



Maximizing Impact: Accelerate ability to meet increasing demand



Impact through:

- Embed as an integral part of all solutions to clients
- Creating resilient and effective assets
- Leveraging global wealth of expertise and skills
- Maximizing the passion of all Arcadians



Impact through:

- Provide products and services, building on Arcadis Gen
- Leveraging and expanding digital platforms and capabilities
- Continuing with selected investments in capabilities
- Enabling all Arcadians to further upskill and deliver digitalized services

Sustainable solutions

Improving Quality of Life

Focus and scale

Digital leadership



Impact through:

- Provide expertise where we have a right to play and an opportunity to win
- Leveraging the global scale of asset knowledge
- Focusing on three Global Business Areas of Resilience, Places and Mobility
- Integrating and maximizing Global Excellence Centers



Our strategy for 2021-2023 – Maximizing Impact

Our strategy for 2021-2023

We take very seriously the role of our corporation as a positive force in society. Today, stakeholder interests have converged like never before and as an organization, we are convinced of the necessity to do good and make responsible choices. To value people and enabling personal development. To leverage global experience and act in a socially responsible manner, showing the way in ESG advocacy and leadership. To address climate change, support urbanization and help solve inequality. To deliver sustainable and human centric solutions in an effective and digitalized way. **To improve quality of life and make the world a better place.**

Considering the megatrends that are affecting our clients, shareholders, employees, and society we believe that we can create the greatest positive impact by putting our energy and focus into three key themes: Sustainable solutions, Digital leadership, and Focus & Scale.

These three themes form the basis of our 2021-2023 strategic direction, to maximize our impact in the following ways:

- **Sustainable solutions:** Our first opportunity to maximize impact comes through offering sustainable solutions in all we do, in every project and to articulate clearly how our services tangibly support the Sustainable Development Goals and provide value to society. This also entails making choices, in how we best organize ourselves to do this as well as about clients we serve and projects we support;
- **Digital leadership:** The next opportunity to maximize impact comes from evolving old business models to make use of new digital technologies. Staying ahead of market disruption by transforming our delivery, improving business operations, and helping our clients make smarter decisions that are better for them and for society. We prioritize the investment in technology that empowers and enables our people and leverage Arcadis Gen as a catalyst to grow beyond the traditional consulting business model;
- **Focus & Scale:** And the third opportunity to maximize impact comes from enhancing how we leverage the global scale of our expertise by consolidating into three Global Business Areas: Resilience, Places and Mobility. We will focus where we have a right to play and an opportunity to win. We will share and scale practices from regions that are best in class and identify priority workstreams that can be consistently implemented through the Global Excellence Centers. We will also continue to build on our success with Make Every Project Count program.

Making progress on our Capital Market Day goals with all our people

During 2021, we have focused our efforts on driving towards our strategic goals set for 2021-2023, through the power of three. There is a lot of great work we are doing as 29,000 Arcadians. One of the major efforts we have started this year and will continue in 2022, will be to amplify what we do well, build on that, learn from each other, and reshape the future of our business.

Organizing our people globally in three Global Business Areas (GBAs) and in global functions

We have always heard it directly from our clients, our biggest differentiator is our global scale and ability to deploy our global capabilities and best practices from teams around the world. Over recent years, Arcadis has grown to over 29,000 people. To facilitate our people and clients' access to the best-in-class expertise and capabilities of Arcadis without boundary, we have reorganised our teams within Global Business Areas and global functions. This will enable us to use our scale to maximize our impact.

Our Global Business Areas (GBAs) Resilience, Places and Mobility, effective from 1 January 2022, are now the home of our previous business lines and solutions. Operating within and across these industry-leading organizations provides us with the optimal set up and environment to accelerate our knowledge exchange across markets. Through the GBAs we can better respond at pace to client needs with market leading solutions on a global scale. We will also leverage Arcadis' global scale to build and intentionally focus investments and energy in solutions where we have the right to win, we have an emerging market position, and where the market is rapidly growing.



