

Climate Transition Plan 2024

Accelerating a planet positive future

Executive Summary

Sustainable project choices | Digital and human innovation | Powered by our people

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Introduction

Climate change is the paramount challenge of our era, with the built environment contributing nearly 40% of global emissions. Addressing this sector is crucial for mitigating climate change and enhancing resilience against extreme events. We are uniquely positioned to reshape the built environment for future generations.

At Arcadis, we actively drive the shift to a low-carbon economy through extensive greenhouse gas reduction initiatives. We continuously redefine our client engagements, products, and services to align with a 1.5°C world, positively impacting the built environment with lasting effects. Our [Annual Integrated Report](#) highlights our business strategy, financial performance, and sustainability efforts, including disclosures on our operations and engagements with clients and suppliers.

Our Climate Transition Plan (CTP) outlines our commitment to meeting climate goals and promoting a planet-positive future through sustainable project choices. We publish this plan in response to market demands, stakeholder interests, and regulations like the EU Corporate Sustainability Reporting Directive (CSRD). Developed using Carbon Disclosure Project (CDP) and Accountability, Consistency, and Transparency (ACT) guidance, we will adapt it based on the forthcoming European Financial Reporting Advisory Group (EFRAG) guidance (November 2024). Our CTP includes initiatives such as renewable energy procurement, fleet electrification, sustainable travel policies, and employee commuting programs. Additionally, we assist clients in reducing their carbon footprint through digital innovation and advanced technology.

Arcadis is pleased to present an executive summary of our CTP, focusing on a single scenario to streamline our strategic vision. This summary highlights critical sections and provides an accessible narrative for non-technical readers, emphasizing actionable steps, timelines, and measurable outcomes to convey our commitment to addressing climate change.



Governance

Board and Management-Level Oversight and Expertise

At Arcadis, sustainability is integral to our business and embedded in our structure. Our Executive Leadership Team (ELT) manages climate-related issues, with oversight from the Supervisory Board (SB) and the ELT member responsible for Sustainability (ELTS). Within our SB, two committees address sustainability and climate issues: the Sustainability Committee (SusCo) integrates sustainability into company strategy and governance, while the Arcadis Audit and Risk Committee (AARC) oversees risk management and other matters. The SusCo includes four SB members.

The Arcadis Executive Board, comprised of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), along with the ELT, are committed to sustainable long-term value creation. They oversee business strategy, risk management, and climate-related issues, with accountability to the Supervisory Board (SB). The Executive Board, AARC, and SB review strategic, operational, and compliance risks. The Global Sustainability team, led by Global Sustainability Directors (GSD), manages the Sustainability Program and reports to the ELTS, and receive guidance and direction from the ELT and SusCo. The SB and SusCo meet quarterly to ensure sustainability and climate issues are integrated into the company’s strategy and performance.

Our Executive Board and ELT have extensive sustainability expertise. Six of the nine ELT members bring relevant experience, including Mr. Dekker, who previously chaired a Sustainability Committee, and Mr. Steele, currently chairing the World Business Council for Sustainable Development’s Transport and Mobility Pathway. Table 1 details each ELT member’s sustainability expertise.

Table 1. Members of the ELT with Sustainability Expertise

| | International Experience | Professional service/engineering and consulting experience | Legal/Tax/Risk Management | Finance | People and Culture | Sustainability | Digital |
|--------------------|--------------------------|--|---------------------------|---------|--------------------|----------------|---------|
| Mr. Brookes | • | • | • | | | | |
| Ms. Duperat-Vergne | • | • | • | • | | | |
| Ms. Christie | • | • | • | | | • | • |
| Mr. Dekker | • | • | • | | | • | • |
| Mr. Steele | • | • | | | | • | |
| Mr. Cowlard | • | • | | | | • | |
| Ms. Polinsky | • | • | • | | • | • | |
| Ms. Tempelman | • | • | | | • | • | • |
| Ms. Barker | • | | • | | • | • | |

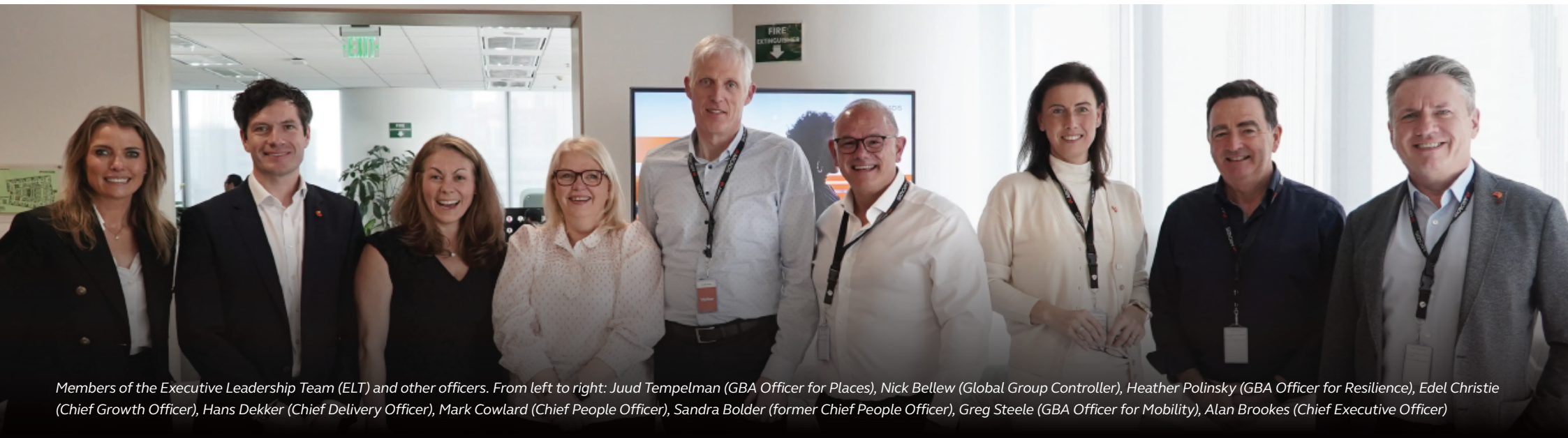
Management-level oversight of the CTP is shared by the CEO and the ELTS. Table 2 summarizes their roles, responsibilities, and feedback mechanisms.

