

Communication on Progress

on implementation of the principles of the UN Global Compact

March 2017

We have been a member of the UN Global Compact (UNGC) since 2009 and are committed to its objectives and to the ten universal principles regarding human rights, labor standards, environmental stewardship, and anticorruption. Our values, mission, and strategy are fully aligned with the UNGC principles, and our signing of these principles reflects our ambition to be a sustainability leader. The way in which we support and enact these principles are included in our Annual Report 2016.

This report contains an explicit statement of continued commitment to the UN Global Compact by Interim Chief Executive Officer Renier Vree on behalf of the Executive Board (in the message from the CEO on page 6) and provides further information on progress made in implementing the principles. The Annual Report is submitted every year to the UN Global Compact Office and forms the substance of our annual Communication on Progress (COP).

We are committed to making the UNGC and its principles part of the day-to-day operations of our company. Our continued commitment to the UN Global Compact was underlined in 2016 by including the adherence to the UN Global Compact requirements into the Arcadis General Business Principles.

Arcadis regards its suppliers and subcontractors as partners and collaborates with them to ensure their activities are aligned to our UNGC commitment. In 2016, the Arcadis procurement and sustainability teams worked on the development of a Global Supplier Code of Conduct and a Global Procurement Policy intended to ensure that our sustainability and business principles standards are met throughout our supply chain. The new Code and Policy will be launched in 2017.

As part of our commitment to the UNGC, we also developed and issued a Human Rights and Labor Rights Policy in 2016 which applies to the whole of Arcadis and our employees and extends to the projects which we manage on behalf of our clients. Our changing geographical spread of recent years has introduced new risks in human rights and labor rights issues, especially in those projects where we work with subcontractors. The Human Rights and Labor Rights Policy addresses these risks. The policy addresses prohibitions on the use of forced labor or underage workers, our proactive and preventive risk and behavior-based approach to health & safety. It also covers diversity, discrimination or harassment, work hours, wages, and benefits, including our principle to provide a living wage, among other things.

In relation to high-risk countries Arcadis has soft controls in place, which amongst other things focus on corruption. The 'In-Control' statement signed annually by all of the operating companies and regions to attest to the level and application of controls in their business also includes information related to corruption.

In 2016 we continued our global partnership with UN-Habitat, the United Nations agency for human settlements, aimed at a common goal: to improve the quality of life in rapidly growing cities. With this partnership, known as the Shelter program, we address the challenge of sustainable living conditions in rapidly growing urban areas. The United Nations has adopted 17 new Sustainable Development Goals. One is focused on the development of sustainable cities and communities, and Arcadis has committed to this goal with the Shelter program.

In 2016 we also continued to contribute to the Low-Carbon Technology Partnerships initiative ('LCTPi'), of the World Business Council for Sustainable Development (WBCSD). The LCTPi challenges businesses to accelerate the development and deployment of low-carbon technologies.

2016 Summary Arcadis Communication on Progress

| Principle | Description | Arcadis Annual Report 2016 |
|------------------------|---|---|
| Human Rights | | |
| Principle 1 | Support and respect the protection of internationally proclaimed human rights | Chapter Materiality and stakeholder engagement (p. 20); Chapter Value creation for society (p.68); Arcadis General Business Principles ¹ ; Human Rights and Labor Rights Policy ² |
| Principle 2 | Exclusion of human rights abuses | Chapter Materiality and stakeholder engagement (p. 20); Chapter Value creation for society (p.68); Arcadis General Business Principles; Human Rights and Labor Rights Policy. |
| Labour | | |
| Principle 3 | Uphold the freedom of association and the effective recognition of the right to collective bargaining | Chapter Value creation for society (p.68); Human Rights and Labor Rights Policy. |
| Principle 4 | The elimination of all forms of forced and compulsory labour | Chapter Value creation for society (p.68); Human Rights and Labor Rights Policy. |
| Principle 5 | The effective abolition of child labour | Chapter Value creation for society (p.68); Human Rights and Labor Rights Policy. |
| Principle 6 | The elimination of discrimination in respect of employment and occupation | Chapter Value creation for society (p.68); Arcadis General Business Principles; Human Rights and Labor Rights Policy. |
| Environment | | |
| Principle 7 | Support a precautionary approach to environmental challenges | At a glance (p.2); Chapter Environment (p. 36); Chapter Value creation for society (p.68). |
| Principle 8 | Undertake initiatives to promote greater environmental responsibility | Chapter Environment (p. 36); Chapter Value creation for society (p.68). |
| Principle 9 | Encourage the development and diffusion of environmentally friendly technologies | Chapter Environment (p. 36); Chapter Value creation for society (p.68). |
| Anti-Corruption | | |
| Principle 10 | Work against corruption in all its forms, including extortion and bribery | Chapter Value creation for society (p.68); Chapter Risk Management (p.114); Arcadis General Business Principles; Human Rights and Labor Rights Policy. |

¹ <https://www.arcadis.com/media/2/D/0/%7B2D0B1B00-9EFE-4278-B813-A4CA9B7E1112%7DArcadis%20General%20Business%20Principles-July2016-ENG.pdf>

² <https://www.arcadis.com/en/global/who-we-are/business-practices/human-rights-and-labor-rights-policy/>