Our strategy for 2021-2023

For our employees, this shift from local to global focus means we will provide greater opportunities for professional and personal growth, and a more **equal and inclusive experience** of Arcadis. Arcadians can look into a broader global field to work in, work on highly visible projects and build a global reputation for solving new and complex challenges across their business areas or functions. They will learn more about sustainability and how we integrate it in our client work, through sustainability by design. They will continue to work more and more with digital tools and products, and innovate around how we create greater value and insights for our clients and citizens.

One shared goal across GBAs is that we consistently look at our clients through a cross GBA lens. We will seek to create joined up outcomes, addressing their and their consumers' needs, rather than single service-based solutions delivered by just one part of the business. As we continue to maximize our impact with clients and our customer focus culture, we have also started looking at optimizing our client experience and standardizing the level of service excellence globally. We have updated our pursuits processes from regional to global and aligned our people accordingly, to ensure we always take a global outlook that brings the best of Arcadis' capabilities to clients and citizens globally.

Globally scaling our best practices, to provide a best-in-class client experience everywhere

To integrate our combined local knowledge and expertise, our ways of working had to be harmonized and standardized. This is critical to ensure our clients everywhere can receive a consistent experience and level of service excellence. To that end, we have started engaging our internal service communities of practice to simplify, optimize and standardize the ways we work around the world. Over time, our clients around the world will take advantage of seamless client delivery, and the same world-class client experience everywhere they work with us.

Therefore, we are rethinking how we create value in our business and for our clients, based on three foundational actions: Assessing our individual and regional approaches, simplifying as needed and optimizing processes, and standardizing on one way of working across all the markets we serve. As we standardize, we will free up time to engage with our clients in problem solving towards creating greater outcomes. This journey will allow us to raise our standards of service excellence in every area of our business and provide enormous benefits for our clients and our business. Throughout this effort, we will also deliver on our commitment to embed sustainability in everything we do.

Upon completion, we will have built a foundation of common tools, processes and platforms, upon which we can deploy the power of automation and create the digital tools of the future. Standardization then automation will be the cornerstones in our digitalization journey.

Driving efficiency

We recognize that digital is disrupting many of our core services. In some of our core services such as Cost & Commercial Management, Design & Engineering, and Program Management, we are already optimizing our operational efficiency and digitalizing our services so we can run a more sustainable business. Of all the hours we delivered to clients in 2020, a significant part has gone towards repetitive design and engineering tasks that can be simplified, standardized then automated. By doing so, our people could produce higher value work in the time they save. Our confidence in this potential is not theoretical. We already have examples, such as our Dutch and GEC automated rail signal design process, where we have achieved such results.

As we continue to harmonize our tools, processes and approaches, we are building more capacity for innovation and greater value for our clients. Our Cost & Commercial Managers will have more time to interpret data and bring meaningful insights to clients. Our designers and engineers will be able to choose from multiple, digitally generated designs to optimize energy efficiency, reduce carbon emissions, and drive Net Zero goals. Our project managers will have real-time insight into the performance of their project, allowing them to proactively respond to challenges to ensure successful project delivery.

Our large global clients expect us to standardize and deliver a consistent service and seamless delivery, everywhere they work with us. For one technology client where we run more than 25 projects globally in more than ten regions, delivering their business outcomes was only possible by standardizing our own design processes and creating digital models. By saving time on repeating standard design processes, we focused instead on more challenging problems such as optimizing the digital models and ensuring they are sustainable.



Our strategy for 2021-2023

Offering an consistent global experience of Arcadis, for all Arcadians working in our business services

We will always aim to be an employer of choice. The world wide 'war for talent' makes it even more relevant for us too to find the skills that we need to deliver for our clients, and grow as a business. Just as in our business areas and operations, in our business services we are also taking additional steps to make sure our people are given new opportunities and develop their careers with us, to the best of their abilities.

Our intention is that over time, our people in business services will have to do less repetitive work, and benefit can be diverted to a richer and more digital experience. We will offer more engaging careers with Arcadis, by standardizing and automating basic processes so people's attention and time can be allotted to the more interesting aspects of their roles. We will also be investing in strategic workforce planning, to give our people the capabilities and skills we need for the future.

