

Group performance

In 2022, Fugro realised 14.8% revenue growth thanks to a 42% increase in offshore wind. Infrastructure and oil & gas were up as well, with 7% and 9% respectively. Marine revenue increased by 12.9%, driven by site characterisation. The utilisation of Fugro's owned and long-term chartered vessel fleet was unchanged compared to last year at 72%. Also in land, the early cycle activities showed the strongest increase, in particular nearshore activities for offshore wind and LNG developments.

FINANCIAL

Key figures

(x EUR million)	2022	2021
Revenue	1,766.0	1,461.7
<i>comparable growth¹</i>	14.8%	5.8%
EBITDA ²	230.4	175.6
EBIT ²	107.6	63.0
EBIT margin ²	6.1%	4.3%
Net result	74.1	71.1
Cash flow from operating activities after investing (free cash flow) ³	23.9	39.5
Backlog next 12 months	1,424.8	1,014.1
<i>comparable growth¹</i>	37.5%	11.6%

¹ Corrected for currency effect

² Adjusted for specific items with a total impact of EUR (14.7) million on EBIT in 2022

³ Including discontinued operations

Refer for definitions (of non-IFRS measures) to glossary

The group's EBIT margin improved to 6.1%, mainly as the result of a solid improvement in the land business as a result of restructurings in multiple countries during the past couple of years. In marine, Fugro is successfully passing on higher cost for fuel, charters and third-party personnel. At the same time, the strong growth in site characterisation requires the additional mobilisation of vessels, which has resulted in delays.

The 12-month backlog increase by 37.5% is supported by all regions and business lines, reflecting both volume and price increases.

Operating cash flow before changes in working capital increased by 50% to EUR 179.4 million. Higher capex and an increase in working capital due to the higher activity levels, resulted in a free cash flow of EUR 23.9 million for the year. As a percentage of 12 months revenue, working capital was 12.9 at year-end, up from 10.9 a year ago; days of revenue outstanding were 85 compared to a low level of 82 in prior year. The increase in capex to EUR 123.1 million, from EUR 79.7 million in the previous year, was largely driven by a higher number of scheduled dry dockings and the conversion of the Fugro Quest to a geotechnical vessel adding capacity to Fugro's fleet to cater for further growth.

Net debt declined to EUR 207.4 million from EUR 292.7 million at year-end 2021, as a result of the EUR 116 million equity raise in July 2022 as part of the comprehensive sustainability-linked refinancing. At year-end, net leverage amounted to 0.9x.

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.

REVIEW BY BUSINESS

Marine	Key figures	
	(x EUR million)	
	2022	2021
Revenue	1,227.4	1,038.0
<i>comparable growth¹</i>	12.9%	5.8%
EBITDA ²	169.5	145.2
EBIT ²	68.7	52.3
EBIT margin ²	5.6%	5.0%
Backlog next 12 months	1,080.3	695.9
<i>comparable growth¹</i>	52.2%	11.0%

Land	Key figures	
	(x EUR million)	
	2022	2021
Revenue	538.6	423.8
<i>comparable growth¹</i>	19.7%	5.7%
EBITDA ²	60.9	30.4
EBIT ²	38.9	10.7
EBIT margin ²	7.2%	2.5%
Backlog next 12 months	344.5	318.2
<i>comparable growth¹</i>	5.3%	12.9%

¹ Corrected for currency effect

² Adjusted for specific items

REVIEW BY REGION

Europe-Africa

Key figures

(x EUR million)	2022	2021
Revenue	788.3	657.6
<i>comparable growth</i> ¹	19.8%	8.6%
EBIT ²	78.0	62.3
EBIT margin ²	9.9%	9.5%
Backlog next 12 months	569.8	439.5
<i>comparable growth</i> ¹	32.9%	12.0%

¹ Corrected for currency effect² Adjusted for specific items

- Revenue grew strongly in all business lines, except for land asset integrity, due to a higher number of vessel days and higher pricing in marine as well as growth in land, in particular in the UK, Germany and the Netherlands. Growth was especially strong in the renewables segment.
- The EBIT margin was slightly above last year, due to improved results especially in the second half of the year in the marine and land site characterisation business.
- The 12-months backlog increased by 32.9% with a particularly strong growth in marine site characterisation driven by offshore wind developments.

