

Governance



BOARD OF MANAGEMENT

Mark R.F. Heine (1973)

Chief Executive Officer

Nationality Dutch

Employed by Fugro Since 2000. Joined Fugro's former Executive Committee in 2013 and appointed to the Board of Management in April 2015.

Appointed CEO in October 2018

Current term Until AGM 2023

Background Mark Heine joined Fugro in 2000 and served in various positions, including geodesist on various onshore and offshore survey projects, managing director Africa, regional manager Europe-Africa, Director of the Survey division, Executive Committee member and division director. He holds a master's degree in Geodetic Engineering from Delft University of Technology. Mark is member of the board of directors and chair of Dutch marine contractor association IRO.

Barbara P.E. Geelen (1974)

Chief Financial Officer

Nationality Dutch

Employed by Fugro Since 2021. Appointed to Board of Management as Chief Financial Officer per May 2021

Current term Until AGM 2025

Background From 2014 until 2021 Barbara was CFO at HES International, one of Europe's largest independent bulk handling companies. Prior to that, she held various leading roles at ABN AMRO and has extensive experience in equity and high yield capital markets transactions, restructuring of companies and managing client teams, among others in the energy sector. She has extensive international experience. She holds a master's degree in Business from the University of Nijmegen.

Company secretary Paul Theunissen (1980)

EXECUTIVE LEADERSHIP TEAM

The Executive Leadership Team includes the CEO and CFO.



Erik-Jan Bijvank (1969)

Group Director Europe-Africa

Nationality Dutch

Employed by Fugro

since 2020

Erik-Jan has spent over 20 years with Stork, a Fluor Corporation company in several senior management roles both in the Netherlands and the UK. He holds a master's degree from Universiteit Twente and a Master of Project Management from Western Carolina University.



Céline Gerson (1972)

Group Director Americas

Nationality French/American

Employed by Fugro

since 2021

Before joining Fugro, Céline served as Vice President Global Account Director for Schlumberger and President of Schlumberger Canada. Along with being a Harvard Business School Alumna, Céline holds a bachelor's degree from the European University of Brussels and a Juris Doctorate from the University of Houston.



Amar Umap (1972)

Group Director Asia Pacific

Nationality Indian

Employed by Fugro

since 2017

Amar has worked for several multinationals, including Technip, Global Industries, McDermott International Inc. in Asia Pacific, India, Middle East and USA. He graduated from the Indian Institute of Technology, Kharagpur with a bachelor's degree of Technology in Civil Engineering and holds a Global Executive MBA from INSEAD.



Tim Lyle (1977)

Group Director Middle East & India

Nationality British

Employed by Fugro

since 2006

Tim joined Fugro as an engineering geologist and project manager. He has since served in several management positions including country manager for Oman and the UAE and Regional Director of Europe. He holds a bachelor's degree in engineering from Camborne School of Mines, University of Exeter.



Erwin Hoogeveen (1968)

Group Director Human Resources

Nationality Dutch

Employed by Fugro

since 2016

Previously, Erwin worked in various HR leadership roles with Seafox, CEVA Logistics, Dockwise, BMC Software and Getronics. He holds a BA in Human Resources Management from Avans Hogeschool in Breda.



Annabelle Vos (1978)

General Counsel/Chief Compliance Officer

Nationality Dutch

Employed by Fugro

since 2016

Annabelle worked in private practice for 11 years at De Brauw Blackstone Westbroek, a Dutch law firm, in their M&A and corporate litigation practice groups. She holds a Master of Law degree from Leiden University and a Master of International Relations and International Economics from Johns Hopkins University.



Wim Herijgers (1975)

Group Director Development & Digital Transformation

Nationality Dutch

Employed by Fugro

since 2014

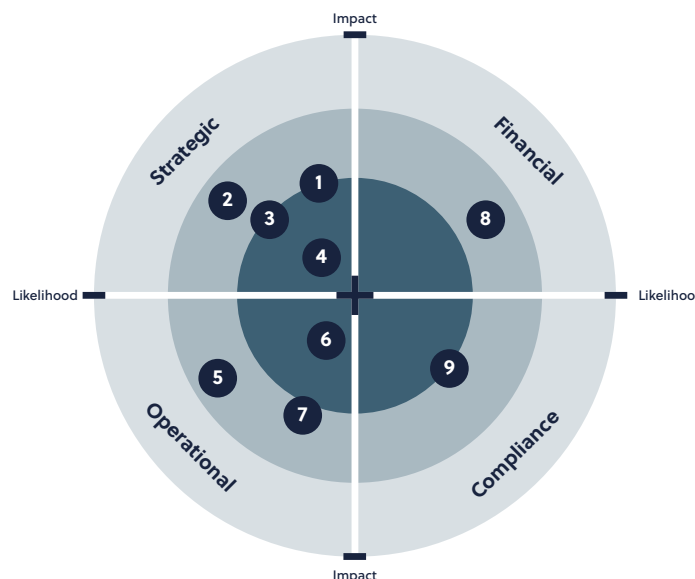
Before joining Fugro, Wim was Principal at the Boston Consulting Group for over 12 years. He holds an MBA from INSEAD and a master's degree in Electrical Engineering from Delft University of Technology.

RISK MANAGEMENT

The nature of Fugro’s business reflects that the company is inherently willing to take risks while benefiting from opportunities. Taking managed risks is part of doing business, and therefore risk management is an essential element of Fugro’s culture, corporate governance, strategy development, and operational and financial management. Management of risks and opportunities is a shared responsibility, with a combined local and groupwide approach. Fugro’s current organisational risk profile is mainly related to Fugro’s asset base, expertise and client solutions, serving clients across industries and geographies.

Fugro is willing to take certain risks associated with the execution of its core business, as it is sufficiently equipped to manage them. This occurs within the

Fugro’s key risks



- Strategic**
 - 1 Market exposure
 - 2 Climate change
 - 3 innovative capability
 - 4 Employees and capacity
- Operational**
 - 5 Health, safety and security
 - 6 Project execution
 - 7 Information security and technology
- Financial**
 - 8 Cash generation
- Compliance**
 - 9 Legal & regulatory compliance

The center implies higher impact and likelihood

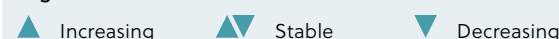
Key risks at a glance

Risk category	Key risks	Risk description	Risk trend compared to prior year	Risk appetite
Strategic	1. Market exposure	Risk of market developments negatively impacting Fugro.	▲▼	•
	2. Climate change	Climate change and the energy transition present both opportunities and risks for Fugro.	▲	•
	3. Innovative capability	Risk that Fugro is not delivering new sustainable innovations meeting market demand.	▲	•
	4. Employees and capacity	Risk that within the organisation insufficient talent is available to deliver Fugro solutions, now and in the future	▲	•
Operational	5. Health, safety and security	Risk of health and safety and security incidents or exposure adversely impacting Fugro’s people or business.	▲	•
	6. Project execution	Risk of projects not delivered timely, within budget or with the required quality.	▲	•
	7. Information security and technology	Risk that confidentiality, integrity and availability of data is compromised due to an information security incident and/or restricted availability of critical IT systems.	▲	•
Financial	8. Cash flow generation	The risk of insufficient cash generation to fund future opportunities and growth.	▲▼	•
Compliance	9. Legal & regulatory compliance	Risk of non-compliance with international and statutory laws and regulations in the jurisdictions in which Fugro operates; and/or risk of behaviour not in line with Fugro’s values.	▲	•

Legend: Risk appetite



Legend: Risk trend



boundaries of its expertise set by the Board of Management, supported by the Executive Leadership Team and under supervision of the Supervisory Board. These boundaries ensure that individual events will not result in disproportionate risks or missed opportunities for the entire company resulting in not achieving Fugro's strategic goals.

Fugro's risk management is aimed at supporting long-term value creation. It is designed to provide reasonable assurance that objectives are met by integrating management control into daily operations, ensuring compliance with legal requirements and safeguarding the integrity of the company's financial reporting and its related disclosures. Fugro's risk management framework is compliant with the Dutch corporate governance code.

