

Strategy

We have become a more diversified and resilient company, with increasing exposure to growth markets such as renewables, infrastructure and water. Our position as the leading Geo-data specialist offers great opportunities in a rapidly changing world.

The positive market outlook reinforces our Path to Profitable Growth strategy, supported by our increasingly balanced market exposure, less capital-intensive asset base and resilient operating model.



With our key strengths, we are well positioned to support our clients with the energy transition, development of sustainable infrastructure and climate change adaptation. Our Path to Profitable Growth strategy is based on three strategic objectives: capture the growth in energy and infrastructure, leverage core expertise in new growth markets and differentiate by integrated digital solutions.

We believe in sustainable development as a driver to create a safe and liveable world together. This requires balancing the short- and long-term interests of our stakeholders and integrating social and environmental factors into our decision making to ensure our long-term success.

GLOBAL DEVELOPMENTS

The world is in a period of intense and accelerating transformation, including population growth, urbanisation and climate change. By 2050, the population will have grown by approximately 2.0 billion, or 25%, in comparison with today, while around 2.5 billion people will have moved to urban areas. This will lead to further increasing demands for energy, fresh water, food, minerals, metals, buildings, industrial plants and infrastructure, leading to massive and potentially disruptive challenges for the world. The impact of climate change is becoming increasingly visible by the day, with rising sea levels putting coastal systems and low-lying areas at risk, increasing pressure on ecosystems and biodiversity and decreasing diversity in marine ecosystems. Over the coming decades these key global developments are expected to drive an increase in demand for energy, water, food, roads, rail,

buildings, airports and flood protection. The energy mix, infrastructure and built environments have to evolve if tomorrow's problems are to be solved in a sustainable manner, rendering Fugro's services more critical than ever.

Moreover, technology is changing faster than ever before, impacting most industries including Fugro's end-markets, opening up opportunities for different and more effective ways of working. Rapidly developing technologies with connected devices and robotics enable more remote solutions, which can deliver sustainable operations. In addition, active engagement by diverse stakeholder groups with an organisation's environmental, social and governance performance, is clearly on the rise. As a result, companies are expected to demonstrate accountability and thus transparency over sustainability matters.

Covid-19 pandemic

In 2021, the pandemic continued to have a far-reaching impact on almost all aspects of our lives. Fugro's business operations were hampered by travel restrictions, quarantine requirements and lockdown measures, leading to operational complexities for cross border projects and staffing, and project delays. In addition, subdued travel and economic activity levels resulted in low oil and gas activity levels.

Throughout the year we continuously reviewed, updated and where needed strengthened our Covid-19 management protocols, aimed at business continuity while maintaining the health, safety and wellbeing of employees, with a specific focus on staff on remote projects and vessels. Our increased remote operations capabilities facilitated continued operations for our clients.

The world we live in is changing faster than ever before, driven by population growth, urbanisation, climate change, accelerating technological developments and an increasingly engaged society

The pandemic has had a tremendous effect on the energy markets. After low global economic activity, and consequently lower energy demand in 2020, the year under review saw a recovery in demand of around 4% (BP Statistical Review). The world has been adapting to living with the virus. While the pandemic clearly is yet not over, with recent surges in infections due to the omicron variant, economic agencies expect the global economy to continue to rebound despite multiple challenges, such as higher than expected inflation rate. According to the IMF, the global economy is expected to grow by 5.9% and 4.9% in 2021 and 2022 respectively.

While the impact of the pandemic is significant on the dynamics in the oil and gas markets, it has been limited on the renewables, infrastructure and water markets, due to the continued growth in wind developments at sea and aggressive governmental incentive programmes.

KEY TRENDS IN OUR MARKETS

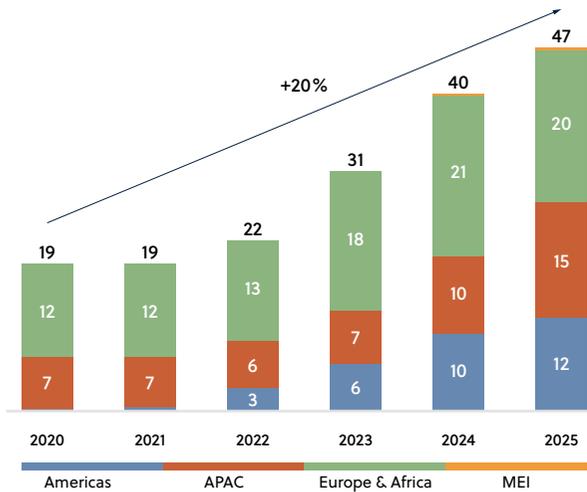
The pandemic has laid bare fundamental deficiencies in our global system, accelerating the attention for other disruptive global challenges. The global developments of population growth, urbanisation, and climate change are resulting in three key trends in our markets: the energy transition, sustainable infrastructure and climate change adaptation.