Americas

Key figures

(x EUR million)	2022	2021
Revenue	454.1	355.5
<i>comparable growth</i> ¹	14.2%	7.8%
EBIT ²	5.3	1.7
EBIT margin ²	1.2%	0.5%
Backlog next 12 months	386.2	259.8
<i>comparable growth</i> ¹	38.4%	13.8%

¹ Corrected for currency effect² Adjusted for specific items

- Revenue increased by 14.2%, driven by marine site characterisation, thanks to strong client demand in the oil & gas and offshore wind markets, and land site characterisation, where multiple previously postponed projects kicked off during the year.
- EBIT improved driven by nearshore projects in land site characterisation and marine asset integrity. This was however to a large extent offset by supply chain difficulties which resulted in the delayed start of a large geotechnical survey on the US East Coast in the first half of the year, and in particular the related knock-on effect on other projects, which were pushed into the poor weather season in the fourth quarter.
- The 12-months backlog increased by 38.4%. Marine site characterisation was up mainly as a result of wind and coastal resilience projects; land backlog increased in nearshore, geoconsulting, and road surveys.

Asia Pacific

Key figures

(x EUR million)	2022	2021
Revenue	310.5	307.1
<i>comparable growth</i> ¹	(5.9%)	5.9%
EBIT ²	22.9	1.7
EBIT margin ²	7.4%	0.5%
Backlog next 12 months	264.4	182.4
<i>comparable growth</i> ¹	40.6%	6.7%

¹ Corrected for currency effect² Adjusted for specific items

- Revenue declined, when in the fourth quarter an unexpected change in permitting for geotechnical site investigations in South Korea caused significant delays for three offshore wind projects, causing standby of vessels.
- The region's EBIT margin improved significantly, supported by all business lines, with active portfolio management yielding better project margins.
- The 12-months backlog increased by 40.6%. As border restrictions relaxed in the aftermath of the pandemic, the region saw a strong backlog pipeline, in particular marine, driven by both oil & gas and offshore wind projects across South-East Asia, Japan and Korea.