To facilitate the risk identification and response process, Fugro identifies four risk categories: strategic, operational, financial and compliance. Risks may be interdependent, meaning that an increase in one risk (or category) may impact other risks and categories. The Board of Management and Executive Leadership Team continuously keep this in mind while assessing risks.

Risk appetite and sensitivity

Risk appetite refers to the level of risk that the Board of Management is prepared to be exposed to in pursuit of long-term value creation. Fugro's risk boundaries are driven by the company's culture, corporate governance and management systems, its expertise and strategic risk assessments. This is detailed in Fugro's values, Code of Conduct, policies and procedures and authorisation schedules. Fugro's risks are assessed as part of its quarterly risk management update and reporting process, in which risk levels are compared

against the defined risk appetite. Fugro's risk levels, as well as its risk appetite, changes over time reflecting the company's strategic objectives, external factors and internal organisational changes.

In addition to the key risks mentioned in the table on [page 70](#), other risks potentially impacting Fugro's market or financial position, as well as reputation, are closely monitored and discussed semi-annually by the Executive Leadership Team. Considered risks include geopolitical and macro-economic developments, biodiversity, business ethics and human rights. These risks influence Fugro's work environment and could therefore impact the implementation of Fugro's Path to Profitable Growth strategy.

Constant monitoring of the external environment and operating and financial results is required. Clarity and transparency are essential for assessing and evaluating risks, and are fundamental characteristics of Fugro's culture. Management throughout the company is bound by clear restrictions regarding representation and decision-making.

In 2022, internal control and risk management procedures were further embedded and structured within the organisation. Risks and the company's associated appetite and responses have been re-assessed by the Executive Leadership Team. During 2023, risk quantification will be further embedded in the organisation in order to increase the visibility of early warnings in case the estimated impact of a risk would exceed the defined risk appetite. This will further support Fugro's decision making processes.

Risk management framework

Fugro has a risk management framework in place to identify and manage risks and internal controls. This framework also assists with the identification of (missed) opportunities.

Fugro has adopted the so-called three lines model, whereby the first line relates to risk management being an integral part of day-to-day activities. Fugro's employees and in particular management have the obligation to obtain an appropriate level of understanding and training regarding their roles and responsibilities. Fugro expects that every employee complies with internal policies, procedures and guidance, and applicable laws and regulations.

The second line functions carries out various risk management and compliance activities by issuing guidance, providing support and monitoring the effectiveness of first line controls.

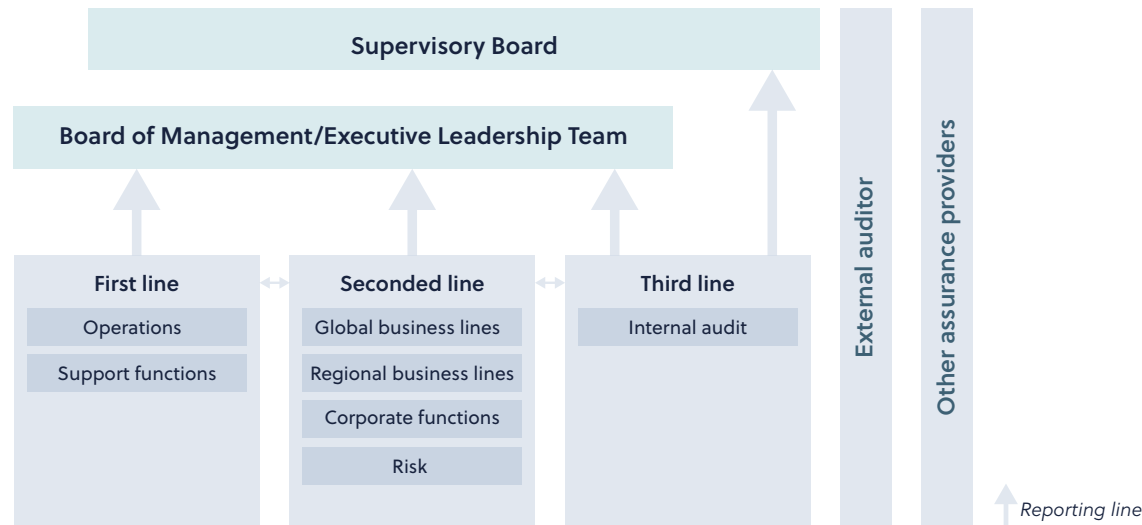
The third line consists of the independent internal audit department which reports to the Board of Management and the audit committee of the Supervisory Board on the structure, existence and effectiveness of risk management and internal control systems. In the second place, the internal audit department provides services to facilitate risk management activities.

In line with the control environment, Fugro's risk management governance is based on delegated accountability to those who are best placed to manage these risks and opportunities. Management with delegated authority (ie regional, business line, global support function and shared service centre management) is expected to perform periodic risk assessments. Risks are captured in Fugro's internal control framework and assigned for monitoring to an

appropriate risk and action owner. Risk reporting takes place via multiple channels to the Board of Management and the Executive Leadership Team. The internal audit department supports the Board of Management in reviewing the periodic risk assessments and identified mitigating measures.

The Board of Management holds ultimate responsibility for risk management within Fugro and determines its risk appetite. The Board of Management reports to the audit committee on the risk management processes. The audit committee and the Board of Management receive independent information on risk management activities from the internal audit department. The audit committee reports their observations and findings to the full Supervisory Board.

Fugro's Three lines model



Strategic risk

Fugro's Path to Profitable Growth strategy has associated risks, for which the company has management measures in place.

1. Market exposure

Risk appetite Risk trend 

Risk description

Fugro operates in competitive markets exposed to market volatility and economic cycles

Main actions to manage risk

- Continued focus on further diversification with particular attention for non-oil and gas related growth markets (in particular renewables).
- Scenario planning and monitoring contributing to forecasting and pro-active responses to market events.

2. Climate change

Risk appetite Risk trend 

Risk description

For Fugro, the identified climate-related risks mainly concern consequences of not acting fast enough upon the transition to a low carbon economy.

In addition, the implementation of net zero emission roadmaps will (initially) lead to higher cost levels throughout the value chain.

At the same time, climate change offers opportunities to Fugro due to its exposure to climate change mitigation and adaptation solutions, and opportunities to differentiate with digital solutions which will lower the carbon footprint of Fugro and its clients.

Main actions to manage risk

- Manage operations to maintain flexibility to shift assets to strategic growth markets (in particular 'renewables' and 'water').
- Client engagement about pricing impacts required for the implementation of Fugro's net-zero roadmap, in light of the resulting reduction in client's scope 3 emissions.
- Ongoing monitoring of related risks and opportunities (according to the TCFD framework).
- Increasing transparency in sustainability reporting, including on environmental performance.

3. Innovative capability

Risk appetite Risk trend 

Risk description

Innovation is a key enabler of Fugro's strategic priorities, and there is a risk that investments relating to research and development will not deliver timely, new, sustainable technologies and commercial solutions. In addition, irrespective of Fugro's efforts to protect its intellectual property, competitors might develop similar or better solutions.

Main actions to manage risk

- Further embedding of Fugro's innovation framework, combining and translating its deep understanding of clients' needs, market trends and competition into a differentiating innovation portfolio.
- Leverage third party technology and resources, resulting in increased effectiveness of innovations.
- Leverage technology in the field of visualisation, robotics, connectivity and advanced analytics in order to offer safer, faster and higher quality services with a significantly lower carbon footprint, reduced client delivery time and better client insights.
- Continue to develop and roll-out value based pricing models and promote key innovations through Fugro's key accounts.
- A dedicated team is in place to protect Fugro's intellectual property.

4. Employees and capacity

Risk appetite



Risk trend



Risk description

Not being able attract and retain qualified employees impacts effective delivery of Fugro services and leadership within the organisation. Labour markets are very competitive, and the recent Covid-19 pandemic has impacted the choices that people make regarding their career paths. Therefore, keeping employees engaged and looking after their wellbeing is key for the future success of the organisation.