Energy transition

Despite an expected increase in the total global energy demand during the coming years, businesses are adapting to a transformation of the global energy sector from fossil-based systems to renewable energy sources. The switch from sources like coal oil and natural gas to renewable energy is enabled by technological advancements and a societal push toward sustainability, driven by the urgent need to limit the impact of climate change.

This requires a fundamental shift in the global energy system. The demand growth in global energy in the upcoming decades is envisioned to be fully absorbed by a variety of renewable sources, such as wind, solar, hydrogen and geothermal. To date, Fugro in particular offers solutions for wind developments at sea, while hydrogen and carbon capture storage are rapidly developing markets that will offer commercial opportunities in the future. At the same time, the energy transition is a very complex process that will take time. Currently, only around 15% of the worldwide primary energy use is generated from renewable sources. Therefore, there is a large discrepancy between governments' carbon reduction ambitions and current reality. In 2021, the world was already confronted with unprecedented gas prices, due to strong demand coupled with delivery issues and very low investment

Offshore wind capex, USD billion



Source: 4C Offshore December 2021. (Note: data exclude China)

levels. The transition will require a balanced approach, where fossil fuels will remain an important part of the energy mix for years to come, with oil and coal being consistently phased out and natural gas serving as a transition fuel.

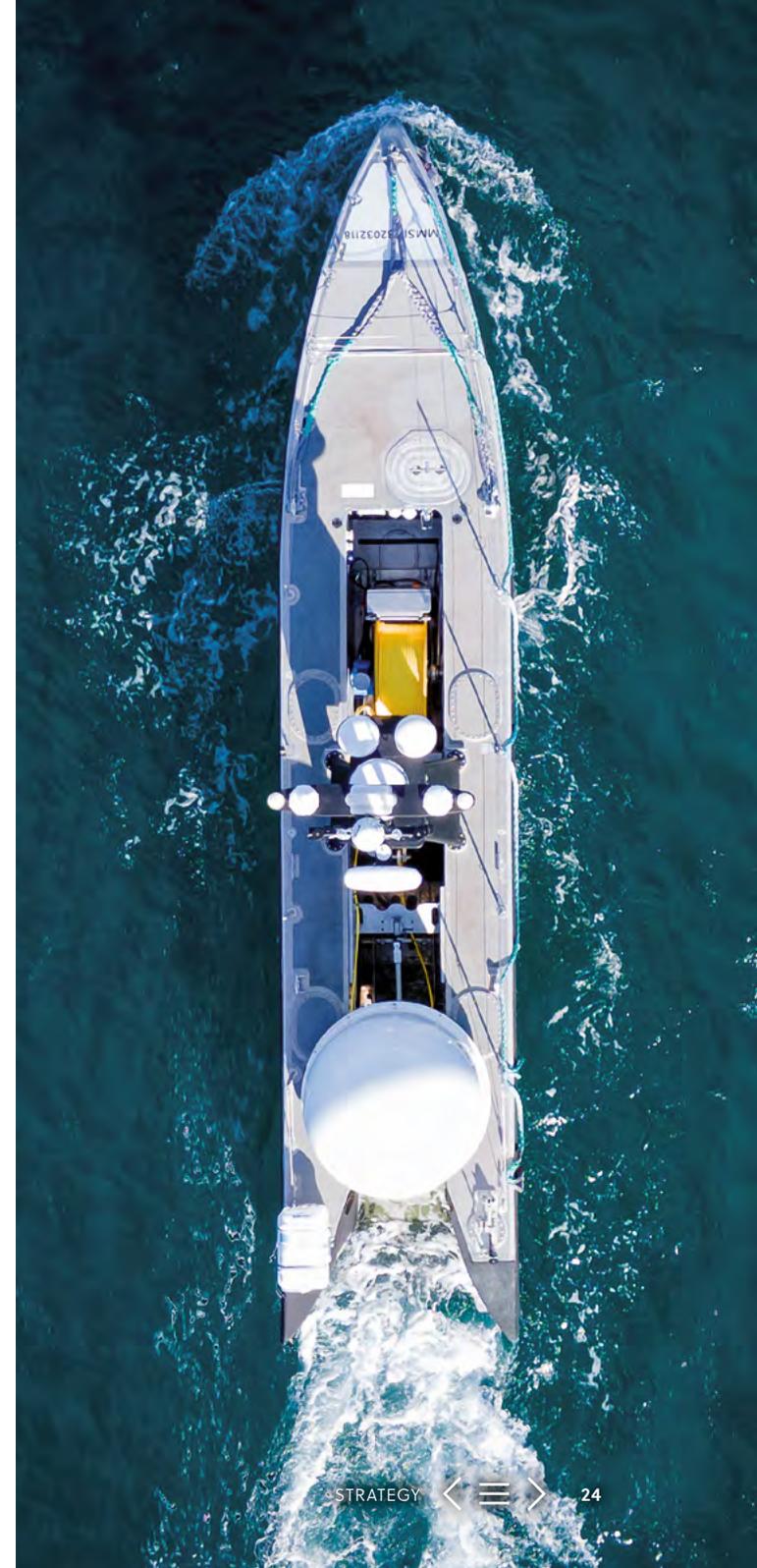
Renewables