Middle East & India

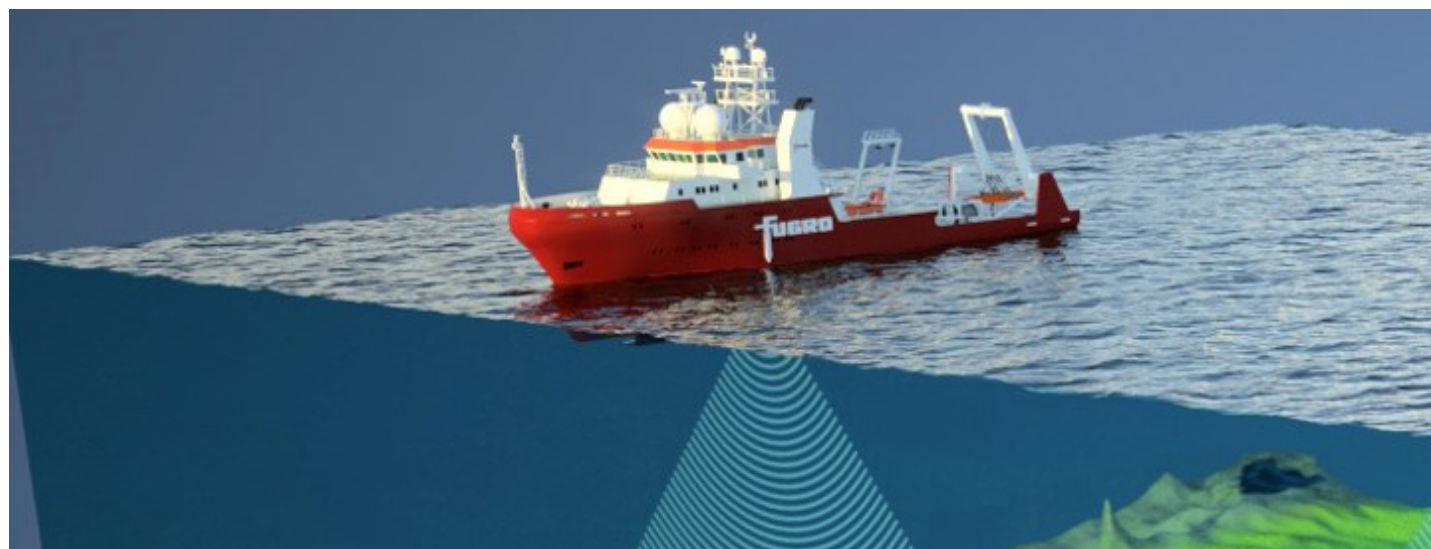
Key figures excluding specific items

(x EUR million)	2022	2021
Revenue	213.1	141.5
comparable growth ¹	38.3%	(9.5%)
EBIT ²	1.4	(2.7)
EBIT margin ²	0.7%	(2.0%)
Backlog next 12 months	204.5	132.4
comparable growth ¹	46.6%	13.4%

¹ Corrected for currency effect

² Adjusted for specific items

- Revenue increased significantly year-on-year, in particular in the site characterisation business lines. Marine benefitted from a notable increase in oil & gas activity in the Gulf region; land saw a continued high demand for services on large infrastructure projects including the Mali-Thilafushi bridge in the Maldives and the NEOM city development in Saudi Arabia.
- The region's profitability improvement was limited, mainly due to some extended periods of vessel standby and high third-party expenses experienced in the first half of the year.
- The 12-months backlog increased by 46.6% driven by all business lines.



HIGHLIGHTS INCOME STATEMENT

Result

(x EUR million)	2022	2021
Adjusted EBITDA¹	230.4	175.6
Depreciation	(122.3)	(112.1)
Amortisation	(0.5)	(0.6)
Adjusted EBIT¹	107.6	63.0
Specific items on EBIT	(14.7)	(2.7)
EBIT	93.0	60.3
Net finance income/ (costs)	(20.0)	(18.3)
Share of profit/ (loss) in equity accounted investees	13.5	17.5
Income tax gain/ (expense)	(7.2)	3.0
(Gain)/ loss on non-controlling interests from continuing operations	(5.2)	(2.9)
Net result from continuing operations	74.1	59.6
Result from discontinued operations	–	11.5
Net result including discontinued operations	74.1	71.1

¹ EBIT(DA) adjusted for specific items

Specific items

Specific items in 2022 were mainly composed of EUR 5.7 million onerous contract charges, EUR 2.8 million restructuring costs, EUR 2.6 million net asset impairments, and EUR 2.1 million refinancing costs.

Net finance income/ (costs)

(x EUR million)	2022	2021
Interest income	3.6	1.1
Net foreign exchange gain	11.7	18.7
Finance income	15.3	19.8
Finance expenses	(35.3)	(38.1)
Net finance costs	(20.0)	(18.3)

The net foreign exchange gain in 2022 was primarily the result of the appreciation of the US dollar. The net reduction of the finance expense follows from the full repayment of the remaining outstanding balance of the EUR 190 million convertible bond in October 2021 and partial repayment of the EUR 100 million convertible bond in 2022, and the refinancing in July 2022 at improved terms and conditions, reducing the cost of debt. These effects were largely offset by expensing the remaining unamortised direct costs upon the settlement of the previous facilities as well as higher interest expense on leases due to higher lease liabilities.

Share of profit/ (loss) of equity accounted investees

The share of profit of equity-accounted investees of EUR 13.5 million mainly comprises the result of joint ventures, including China Offshore Fugro Geosolutions, the ETW joint venture in Iraq and Fugro's remaining interest in Global Marine Holdings.