Table 2. Summary of Management-level Oversight Responsibilities

| Management Level | Description | Feedback Mechanism |
|---|---|---|
| Chief Executive Officer (CEO) | The CEO is responsible for developing and integrating the CTP into the company's strategy, which includes setting climate-related targets, monitoring progress, and assessing risks and opportunities. | The CEO reports to the SB and regularly attends SusCo meetings. They also address sustainability matters with shareholders at the Annual General Meeting. |
| Executive Leadership Team (ELT) member accountable for Sustainability (ELTS) | The ELTS, reporting to the CEO, is key to managing climate-related aspects of operations, including acquisitions, mergers, and divestitures, setting corporate targets, monitoring progress, and assessing risks and opportunities. They also actively play a part in CTP development and implementation. | The ELTS, like the CEO, attends every SusCo meeting and maintains regular contact with both the CEO and SusCo members. Sustainability is discussed by the ELT periodically. |

These roles foster the effective development, implementation, and integration of the CTP into strategic priorities and operations. The CEO and ELTS work with stakeholders to address climate challenges, leveraging resources for resilience and sustainable value. They also work with other ELT members to integrate sustainability into business planning and investment decisions.

Arcadis commits to reviewing and updating the CTP every two years for relevance, efficacy, and alignment with regulations like the Corporate Sustainability Reporting Directive (CSRD).



Members of the Executive Leadership Team (ELT) and other officers. From left to right: Juud Tempelman (GBA Officer for Places), Nick Bellew (Global Group Controller), Heather Polinsky (GBA Officer for Resilience), Edel Christie (Chief Growth Officer), Hans Dekker (Chief Delivery Officer), Mark Cowlard (Chief People Officer), Sandra Bolder (former Chief People Officer), Greg Steele (GBA Officer for Mobility), Alan Brookes (Chief Executive Officer)

GHG Accounting & Verification

Since 2010, Arcadis has reported global emissions and energy consumption using the Greenhouse Gas (GHG) Protocol. This is managed through Arcadis’ global Environmental Management System Standard (EMSS), which mandates reporting on material environmental impact metrics. Arcadis centrally reports its carbon footprint based on local data, reviewed by sustainability professionals, including performance comparisons for quality assurance.

Check our GHG Inventory for the year 2023 (ending 31 December 2023) below:

Arcadis global carbon footprint in MT CO₂e (MT = metric tons)
(absolute values are rounded to 10, and in scope 3 to 1000)

| | 2023 | 2022 | 2019 (base-year) |
|---|----------------|----------------|-------------------|
| Scope 1 | 10,140 | 10,260 | 13,290 |
| Scope 2 (market-based) | 710 | 670 | 12 900 |
| Scope 2 (location-based) | 9.680 | 11,180 | 17.320 |
| Scope 3 (all categories) | 249,000 | 269,000 | 295,000 |
| Scope 3.1: Purchased goods & services | 181,000 | 212,000 | 222,000 |
| Scope 3.2: Capital goods | 3,000 | 2,000 | Included in cat 1 |
| Scope 3.3: Fuel-and-energy-related activities | 3,000 | 3,000 | 4,000 |
| Scope 3.4: Upstream transportation and Distribution | 1 | 5 | Included in cat 1 |
| Scope 3.5: Waste generated in operations | 3,000 | 4,000 | 3,000 |
| Scope 3.6: Business travel | 32,000 | 27,000 | 46,000 |
| Scope 3.6: Air travel only (included in Scope 3.5 Business Travel | 23,000 | 16,000 | 31,000 |
| Scope 3.7: Employee commuting (incl. working from home) | 26,000 | 20,000 | 20,000 |
| Scope 3.7a: Employee commuting | 13,000 | 7,000 | 17000 |
| Scope 3.7b: Working from home | 13,000 | 14,000 | 3,000 |
| Total Absolute Footprint (all scopes, market-based) | 259,000 | 279,000 | 321,000 |
| Relative GHG emissions (MT CO₂e/ FTE) | | | |
| Scope 1 + 2 (market-based)/ FTE | 0.32 | 0.33 | 0.98 |
| Scope 1/ FTE | 0.30 | 0.31 | 0.50 |
| Scope 2 (market-based)/ FTE | 0.02 | 0.02 | 0.48 |
| Scope 3/ FTE | 7.3 | 8.2 | 11.0 |
| Scope 3.6: Business travel/ FTE | 0.94 | 0.83 | 1.73 |
| Scope 3.6: Air travel only/ FTE | 0.67 | 0.50 | 1.14 |
| Totalrelative Arcadis Footprint (all scopes. market-based) | 7.6 | 8.6 | 12.0 |

Our 2023 carbon footprint and energy consumption, as presented in our [Annual Integrated Report](#), is projected based on available data up to November 2023 for electricity and mid-December 2023 for other Scope 1, 2, and Scope 3 Categories 3, 6, and 7. Actual data availability varies by country and office, and we distinguish between actual values and estimations in our reporting platform. Our carbon footprint (in MT CO₂ per FTE) underwent limited assurance verification by our external auditor, and we commit to third-party GHG inventory verification for transparency. Refer to our [Annual Integrated Report](#) and [website for inventory updates](#).



