	-	0	-	-	-	-	-	-	-	-	-	0
Net effect of sale of assets	(1)	2	2	1	(3)	1	0	0	-	-	(2)	4
Operating EBITA	**194**	**159**	**151**	**137**	**100**	**91**	**9**	**11**	**(7)**	**(6)**	**447**	**391**

Days sales outstanding and net working capital

Days sales outstanding (DSO) represents the number of days by which the Company is paid for the services it has delivered. It is calculated by taking the Company's Net trade receivables position relative to its Gross Revenue expressed in number of days. Net trade receivables includes trade receivables as well as contract assets (revenue earned not billed) and contract liabilities (billings in excess of revenue on contracts) and provision for onerous contracts. Gross Revenue in this metric is based on trailing 3 months Gross Revenue (annualised) to reflect the most relevant revenue period in relation to the net trade receivables. The company use this to judge the level of capital tied up in its projects and the investment requirement for organic growth.

Net working capital % is defined as Net working capital divided by annualized gross revenues.

In € millions	2024	2023
Reported 3 months gross revenue	1,244	1,289
Adjustments (Acquisitions and GBA moves)	28	-
Adjusted 3 months gross revenue	1,272	1,289
Annualized Adjusted 3months gross revenue	**5,090**	**5,156**

In € millions	2024	2023
(+) Contract Assets	619	580
(+) Trade receivables	761	731
(-) Receivables from Associates	2	2
(-) Contract Liabilities	516	503
(-) Provision for onerous contracts	13	13
Net trade receivables	849	792
Day Sales Outstanding (Net trade receivables/Adjusted 3 months gross revenue)*91	**61**	**56**

In € millions	2024	2023
(+) Contract Assets	619	580
(+) Trade receivables	761	731
(-) Receivables from Associates	2	2
(-) Contract Liabilities	516	503
(-) Provision for onerous contracts	13	13
(-) Account payable	300	313
(+) Inventories	0	0
Net Working Capital	**549**	**480**
Net Working Capital %	**10.8%**	**9.3%**

Free cash flow

The Company reports on Free cash flow (FCF) and it is used to evaluate cash available for financing activities, including shareholder distributions and debt servicing, after investment in maintaining and growing the business. This measure is derived from the financial statements with a reconciliation below.

In € millions	2024	2023
Net cash from operating activities	**350**	**309**
(-) Capital expenditure	45	41
(+) Proceeds from sale of (in)tangible assets	0	1
(-) Lease payments	78	79
Free cash flow	**228**	**190**

Net Debt to Operating EBITDA

Net Debt to Operating EBITDA reflects the most recent leverage position of the company as it measures the operating income before amortization and depreciation relative to its net debt position. Net Debt is calculated in accordance with note 31 in the consolidated financial statements. Operating EBITDA is Operating EBITA adjusted for depreciation.

In € millions	2024	2023
Net debt	739	873
Operating EBITDA	557	506
Net debt to Operating EBITDA	**1.3**	**1.7**

Return to Shareholders as % of NIFO

Return to Shareholders as % of net income from operations measures how much of the income from operational activities is distributed back to the shareholders through dividends. For the 2024-2026 strategic period this is part of financial targets and set between 30-40%.

	2024	2023
Dividend announced per share in €	1.00	0.85
Number of shares outstanding in million at moment of settlement[1]	89.4	90.0
Total Dividend distribution in €m	**89.4**	**76.5**
Net Income from Operations	270.0	225.9
Return to Shareholders as % of NIFO	**33.1%**	**33.9%**

[1] *Number of shares outstanding in 2023 is the actual number of shares outstanding at payment date in 2024. The number of shares outstanding for 2024 is the end balance of shares outstanding at 31st of December 2024.*

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Glossary financial indicators

Term	Definition
Gross revenues	The gross inflow of economic benefits during the period arising in the course of ordinary activities. Gross revenues of Arcadis consist of external revenues net of value-added tax, rebates and discounts and after eliminating sales within the Arcadis Group.
Net revenues	Gross revenues minus materials, services of third parties and subcontractors, which are project-related costs of materials and services charged by third parties, including cost of subcontractor. Net revenues entail revenues produced by the activities of Arcadis own staff.
Dividend per share	Dividends issued by Arcadis for every outstanding ordinary share.
EBITA	Earnings Before Interest, Taxes, and Amortization/Impairment of goodwill and/or identifiable assets.
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization/Impairment of goodwill and/or identifiable assets.
Operating EBITA	EBITA excluding restructuring, integration, disposal and acquisition related costs and net result from divestments.
Operating EBITA margin	Operating EBITA as percentage of net revenues
Net Income from Operations	Net income before non-recurring items (e.g. valuation changes of acquisition-related provisions, disposals and M&A costs, net result from divestments, expected credit loss on shareholder loans and corporate guarantees and one-off pension costs), the impairment/amortization of goodwill/identifiable assets, and share-based compensations related to the Lovinklaan Foundation share purchase plan.
Net Income from Operations per share	Net Income from Operations in the year, divided by the average number of ordinary shares in the year.
Net Working Capital	Sum of Contract assets (unbilled receivables), Inventories and Trade receivables minus Accounts payables, Contract liabilities (billing in excess of revenue) and Provision for onerous contracts.
Net Working Capital as % of gross revenues	Net Working Capital/Gross revenues of last three months of the year * 4.
Return on Net Working Capital	The Operating EBITA for the year divided by the Net Working Capital at year-end.
Days Sales Outstanding	(Trade receivables + Unbilled receivables – Billings in excess of cost – Loss provision) x 91 days)/Gross revenues of last three months of the year.
Return on invested capital (ROIC)	The sum of earnings before interest after taxes and income from associates divided by average group equity, amortized goodwill and net debt.
Net debt to EBITDA ratio (average)	Average net debt ultimo for the year/EBITDA. A measure of a Company's ability to pay off its incurred debt. This ratio gives the investor the approximate amount of time that would be needed to pay off all debt, excluding interest, taxes, depreciation and amortization.
Net debt to operating EBITDA ratio (average)	Average Net Debt (average of end of first half of year and end of second half of the year) / Operating EBITDA
Free cash flow	Cash flow from operating activities minus (dis)(in)vestments in (in)tangible assets and including lease payments.
Integration costs	Costs specifically related to the reorganization and onboarding of acquired entities. These costs include but are not limited to onboarding and streamlining of technology platforms and operations, reorganization of operating model, associated activities and personnel costs directly linked to integration activities.
Backlog	Backlog is defined as the value of work contracted, but not completed as at the reporting date. Net backlog or backlog net revenues excludes sub-contractor and third party costs i.e the future revenue to be executed by Arcadis staff.
Order intake	Order intake reflects the amount of new projects for which contracts have been signed or variations agreed. The value in order intake reflects the scope of our services and excludes Sub consultant and third party costs and will convert into Net Revenue when executed. The management consider this an important measure in order to track future revenue development.
Net Order intake	Order intake less cancellations during the period.

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