The transition to low carbon energy resources will result in a fundamental shift in the global energy system. The demand growth in global energy in the upcoming decades is envisioned to be fully absorbed by a variety of renewable sources. Wind developments at sea play a role of increasing important role in this market.

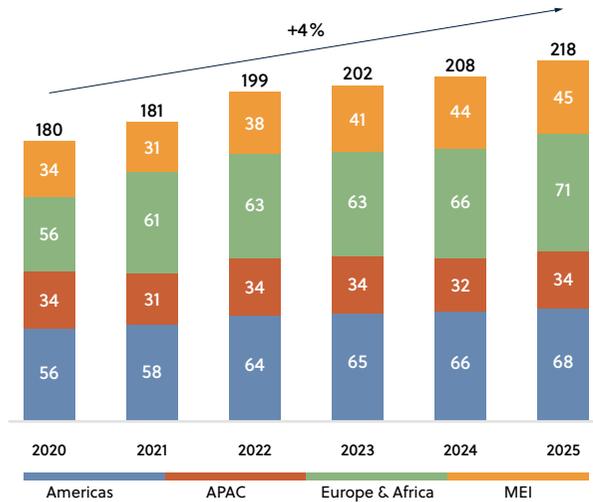
According to the IEA 2021 World Energy Outlook, renewable energy, led by wind and solar power, will be the fastest growing source of energy over the next 30 years. The majority of the turbines has been so far installed in north-west Europe, but this market is becoming increasingly global.

4C Offshore reports that over the next five years many new wind projects are scheduled to be completed around the world; installed capacity is expected to grow from 27 GW to 192 GW between 2021 and 2030 (excluding China). In line with global wind power capacity increases, offshore wind capital expenditure is projected to increase at a compounded annual growth rate of approximately 20% over the next five years, with the majority of the investments in Europe, followed by Asia Pacific and Americas.

As the global offshore wind market grows, countries will increase their reliance on power generated from this source to meet demand. Activities such as inspections of cables and foundation, as well as monitoring of offshore wind farms once fully operational will become increasingly important to prevent any issues that might cause an interruption in power supply.



Offshore oil & gas market spend, USD billion



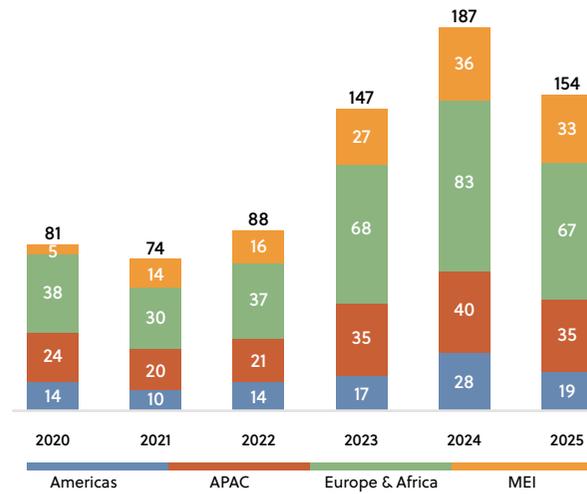
Source: Rystad Energy (January 2022)

Oil and gas

Oil and natural gas are expected to be a key source of energy in the medium to long term. Gas investments are expected to continue to grow driven by increasing energy demand and switching from higher carbon emission sources (coal in particular) to gas.