Scenario Analysis

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, Giftge, and Hydronet. Arcadis plans to update the climate scenario analysis in the future.

Defining substantive risks

Arcadis uses the Arcadis Risk & Control (ARC) framework to identify risks and opportunities across 16 categories, including sustainability and climate-related risks. This framework guides business controls that address risk mitigation aligned with Arcadis’ risk appetite and strategy. It’s pivotal in embedding a risk-conscious culture within the organization. Annually, Arcadis assesses the enterprise-wide risk landscape and updates the ARC framework to reflect evolving conditions, with changes reviewed and approved by the Executive Board and then communicated to the broader leadership team.

Scope of scenario testing

The scope of this analysis includes Arcadis operations in Germany, the United States, Netherlands, the United Kingdom, and Australia. We have picked these regions as these are our top 5 earning countries. Table 4 below breakdown the net revenue for full year 2023 per region based on project location.

Table 4. Arcadis Net Revenue in Full Year 2023

| Region | Percentage of Net Revenue |
|----------------|---------------------------|
| United States | 35.5% |
| Germany | 4.1% |
| Netherlands | 8.0% |
| United Kingdom | 22.6% |
| Australia | 5.3% |

Time horizons

Arcadis updates its strategy based on identified risks. Currently, risk is monitored on the following timescales (Table 6):

Table 5 below shows the company-wide transition risks and opportunities covered in the analysis.

Table 5. Climate-related Transition Risks and Opportunities

| Transition Risk/ Opportunity | | Definition | TCFD Risk / Opportunity Category |
|------------------------------|---|--|----------------------------------|
| 1 | Risk: Carbon pricing | Impacts of carbon pricing policies on operating costs | Policy and legal risk |
| 2 | Risk: Energy Cost | Impacts of changes of energy prices on operating costs | Market risk |
| 3 | Risk: Reputational | Impacts of our climate actions and commitments on relationships with clients, investors and shareholders, communities, and employees | Reputation |
| 4 | Opportunity: Shift to lower carbon energy sources | Avoided costs from meeting our climate targets and reducing energy consumption | Resource efficiency |
| 5 | Opportunity: Growth drivers | Opportunities for revenue growth from increase in demand for services that support low-carbon economy and climate resilience | Products and services |

Table 6. Scenario Analysis Time Horizons

| Time Horizon | Definitions |
|--------------|-------------|
| Short-term | 2022 - 2025 |
| Medium-term | 2026 - 2030 |
| Long-term | 2031 - 2050 |

Scenario Analysis Findings

In the Net Zero 2050 scenario, Arcadis anticipates major impacts from transition risks related to carbon pricing and energy costs. However, as our business model requires minimal energy consumption and has limited exposure to carbon pricing

mechanisms, we anticipate low to moderate vulnerability, even in the European market. Conversely, in the Current Policies scenario, where carbon pricing is unlikely in the US market, the impact of carbon pricing risk will be minor. Steady decarbonization of energy systems keeps electricity prices stable, resulting in moderate-level energy cost-related risks.

Arcadis expects a reasonable impact from growth drivers and reputational risks in the Net Zero 2050 scenario, with moderate certainty. Revenue generation vulnerability to changes in product and service demand is low to moderate in a low-carbon environment. Under the Current Policies scenario, the impact decreases to a minor level, but the likelihood remains the same due to steady global decarbonization. See Table 7 for a summary of the transition risk and opportunities analysis.

| Net Zero 2050 | | | | | |
|--------------------|--------------------------------------|---------------|----------------|-------------------------------|---------------------------|
| Risk / Opportunity | | Impact | Likelihood | Speed of Onset / Time Horizon | Vulnerability / Readiness |
| Risk | Carbon Pricing | Major | Almost certain | Medium to long term | Low-Moderate |
| | Energy Cost | Major | Almost certain | Medium to long term | Low-Moderate |
| | Reputational | Minor | Likely | Medium to long term | Low-Moderate |
| Opportunities | Shift to lower carbon energy sources | Major | Almost certain | Medium to long term | Low |
| | Growth drivers | Moderate | Likely | Medium to long term | Low-Moderate |
| Current Policies | | | | | |
| Risk / Opportunity | | Impact | Likelihood | Speed of Onset / Time Horizon | Vulnerability / Readiness |
| Risk | Carbon pricing | Minor | Likely | Medium to long term | Low-Moderate |
| | Energy Cost | Moderate | Likely | Medium to long term | Low-Moderate |
| | Reputational | Insignificant | Likely | Medium to long term | Low |
| Opportunities | Shift to lower carbon energy sources | Moderate | Likely | Medium to long term | Low |
| | Growth drivers | Minor | Likely | Medium to long term | Low-Moderate |

