



# Welcome to our 2021 Annual Integrated Report

Message from the CEO

**“The determination and ingenuity of our people, strong markets and an attractive pipeline, presents a positive outlook for Arcadis.”**

**Peter Oosterveer, CEO**



I am delighted to report that 2021 has been a strong and prosperous year for Arcadis. The business is in an excellent position, with healthy organic growth, solid margins and a strong balance sheet that will allow us to further invest into 2022.

The last twelve months have not been without their challenges. The worrying situation with COVID-19 and the emergence of new variants is rightfully causing concern, while the effects of extreme weather events in Europe, North America and Asia demonstrate just how fragile and interconnected our world has become.

As a business that is passionate about improving quality of life, it is humbling to see how our people have responded to these challenges. They are striving to put the health, safety and wellbeing of everyone first, adopting new ways of collaborative working to generate success

and, importantly, creating sustainable and digital solutions to maximize the impact for our clients and the communities in which we operate.

The determination and ingenuity of our people, combined with strong markets and an attractive pipeline of opportunities, specifically in environmental mitigation and infrastructure projects, presents a positive outlook for Arcadis. However, we need to be mindful that the pandemic continues to create uncertainty and has amplified the inequality across the globe, as also evidenced by the significant differences in regional vaccination rates.



## Message from the CEO

**“Profitable growth drives innovation, but not at all costs. That is why, we invest in sustainability and have decided to closely review projects that fail to address their carbon emissions.”**



With national governments across the globe committing to significant stimulus and green growth funding packages, we remain a very relevant company, with the capabilities and experience to help solve the world's needs. For example, our design work on the new storm protection system put in place after hurricane Katrina helped defend New Orleans, U.S. from the worst impacts of hurricane Ida. In Europe, our energy grid expansion project with TenneT, announced in September, will help communities in Germany transition to a low carbon future. These are the projects which confirm that Arcadis makes a difference and creates a more sustainable world.

We remain committed to the UN Global Compact and its ten principles. As we look to 2022, it is important that we do not rest on our laurels. The future success of Arcadis will not be guaranteed unless we continue to build on these achievements and relentlessly innovate and adapt to the changing world around us.

#### **Embedding our new strategy through focus and scale**

With megatrends like urbanization, climate change, greater digitalization and growing societal expectations continuing to shape the needs of our clients and the communities we serve, I am pleased to report we made great strides this year to embed our new three-year strategy within the business. The ‘Maximizing our Impact’ strategy, which we launched in late 2020, has been the catalyst for how we operate, a change that, in my view, is crucial for our future growth and success. In the past twelve months, great efforts have gone into the design and planning of our new operating model, standardizing our processes and the launch per January 2022 of our three Global Business Areas (GBAs) - Resilience, Places and Mobility.

For me, the move to this Global structure marks an exciting new chapter in how we work at Arcadis. It will enable us to bring the best of our collective expertise from all around the world to help benefit our clients across these global business areas and deliver our new strategy. For Arcadians, it will help us to better collaborate across borders and open exciting opportunities for everyone to explore new career paths.

Importantly, the GBAs will allow us to focus on the solutions where we can have the most impact with clients, working alongside our digital products and services business Arcadis Gen to bring forward the best Arcadis has to offer and drive profitable growth. It is the start of a new, evolved Arcadis.

#### **Our ambition to accelerate the transition to a Net Zero world**

Tackling climate change is the greatest challenge of our generation and we all need to play our part. At Arcadis, not only do we see this a commercial opportunity but a moral obligation to develop smarter and greener solutions for our clients. I want us to be the leader in our sector; challenging norms, embracing innovation, collaborating with the best and pushing boundaries to solve this challenge.

Profitable growth can be an important catalyst for realizing innovation that drives our business but at Arcadis we do not want to achieve growth at all costs. That is why, in 2021, we have further increased our investment in sustainability.



## Message from the CEO

This is not a new ‘call to arms’ for Arcadis. We have been supporting our clients by providing pioneering solutions to protect, restore and improve our planet for as long as we have been in existence. Recent awards by environmental, social and governance (ESG) ratings agencies EcoVadis and Sustainalytics – the latter which ranked Arcadis as number one in the ‘Construction & Engineering’ category, ahead of 290 other companies - prove we are on the right path. However, as a responsible business we need to be more ambitious. We want to play our part in accelerating the transition to a Net Zero world.

We do this through the projects we deliver for our clients, for example in the energy sector, which plays a key role in the transition, as was highlighted this year in our ‘[Supercharging Net Zero](#)’ report. With our skills and expertise, we can support this sector to switch to renewable sources of energy and upscale capacity so that the rest of our global economy can transition away from fossil fuels.