Main actions to manage risk

- Assess employees' satisfaction levels by performing regular engagement surveys resulting in clear actions.
- Promotion of global career framework to create technical and functional development opportunities for employees in their professional careers.
- Support hybrid working philosophy to proactively accommodate employees.
- Support company values through the Fugro Values game and other tools.
- Provide opportunities to employees, amongst others via Fugro's dedicated diversity and inclusion policy and roadmap, training, leadership and expertise development and career opportunities.

Operational risk

For Fugro as a project organisation, its main operational risks are related to the execution of its projects.

5. Health, safety and security

Risk appetite



Risk trend



Fugro is subject to a variety of health and safety, risks, given the operational diversity, technical complexity and geographic spread of its operations.

Main actions to manage risk

- Continued global roll out of HSSE initiatives and processes such as '3S Together' safety programme, including centrally developed policies, strategies, standards, incident registration and management, performance indicators and targets.
- Maintain certified management systems, such as ISO and ISM codes (or equivalent).
- Regular safety trainings for all employees.
- Proactive evaluation of all incidents and sharing of best practices across the company.
- Keep business partners informed about Fugro's HSSE management standards and the importance of adhering to these.
- Active promotion of independent global employee assistance programme for employees and their families.
- Ongoing roll-out of uncrewed operations, removing personnel from a high-risk environment to onshore remote operations centres.

6. Project execution

Risk appetite



Risk trend

**Risk description**

Risks are mainly related to delivering services, project management and the impact of external events on operational performance. Downtime related to adverse weather, vessel or equipment breakdown, logistical complexities or availability of people or assets can significantly impact project performance. Inadequate project control due to time, knowledge or resource constraints, can cause unnecessary delays and serious damage to projects.

Main actions to manage risk

- Strict adherence to Fugro's authorisation matrix, for approval for all projects and contracts above a certain threshold, risk or complexity.
- A robust project delivery process, including risk assessments and monitoring regarding internal and external events.
- Constantly considering the contracting rules and guidelines to structure projects with mandatory controls.
- Roll out of trainings on technical aspects for relevant Fugro's staff.
- Embed operational excellence, and drive optimisation and improvements in current processes and the implementation of new technologies.
- Optimise standardised project management approach and actively share lessons learned across the regions.
- Constantly improving performance dashboards providing continuous insight into project performance.
- Implementation of global resource pools to manage allocation and utilisation of key assets.
- Further standardisation and clear definition of roles and responsibilities within the organisation.

7. Information security and technology

Risk appetite



Risk trend

**Risk description**

Fugro relies on a range of IT systems to manage its business, support operations and technological solutions. Information security incidents and the unavailability or restricted availability of critical IT systems present a risk, in particular related to a cyber-attack (e.g. phishing, malware), non-delivery by suppliers or an internal system failure. This could lead to loss of operational functionality and business disruptions

Main actions to manage risk

- Maintaining a solid security IT infrastructure including advanced spam and internet filters, firewalls, policy-based access to the internet and tooling to monitor network and cloud usage.
- Continuous monitoring of IT systems for contamination by viruses, malware or malicious content or behaviour.
- Implementation of real time incident detection and response set-up for timely and effectively responses to incidents (e.g., phishing attempts and malware outbreaks).
- Maintaining an experienced and senior global information security team.
- Adherence to ISO 27001 standards in various of Fugro's key markets.
- Ongoing creation of awareness for cyber security via multiple campaigns.
- Comply with procedures demanded by insurers, including continuous monitoring and regular contact with Fugro's cybersecurity insurer.
- Focus on further harmonisation of IT landscape.

Financial risk

Fugro has to fund its operations, which is done with a mix of equity and external capital (bank facilities and convertible bonds) and manages bank balances and receivables on different locations and in different currencies. Apart from the key financial risks presented below, Fugro also recognises risks related to development of interest rates. All these risks are mitigated with proportionate measures and monitored on different levels within the company.

8. Cash generation

Risk appetite



Risk trend



Risk description

Insufficient free operating cash flow generation and ability to attract external funds and liquidity could negatively impact Fugro's ability to fund its growth and opportunities.

In addition, there is a risk that customers or counterparties fail to meet contractual obligations, resulting in inefficient working capital management and access to short term funding.

Main actions to manage risk

- Continuous focus on working capital across all regions.
- Value based pricing and liquidity assessments during tendering and the various project phases to monitor any liquidity risks and act when needed.
- Ongoing focus on timely collection of outstanding trade receivables and regular customer creditworthiness checks.
- Implementation of financial scenario analyses to monitor liquidity.
- Policy setting and management focus on value creation and cash flow generation
- Strict capital allocation by implementation of a groupwide capital expenditure tool to structure and assess investment requirements and support long-term capex planning.

Compliance risk

Fugro is a multinational company, operating with multiple subsidiaries and branches in various countries. Apart from the key compliance risks presented below, Fugro also recognises compliance risks related to taxation, insurance, and intellectual property.

9. Legal & regulatory compliance

Risk appetite



Risk trend



Fugro's global presence exposes the company to regional and local laws, regulation and business cultures, and related changes or new laws and regulations, for example in relation international sanctions. Fugro is also exposed to changing and challenging political and economic environments and environmental laws and regulations. This can impact the realisation of business opportunities. Other risks may include non-compliance with Fugro's Code of Conduct.

- Code of Conduct adherence for all Fugro's employees, subcontractors and business partners to conduct business ethically and to comply with the law and regulations.
- A mandatory Code of Conduct training for all new Fugro employees during onboarding.
- Actively monitoring of agents and joint venture partners by the business with supervision from the legal and compliance department.
- (Remote) trainings and workshops across the organisation with regards to ethical behaviour.
- Fugro is acutely aware of and firmly responsive to the topic of climate change, and the related challenging political and economic business environment.

FINANCIAL REPORTING

Fugro operates in many parts of the world, sometimes differing in accounting policies and local reporting requirements. This exposes Fugro to the risk of reporting figures that are not in line with the group's IFRS framework. To mitigate this risk, a financial handbook and an accounting manual, containing detailed guidelines for the financial reporting, are available for all employees. Continuous guidance and support is delivered to senior management and controllers of all reporting entities.

The business plans of every reporting entity are translated into forecasts. Deviations from the forecast are reviewed on a monthly basis. Any unforeseen circumstances that arise, or any substantial deviation from the forecasts, must be reported immediately. The monthly reports submitted by the operational management include an analysis of the achievements versus the approved plans and a forecast for the coming periods, including actions to address any shortfall.

Fugro is implementing a groupwide integrated system to monitor and manage the business, including redesign and standardisation of applicable processes in order to optimise the way Fugro operates. The key business processes are validated by business and support functions. The aim of this global implementation is to contribute to and improve Fugro's business management and internal control environment. Every six months all managers and controllers of reporting entities sign a detailed statement regarding the design and operating effectiveness of financial reporting and internal controls.

Internal audit

The internal audit department assists the company with accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. In the year under review, the department obtained its recertification for the coming five years from the Institute of Internal Auditors.

In 2022, the internal audit department performed a broad range of services, including (financial) project, organisational and process reviews. In total, 33 reviews took place during the year. Most of these reviews were performed onsite. The department is independently accountable to the audit committee of the Supervisory Board and participates and reports in each audit committee meeting (5 times per year). Additionally, the Director Internal Audit has direct access to the chair of the audit committee and CEO, and meets one a one-on-one basis with both of them at least quarterly.

Close cooperation and alignment between the external auditor and internal audit department takes place on approach, scoping and outcome. The performance of the internal audit department is annually evaluated by the audit committee, assisted by the Board of Management.