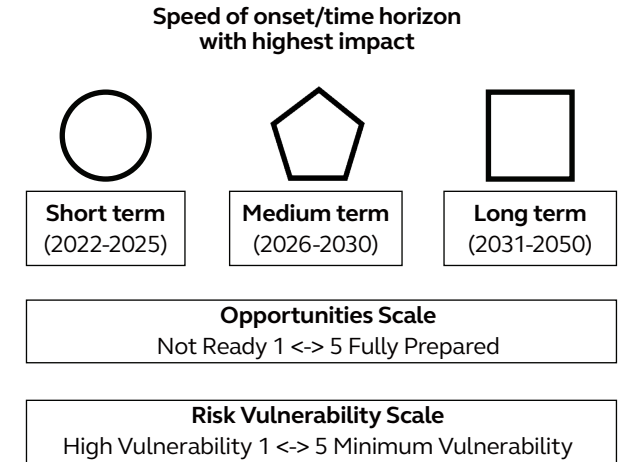


Figure 3. Speed of Onset / Time Horizon Key

Table 7. Transition Risk & Opportunity Analysis Findings

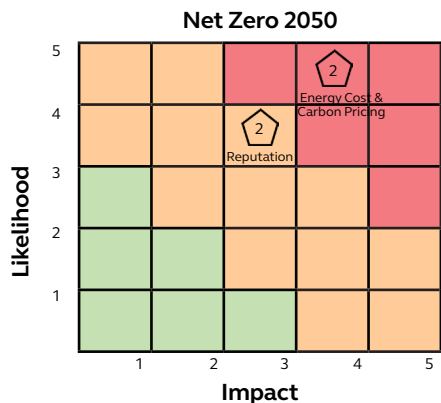


Figure 1. Risk Heat Map Summary

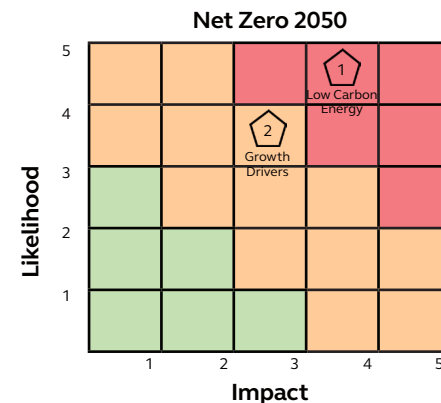
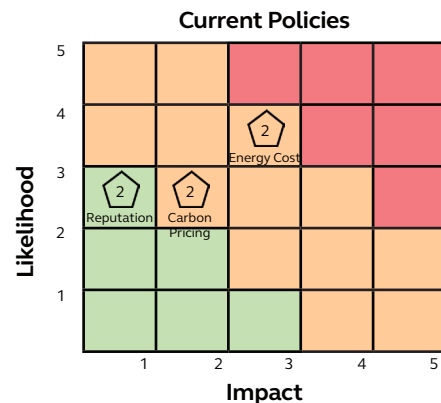


Figure 2. Opportunity Heat Map Summary

This executive summary exclusively covers the optimistic Net Zero 2050 scenario analysis. For insights on the Current Policies scenario, please refer to the full Climate Transition Plan that will be available on our website later this year. Table 8 provides additional details on risks, opportunities, and findings related to the Net Zero 2050 scenario.

| Context | Impact | Likelihood | Timescale | Vulnerability |
|--|---|----------------|---------------------|---|
| Net Zero 2050 Scenario | | | | |
| Energy and Carbon Price Risk | | | | |
| Costs from carbon price exposure | Major - Arcadis could face significant additional costs in regions with aggressive carbon taxation, increasing carbon price exposure. | Almost certain | Medium term | Low—moderate. Current management methods sufficiently address the risks, and the industry in which Arcadis operates is not heavily impacted by carbon pricing mechanisms. |
| Costs from shift in energy (electricity and gas) prices exposure | Major - In regions with rapidly changing energy mixes, Arcadis could face potential high costs due to increases in energy expenses. | Almost certain | Medium term | Low—moderate. Current management methods effectively mitigate risks, and Arcadis’ business model is minimally affected by energy prices. |
| Products and Services Risk | | | | |
| Growth drivers | Moderate – Arcadis may experience potential client loss due to associations with heavy-emitting sectors or perceptions thereof, as well as from clients impacted by the rapid transition. | Likely | Medium to long term | Low–moderate. Current products and services offerings adequately capture the opportunities. |
| Reputational Risk | | | | |
| Brand Reputation | Minor – In this scenario, potential scrutiny arises if Arcadis fails to meet net zero targets and in providing sustainability services to clients. Additionally, there’s a risk of challenges in attracting and retaining talent to deliver services. | Likely | Medium to long term | Low–Moderate. Current business strategy adequately addresses the risks. |

Table 8. Transition Risk Analysis Results & Potential Impacts Under the Net Zero 2050 Scenario

The potential financial impacts and costs associated with these three risks were evaluated in 2022 based on 2022 GHG inventory information and include (Table 9):

| | Energy and Carbon Price Risk | Products and Services Risk | Reputational Risk |
|-----------------------------|--|---|--|
| Potential Financial Impacts | Under the Net Zero scenario, Arcadis could face an annual increase in costs from carbon price exposure ranging from €3.8 million in 2030 to €16.6 million in 2050, mainly due to Scope 3 emissions (business travel). Additionally, costs from shifts in energy prices, including electricity and natural gas, could reach €4.6 million per annum in 2030, remaining steady at €4 million per annum by 2050. In contrast, under the Current Policies scenario, Arcadis may see a peak in costs from carbon price exposure at €138,615 per annum in 2030, decreasing to €110,892 by 2050. Energy price exposure could result in additional costs of around €3.7 million per annum, remaining constant until 2050. | Arcadis may experience lost revenue due to potential client loss and challenges in meeting growing market demand. | Arcadis risks “greenwashing” if climate commitments are not met, potentially impacting brand and revenue. A 1% increase or reduction in global revenue equals approximately €31 million based on 2021 figures. |

Our scenario analysis has identified critical climate risks to our business, informing the development of core strategies aimed at mitigation. Simultaneously, we’re exploring opportunities in evolving climate-related markets, emphasizing growth avenues, strategic client engagement, and expanding products and services. Details about these opportunities are outlined in the Opportunities section of this report.