Having people who understand local clients, local laws, and local cultures will always remain important. Employees will continue to provide local client and people experiences, while being aligned globally on ways of working, the same systems and processes. In the future, colleagues will have broader opportunities to grow, more 'global' roles allowing them to do any role and be based anywhere as they work for Arcadis. We will also become a more efficient and harmonized business in the process.

Standardizing then automating tasks creates consistency of output and opportunities to better address business needs, while reducing inefficiencies and variances. In recent years, we have laid the foundations of standardization and Digital leadership in many of our business services. For example, in aligning our regional pursuits and sales enablement teams, we have created a streamlined approach resulting in a seamless and better experience for our clients and people. Currently, we are piloting projects that reconsider the ways we perform invoicing and many of our procurement processes. By streamlining now and then automating those processes in the future, we will produce efficiencies and time savings.

Introducing the business areas

Our strategy for 2021-2023

Arcadis during 2021 prepared the implementation of three Global Business Areas: Resilience, Places and Mobility and will govern its business through these areas from 2022 onwards. Doing so will accelerate our ability to address client needs resulting from mega trends.

For clients, this change optimizes access to our global skills, capabilities, and experience, allowing best-in-class solution development, as well as efficient service and product delivery. It creates more focus throughout Arcadis on where we have a right to play and an opportunity to win. It provides an increased opportunity to standardize, automate and digitalize, and allows for performance improvement.

We will continue company-wide improvement programs that provide upside potential such as the 'Make Every Project Count' program, the Global Excellence Centers and Key Client Program and the Workplace/Workstyle programs. In 2021 we added the Standardization then Automation program to reap further benefits.

Resilience



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

Key solutions

- Climate adaptation
- Energy transition
- Water optimization
- Environmental restoration
- Sustainable operations
- Enviro-socio permitting
- Sustainability advisory

Places



Creating and managing sustainable places where people live, work and thrive

Key solutions

- Net Zero Facilities & Sustainable Communities
- Industry facilities of the future
- Future workplace
- Integrated Services
- Places Digital Products & Platform

Mobility



Design of thriving and connected cities and communities

Key solutions

- Connected highways
- Integrated airports
- Intelligent rail and transit
- New mobility
- Resilient port infrastructure



Impact through:

Our strategy for 2021-2023

Resilience



We define Resilience as our ability to protect, adapt and improve our natural environment and water resources, while sustainably powering our world for future generations. The result: stronger communities, a healthier planet, and improved quality of life.

Around the world, we're feeling the effects of climate change, rapid urbanization, loss of biodiversity and a widening social inequality gap. Unforeseen natural events such as floods and wildfires are becoming more frequent. Global warming has made downpours in Northern Europe up to 20% heavier, and research shows that heatwaves in North America were made 150 times more likely by climate change.

With urban population projected to increase to 68 percent of the world's population by 2050, the pressure on our natural resources is now more than ever. We need to help our clients be more sustainable, make our cities more resilient and livable, all while protecting our planet. This requires an all-encompassing approach that also addresses energy systems, infrastructure, access to clean air and a reliable water supply. With the UN's report calling it a 'code red for humanity', it's clear we need to act now.

As Arcadis, we can make the biggest difference by enabling governments and industries to achieve their sustainability ambitions in the areas of both adaptation and mitigation, improving quality of life in the communities we operate in. In New York, for example, we've been supporting the city in developing a blueprint to strengthen the shoreline around Manhattan and protect 62,000 residents against rising sea levels.

In Resilience, we're focused on becoming the go-to company for sustainable outcomes.