Income tax gain/ (expense)

There was an income tax expense of EUR 7.2 million compared to a gain of EUR 3.0 million in 2021. The variance is the result of increased taxation due to better results in various geographies and higher change in tax rate benefit last year from the effect of deferred tax rate change in the UK.

(Gain)/loss on non-controlling interests from continuing operations

The EUR 5.6 million gain was attributable to non-controlling interests, mainly from a subsidiary in the Middle East.

HIGHLIGHTS BALANCE SHEET & CASH FLOW

Working capital

(x EUR million)	2022	2021
Working capital from continuing operations	227.8	158.9
Working capital as % of last 12 months revenue	12.9%	10.9%
<i>Inventories</i>	35.1	29.1
<i>Trade and other receivables</i>	603.5	512.8
<i>Trade and other payables</i>	410.8	383.0
Days revenue outstanding	85	82

Working capital as a percentage of 12-months rolling revenue was 12.9% at the end of 2022 compared to 10.9% a year ago, primarily as a result of higher activity levels in Europe-Africa, particularly in the second half of the year.

Capital expenditure

(x EUR million)	2022	2021
Maintenance capex	56.2	38.3
Transformation and expansion capex	66.9	41.4
Capex	123.1	79.7

Capital expenditure has increased by EUR 43.4 million to EUR 123.1 million in support of growth and maintenance of existing assets including a relatively higher number of scheduled dry dockings. The transformation and expansion capex included the conversion of the Fugro Quest to a geotechnical vessel, and investment in USVs and the geotechnical seafloor drill Blue Dragon.

Return on capital employed

(x EUR million)	2022	2021
Capital employed ¹	1,104.8	1,006.9
Return on capital employed (%) ²	8.4%	8.8% ³

¹ Total equity plus loans and borrowings and bank overdrafts, minus cash and cash equivalents.

² ROCE is calculated using NOPAT of the last 12 months as a percentage of a three points average adjusted capital employed.

³ Includes EUR 20.9 million income from discontinued operations

Cash flow

(x EUR million)	2022	2021
Cash flow from operating activities before changes in working capital	179.4	119.2
Changes in working capital	(52.0)	(28.0)
Cash flow from operating activities	127.4	91.2
Cash flow from investing activities	(102.5)	(65.0)
Cash flow from operating activities after investing	24.9	26.2
Cash flow from financing activities	32.9	(73.0)
Net cash movement	57.8	(46.8)

Cash flow from operating activities increased as a result of an increase in EBITDA. The decrease in cash flow from investing activities was primarily related to higher capital expenditure for the year. Cash flow from financing activities reflects amongst others the proceeds from long-term loans and issuance of ordinary shares. In September, Fugro entered into a sale and lease back agreement for its TechCenter in the Netherlands with cash proceeds of EUR 25.2 million, of which EUR 7.2 million is included in the free cash flow, and EUR 18.0 million in financing.

OUTLOOK 2023

For 2023, Fugro expects ongoing growth in the infrastructure, water and energy markets, in particular renewables, resulting in continuing strong revenue increase and margin expansion. Capex is estimated at EUR 200-225 million, including the acquisition of two geotechnical vessels, and investments in Fugro's uncrewed vessel strategy and net zero roadmap. With its further diversification into structural growth markets, Fugro is progressing towards its 2023-2024 mid-term targets for EBIT margin, free cash flow and ROCE. In light of the market outlook and backlog development, Fugro plans to update the market on the next phase of the Path to Profitable Growth strategy in the second half of the year.



High quality solutions

Continued monitoring of its net promoter score (NPS) demonstrates Fugro's ambition to be fully client focussed and relationship driven, while the extremely valuable feedback allows the company to further improve in many areas of serving our clients. In 2022, Fugro achieved a NPS of 54 (2021: 55) although the number of responses in calculating this score remains below our target sample size. In the mid-term (2023-2024), Fugro aims to achieve a NPS of at least 40, calculated from a sample size of at least 1,200 responses covering each region, country and business line. Fugro pursues operational excellence through first time right delivery of results that meet client requirements by adopting a 'lessons-learned' philosophy, coupled with easy-to-use and high-quality event reporting.