Table 9. Potential Climate-Related Risk Financial Impacts



Insights

Our climate scenario analysis insights have significantly influenced the development of our CTP in the following manner:

- **Risk Mitigation Strategies:** Arcadis has identified transition risks and developed strategies to mitigate them, including expanding sustainable service offerings, electrifying our fleet, purchasing 100% renewable energy, and reducing carbon emissions.
- **Opportunity Assessment:** Through this scenario analysis, Arcadis identified opportunities in the low-carbon economy transition, such as market share growth from low-carbon products, energy savings through efficiency programs, and enhanced brand reputation by meeting climate targets.
- **Scenario-Based Decision Making:** This CTP demonstrates our strategy and decision-making informed by scenario and risk-opportunity analyses. We've outlined key actions and initiatives driven by climate transition scenarios, including the roadmap to achieve our net-zero target.

- **Reporting and Disclosure:** Arcadis pledges ongoing transparency in disclosing our climate transition efforts, aligning with global reporting standards like CSRD, TCFD, CDP, and the ACT framework. This commitment boosts accountability and fosters trust with investors and clients. Additionally, we commit to monitor forthcoming regulations and policies in our operational regions closely.

Integrating climate scenario analysis into our CTP has been instrumental, shaping our proactive approach to tackling climate challenges, seizing emerging opportunities, and aligning with sustainability leadership. We anticipate our adaptive strategy will generate long-term value and contribute to a more sustainable, climate-resilient future.

Additional details regarding our climate-related risk and opportunity analysis process and findings are available in the complete CTP.



Targets



Quote from Edel Christie, Chief Growth Officer

“The strategic alignment of Sustainable Project Choices, Digital and Human Innovation, and Powered by Our People underscores Arcadis’ relentless dedication to achieving our decarbonization targets. In particular, Sustainable Project Choices supports our decarbonization efforts by enabling our people to make carbon-aware decisions at every stage of the project lifecycle. We will work with our clients to drive progress on decarbonization throughout our value chain.”

Net Zero

Arcadis demonstrates unwavering support for the Paris Agreement and Glasgow Accords, anchoring our commitment to combating climate change. As part of our forward-looking 2024-2026 strategy, we proudly unveiled our revamped near-term targets, now approved by SBTi in August 2024 with the goal of aligning our science-based targets with the rigorous standards of the SBTi Net-Zero framework. This strategic alignment underscores Arcadis’s proactive stance in driving sustainable progress and reinforces our commitment in the global fight against climate change. In 2023, Arcadis set a net zero by 2035 target and has set several interim targets on the path to net zero.

Our absolute targets cover Scope 1 and Scope 2 (market-based) combined, and Scope 3 emissions separately. The detail of our target is as follows in Table 10:

| Target Type | Target Year | Scope | Target Description | Reduction to date (as of Feb 2024) |
|-------------|-------------|-------------|--|------------------------------------|
| Near Term | 2029 | Scope 1 + 2 | Reduce absolute Scope 1 and 2 (market-based) GHG emissions by 71% (Operations), from a base year 2019 | -59% |
| | | Scope 3 | Reduce absolute Scope 3 GHG emissions by 45% (Supply Chain), from a base year 2019 | -16% |
| Net Zero | 2035 | Net Zero | Net zero by 2035, which represents a 90% reduction from 2019. Residual emissions will be offset following SBTi requirements for removals-based projects. | -19% |

Table 10. Arcadis Net Zero Science-Based Targets



Figure 16 below shows our emissions reduction targets pathway and the average linear reduction to achieve those targets.

Scope 1, 2, 3 Emissions Reduction Projection

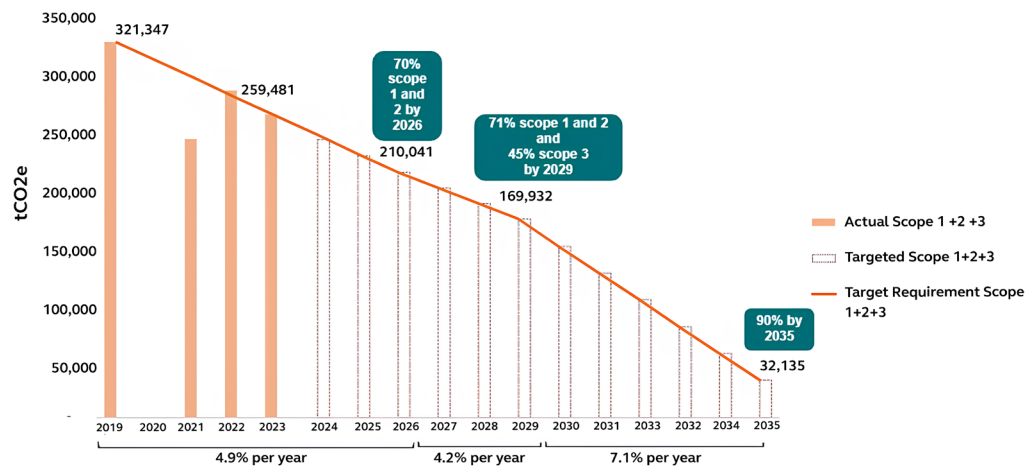
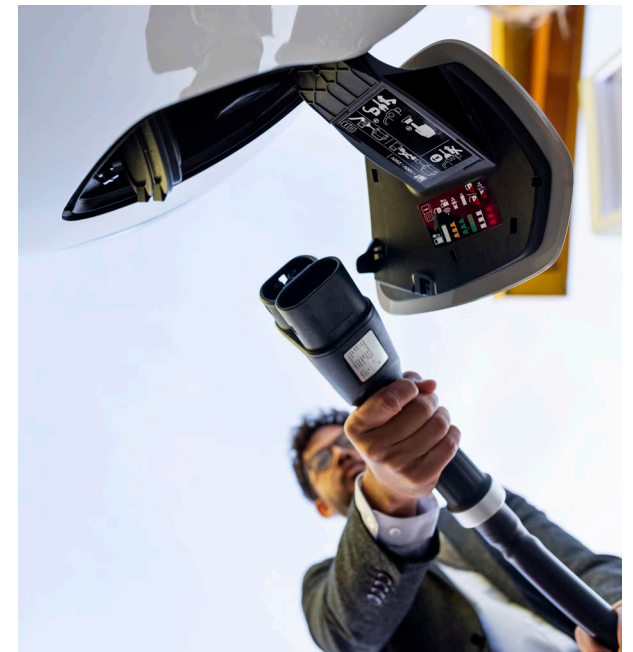