External audit

The financial statements of Fugro are audited annually by external auditors. The audit is performed in accordance with Dutch law. As a matter of independence principles, the firm of the external auditor does not provide advisory services. The performance of the external auditor is evaluated annually by the audit committee, assisted by the Board of Management. The audit committee advises the Supervisory Board on their proposal to the annual

general meeting regarding (re)appointment of the external auditor. For specific information regarding the external audit, refer to the independent auditor's report on [page 183](#).

Audit committee

The audit committee, one of the committees within the Supervisory Board ensures an independent monitoring of the risk management process from the perspective of its supervisory role, based on the risk appetite of the company. The committee focuses on the quality of the internal and external reporting, the effectiveness of the internal audits and the functioning of the external auditor. See 'Supervisory Board report – Supervisory Board committees' for further information on the audit committee.



How can we best plan preventative maintenance?

Fugro uses increasingly remote and real-time scanning, monitoring, analytics and data management techniques to assess and report on structural behaviour of electricity networks, railways, roads and bridges. With predictive modelling, we can identify vulnerabilities before they pose a risk with the ultimate goal of reducing overall costs of development and long-term operation of their assets.

Fugro has been awarded a new 4-year framework agreement to continue the collection of high-resolution aerial survey data for SP Energy Networks in the UK.

Fugro's ROAMES® virtual world asset management technology is used to update the existing 3D model of overhead power lines to help reduce the risk of power cuts, optimise operations and maintenance schedules, and improve overall safety. Fugro's award-winning technology combines innovative 3D mapping techniques with cutting-edge machine learning and cloud computing.

Fugro will survey SP Energy Networks' entire transmission and distribution network over an area of 45,000 line kilometres in Scotland, Merseyside and North Wales. This Geo-data will be included in a digital twin model for asset inspections that will reduce the number of on-site surveys and audits, and increase efficiency in vegetation and ground clearance management. ■



CORPORATE GOVERNANCE

ORGANISATIONAL STRUCTURE

Fugro N.V. is a public limited liability company under Dutch law. Fugro is also an international holding company. It has a two-tier board structure, consisting of a Board of Management and an independent Supervisory Board. The company also has an Executive Leadership Team, which consists of the Board of Management members and seven senior executives/functional directors.

The Board of Management and the Supervisory Board have their specific role and tasks regulated by laws, the articles of association, the Dutch corporate governance code and the rules of these boards. The tasks of the Executive Leadership Team are regulated by the Board of Management and Executive Leadership Team rules.

Board of Management

The Board of Management is responsible for day-to-day management, continuity, goals and objectives, policies and results of the company. These responsibilities include long-term value creation for all stakeholders and integrating environmental and social factors into its strategy, policies and reporting.

The members of the Board of Management are appointed by the general meeting of shareholders for a maximum period of four years. The Supervisory Board determines the number of members of the Board of Management after consultation with the Board of Management. Board of Management members may be reappointed. The Supervisory Board appoints one of the members of the Board of Management as chair (CEO). The Board of Management shall divide its tasks

among its members subject to the Supervisory Board's approval.

In accordance with the articles of association the Supervisory Board is entitled to make a (binding) nomination for every appointment to the Board of Management. The general meeting can overrule a binding nomination by a resolution adopted by an absolute majority of the votes cast, provided such majority represents more than one-third of the issued share capital. If this part of the share capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of the resolution to cancel the binding nature of the nomination, a new meeting may be convened at which the resolution may be passed by an absolute majority of votes, irrespective of the part of the capital represented at such meeting. On a non-binding nomination, the general meeting decides on the appointment with an absolute majority of votes.

The general meeting can dismiss or suspend members of the Board of Management. Such a decision, other than proposed by the Supervisory Board, requires at least two-third of the votes, representing at least half of the issued share capital. With regard to the overruling of the binding nature of decisions to suspend or dismiss members of the Board of Management or Supervisory Board, convening a second meeting pursuant to section 2:120, subsection 3, Dutch Civil Code is not permitted. The Supervisory Board may at any time suspend a member of the Board of Management.

During 2022, the members of the Board of Management have not been involved in transactions involving conflicts of interest for Board of Management

which were of material significance to Fugro and/or to members of the Board of Management.

The Board of Management regularly, at least annually, evaluates its own and individual members' performance.

Executive Leadership Team

The Executive Leadership Team (ELT) consists of the two members of the Board of Management (CEO and CFO) and seven senior managers with clear accountability to deliver on all elements of the strategic plan. The four Regional Group Directors each focus on their own region. Key functional focus areas are covered by three other members: development and digital transformation, human resources, and legal and compliance. CEO Mark Heine is chairman of both the Board of Management and the ELT.

The ELT members assist the Board of Management in managing the company. The ELT is collectively responsible for the performance of the company and its business, the implementation of the strategy and group wide policies, systems and processes. It focuses on review of business results, functional and regional strategies, budget-setting, people and organisation. The Board of Management is responsible for ensuring its expertise and responsibilities are safeguarded in the context of the operation of the ELT.

Each ELT member is accountable to the Board of Management for the fulfilment of his/her duties and therefore reports to the Board of Management on a regular basis and in such manner as to give the Board of Management a proper insight in the performance of his/her tasks. The Board of Management remains fully

accountable for the actions and decisions of the ELT and has ultimate responsibility for the general affairs of the company's business and the general affairs of the Group.

The size and composition of the ELT are subject to Supervisory Board approval. The ELT members, other than the members of the Board of Management, are appointed, suspended and dismissed as ELT members by the Board of Management, subject to approval by the Supervisory Board. The remuneration of ELT members, including short- and long-term incentives, other than for the members of the Board of Management is decided annually by the Board of Management, subject to approval by the Supervisory Board.

During 2022, the ELT held 24 meetings, of which 6 were held in person during multiple days and 18 via video conference. Information about the members of the ELT is provided on [page 69](#) of this report.

At least annually, the ELT evaluates its own performance. The Board of Management regularly, at least annually, evaluates the performance of each ELT member, other than the members of the Board of Management. The CEO informs the Supervisory Board on the outcome of the evaluation.

Supervisory Board

The Supervisory Board supervises and advises the Board of Management and the ELT on the policies, management and the general affairs of Fugro, including the relations with shareholders. The Supervisory Board assists the Board of Management with advice on general policies related to Fugro and its business. In fulfilling its responsibilities, the Supervisory Board is guided by the interests of Fugro and its stakeholders.



The environmental, social and governance aspects of Fugro's policies, operations and performance are an integral part of its supervisory duties.

Members of the Supervisory Board are appointed (and, if necessary, dismissed) by the general meeting for a maximum period of four years. The Supervisory Board consists of such number of members as shall be set by the Supervisory Board (currently six). In case of an appointment or reappointment of Supervisory Board members, the Supervisory Board profile will be observed. A Supervisory Board member may be reappointed once for a second period of four years, and subsequently reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the Supervisory Board.

For every appointment to the Supervisory Board and the Board of Management, the Supervisory Board is entitled to make a (binding) nomination. The general meeting can overrule a binding nomination by a resolution adopted by an absolute majority of the votes cast, provided such majority represents more than one-third of the issued share capital. If this part of the share capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of the resolution to cancel the binding nature of the nomination, a new meeting may be convened at which the resolution may be passed by an absolute majority of votes, irrespective of the part of the capital represented at such meeting. On a non-binding nomination, the general meeting decides on the appointment with an absolute majority of votes.

The Supervisory Board appoints one of its members as chair and one as vice-chair. The chair is assisted in his role by the company secretary.

The Supervisory Board has established four committees from amongst its members: an audit committee, a nomination committee, a remuneration committee and a technology committee. The function of the committees is to assist the Supervisory Board and to prepare decision-making.

The general meeting can dismiss or suspend members of the Supervisory Board. Such a decision, other than proposed by the Supervisory Board, requires at least two-third of the votes, representing at least half of the issued share capital. With regard to the overruling of the binding nature of decisions to suspend or dismiss members of the Supervisory Board, convening a second meeting pursuant to section 2:120, subsection 3, Dutch Civil Code is not permitted.