Our strategy and organization are centered around:

- Understanding the mega trends and our client needs, we're addressing these challenges through a unified, global approach to leveraging our climate, energy, water and environmental expertise;
- Providing a consistent experience for our key clients globally, regardless of location and size, particularly in our key sectors: Energy & Resources, Chemical & Life Sciences, Industrial & Manufacturing, Contractors and Local / Federal Governments;
- Investing in areas where we know we can make the most difference as 'proven pioneers':
 - Energy transition
 - Leveraging U.S. remediation expertise to expand our business in Europe and Brazil
 - Climate resilience in Europe (especially UK, Netherlands), Asia and the U.S.
 - Globally organizing our growing Sustainability Advisory Practice to support our clients' sustainability journey and ambitions;
- Focusing on standardizing our priority services and solutions – automating and scaling these so we can deliver global solutions, for example, digitally enabled water services;
- Embedding sustainability throughout our solutions and supporting Places and Mobility – providing clients with strategic advice and the



Heather Polinsky
Global President Resilience



Our strategy for 2021-2023

license to operate; and creating sustainable cities through solutions like energy transition and climate adaptation;

- Strengthening our service delivery throughout the asset lifecycle by globally transforming – across Asset management; Design & Engineering; Program management; Digital advisory; Transformation advisory; Environmental services; and Sustainability advisory.

Resilience solutions

- **Climate resilience:** Ensuring our communities continue to thrive in the face of climate uncertainty by providing services in water management, flood protection, urban heat and water, ports and wildfires;
- **Energy transition:** Reducing global warming by transitioning towards low-carbon and renewable sources of energy across utilities, urban areas and future entrants, considering energy transmission, distribution and storage;
- **Water optimization:** Supporting public and private clients to manage water resources in a sustainable way so it's 'fit for future', offering a full breadth of services throughout the entire water cycle;
- **Environmental restoration:** Restoring the environment with specialized expertise in global portfolio execution and emerging contaminants (e.g. PFAS), using our cutting-edge science & technology at all stages – from site characterization and cleanup to closure and redevelopment;
- **Sustainable operations:** Ensuring safe, reliable, compliant and sustainable operations, supported by data driven insights and digital tools to manage operational risks, enable business continuity and meet social and environmental needs for future generations;

- **Enviro-socio permitting:** Providing a license to operate by ensuring that capital projects and the use of resources are protective of the environment, and focus on embedding and upscaling equity in alignment with societal needs;
- **Sustainability advisory:** Enabling sustainability ambitions by front end environmental, social, and governance advisory services for strategy, operations, products, reporting and supply chain.

“Building Resilience in our cities and communities is the ‘need of the hour’. To create healthier lives, thriving nature... a more resilient future. We have the ambition, passion and expertise to lead our industry’s transition to a 1.5°C world – through solutions that protect, adapt and improve our planet’s resources.”

Heather Polinsky Global President Resilience





Impact through:

Our strategy for 2021-2023

Places



Shaping and supporting the sustainable places where people live, work and thrive.

Our ambition is to create smart, sustainable and safe places for owners, users, communities and visitors. We'll meet this ambition by delivering innovative future-facing services solutions and products, designed to consider the whole life of the asset.

COP26 has sounded a global alarm to our climate emergency, and with Governments and industries alert to its call, we are ready to respond. Whether retrofitting existing places to support Net Zero targets or designing new places, we have the skills, expertise, passion and solutions to partner with clients to deliver on their and their consumers' ambitions and aspirations.

Projects such as the **Casino Venlo** in the Netherlands exemplify the art of the possible in sustainable design. Using biomimicry to harness solar energy, we created a breathable façade, used rainwater to naturally support the building's cooling and leveraged smart digital tools and real-time data to feed its 'electric brain'. The result is a building that can adjust its energy, water and air consumption to efficiently cater for its users.

Across the world, our cities are under increasing pressure to meet population growth, with citizens demanding more connected, inclusive, sustainable and digitally-enabled spaces. Our partnership with **Bristol City Council** in the UK is an example of this. We will support the Council's development plan to grow a healthier, inclusive and more sustainable city, revitalising Places for all residents, businesses and visitors.

Digitalization and the proliferation of data provide new opportunities and challenges for asset investors, owners and users. Optimizing performance across a diverse range of parameters – such as sustainability, productivity and spend optimisation – we have harnessed the power of data to drive insights. This digitally-enabled delivery has seen us support a **global retail banking client** to manage governance and control across their 8,000-site portfolio managing an average spend of around \$500million.