Figure 4. Net Zero Target Pathway

To support our net zero goal, as of 2023, Arcadis has transitioned about 23% of its fleet to electric vehicles. To reduce electricity-related emissions, Arcadis has been purchasing green electricity certificates (RECs & GOs) for each office that does not yet have direct green electricity contracts to cover 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 its Scope 3 emissions calculations.



Climate Transition Strategy

Climate change is the paramount challenge of our era, requiring strategic foresight and action. The built environment, responsible for about 40% of global emissions, is both a major contributor and a key player in mitigating climate change and enhancing resilience. At Arcadis, we are uniquely positioned to drive positive change in the built environment, shaping a sustainable legacy for future generations.

We are committed to achieving net zero, continuously tracking progress and delivering sustainability solutions to clients. Sustainability and climate-related issues shape and are embedded in our three key strategic themes. Our net zero strategy includes actively reducing our carbon footprint through strategic emissions reduction initiatives based on identified risks and opportunities.

Client Solutions

Our commitment to sustainability starts with prioritizing solutions to help clients meet low-carbon transition challenges. We focus on sustainable solutions like Energy Transition, Climate Adaptation, and Sustainable Infrastructure Design. We pursue projects that align with our planet-positive, sustainability, and economic criteria, maximizing opportunities to grow our sustainable business.

Quote from Carolien Gehrels, Global Director Energy Transition

“Arcadis’ Energy Transition practice plays a pivotal role in driving our transition to a low carbon economy by providing expertise in renewable energy solutions, carbon reduction strategies, and sustainable infrastructure development. Through prioritizing environmentally conscious decisions and sustainable practices for our clients, Energy Transition plays a key role in guiding the business towards a future with reduced carbon emissions and a more sustainable built environment. The practice embodies Arcadis’ strategic pillar of Sustainable Project Choices.”



Own Operations

Arcadis commits to net-zero greenhouse gas emissions across the value chain by 2035. We prioritize targeting key emission sources, such as purchased goods and services, by improving data quality. For each emissions scope, Arcadis is implementing specific reduction strategies. For Scope 1 and 2 emissions, this includes transitioning to electric vehicles and incorporating energy efficiency in leasing decisions, such as green clauses and preference for sustainably rated properties (e.g., LEED, BREEAM). For Scope 3 emissions, we are deploying carbon travel budgets, implementing waste reduction and recycling measures, and working with suppliers through engagement initiatives and a third-party supply chain program. More details about supplier engagement are presented in the Value Chain Engagement section of the full CTP.

More information about these efforts is presented in Table 11 below.

Table 11. Action Plan – Emissions Reduction Initiatives

| Project Name | Emissions Impact | Time Frame | Responsible Business Unit | Description |
|---|------------------|-----------------------|-----------------------------------|--|
| Scope 1 – Direct Emissions from Combustion | | | | |
| Stationary Energy | | | | |
| 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. |
| 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 | High impact | Medium and Short-term | Global Business Area and People | Transition Arcadis fleet to electric vehicles by 2030. Currently at 26% electric vehicles. |
| Scope 2 – Purchased Electricity Emissions | | | | |
| Low Carbon Energy | | | | |
| Renewable electricity purchase | High impact | Long-term | Workplace & Global Sustainability | Since 2022, to reduce our market-based Scope 2 emissions, we have purchased green electricity certificates for offices without direct green electricity contracts, covering 100% of our office electricity consumption. We also purchased certificates for the electricity used by electric company-owned/leased vehicles, electric private vehicles used for business travel, home workstations and lighting, and employee commuting with electric vehicles in 2022 and 2023. |
| 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 our offices. |
| Office consolidation/ Work from home | Medium impact | Long-term | Workplace | Arcadis is promoting working from home in combination with office space reduction at multiple office locations. |
| Solar PV (photovoltaic) on offices | Medium impact | Medium-term | Arcadis Netherlands | Four Arcadis offices in the Netherlands have installed solar panels, with one office being energy positive by generating more electricity than it consumes. In the sunny year of 2022, this office alone produced 22,600 kWh. Across all our Dutch offices, an estimated total of 194,159 kWh of PV electricity was generated in 2022, based on solar hours and previous data. |