Natural gas has attracted a lot of attention both as a transition fuel to the greener future energy mix and due to the recent unrest on the energy spot markets, which set an all-time high gas prices in Europe and Asia. Current forecasts show a steady growth of demand and prices for natural gas, which may also shift the investment focus of the offshore E&P industry towards natural gas field development. In 2021 there was a

Number of offshore project final investment decisions

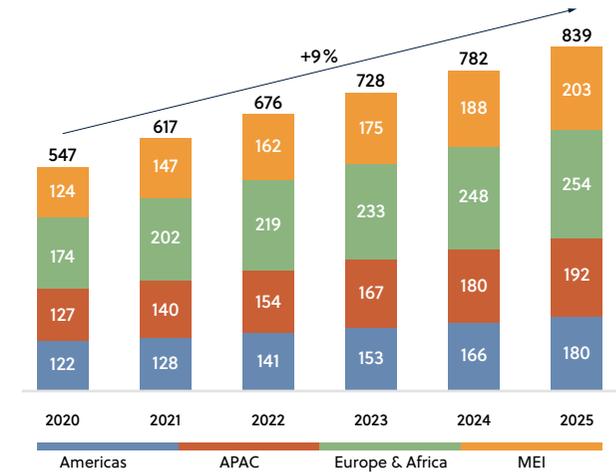


Source: Rystad Energy (January 2022)

strong imbalance in gas supply and demand which caused gas prices to increase strongly partly caused by geopolitical tensions and constraining supply by Russia. It is expected that gas will gain further interest in the near future as a transitional fuel.

According to Rystad Energy, the deviation from the long-term due to the pandemic has resulted in a short-term decline in investments and budgets cuts for the industry, but investments are expected to return to growth from 2022 onwards. Looking ahead, mainly natural gas investments are expected to gradually increase across the full life cycle of oil and gas projects, albeit to lower levels compared to 2012-2014.

Infrastructure spend, USD billion



Source: Global Data Construction Intelligence Centre (January 2022); Global infrastructure construction services spending estimates, excl. China

Sustainable infrastructure

Utility and transportation infrastructure is the backbone of any economy. However, most infrastructure was built decades ago and has gone past its original lifespan, safety and design criteria. Climate impact and deferred maintenance compound the challenges owners of these critical assets and networks face. Sustainability in infrastructure is about life-time extension, repair and replacement of existing aging infrastructure, and building smarter, cleaner and safer new infrastructure. Data-driven decision making, on the basis of high-tech sensors, with risk based expert inspections and assessment will support better prioritisation of spending due to the onset of predictive asset management. A good understanding of the

current status of infrastructure assets and the interaction with its surroundings and subsurface environment, is essential to increase safety and reduce operating risk and total cost of ownership.

The level of investments in infrastructure is directly correlated to economic growth. Although in 2020 global GDP growth was negative due to the pandemic, according to the IMF, GDP increased by 5.9% in 2021. IMF anticipates a 4.4% growth in 2022. This will lead to additional investments in development and maintenance of infrastructure. According to the Global Data Construction Intelligence Centre, global infrastructure spend is expected to increase by approximately 9% over the next five years.

As investments in roads and electricity networks are expected to continue growing, there is an increasing need for competent site investigation, quality data collection and accurate interpretation and advice to assist construction management companies through condition monitoring and evaluation, contributing to the feasibility, design, engineering, construction, maintenance and decommissioning stages of buildings, highways, railways, bridges, tunnels, ports and airports.

Climate change adaptation

In the lead-up to COP26 in Glasgow in November 2021, many studies were published showing that world is not yet on track to meet the ambitions of the Paris agreement. Climate change will lead to more challenges in the future, even if global efforts and



renewed ambitions to reduce emissions prove to be effective. Extreme weather and other climate change-related events, resulting in coastal and inland floods as well as droughts, will become more frequent and intense. This leads to adverse impacts on ecosystems, economic sectors, infrastructure and human health and well-being, especially as around 80% of the world's population lives within 100 kilometres of the coast. A strong growth is expected in investments in climate change adaptation and related infrastructure.

Coastal protection and land reclamation activities contribute to the sustainable growth of the water management sector. National governments and international organisations are taking measures to

counter and mitigate risks related to the sea-level rise by adequate coastal defence infrastructure and systems, levee reinforcements and acquiring detailed knowledge of the oceans to prevent flooding. Harsh weather patterns and natural disasters are increasingly impacting high density population areas in river deltas and low-lying areas. At the same time, increasing cases of drought result in low ground water levels, subsidence risks and foundation issues. This leads to an increasing need for innovative water sourcing and water management solutions. Moreover, the protection of ocean's health is an increasingly important topic, as the world's oceans cover 70% of the Earth's surface and support nearly every aspect of our lives.