One of Fugro's key strengths is the meaningful translation of technological innovations into integrated digital solutions with a reduced CO₂ footprint that address our client's toughest challenges. By leveraging technology developments in the fields of robotics, remote operations, cloud automation and machine learning, Fugro offers safer, faster, more efficient, and higher quality services and solutions, all in a more sustainable way. Fugro's portfolio of innovations is client-led and managed through a global network of research and development centres, employing over 350 scientists, experts and technicians. In 2022, Fugro spent 2.2% (2021: 2.5%) of its revenue on R&D and technology innovation, ensuring that clients receive the most up to date technologies and reliable solutions.

Fugro is a leader in the operation of advanced, multi-purpose uncrewed surface vehicles (USVs). Fugro's USVs consume over 90% less fuel than traditional vessels, supporting the company's target of net zero emission operations by 2035. Fugro currently operates

two 9-metre Blue Shadow™ USVs for medium- to large-scale hydrographic survey applications and three 12-metre Blue Essence® USVs including fully electric remotely operated under water vehicles (ROVs) Blue Volta®. In 2022, Fugro Pegasus (Blue Essence class) was successfully introduced during the ADIPEC conference in Abu Dhabi. Fugro continues to invest in a further expansion of its fleet through the development of USVs in the range from 12 to 18 metres which have longer endurance, can deploy larger ROVs and towed equipment for site investigation purposes.

For offshore site investigations, two new robotic solutions were introduced which have already demonstrated their value on several high-profile projects. The Fugro Blue Snake™ is a highly portable, automated system that performs cone penetrometer

and vibro-coring operations. The SeaAuk® is a portable shallow water unexploded ordnance (UXO) identification and clearance tool. In 2023, Fugro will start operations of its Blue Dragon, a fully automated geotechnical seafloor drill that will significantly enhance operational efficiency, while reducing safety risks and carbon emissions.

Fugro's 29 priority patent filings in 2022 is the result of a visionary innovation portfolio focused on partnerships and collaborations. Rather than using intellectual property (IP) rights purely as a defensive asset, Fugro is keen to stimulate innovation and share technologies via licensing. The creation and valuation of IP rights are the corner stones of impactful technologies; the protection thereof and associated value creation are an important element in Fugro's IP strategy.



Patent filings

	2022	2021	2020	2019
Priority patent filings	29	2	7	9
National/regional patent filings	44	62	62	39
Granted patents	35	29	35	10

A significant part of Fugro's technology is developed in close cooperation with universities and institutes throughout the countries in which Fugro operates. Fugro maintains relationships with over 30 universities and other knowledge institutes across the globe. Examples include University of California at Berkeley, Davis, Los Angeles and San Diego, Massachusetts Institute of Technology, University of Texas Austin and Texas A&M University, Louisiana State University, Catholic University of Chile, University of Oxford, Cambridge University, Imperial College in London, Edinburgh University, Sorbonne University, University of Montpellier (France), Delft University of Technology (Netherlands), Universite catholique de Louvain (Belgium), Eidgenoessische Technische Hochschule Zurich (Switzerland), Politecnico di Torino (Italy), Heriot-Watt University Edinburgh/ OrcaHub (Scotland), University of Twente (Netherlands), TIAS Business School Tilburg and Universiteit Leiden, King Abdullah University of Science and Technology (Saudi Arabia), University of Western Australia, Queensland University of Technology, Griffith University (Australia) the Hong Kong University of Science and Technology, the University of Hong Kong, National University of Singapore including the Centre for Offshore Research and Engineering.