| Scope 3 – Value Chain | | | | |
|--|---------------|------------------------|--------------------------------|---|
| Purchased Goods & Services | | | | |
| Procurement operational readiness | High impact | Medium and Long-term | Procurement | Future-proofing procurement provides operational effectiveness and data quality, forming a strong foundation for supplier sustainability collaboration. |
| Category Net Zero strategies | Medium impact | Short and Medium-term | Procurement | We are developing category management strategies focused on reducing emissions in higher-emitting categories. |
| Targeted supplier engagement | Medium impact | Medium and Long-term | Procurement | Arcadis engaged with the CDP Supply Chain to encourage suppliers to report emissions. We continue to engage, train, inform, and collaborate with key suppliers regarding emissions reduction and net zero targets. |
| Business Travel | | | | |
| Carbon travel budgets | High impact | Short-term | Global Travel & Sustainability | In 2024, we implemented carbon travel budgets for each business unit, aiming to reduce business travel GHG emissions by 35% and air travel emissions by 50% by 2025. |
| Consolidated travel management provider | Medium impact | Short- and Medium-term | Global Travel | We switched to a single global Travel Management Company (TMC) with online booking tools that provide carbon emissions information and “booking” nudges to encourage greener choices. |
| Sustainable Aviation Fuel (SAF) program KLM - Air France | Low impact | Low impact | Global Sustainability | Since 2017, Arcadis has been purchasing Sustainable Aviation Fuel (SAF) credits through their Air France-KLM (AFKL) partnership. SAF credits are used to offset air travel emissions of Arcadis flights on AFKL operated flights to/from France and the Netherlands. In the year 2021, heavily influenced by COVID-19, this led to 28.6 tons CO2 reduction. With a diminishing influence of COVID-19, in 2022 we saw a vast increase of flights compared to 2021, about 4.5 times as many. In 2022, the purchasing of SAF credits led to a reduction of 79 tons CO2, reducing our applicable flight-related emissions from 303.9 tons CO2 to 224.9 tons CO2 – a reduction of about 25%. |
| Personalized traveler emissions reports | Low impact | Short-term | Global Travel | Travelers receive personalized quarterly emissions details and insights, along with overall Arcadis travel emissions information. |
| Updated travel policy | Low impact | Medium-term | Global Travel | In 2022, we updated our travel policy to prioritize virtual meetings, followed by purposeful travel with objective stacking, and provided guidance on air vs. rail travel and business class use. |

| Employee Commuting | | | | |
|--|---------------|-------------|-----------------------|---|
| Cycling to work | Low impact | Short-term | Arcadis Netherlands | Employees are encouraged to come to the office by bike if they live within a realistic radius of an Arcadis office in the Netherlands. This measure has led to a saving in the Netherlands of approximately 17.60 tons of CO2 and 224.28 GJ primary energy, which is an estimate based on 2022. |
| 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. For example, in the Netherlands, under the new mobility policy (WERK-regeling), Dutch Arcadians can now utilize their NS Business Card for both business and private travel. This initiative actively encourages employees to choose sustainable modes of transport, extending beyond business travel to influence their choices even in leisure time. |
| Limited office parking | Low impact | Medium-term | Workplace | Offices near public transit offer limited or no parking to encourage its use. |
| Waste | | | | |
| Reduce office waste generation | Low impact | Medium-term | Workplace | Standardize office recycling and composting, and raise employee awareness about proper waste disposal. |

Our Communities and People

Arcadis also engages in activities beyond the value chain to support a just transition, focusing on voluntary community programs that bring sustainable solutions to local communities. This includes globally coordinated community programs, science, technology, engineering, arts, and math (STEAM) initiatives, non-governmental organization (NGO) partnerships, and investments in projects that positively impact the communities where Arcadis operates.

Arcadis' globally-coordinated community programs, Local Sparks and Shelter, demonstrate our commitment to sustainable development. Local Sparks empowers employees to impact their communities, while Shelter provides safe, sustainable shelter solutions for those affected by natural disasters.



Opportunities

Our commitment to climate-related opportunities goes beyond mitigation and adaptation. It is a strategic endeavor to position Arcadis for competitive advantage and to accelerate a planet-positive future. By capitalizing on these opportunities, we enhance operational efficiency and tailor our offerings to meet the evolving low-carbon needs of our clients, creating mutual benefits.

Aligned with our commitment to limit global warming to 1.5°C, we see this as a gateway to growth and innovation in a transitioning economy. Our approach to maximizing these opportunities is collaborative and innovative, grounded in partnerships with clients, industry experts, and stakeholders. Through co-creation, we develop tailored solutions that address specific challenges, advancing both our sustainability agenda and the collective responsibility towards a more sustainable future.

Through proactive investments in research, talent, and technology, we lead the transition to a low-carbon economy and inspire others to join us. This strategic approach drives meaningful change, creating value for our clients, stakeholders, and the planet we share.

| Context | Impact | Likelihood | Timescale | Readiness |
|--|--|----------------|---------------------|---|
| Net Zero 2050 Scenario | | | | |
| Energy Source Opportunities | | | | |
| Shift to lower carbon energy sources | Major – Shifting to low-carbon energy sources and reducing energy use and GHG emissions will mitigate risks from fossil fuel price fluctuations and carbon costs. | Almost Certain | Medium to long term | High – Due to Arcadis’ comprehensive sustainability advisory services and extensive expertise in climate adaptation and resilience, and specialized building decarbonization services, Arcadis is highly prepared to maximize the opportunities associated with a shift to lower-carbon energy sources. |
| Products and Services Opportunities | | | | |
| Growth driver | Moderate – Increasing demand for service offerings in the low-carbon economy, such as energy transition, net-zero facilities and communities, integrated with climate resilience services. | Likely | Medium to long term | Moderate-high – Current products and services effectively capture opportunities. |

Table 12. Transition Risk Analysis Results & Potential Impacts Under the Net Zero 2050 Scenario

The potential financial impacts and potential benefits associated with these two opportunities include:

| | Energy and Carbon Price Risk | Products and Services Risk |
|-----------------------------|--|---|
| Potential Financial Impacts | In a Net Zero 2050 future, our efforts to reduce emissions, energy use, and shift to renewables could reduce exposure to fossil fuel price fluctuations and changes in carbon costs, leading to significant operational savings. A 25% reduction in global electricity consumption by 2050 could result in estimated operational savings of approximately €1.4 million per year across the five countries evaluated under Net Zero 2050 and €1.8 million per year across the five territories under the Current Policies scenario. | Increased demand for tailored solutions supporting the low-carbon economy transition would enhance our competitive position, allowing us to expand services, capture a growing market, and deliver quality work, leading to potential financial impacts such as revenue growth. |

Table 13. Potential Climate-Related Opportunities Financial Impacts





Accelerating a planet positive future

Conclusion

Arcadis' vision for the future includes a strategic commitment to addressing climate change and advancing sustainability as core elements of our business strategy. We monitor and assess climate-related risks and opportunities through data analysis, scenario planning, and stakeholder engagement conducted at the highest levels of our organization.