PATH TO PROFITABLE GROWTH STRATEGY

With our key strengths, we are uniquely positioned to support our clients with the energy transition, sustainable infrastructure and climate change adaptation. While contributing to the UN Sustainable Development Goals, it is Fugro's ambition to deliver solutions supporting our clients to overcome their challenges in achieving net-zero carbon emissions, to enable the development of safe infrastructure and to strengthen climate resilience. Our strategy is based on three objectives: capture the growth in energy and infrastructure, leverage our core expertise in new growth markets and differentiate by integrated digital solutions.



Capture the growth in energy and infrastructure

The anticipated growth of the energy and infrastructure markets is leading to increased spending on renewable power and electricity networks, railways, roads, bridges, tunnels, buildings and industrial facilities. Fugro will increase its integrated offering of data acquisition, analysis and advice, and further strengthen its key account management and value-based bidding. We will continue to improve asset utilisation and operational excellence in order to drive client satisfaction and cost efficiencies.

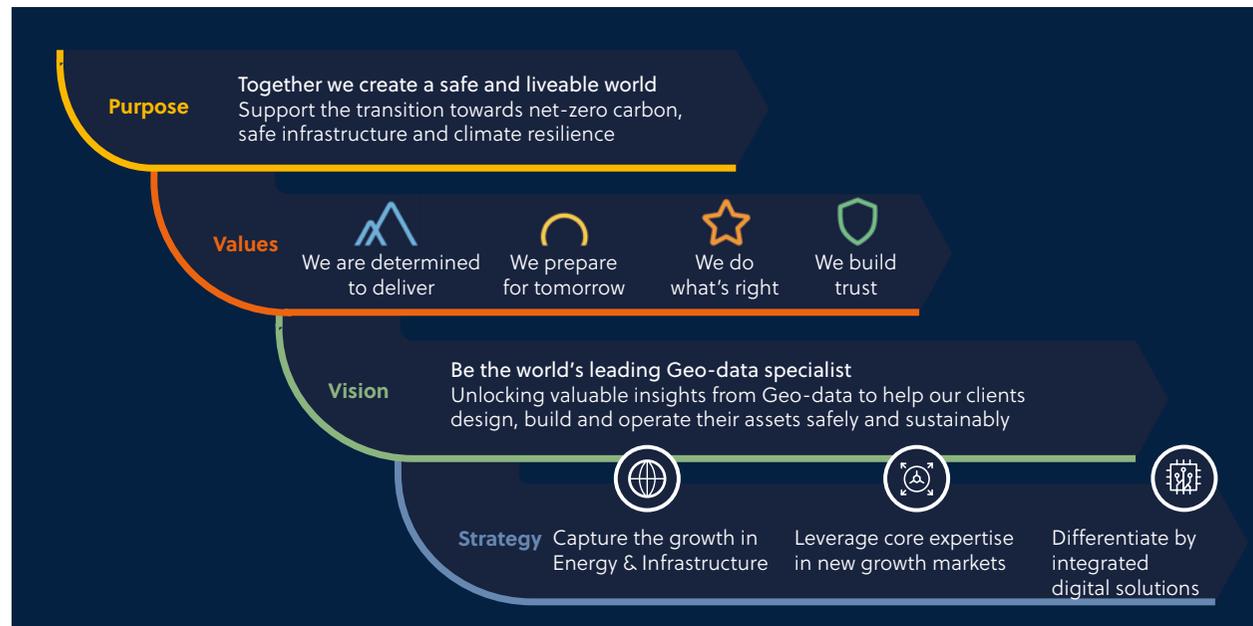
The ongoing transformation of the global energy sector from fossil-based systems to renewable energy sources offers a lot of opportunities for Fugro. To date, Fugro in

particular offers solutions for wind developments at sea, while hydrogen and carbon capture storage are rapidly developing markets that will offer commercial opportunities in the future. Initially a mostly European market, offshore wind parks are now being developed all over the world. We offer a wide range of site characterisation and asset integrity services. We are redirecting our market agnostic assets, expertise, products and solutions towards this structural growth market, leveraging our long-standing relationships with traditional energy clients as they grow their renewables business.

At the same time, we are well equipped to continue to offer our site characterisation solutions to traditional energy clients. In addition, our asset integrity solutions enable clients to keep their existing infrastructure at sea safe and reliable by inspection and corrosion detection work, to protect our oceans and keep coastlines free from exposure to pollution.