Since 2014, Fugro funds the Chair in Geotechnics at the Centre for Offshore Foundation Systems at the University of Western Australia, whose team performs world leading research in offshore geotechnical engineering. The relationship places the research undertaken at the forefront of its field and accelerates the dissemination of the outcomes into industry practice to maximise impact. In addition, Fugro provides funding for PhD scholarships to support high-quality graduates, offering selected PhD students the opportunity to work for the company. Fugro also contributes to technical advancement through regular publications in scientific journals.

Digitalisation

Opportunities presented by current digital technologies and AI enable Fugro to redefine what is possible in the domain of spatial data processing, interpretation and Geo-data insight delivery. Fugro's analytics & cloud automation services team has introduced Geo-Data Factory™. This platform-as-a-service aids the integration of acquisition, processing and delivery systems by delivering Geo-Data via web-based portals and via progress reporting on large workflows with dynamically evolving data.

VirGeo® (formerly known as Gaia) is Fugro's web-based Geo-data engagement platform with capabilities ranging from visualisation and data delivery, to advanced tooling based on consulting expertise, spanning the entire asset life cycle in land, marine, and coastal environments.

How do we get the data we need for the ocean we want?

The United Nations Decade of Ocean Science for Sustainable Development (2021-2030) aims to reverse the cycle of declining ocean health. As the world's leading Geo-data expert, Fugro is committed to supporting the Ocean Decade through data acquisition and knowledge sharing.

Fugro is amongst others involved in the Data Coordination and Corporate Data working groups, which aim to provide the digital ecosystem that will support the Ocean Decade and facilitate the unlocking of privately owned ocean science data for public access. Fugro has seconded a geo-data expert to IOC-UNESCO to manage these working groups, with CEO Mark Heine co-chairing the corporate data group alongside the executive secretary of IOC-UNESCO, Vladimir Ryabinin.

Fugro's involvement in the recently launched Africa Taskforce for the Ocean Decade further demonstrates our strong advocacy for the protection of vulnerable populations and the well-being of our planet.

Furthermore, Fugro continues its in-kind support of The Nippon Foundation-GEBCO Seabed 2030 project, contributing approximately 333,000 km² of in-transit bathymetry data in 2022. This brings the total area submitted by Fugro vessels to close to 2.4 million km², an area approximately equivalent to the tenth largest country in the world, Algeria. ■



SOCIAL

Health, safety, security and wellbeing

Safety is key to all of Fugro's operations and is an integral part of its operational management and innovation efforts. Fugro is committed to providing a safe working place to its employees, contractors and clients, and firmly believes that incidents can be prevented. Fugro recognises the importance of implementing standards and practices that eliminate risk exposure or control it to an acceptable level across all its activities. To address these risks, Fugro has a common approach to managing the health, safety, security and environmental (HSSE) aspects of its operations that requires all entities to meet the same standards of practice. Groupwide policies, strategies, standards, performance indicators and targets help manage risk and achieve the highest levels of HSSE performance.

Fugro promotes visible leadership and a sense of responsibility throughout the organisation. Senior

managers set and implement the required relevant policies and procedures, decide on organisational objectives and priorities, and lead by example. Furthermore, every employee is personally responsible for their own and co-workers' safety and is authorised and encouraged to speak up and stop the job if they feel a situation is unsafe. Following a hiatus during the pandemic years, Fugro restarted the dedicated leadership excellence safety workshop for Fugro's senior managers as part of Fugro's commitment to achieving health and safety excellence and improved performance.

Fugro's employees continue to cope professionally with the loss of expertise following relatively high staff turnover during the pandemic years, coupled with growing activity levels in 2022. Through the strength of its operational and project management systems, the company was able to maintain its high levels of HSSE performance. Fugro has a mid-term target for lost time injury frequency of below 0.5 per million staff hours, which is ambitious considering the growing and

changing workforce and its increasing diversification into market segments that are, from a safety perspective, less mature than the traditional energy industry.