Accelerating the transition to electric vehicles (EV) – along with investing in clean energy and battery technology – is also crucial to cutting emissions. We help public and private sector leaders create and implement EV programs with support for every phase of the journey. Solving challenges from strategy building through to execution has helped us identify what catalyzes EV adoption and successful transitions. We also play our part by providing valuable insights to the market, for example in our ‘[Global Electric Vehicle Catalyst Index 2021](#)’.

This year, we have also committed to playing an even greater role for our clients through the creation of a global Sustainability Advisory Practice. This practice brings together experts from around the world to projects – no matter where they are – helping to develop comprehensive strategies for our clients. Whether this is creating a blueprint for

transport decarbonization in the North of England or providing engineering support for constructing a new wind turbine prototype in the U.S., Arcadians are on hand to provide integrated end-to-end sustainable services and solutions at scale.

Lastly, we also commit to taking carbon reduction measures ourselves. In September, I was delighted to announce our accelerated Net Zero emissions pledge. With pleasure, I now announce we have a target approved by the Science Based Targets initiative as of February 2022. We are taking measures to reduce our carbon footprint, including sourcing 100% of electricity needs through renewables and halving emissions from international travel.

There is clearly no easy fix to urgent issues like the climate crisis, growing inequality and biodiversity loss. As I saw first-hand at COP26 in Glasgow in November, progress can be achieved through international cooperation and a willingness to give and take. We will also maximize our impact through the projects we execute for our clients and will continue to embed the UN Sustainable Development Goals and meaningful social value measures into our projects.

### Leading the digital agenda

As we know too well, the pandemic has upended everything – how we work, how we travel and how we respond to changing circumstances. The reliance on technology and data has grown significantly over the last twelve months, and our client’s appetite to innovate and digitalize their operation shows no signs of slowing either. At Arcadis, we have been investing heavily in digital skills and empowering our people to create digital solutions to meet our client’s greatest challenges.

**“Tackling climate change is our generation’s greatest challenge and we must all play our part. At Arcadis, we see this as a commercial opportunity and a moral obligation.”**

In May, Arcadis Gen launched AppliedInsight to do just this. This ‘Software as a Service’ (SaaS) platform and online marketplace is designed to make advanced asset analytics products available to clients of any size. One such product on the platform is our Water Artificial Intelligence Pipe Predictor. This digital tool can predict water pipe failures, flooding and pollution incidents, resulting in a more reliable supply and handling of water to and from customers.

In the UK, we saw the launch of the Buildings Intelligence digital solution, applied at our new London office, 80Fen. The scalable solution powered by sensors and apps helps to optimize space, reduce energy use and maintenance costs while improving wellbeing and productivity across workspaces. Both examples show that our ability to use data to build valuable insights for our clients, and automate processes, will help set Arcadis apart as a digital frontrunner in our sector.



## Message from the CEO

### Looking to the future

Our healthy organic growth, solid margins and a strong balance sheet is a result of our focus on creating a strong and resilient business. But what I am perhaps most proud of, is that during a period of change across Arcadis, our people have continued to deliver excellent work for our clients. This is reflected in our improved client satisfaction feedback and net promoter score, which has increased overall, but also in the fact that we created growth while increasing our backlog at the same time. Both are impressive achievements which showcase our determination and collaborative approach to deliver and innovate for our clients.

With our new strategy fully in place, plus a sustained pipeline of opportunities, driven by increased investments from both public and private sector clients in growth areas such as smart mobility, energy transition and climate adaptation, I am confident in our ability to deliver on our strategic targets.

Lastly, I would like to thank my fellow Arcadians. Through the combined power of more than 29,000 colleagues around the world, we can really add value to our clients, make a positive impact on society and ensure a promising and sustainable future for Arcadis.

I would also like to thank our Supervisory Board and shareholders for their support and counsel throughout 2021 and crucially our clients for their loyalty and encouragement to challenge the norm and develop new solutions to their problems. I salute our ecosystem partners for their digital prowess and creativity.

The year 2021 has been challenging at times but, as a business, we have stayed firmly on track. We have been able to maximize our impact in our projects, driven by our passion to improve quality of life. This has been achieved with the goal of creating a more sustainable world for our clients, our people, and communities firmly at the forefront of all our minds.

On behalf of the Executive Board

**Peter Oosterveer, CEO**

16 February 2022





**“The future success of Arcadis will not be guaranteed unless we continue to build on our achievements and relentlessly innovate and adapt to the changing world around us.”**



Chief Executive Officer and Executive Board member  
**Peter Oosterveer**



Chief Financial Officer and Executive Board member  
**Virginie Duperat-Vergne**



**“Despite market uncertainties, we further strengthened our balance sheet while we saw our stakeholders expressing appreciation for our progress and leadership in sustainability.”**