In the Land business lines, we will further grow our share of large complex infrastructure projects as Fugro is one of the few companies that can offer integrated Geo-data acquisition, analysis and advice. By strengthening our relationship with key clients in the engineering, procurement and construction segment, Fugro ensures that it is engaged from the very start of their projects. To further leverage our consultancy mindset, we have captured this approach in our Geo-risk management framework concept. This framework describes the subsurface risk environment that we share with our clients and is based upon Fugro's ability to add value by reducing uncertainty at all stages of the asset lifecycle to avoid or solve engineering challenges and to help our clients manage their ground-related risk exposure and better meet their ultimate business objectives.

Strategy framework



Leverage core expertise in new growth markets

While already strongly positioned in supporting clients in the energy and infrastructure markets, Fugro is leveraging its existing expertise to develop new activities in adjacent and new markets.

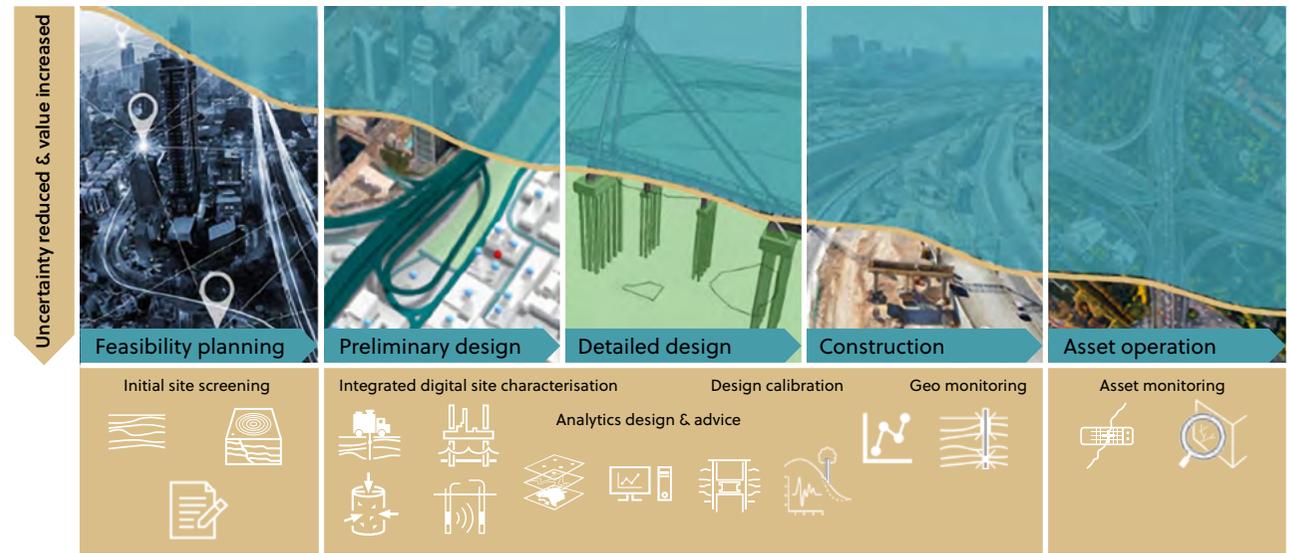
In particular, we are expanding into the water market, to capitalise on the global need to increase climate resilience and global water security, and the resulting significant investments in flood protection, coastal defence and water management. We are offering integrated coastal resilience solutions for coastline mapping, dike monitoring and design, freshwater sourcing and transport, and ocean science. This helps communities and asset owners to better analyse their climate related risks and design solutions.

In addition, Fugro is committed to support the growing market of route surveys for fibre optic cables, and further diversify its offering of positioning services, for example for space assets.

Differentiate by integrated digital solutions

We are committed to maintain our differentiated position as the most innovative Geo-data company across the markets in which we operate. Supported by strong client involvement, our research and development efforts are focused on less capital-intensive solutions, such as the shift towards more lightly and uncrewed vessels, that aim to reduce the overall cost of development and operation of our clients' assets. This provides us with a competitive advantage, compounded by the need to work remotely as a result of the pandemic. We will accelerate the implementation of robotics and analytics across all service lines.

Geo-risk management framework



Our integrated solutions are built on four pillars: mobile autonomous robots and sensors, remote operation and support services, analytics and cloud automation and insights delivery through the Digital Foundation.