During 2022, the members of the Supervisory Board have not been involved in transactions involving conflicts of interest for Supervisory Board members, which were of material significance to Fugro and/or to members of the Supervisory Board.

The Supervisory Board regularly, at least annually, evaluates the performance of the Board of Management and its members individually. The Supervisory Board discusses the conclusions of this evaluation, also in relation to the succession of members of the Board of Management. The evaluation takes place without the Board of Management being present. The Supervisory Board regularly, at least annually, also evaluates its own and the individual members' performance. The performance of the various committees is evaluated as well.

Further information on the internal proceedings governing the Board of Management, the ELT and the Supervisory Board, can be found on the website of Fugro.

Diversity Board of Management, ELT and Supervisory Board

Increased diversity will lead to a wider range of skills for better oversight and governance. Fugro has identified the diversity aspects of gender, nationality, location of residence, cultural background and qualifications (education and experience) as most relevant for Fugro, based on the nature and complexity of the business, the markets in which Fugro operates, and the diversity of its client base and employees. For the boards, these diversity aspects are considered when filling vacancies. Reference is made to the diversity policy for the Board of Management (which also applies to the ELT) and the Supervisory Board, and to the Supervisory Board rules (which contain the profile of the Supervisory Board), which are available on Fugro's website.

The Supervisory Board has set a gender diversity target for the boards of at least one-third female and at least one-third male members. This target is in line with the Dutch gender diversity act (Wet ingroeiquotum en streefcijfers) for gradual entry quota and target figures which came into force on 1 January 2022. In 2022, the Supervisory Board comprised of four male (66.66%) and two female members (33.33%). The Board of Management comprised of two members, one male and one female, and the ELT of six male (66.66%) and three female (33.33%) members.

In the longer run, gender diversity at the top should also come from a more balanced composition in terms of gender throughout the organisation. The Board of Management has set a target of 25% of the senior

management positions to be held by women by 2025. For information about Fugro's groupwide diversity, equity and inclusion policy and roadmap, see [page 47](#) of the Group performance chapter.

See [pages 68 and 91](#) for the personal details of the members of the Board of Management and the Supervisory Board.

General meeting of shareholders

General meetings of shareholders are convened by the Board of Management or the Supervisory Board. Meetings can also be convened by shareholders who, individually or jointly, represent at least 10% of the issued share capital if authorised by the relevant Dutch court.

The powers of the general meeting are stipulated in legislation and in the articles of association of Fugro and can be summarised as follows: approval of decisions that would entail a significant change to the identity or character of Fugro or its business; appointment and dismissal of members of the Board of Management and of the Supervisory Board; adoption of the remuneration policies of the Board of Management and the Supervisory Board; approval of long-term incentive plans for the Board of Management; adoption of the annual financial statements; discharge of members of the Board of Management and of the Supervisory Board; approval of the profit appropriation in accordance with article 33 paragraph 7 of the articles of association; authorisation to repurchase or cancellation of shares, to issue shares (or to grant rights to subscribe for shares) and to restrict or exclude pre-emptive rights in respect of shares; and approval of decisions to amend the articles of association or to dissolve Fugro.

The annual general meeting is held within six months after the end of the financial year (often in April) in order to discuss the management report and the financial statements, any appointments of members of the Board of Management and of the Supervisory Board and any of the other topics mentioned above and as required by Dutch law. Extraordinary general meetings are convened as often as the Supervisory Board or the Board of Management deems necessary.

General meetings are chaired by the chair of the Supervisory Board. The Supervisory Board and the Board of Management provide the shareholders' meeting with all the information requested, unless there is a very good reason why providing the information would not be in the interests of Fugro.

Shareholders who, individually or jointly, represent at least 3% of the issued share capital may request to the Board of Management that items be placed on the agenda. Such requests need to be received in writing not later than 60 days prior to the meeting date.

CORPORATE INFORMATION

Capital structure

At 31 December 2022, the authorised capital of Fugro amounted to EUR 20,000,000 and was divided into:

- 180,000,000 ordinary shares, with a nominal value of EUR 0.05
- 200,000,000 cumulative protective preference shares, with a nominal value of EUR 0.05
- 10,000,000 cumulative financing preference shares, with a nominal value of EUR 0.05 each, which can be sub-divided into two series of 5,000,000 cumulative financing preference shares

- 10,000,000 cumulative convertible financing preference shares, with a nominal value of EUR 0.05 each, which can be sub-divided into two series of 5,000,000 cumulative convertible financing preference shares.

On 31 December 2022, the issued capital amounted to EUR 5,675,740,10 divided into 113,509,402 ordinary shares. No preference shares have been issued. On 31 December 2022, all ordinary shares have equal voting rights (one share, one vote). There are no restrictions on the voting rights of the company's ordinary shares and preference shares (if issued).

Restrictions to the transfer of shares

The Board of Management's approval is required for each transfer of preference shares. The approval has to be requested in writing stating the name of the intended acquirer of the shares in question. There are currently no limitations either under Dutch law or the articles of association of Fugro to the transfer of ordinary shares.

Foundation Protective Preference Shares Fugro

The objects of Stichting Beschermingspreferente aandelen Fugro ('Foundation Protective Preference Shares') are to attend to Fugro's interests and of Fugro's businesses as well as the businesses of the entities that form part of the group, in such way that Fugro's interests and the interests of the relevant businesses as well as the interests of all parties involved, are safeguarded to the extent possible, and that Fugro and the relevant businesses are defended to the extent possible against factors that could negatively affect the independence and/or continuity and/or identity of Fugro and the relevant businesses, as well as all activities which are incidental to or which may be conducive to any of the foregoing.

The Foundation aims to achieve its objects independently from Fugro, by acquiring protective preference shares and by exercising the rights attached to such shares. In the articles of association of Fugro, the Foundation Protective Preference Shares has been granted the option to subscribe for up to the number of cumulative protective preference shares included in Fugro's authorised capital from time to time, provided that immediately following the issue, the number of protective preference shares issued may not exceed half (1/2) of the total number of shares issued and outstanding. The Foundation is in a position to achieve its objects – i.e. safeguarding Fugro and its businesses – autonomously, independently and effectively should the occasion occur. The Board of Foundation Protective Preference Shares operates completely independently from Fugro; for the composition of the Board see [page 193](#).

When carrying out assignments, Fugro receives or can have access to clients' extremely confidential information. For this reason it is essential the company can safeguard its position as independent service provider. The main point of Fugro's protection against a hostile takeover depends on the possibility of Fugro to issue cumulative protective preference shares. This protective measure shall be put up, especially in a takeover situation, when this is in the interest of Fugro to protect its independent service delivery and also in defining Fugro's position in relation to that of the raider and the raider's plans. It creates the possibility, when necessary, to look for alternatives. It will not be put up to protect the Board of Management's own position. Due to the uncertainty regarding the situations with which Fugro could be confronted, the use of this protective measure in circumstances other than those described above cannot be discounted.

Amendment of articles of association

A resolution to amend the articles of association of Fugro may be passed only on a proposal thereto of the Board of Management with the prior approval of the Supervisory Board

Insofar as a resolution to amend the articles of association brings about a change in the rights vested in the holders of protective preference shares or the holders of financing preference shares or the holders of convertible financing preference shares (currently no such preference shares are issued), such a resolution shall require the approval of the meeting of holders of protective preference shares or the meeting of holders of financing preference shares or the meeting of the holders of convertible financing preference shares, as the case may be. Fugro's latest articles of association are posted on the website.

Authorisation Board of Management regarding shares

Fugro regularly proposes to its shareholders to authorise the Board of Management to grant or issue (rights to acquire) shares and to repurchase own shares.