Embedded within our 2024-2026 strategy, 'Accelerating a Planet Positive Future,' is a commitment to reducing global carbon emissions while enhancing our capacity to address clients' sustainability challenges. This comprehensive roadmap outlines key initiatives, targets, and timelines for the next three years. By integrating electrification, energy-efficient technologies, and renewable energy sources, we aim to reduce our carbon footprint and facilitate clients' journeys toward sustainability.

Our CTP, aligned with our net zero goal, fosters the continuity and resilience of our service offerings, reflecting our commitment to collaboration, innovation, and continuous improvement. Implementing this plan contributes to a planet-positive future. For example, we have helped clients reduce carbon emissions by adopting energy-efficient technologies and transitioning to renewables, aligning with their climate goals and infusing our work with purpose.

Arcadis is committed not only to sustainability but also to a just transition, promoting fairness, equity, and inclusivity throughout our transformation. We integrate social and environmental considerations into our business practices to protect the interests of stakeholders, including frontline workers and vulnerable communities. Additionally, we seek to foster local, regional, and global solidarity in addressing environmental challenges by championing sustainable development alongside economic prosperity and environmental stewardship. Arcadis engages in voluntary community engagement programs, including globally coordinated initiatives, STEAM programs, partnerships with NGOs, and investments in projects that positively impact the communities where we operate.

At Arcadis, we value collaboration and work closely with organizations like the World Business Council for Sustainable Development to champion inclusive policy development and community engagement. Together, we strive to address environmental injustices and promote shared prosperity. Through these efforts, we are committed to building a sustainable future that leaves no one behind. We regularly review and update our strategies to ensure their relevance and efficacy, inviting stakeholders to join us on this journey.



| Categories | Addressed | Credible Transition Plan Elements | ISSB | U.S EC | EFRAG (ESRS) / CSRD | UKTPT | TCFD | ACT | GFANZ | CBI | TPI |
|--------------------------------|-----------|--|------|--------|---------------------|-------|------|-----|-------|-----|-----|
| Governance | ● | (1) Board Level Oversight | | | | | | | | | |
| | ● | (2) Board expertise on climate related issues | | | | | | | | | |
| | ● | (3) Executive management accountability & feedback mechanisms | | | | | | | | | |
| | ● | (4) Executive incentives linked to climate performance indicators | | | | | | | | | |
| Scenario Analysis | ◐ | (5) Details of Scenario Analysis | | | | | | | | | |
| Risk and Opportunities | ● | (6) Process for identifying climate related risks & opportunities | | | | | | | | | |
| | ◐ | (7) Climate related risks- risk potential financial impact and response strategy | | | | | | | | | |
| | ◐ | (8) Climate related opportunities- opportunities, potential financial impact and response strategy | | | | | | | | | |
| Sustainability Strategy | ◐ | (9) Existence of a 1.5°C world aligned transition plan with business strategy and shareholder feedback | | | | | | | | | |
| | ◐ | (10) Link between identified (and potential) climate related risks, opportunities & company strategy | | | | | | | | | |
| Financial Planning | ◐ | (11) Financial planning details associated with a 1.5°C world | | | | | | | | | |
| | ● | (12) Low carbon products or services | | | | | | | | | |
| Targets | ● | (13) Emission reduction targets- absolute & intensity | | | | | | | | | |
| | ● | (14) Net Zero Targets | | | | | | | | | |
| | ● | (15) Other climate related targets | | | | | | | | | |

| | | | | | | | | | | | |
|---|--|---|--------------------------|--------------------------|--------------------------|--------------------------------|--------------------------|----------------------|--------------------------|--------------------------------|--------------------------|
| Scope 1-3 accounting with verification | | (16) Comprehensive and third-party verified emission accounting | Covered by Framework | Covered by Framework | Not addressed. Full gap. | Not addressed. Full gap. | Covered by Framework | Covered by Framework | Covered by Framework | Not addressed. Full gap. | Covered by Framework |
| Policy Engagement | | (17) Alignment of public policy engagement with climate ambition & strategy | Not addressed. Full gap. | Not addressed. Full gap. | Covered by Framework | Covered by Framework | Not addressed. Full gap. | Covered by Framework | Covered by Framework | Not addressed. Full gap. | Covered by Framework |
| Value chain engagement | | (18) Low carbon initiatives- direct operations | Covered by Framework | Covered by Framework | Not addressed. Full gap. | Partially covered by Framework | Not addressed. Full gap. | Covered by Framework | Not addressed. Full gap. | Not addressed. Full gap. | Covered by Framework |
| | | (19) Value chain engagement | Covered by Framework | Not addressed. Full gap. | Covered by Framework | Covered by Framework | Not addressed. Full gap. | Covered by Framework | Not addressed. Full gap. | Partially covered by Framework | Not addressed. Full gap. |

Legend

| Symbol | Description |
|--------|--|
| | Full completion. No gap. |
| | Partial completion. Minor gap. |
| | Partial completion. Moderate gap exists for future improvement. |
| | Partial completion. Significant gap exists for future improvement. |
| | Not addressed. Full gap. |

- Covered by Framework
- Partially covered by Framework

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