Progressing strategy and organization

- Understanding market trends and common client pain points, our structure enables us to bring the best of Arcadis, wherever there is need, unlocking our global potential and widening access to best practices and expertise;
- We follow our key clients globally, regardless of footprint, particularly in our Global Market Sectors: Technology, Industrial Manufacturing, and Property & Investment;
- We are investing in our Seamless Delivery Portfolio, providing improved connectivity, speed and efficiency across our global program to create an exemplar experience for our clients;
- Acceleration of our service transformation will enable us to focus and scale digital innovation more consistently across our countries.

Mark Cowlard
Global President Places





Our strategy for 2021-2023

Strategic priorities selected

These strategic priorities for Places will support us in delivering our ambitions.

- **Digital products** – Our LifeCycle Think and PlaceTech solutions will focus on utilising data to provide insight to clients across the whole life of the asset in a more intelligent and intuitive way;
- **Service excellence** – Growing our core, we continue to invest in the global transformation and delivery of Program & Cost Management and Design & Engineering services;
- **Seamless delivery** – Continued focus on our global delivery programs will continue to drive an exceptional ‘One Arcadis’ experience for our clients;
- **Our people** – Leveraging our talent, diversity and culture, we’re engaging and inspiring our people with our Places vision and building collective expertise for our clients;
- **Collaboration and ecosystems** – Working collaboratively with other Global Business Areas, CallisonRTKL, Arcadis Gen and ecosystem partners we are maximizing impact for our clients and our business. The business area will bring together approximately 11,000 people and work closely with the renowned global design and architecture practice, CallisonRTKL, to develop innovative, future-facing solutions to support the asset lifecycle of the places in which we live, work, play, learn, and the transport hubs critical to keep the world moving;
- **Embedded sustainability** – We embed sustainability in everything we do. With our heritage and scale, we see this being our key differentiator in the market, supporting our passion to improve quality of life.

Global priority solutions:

- Net Zero Facilities & Sustainable Communities – Working with clients to strategize, plan and deliver Net Zero facilities and property portfolios;
- Industry facilities of the future – Linking exceptional service and digital tools to deliver CAPEX programmes with speed and certainty of outcome;
- Future workplace – Improving employee experience and productivity through creating connected and human centric spaces;
- Integrated Services – The high quality, digitally enabled delivery of our core services Program & Cost Management and Design & Engineering in an integrated way;
- Places Digital Products & Platform – LifeCycle Think and Place Tech will leverage data, enabling smarter decision making across the asset lifecycle.

“The demands on Places are constantly evolving, and whilst focus on financial and operational impact remains, with buildings generating up to 40% of annual global greenhouse gas emissions, the focus on environmental impact has never been more prevalent.”

Mark Cowlard Global President Places





Impact through:

Our strategy for 2021-2023

Mobility



Mobility enables opportunity for all, and ensures the world keeps moving.

Climate change, urbanization and population growth are trends that require the mobility sector to find new solutions and approaches. By 2050, demand for passenger and freight transport is projected to more than double. Meeting these challenges along with Net Zero carbon commitments result in a forecast that almost doubles green capex infrastructure spend across the globe, to US\$6t per annum over the next decade.

There is need for safe, sustainable and efficient mobility solutions. Our ambition is to partner with our clients to design thriving and connected cities and communities around the world.

Global mobility solutions to improve quality of life

- **Connected highways** – In working with our clients across the globe and considering technology innovations like connected, autonomous and electric vehicles, we rethink how highway infrastructure is designed, built, operated and maintained so future demand can be met. Our teams harness digital advances to create sustainable, data-led, assured and connected highway solutions;
- **Integrated airports** – Building the Net Zero carbon and customer-centric airports of tomorrow starts by changing how we think. Our teams leverage best practices from around the world to deliver sustainable solutions for airport owners and operators, multi-modal hubs, aerotropolis developments, passenger terminal transformations, and post-pandemic recovery;