On 22 April 2022, the AGM authorised the Board of Management for a period of 18 months as from 22 April 2022 until 22 October 2023, subject to the approval of the Supervisory Board, to:

- cause Fugro to repurchase its shares in its own capital, up to a maximum of 10% of the issued capital at the date of acquisition, provided that Fugro will hold no more shares in stock than at maximum 10% of the issued capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the shares and not higher than 10% above the average of the closing price of the shares on Euronext

Amsterdam for the five business days preceding the date on which the repurchase is made

- resolve on the issue of – and/or on the granting of rights to acquire up to 10% of the issued capital on 22 April 2022 of ordinary shares and/or all sorts of financing preference shares in which the authorised capital of Fugro is divided.
- limit or exclude pre-emption rights in relation to any issue or grant of (rights to acquire) ordinary shares and all sorts of financing preference shares in which the authorised capital of Fugro is divided as referred to under the second bullet.

Key agreements containing change of control provisions

Fugro differentiates the following categories of agreements as referred to in the Decree on Article 10 of the EU Takeover Directive:

- Fugro, directly and indirectly, has entered into a syndicate revolving credit facility (RCF), as well as a term loan. See for further details [note 30.2/30.3](#) of the financial statements. The RCF and term loan agreements stipulate that in the event of a change of control of Fugro, the loans/amounts outstanding under these arrangements may become immediately due.
- Fugro has entered into a sale and lease back agreement regarding the geotechnical vessels Fugro Scout and Fugro Voyager. The documentation contains change of control clauses which could result, depending on various circumstances, in damages to be paid by Fugro. To secure availability of these vessels in the future, Fugro exercised its purchase options on 28 February 2022, and is currently investigating financing alternatives and structures with the lessor.
- In October 2017 Fugro N.V. issued EUR 100 million in subordinated convertible bonds. For further details

see [note 30.4](#) of the financial statements.

Both agreements contain a change of control clause which gives the holder of each bond the right to require Fugro to redeem that bond.

- Some joint venture agreements Fugro and Fugro subsidiaries have entered into contain change of control clauses, which agreements are in itself not considered key agreements within the meaning of the Decree on Article 10 of the EU Takeover Directive, but jointly they are considered significant.
- Fugro and Fugro subsidiaries have entered into various important agreements that contain clauses that in the event of a change of control the other party has the right to terminate the agreement. These agreements are in itself not considered key agreements within the meaning of the Decree on Article 10 of the Takeover Directive, but jointly they are considered significant.
- Long-term incentive plans with respect to unconditional options and conditional performance options and shares. The terms and conditions of the unconditional options stipulate that in the event of a restructuring of the share capital of Fugro or a merger of Fugro with any other legal entity, the option holder is entitled for every option to such securities, cash or other property as to which a shareholder of Fugro is entitled per share immediately prior to the restructuring or merger, unless the option period is shortened by Fugro. In the event of a restructuring of its share capital or merger with another company, Fugro may shorten the option period so as to terminate immediately prior to the time at which the restructuring or merger is effectuated. In the event that a public offer is considered hostile and such offer is declared unconditional, all options become immediately exercisable. The terms and conditions of the conditional performance options and shares contain more or less similar change of control clauses.

Termination of management service agreements resulting from public bid

Fugro has not entered into any agreements with members of the Board of Management that provide for a specific severance payment on termination of the services agreement as a result of a public bid within the meaning of section 5:70 or 5:74 of the Dutch Act on Financial Supervision. The agreements with the members of the Board of Management do – in accordance with the Code – provide for a general severance payment amounting to a maximum of one year's fixed base salary which in principle is applicable in the event of termination or annulment of the agreement unless this is for cause. This severance payment is also applicable when the termination is justified by such change of circumstances that the members of the Board of Management cannot reasonably be expected to continue the performance of their function/services as a statutory director of Fugro. This may be the case, for example, if Fugro is liquidated, is merged with or taken over by a third party, is subject to an important reorganisation or to a major change of policy. This severance payment is in addition to a three months' notice period for both parties.

COMPLIANCE WITH DUTCH CORPORATE GOVERNANCE CODE IN 2021

The Dutch corporate governance code (the Code) contains principles and best practices on the governance of listed companies and their accountability to their shareholders on this topic. Fugro is fully compliant with the Code. A full overview ('comply or explain'-report) of Fugro's compliance with the Code is posted on Fugro's website, as are the rules governing the internal proceedings of the Board of Management and Executive Leadership Team and of the Supervisory Board (including its four committees).

CORPORATE GOVERNANCE STATEMENT

This is a statement concerning corporate governance as referred to in section 2a of the decree on additional requirements for board reports (Besluit inhoud bestuursverslag) effective as of 1 July 2022 (the 'Decree'). The information required to be included in this corporate governance statement as described in sections 3, 3a and 3b of the Decree and in best practice provision 2.1.6 of the Code can be found in the following chapters, sections and pages of this annual report 2022 and are deemed to be included and repeated in this statement:

- The information concerning compliance with the Code, as required by section 3 of the Decree, can be found in 'Corporate governance'
- The information regarding Fugro's diversity policy for the Supervisory and Management Boards as required by section 3a sub d of the Decree and best practice provision 2.1.6 of the Code, can be found in 'Corporate governance'
- The information regarding the number of male and female members in the Supervisory Board, the Board of Management and in senior management positions as required by section 3d sub 1 of the Decree can be found in 'Diversity Board of Management, ELT and Supervisory Board'
- The information concerning Fugro's main features of the internal risk management and control systems relating to the financial reporting process, as required by section 3a sub a of the Decree, can be found in the risk management chapter'
- The information regarding the functioning of Fugro's general meeting, and the authority and rights of Fugro's shareholders, as required by section 3a sub b of the Decree, can be found in 'Corporate governance'

- The information regarding the composition and functioning of Fugro's Board of Management, the Supervisory Board and its committees, as required by section 3a sub c of the Decree, can be found in the relevant sections of 'Corporate governance' and 'Supervisory Board report'
- The information concerning the disclosure of the information required by the Decree on Article 10 EU Takeover Directive, as required by section 3b of the Decree, can be found in 'Corporate governance' and 'Fugro on the capital markets'.

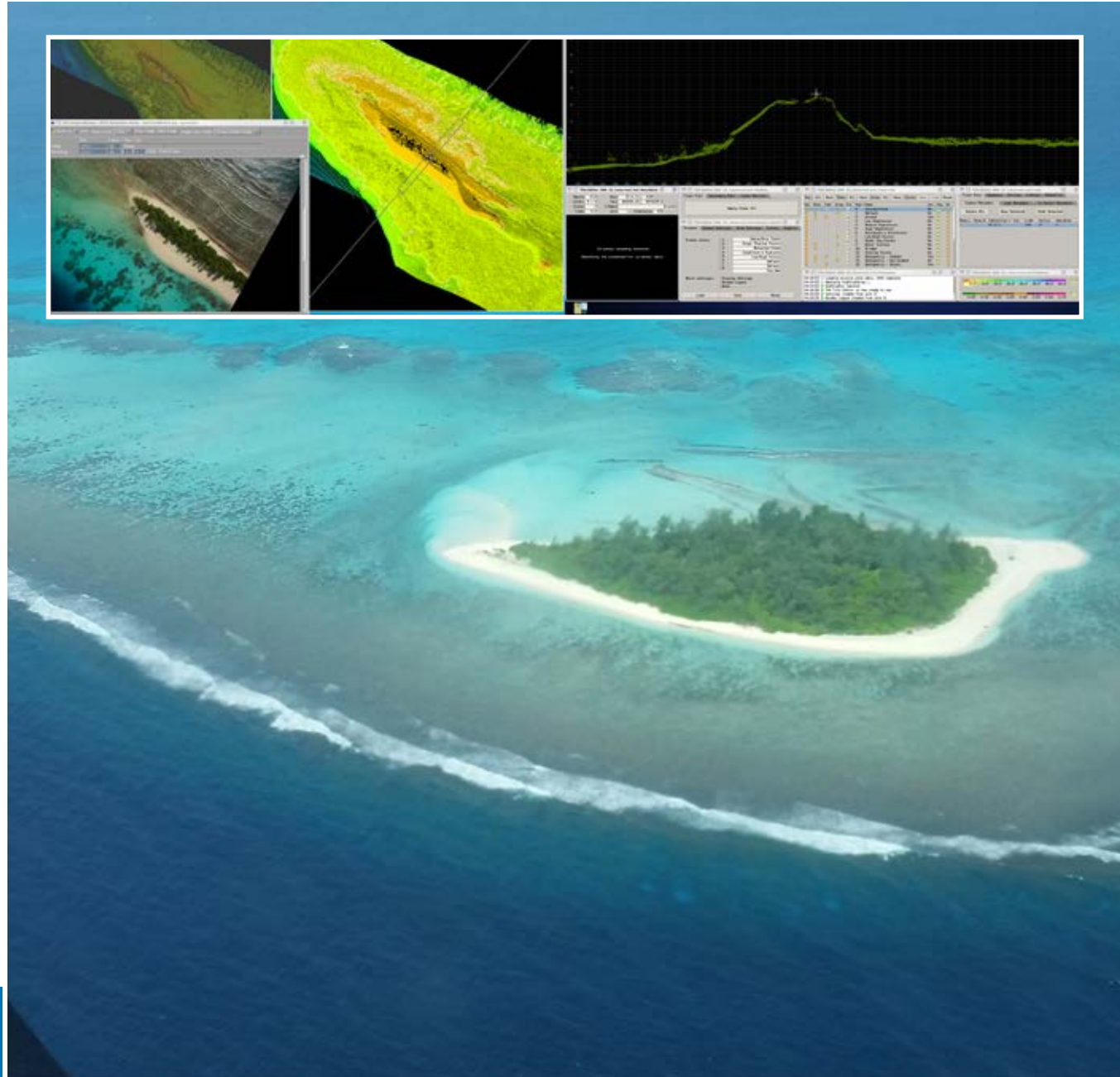
How safe are my coastlines and shipping routes in light of climate change and rising sea levels?