Our clients are exposed to large volumes of data on which they base complex decisions. Fugro is increasingly providing its clients with the Fugro's Digital Foundation: a digital, four-dimensional model combining all Geo-data acquired throughout the lifetime of the asset, artificial intelligence-driven analytics and related decision making. The resulting comprehensive web-based interface provides clients with (near) real-time insight into location and design optimisation,

change detection and simulation. We aim for our digital twins and (subscription based) portals to become the backbone of Geo-data based decisions throughout the life cycle of the asset.

 Energy

 Infrastructure

 Water



Energy transition



Sustainable infrastructure



Climate change adaptation

Support net carbon emissions

Enable safe infrastructure

Strengthen climate resilience

Strategy



Capture the growth in Energy & Infrastructure



Leverage core expertise in new growth markets



Differentiate by integrated digital solutions

SUSTAINABLE DEVELOPMENT GOALS



STAKEHOLDER ENGAGEMENT

Fugro values engagement with its stakeholders, supports them with relevant information on performance and progress, and actively seeks their opinions and ideas through regular discussions and

consultation. A good understanding of their legitimate interests and expectations helps us to better manage the opportunities that could impact our ability to create value in the long term. Stakeholders considered to be

most relevant to our success are customers, employees, suppliers, investors, and society at large.

Stakeholder engagement

	How we engaged in 2021	Exemplary topics discussed	Impact on Fugro's strategy and policies
Customers	Client facing personnel engages with clients at all levels: key account management with direct senior leadership involvement, business development, technical advice, proposal reviews, project management and contract negotiations. Over 3,550 meetings were logged during 2021. We also engage via client surveys.	Future client strategies, project performance and client satisfaction, energy transition and other supply chain challenges, innovation, understanding and advising on work scopes, Covid-19 impacts, HSE, Fugro's ESG rating and ESG performance.	Client project feedback is continuously addressed to improve our policies and client relationships. Client strategies and innovation direction is highly valued in developing commercialisation strategies, as well as strategies with regard to emission reduction affecting clients' scope 3 profile.
Employees	We conduct regular engagement surveys. Local management organises town hall meetings to share information and invite employees to ask questions and share their thoughts. Daily news items, regular CEO and other senior management videos on the corporate intranet.	Our work environment, strategy and culture, the activation of company values, Covid-19 management and the impact of the pandemic on people's work environment and wellbeing, with a particular focus on staff working on remote locations.	Employee engagement enables management to prioritise the topics that impact employees' well-being and professional development. We prioritise our actions based on issues that are most relevant to Fugro's business and performance.
Suppliers	In addition to Fugro's global procurement team which has regular meetings with global suppliers, local procurement teams maintain regular contact with other suppliers.	Covid-19 impacts, innovation, sustainability, CO ₂ footprint, potential supply chain risks, cost optimisation opportunities, terms and conditions, Fugro's Code of Conduct, GDPR, legal compliance and compliance with Fugro's procedures.	To stimulate a responsible supply chain, we are in discussion with suppliers about adherence to Fugro's Code of Conduct, Fugro's supplier and partner code of business principles, and impact on our scope 3 emissions. Joint development of innovative solutions or assets.

Stakeholder engagement

	How we engaged in 2021	Exemplary topics discussed	Impact on Fugro's strategy and policies
Equity and debt investors	CEO, CFO, Director Investor Relations and Director Safety & Sustainability regularly engage with investors and other financial market participants, via results meetings, webcasts and calls.	Operational performance, Covid-19 impacts, balance sheet, mid-term targets, Fugro's increasing diversification towards renewables and climate adaptation growth areas, ESG ratings and performance.	Investor feedback is regularly discussed with the Executive Leadership Team and Supervisory Board. It is taken on board in the development of our strategy and policies.
Society (eg, international organisations, governments and intergovernmental organisations, universities)	Fugro undertakes joint research & development activities with universities and institutes, sponsors scholarships, supports ocean science initiatives such as UN Ocean Decade and Seabed 2030, engages with various industry organisations, NGOs, cities and municipalities.	Ocean science and conservation, climate change mitigation and adaptation challenges and solutions, mobilisation of the private sector for societal challenges.	Development of sustainability targets and inclusion of SDG related objectives in local planning and policies, further contribution to various ocean science initiatives. Partnerships to set and roll out industry standards. Sponsoring of local community events.

Materiality assessment

In 2021, Fugro decided to update its 2019 materiality assessment. The aim of this assessment was to identify those topics that best align with Fugro's strategy and the latest sustainability developments in a rapidly changing world.

After identifying and updating the relevant topics considering Fugro's strategy, international reporting standards such as SASB and GRI, a peer review, sector specific studies and media analysis, a short list of topics was established. Using an anonymised online survey tool, an internal and external consultation was organised to determine the priorities in this shortlist.