- **Intelligent rail and transit** – With passenger and freight demand predicted to double by 2050 and commitments to Net Zero carbon, rail and transit is the preferred modal choice for many countries. Arcadis' intelligent rail and transit solutions harness our global experts to deliver cost-effective, safe and sustainable mobility and logistics throughout the life cycle of rail and transit assets;
- **New mobility** – Mobility options and technology are flourishing. These must be optimized, connected and sustainable to best meet the current and future needs of people and a Net Zero carbon world. From first and last mile challenges to hydrogen and electric vehicles, our new mobility solutions deliver results using the most advanced technologies and digital solutions from around the globe;
- **Resilient port infrastructure** – Ports are critical to the global economy, serving as both trade and population centers. The impacts of climate change make ports particularly vulnerable, requiring special attention in this regard. Our resilient port infrastructure solutions are built on strong foundations developed from our Dutch heritage. In partnering with some of the largest port owner and operators around the world, our teams provide digitally enabled, practical solutions in port technology, transport logistics, energy transition and decarbonization.



Greg Steele
Global President Mobility



Our strategy for 2021-2023

Mobility's strategic priorities

- Assured and data-led program management and design and engineering applied through a holistic systems approach;
- Enable organizations and communities to achieve Net Zero carbon by 2050;
- Serve as a leading ecosystem partner for mobility and asset management systems;
- Build upon Arcadis' global rail and transit expertise.

Bringing sustainable mobility projects to life

Sustainable digital mobility technologies are central to Arcadis' work on the Funkturn motorway junction project in Berlin, Germany. Arcadis is implementing a digital design process for the project, using Building Information Modeling, 3D modeling and data management. A digital twin was created, allowing for simulation and analysis of the dynamic behavior of a real transport infrastructure, including its technical facilities. The thorough and integrated digitization focus has laid the groundwork for maximum efficiency through the entire lifecycle of the mobility asset.

Sustainable digital mobility technologies are central to an upcoming eight-year contract with the Province of North Holland, Netherlands. Through a joint venture, Arcadis will help manage North Holland's traffic control, improving the overall traffic flow and safety through the use of data-driven tools and initiatives. The project will feature trigger-based traffic management and smart mobility tools, including the ability to measure CO₂ levels and adjust traffic routes if levels become elevated.

Smart mobility advancements are also shaping projects. As the Louisiana (U.S.) Department of Transportation and Development (LADOTD) tracked the evolution of connected and autonomous vehicles (CAV), leaders recognized their potential for streamlining traffic flow and enhancing traffic safety. The agency had a vision to implement Intelligent Transportation System (ITS) architecture and CAV technology to give every motorist – commuters, freight delivery from ports, interstate drivers, bicyclists, pedestrians and travelers – safer, smoother trips throughout the state. Arcadis partnered with LADOTD to advise on a CAV strategy and roadmap to integrate CAV technology into Louisiana's existing infrastructure.

“Smart solutions and societal trends have primed the mobility sector for a Net Zero carbon transition. We will serve as a green enabler, helping our clients and their communities to achieve Net Zero carbon by 2050 or earlier.”

Greg Steele Global President Mobility





Maximizing Impact: Strategy 2021-2023

Our strategy for 2021-2023



Financial targets

Organic net revenue growth
Mid-single digit

Margin
Operating EBITA margin >10%

Net Working Capital & DSO
NWC <15% of gross revenues / DSO <75 days

Return on Net Working Capital
Operating EBITA / Net Working Capital: 40-50%

Return to shareholders

- Dividend: 30-40% of Net Income from Operations
 - No dilution
 - Additional returns when appropriate
- Net debt/EBITDA between 1.0 and 2.0

Sustainable solutions

Improving Quality of Life

Focus and scale

Digital leadership



Non-financial targets



Voluntary staff turnover
<10%

Staff engagement
Improving annually

Brand
Top 3 Brand Strength Index

Diversity
Women in total workforce >40%

Carbon footprint

- Reduce emissions aligned with a 1.5°C science-based target before 2035
- In line with our Net Zero journey investing in high quality, certified abatement and compensation programs from 2020