

A photograph of a woman with glasses and a denim shirt leaning over a table, pointing at documents in a meeting. Other people are partially visible around the table. The image is overlaid with several thick, horizontal orange bars of varying lengths.

Approach to tax: principles and strategy

At Arcadis, our purpose is improving quality of life. We place sustainability at the heart of everything we do. Our ambition is to make significant, quantifiable, and positive contributions to the achievement of sustainable development.

We do this by maximizing not only economic benefits but also environmental and social benefits. We achieve this through our client solutions, business operations, and engagement with people and communities. We are proud of the recognitions Arcadis has received from Ecovadis, Sustainalytics, MSCI, and the CDP. For more background regarding our sustainability ambition, please see our [annual integrated report](#) and our [website](#) on sustainability.

We believe that taxes are an integral part of doing sustainable business and our tax contributions play an important role for the communities in which we operate.

In living our purpose as a global company, we are committed to five core values in everything we do: people first, client success, integrity, collaboration, and sustainability. These values inform the actions and behaviors of our employees at all levels, which enables Arcadis to work towards long-term value creation.

The Arcadis General Business Principles (AGBP) further define our interpretation of business ethics. The AGBP set guidance for our business decisions and actions throughout the world at all levels, and they apply equally to company actions and to our employees' behavior in conducting Arcadis' business.

Our commitment to sustainability, our (other) core values, and the AGBP form natural and essential foundations of our approach to tax and is continuously monitored.

For a full insight into our approach to tax, tax principles and tax strategy, we refer to the publication of [Arcadis' tax report 2024](#).

Tax principles

Arcadis recognizes the following tax principles:

Business rationale

Our tax department is aligned with the business and its strategy. It is one of our principles that tax should follow the business. This means that profits are recognized in the countries in which business value is created. To ensure appropriate profit recognition, the OECD arm's length principle is applied to determine the pricing of intercompany transactions.

Compliance

We strive to comply with relevant domestic and international tax rules and standards (such as the OECD Guidelines for Multinational Enterprises). We prepare and file our tax returns and provide complete, accurate, and timely disclosures to the relevant tax authorities. We pay our taxes on time and in accordance with applicable laws and regulations. Further, we seek upfront certainty on tax positions from the relevant tax authorities, when suitable. If appropriate, we ensure that our tax position is confirmed by a third-party expert.

Relationships with tax authorities

We aim to build and maintain good, honest, and open mutual working relationships with tax authorities in the countries where we operate.

In the past, Arcadis has agreed to a tax horizontal monitoring covenant with the Dutch tax authorities; following the changed horizontal monitoring approach of the Dutch tax authorities, this covenant was replaced in 2021 by a so-called individual monitoring plan.

We seek to establish certainty in advance on the applicable tax treatment, based on full disclosure of the relevant facts to the tax authorities.

Tax planning and incentives

We strive to comply with the letter and spirit of the law and do not apply aggressive tax planning. We take a zero-tolerance approach to tax evasion. We aim to optimize our tax position and may make use of incentives promoted by government authorities, whereby due consideration is given to our legitimate interests, reputation, and corporate social responsibility. Where we claim tax incentives offered by government authorities, we will seek to ensure that this is done in a way that is consistent with statutory or regulatory frameworks. We do not avoid tax through the use of secrecy jurisdictions or so-called 'tax havens' without commercial substance or non-tax business reasons.

Transparency

We are transparent about our approach to tax. We make tax-related disclosures in accordance with the relevant domestic regulations and applicable reporting requirements and standards (such as IFRS and Country by Country Reporting). We aim to respond to relevant tax authority enquiries in a straightforward and timely manner.



Tax strategy

Based on our tax principles, we have formulated our comprehensive tax strategy, which is centered around five key areas:

- **Tax risks and controls:** Focusing on tax risks and the control measures in place to manage and mitigate these risks affectively so that Arcadis avoids surprises and acts within the boundaries of our risk appetite.
- **Compliance:** Committed to upholding tax compliance standards and adhering to relevant tax laws and regulations.
- **Relationship with tax authorities and other stakeholders:** Cultivating transparent and collaborative relationships with tax authorities and external stakeholder.
- **Tax planning and incentives:** Strategically managing tax planning activities, avoiding double taxation and tax leakage, and utilizing incentives responsibility within the legal framework.
- **Business and Organization:** Aligning tax strategies with the broader business objectives and organizational structure of Arcadis.

Our commitment to our tax principles and tax strategy are set by the Executive Board and are applicable to all group entities. This includes how Arcadis operates in its relationship with employees, customers, and contractors. By emphasizing these key areas in our tax strategy, we aim to ensure a proactive and principled approach to tax management.