Fugro is offering integrated seabed mapping and coastal resilience solutions for safe shipping, coastline mapping and ocean science. This helps communities and asset owners to better analyse their climate related risks and available solutions.

Working with the National Maritime Safety Authority (NMSA) and with funding from the Asia Development Bank, Fugro recently completed a hydrographic survey to determine a safe channel through the Star Reefs Passage in Papua New Guinea.

The data will be used to support updated nautical charting and improved coastal zone management. Safer maritime activities that improve trade and tourism, as well as information to help manage the environment, will bring direct benefit to coastal communities.

To accomplish the work, the latest Fugro airborne lidar bathymetry system was deployed with a team of surveyors from both the NMSA and Fugro working together. The data was collected with minimal environmental impact on the sensitive reef environment or local marine activity. ■



FUGRO ON THE CAPITAL MARKETS

Investor relations policy

Fugro's investor relations policy is aimed at providing timely, complete and consistent information to existing and potential shareholders, other capital providers and its intermediaries. Fugro wants to enable them to develop a clear understanding of the company's strategy, activities, historical performance and outlook for the future. Fugro offers comprehensive information on its website and through presentations to and meetings with analysts, investors and media. Analyst presentations are accessible via webcast.

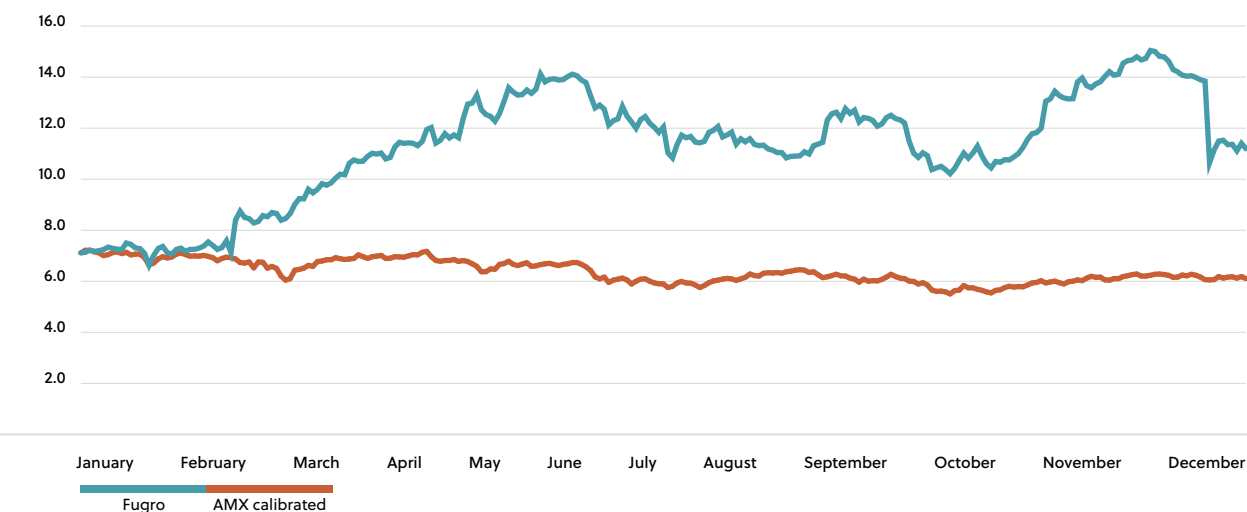
After the publication of the full year and half-year results, Fugro hosts meetings and/or calls with shareholders and other investors, in particular in the Netherlands, the UK, other European and North American capital markets. In addition, Fugro participates in relevant investor conferences. Fugro is currently covered by eight financial analysts.

These activities are carried out in strict accordance with the requirements of Euronext and the Dutch Authority for the Financial Markets. Fugro has a policy on bilateral contacts in place, detailing how information is provided to investors, analysts, financial institutions, the press and other stakeholders. For this policy and all other relevant publications such as press releases and presentations, see www.fugro.com.

Listing on the stock exchange

Fugro is listed on Euronext Amsterdam since 1992 (symbol: FUR/ISIN code: NL00150004A7) and is included in the midcap index AMX. Options on Fugro shares are traded on the European Option Exchange in Amsterdam (Euronext Life).

Development share price 2022 (x EUR)



AMX (Dutch mid cap index) calibrated to Fugro share price on 3 January 2022.

Trading information*

	2022	2021	2020	2019	2018
Shares outstanding (at year-end)	113,509,402	103,190,366	103,190,366	84,572,525	84,572,525
Year-end closing share price on Euronext	11.20	6.89	7.60	9.98	7.55
Market capitalisation (x EUR 1 million, year-end)	1,271	710	784	844	639
Average daily trading on Euronext (shares)	525,395	849,048	1,374,116	941,676	935,089

* 2018-2019 numbers have not been adjusted for the rights issue and 2:1 share consolidation, which both took place in December 2020

On 31 December 2022, Fugro had 113,509,402 shares outstanding. All shares have equal voting rights: one share gives one vote. No preference shares have been issued.

Refinancing 2022

In July 2022, Fugro arranged a new comprehensive sustainability-linked financing with extended maturities,

including a 10% equity raise. This enabled the company to also address the upcoming put option of the 2024 convertible bond in November 2022. The new bank facilities have improved terms and conditions versus the previous facilities, significantly reducing cost of debt, and the equity raise resulted in a significant deleveraging of the balance sheet.

Shareholders

Under the Dutch Financial Supervision Act, holdings of 3% or more must be disclosed to the Dutch Authority for the Financial Markets (AFM).

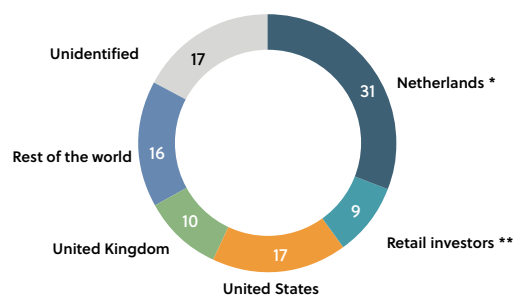
Holdings of 3% or more per 31 December 2022

	Position	Date notification
NN Group N.V.	16.74%	30 November 2020
ASR Nederland N.V.	7.63%	30 November 2020

On 31 December 2022, Fugro owned 1,586,549 'treasury shares' which can be (partly) used to cover the employee option and share plans and (partial) conversion of the outstanding convertible bonds. Treasury shares are not entitled to dividend and there are no voting rights attached to these shares.