For the internal survey Fugro's top management was invited to participate, for the external survey almost 200 people were selected amongst Fugro's key stakeholders: clients, suppliers, investors, NGOs and 120 randomly selected employees. The results of these surveys were validated in sessions with a sounding board, the Executive Leadership Team and the Supervisory Board.

While no drastic changes resulted from this assessment compared to the previous exercise in 2019, the outcome reflects the increased global attention for key topics such as climate change mitigation and adaptation, business resilience and biodiversity. The outcome of the assessment informs Fugro's (sustainability) strategy and communication efforts.

The table below shows the link between our material topics, key objectives, 2021 performance, and mid-term ambitions for our most important performance indicators. To achieve our ambitious objectives, we have to manage the relevant key risks. For more information on our risk management approach, refer to the Risk management chapter. For more information about 2021 performance, policies, and ambitions regarding the material topics, refer to the Group performance chapter.

Connectivity table

	Material topic	Fugro's objective	Performance indicator	Ambition / Target	Performance 2021	Performance 2020	Related risks	Page
PEOPLE	Health, safety, security and wellbeing	Maintain the highest health & safety standards	Lost time injury frequency	<0.5/million staff hours in 2023-2024	0.70	0.67	Health, safety & security	44
			Total recordable case frequency	-	1.71	1.62		44
			Total lost work days	-	419	444		44
	Talent attraction, learning & development	Attract and retain talented employees	Voluntary employee turnover rate		14%	8%	Employees & capacity	46
			Invest in Fugro's highly skilled and engaged workforce	Number of completed courses at Fugro Academy	-	80,873		101,193
	Diversity & inclusion	Provide equal opportunity & reward to all staff, regardless of gender, age, background, sexual orientation, religion or disability	% female employees	-	22%	21%	Employees & capacity	47-48
% women in senior management			> 25% in 2025	20%	20%	47-48		
PLANET	Climate change mitigation & adaptation solutions	Deliver solutions to support the energy transition, sustainable infrastructure, and climate adaptation	Renewables, infra and water as % of total revenue	>65% in 2023-2024	61%	55%	Market exposure Innovative capability	50
	GHG emissions	Minimise environmental footprint of Fugro's operations	Absolute CO ₂ emissions vessels (kilotonnes)	Net zero by 2035 (scope 1 and scope 2)	184	180		Climate change Project execution Innovative capability
			CO ₂ emission intensity vessels (tonnes CO ₂ / operational day)	20% reduction by 2025 (baseline: 2020)	14.9	15.8	51-52	
			Share of energy consumption in Fugro offices from renewable sources	80% by 2025	43%	31%	51-52	
			CDP rating	B rating in 2023 (reporting year 2022)	B-	C	86	
	Biodiversity	Minimise impact of Fugro's operations on biodiversity and actively contribute to protection of marine biodiversity	Contribution to UN Decade of Ocean Science for Sustainable Development (2021-2030)	Activate partnership agreement with IOC-UNESCO			Climate change	53
PROFIT	Business resilience	Ensure healthy financial performance, resilience and relevance of Fugro's business model	EBIT margin	8-12% in 2023-2024	4.3%	3.5%	Market exposure Innovative capability Project execution Health, safety & security Company financing	37
			Free cash flow	4-7% of revenue in 2023-2024	0.9%	4.2%		37
			ROCE	10-15% in 2023-2024	8.8%	4.6%		40
	High quality solutions	Deliver innovative, digital and sustainable solutions to clients	Net promotor score	>40 (based on 1,200+ responses)	55	NA	Innovative capability	42
			R&D spend as % of revenue	-	2.5%	2.6%		42
			Protection of intellectual property	Number of patents granted	-	29		35
	Business ethics & compliance	Conduct business in an ethical way and in compliance with global and local regulations	Number of alleged violations of Code of Conduct	-	9	34	Legal & regulatory compliance risk	54
	Data privacy & security	Ensure the privacy and security of our employees', contractors', and clients' data						55

LONG-TERM VALUE CREATION

Fugro's value creation model, based on the 'six capitals' model of the International Integrated Reporting Council, shows how we use the resources, capabilities and expertise at our disposal to create value for our

stakeholders. It also includes the United Nations Sustainable Development Goals (SDGs) on which we have an impact. The impact is related both to the services we provide ('what we do'), and to being a good

employer and a responsible company managing our impact on the society and world in which we operate ('how we do it').