During 2022, Fugro has not been involved in any transaction with holders of at least 10% of its shares; therefore best practice provision 2.7.5 of the Code has been observed.

Geographical distribution of shares (in %)



* Including treasury shares.
 ** Primarily Dutch shareholders
 source: cmi2i shareholder identification report, July 2022

Dividend

In light of the growth in Fugro's markets, the company will not propose a dividend over 2022 and will reinvest the generated cash flow in the business.

Fugro's dividend policy is a pay-out ratio of 35% to 55% of net result. Shareholders have the choice between cash or shares. In case no choice is made, the dividend will be paid in shares. Fugro offsets dilution resulting from the optional dividend (cash or shares). Fugro will repurchase the number of shares issued as stock dividend and these shares will be cancelled after having obtained shareholder approval. This way, dilution is being offset while the tax advantage for a substantial part of the shareholders related to stock dividend is retained.

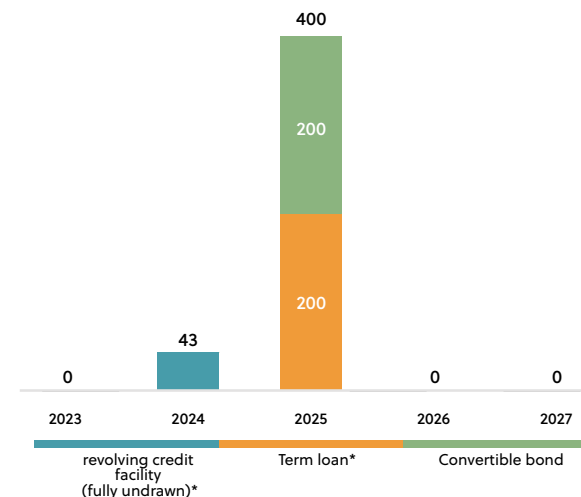
Loans

Fugro has a EUR 200 million 3-year senior secured sustainability-linked revolving credit facility and a EUR 200 million 3-year senior secured sustainability-linked term loan in place, both subject to a 1-year extension option, with six relationship banks.

The initial rate of interest on the revolving credit facility is EURIBOR +2.75% and depending on leverage can vary between EURIBOR +1.75% and EURIBOR +3.75%. To date, this facility is fully undrawn. The term loan has an initial interest rate of EURIBOR +3.50% and depending on leverage can vary between EURIBOR +3.25% and EURIBOR +5.00%. A discount or penalty of between 5 and 10 basis points will be applied on the margin payable based on the performance of Fugro against specified targets for three key performance indicators as outlined in the sustainability-linked financing framework (for more details, see [note 30.7](#) of the financial statements).

The 2024 convertible bonds carry a coupon of 4.5% and a conversion price of EUR 19.6490. They are trading on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange (symbol: ISIN: XS1711989928). In 2022, Fugro repurchased EUR 57 million in principal amount of the original EUR 100 million nominal value outstanding.

Debt maturity profile per 31 December 2022
 (in millions, euro equivalents)



* plus 1 year extension option

ESG ratings

Various organisations are including Fugro in their ESG rating systems and benchmarks. Investors and clients increasingly use these ratings as part of their investment

or commercial decision-making processes. Fugro actively engages with the benchmarks that are most relevant to our stakeholders and uses the learnings to

further enhance transparency and to achieve continuous improvement in these scores going forward.

Scorings in various ESG benchmarks

	2022	2021	2020	Rating scale (from good to bad)	Brief description
CDP	B	B –	C	A – D	A global disclosure system for mainly investors and companies to manage and understand their environmental impacts. In 2022, Fugro's rating improved from B- to B.
Sustainalytics	23.3	23.3	19.4	0 – 40+	Sustainalytics, a Morningstar company, has rated Fugro with an ESG Risk Rating of 23.3 as of June 2021. With this score, Fugro ranks 13th of 341 companies in the construction and engineering industry.
MSCI	A	AA	AA	AAA – CCC	MSCI ESG Rating is designed to measure a company's resilience to long-term, industry material ESG risks. In 2022, Fugro was re-classified by MSCI to the Construction & Engineering industry, having expanded beyond oil and gas services. This has changed the rating due to the different peer group.
V.E.	48	48	NA	100 – 0	V.E.'s sustainability ratings combine environmental, social and governance data points to assess how companies are responding to the various sustainability challenges. In 2021, Fugro scored 48 points, ranking 6th out of 23 oil field services companies in the EU.
Transparancy Benchmark	NA	64%, #57 out of 235 companies	NA		Bi-annually, the Dutch Ministry of Economic Affairs and Climate Policy ranks companies and other organisations according to their ESG strategy and policies. In 2021, Fugro scored 64 points, ranking 57 out of 235, an improvement from 56 points in 2019.

Financial calendar

26 April 2023	Publication trading update first quarter 2023
26 April 2023	Annual general meeting (14.00 CET)
27 July 2023	Publication half-year results 2023
26 October 2023	Publication trading update third quarter 2023
29 February 2024	Publication 2023 annual results

Contact

For further information contact:

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c.vanbuttingha@fugro.com

Management statements

The Board of Management is responsible for the design and operation of the internal risk management and control systems. Accordingly, the Board of Management made an assessment of the effectiveness of the design and operation of these systems.

Fugro is aware of risks it can be confronted with and has an internal control framework in place to identify and manage risks. The Board of Management has reviewed the effectiveness of Fugro's internal risk management and control systems, based upon the following information:

- internal control self-assessments within financial shared service centres and letters of representation signed by the management of Fugro's reporting entities
- reports of internal audit on reviews performed throughout the year
- various risks assessments performed throughout the company, including risk assessment by the Board of Management.

The Board of Management considered the external auditor's reporting provided at half-year and full year 2022. The reports gave an update on areas for further improvement, such as the harmonisation of financial reporting procedures, information technology and implementation of a single ERP system throughout the group. The Board of Management monitored ongoing action plans.

The establishment of the internal risk management and control systems is based on the identification of external and internal risk factors that could influence Fugro's

operational and financial objectives and contains a system of monitoring, reporting and operational reviews. All material risk management activities have been discussed with the audit committee and Supervisory Board. For more information on Fugro's risk management activities and internal control and risk management systems, see [pages 70-77](#). For a summary of risk factors, see [page 70](#).

The purpose of Fugro's internal risk management and control systems is to adequately and effectively manage the significant risks to which it is exposed. Such systems can never provide absolute assurance as to the realisation of operational and strategic business objectives, nor can they prevent all misstatements, inaccuracies, errors, fraud and non-compliances with legislation, rules and regulations. These systems do not provide certainty that Fugro will achieve its objectives.

The Board of Management states, in accordance with best practice provision 1.4.3 of the Dutch corporate governance code updated on 20 December 2022, that:

- the management board report provides sufficient insight into any failings in the effectiveness of the internal risk management and control systems of Fugro
- the internal risk management and control systems of Fugro provide reasonable assurance that the company's financial reporting does not contain any material inaccuracies
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis, as supported by Fugro's budget process and latest forecasts

- there are no material risks or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of Fugro's operations for the period of twelve months after the preparation of this report

Furthermore, in view of the above, the Board of Management confirms, in accordance with article 5:25c of the Financial Supervision Act, that, to the best of its knowledge:

- the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Fugro and of group companies included jointly in the consolidation
- the board report ([pages 21 to 88](#)) provides a true and fair view of the position at the balance sheet date, the development and performance of the business during the financial year of Fugro and group companies included in the consolidation taken as a whole
- the board report describes the principal risks and uncertainties that the Group faces.

Leidschendam, 10 March 2023

M.R.F. Heine, Chief Executive Officer
B.P.E. Geelen, Chief Financial Officer