Following the introduction in 2022 of new multi-lingual online defensive driving training, the number of serious vehicle incidents reduced by almost 50%. To date more than 2600 staff participated in this training. During the year, the IOSH accredited Managing Safely training programme for line managers and supervisors was continued, combining online content with instructor-led interactive webinars. In 2022, 580 colleagues successfully completed the initial training or the 5-year refresher course.

The 3S Together safety campaign, amongst other initiatives, is targeted to provide a significant push to drive awareness and focus to work safely and further mature the groupwide safety culture. This programme is centred around a series of simple behaviours that everyone in Fugro must demonstrate. These behaviours, based on the 'Think Safe, Work Safe, Stay Safe' principles in Fugro's HSSE management system, stimulate a working environment in which safety is actively managed by all, and where potentially hazardous situations are openly discussed, pro-actively managed and reported.

With a significant number of new hires in Fugro in 2022, the programme helps to build mutual confidence, trust and support between operational staff and their supervisors and managers. To achieve this, a half day workshop was developed aimed at facilitating safety conversations between a manager or supervisor and their teams. In 2022, following the training of around 1000 managers, more than 3000 operational staff participated in this half day in person workshop.

Safety performance¹

	2022	2021	2020	2019
Lagging indicators				
Lost time injury frequency (x million hours)	0.73	0.70	0.67	0.68
Total recordable case frequency (x million hours)	1.50	1.71	1.62	1.58
Serious vehicle incident frequency (x million km)	0.44	0.85	–	–
Leading indicators				
Senior management project and site visits	1,056	1,015	675	987
Completed 'Managing Safely in Fugro' courses	580	165	*	1,010
Completed mandatory annual 'Life-saving rules' e-learning	95%	92%	NA	NA

¹ Safety performance indicators cover both employees and contractors.



The programme is further supported by webinar sessions for all managers, regular soundbite trainings and manager self-assessments to focus people on the importance of their own behaviours. The multi-lingual programme is also available to clients and suppliers.

Throughout 2022, ongoing rigorous monitoring and management of Covid-19 risks for people and operations has prevented any serious vessel, project or office outbreaks. Group wide management includes continued communication and engagement with Fugro's employees, the regional operations, clients and other external stakeholders. Fugro has a risk-based approach and strict guidance for vessel crew changes and project rotations, and continued to only work with fully vaccinated crews. Also mindful of the impact of the war in Ukraine on people's personal and professional lives, Fugro is actively providing support for employees and contractors and their families through its independent and confidential global employee assistance programme, providing 24/7 support for mental-health-related issues.

Fugro's operations are performed in accordance with ISO 9001 (Quality Management), ISO 45001/OHSAS 18001 (Occupational Health and Safety), ISO 14001 (Environmental Management) and ISM codes (International Management Code for the Safe Operation of Ships), or equivalent certifications. Fugro expects its business partners to adhere to comparable HSSE management standards and to be aware of Fugro's principles, policies and standards. Fugro works with its suppliers and clients to support the adoption of practices that are aligned with Fugro's standards. Active and reactive monitoring are critical elements of the HSSE management control loop. Fugro continuously reviews potential areas of improvement and ensures thorough root cause analysis of every incident. All lost time incidents and high potential incidents undergo a review process with a member of the Executive Leadership Team participating and key lessons learned are actively shared with the wider organisation.

Talent attraction, learning and development

Fugro is committed to attracting and hiring the best local, national and international talent available. To achieve this in these highly competitive labour markets, Fugro has initiated several initiatives, for example the implementation of a talent community platform, sharing relevant news and career opportunities for prospective employees with profiles matching Fugro's needs. In addition, Fugro runs global recruitment marketing campaigns to highlight specific job opportunities for targeted prospective employees. Fugro is also focused on further strengthening its relationships with universities in order to attract graduates for starter positions and for the international leadership track, Fugro's management traineeship programme.

Fugro practices inclusive talent management, recognising that everyone adds value. Learning and development and career opportunities are areas of strong focus for Fugro in order to attract, develop and retain skilled staff. Throughout the years, a strong leadership development curriculum has been built, in order to reinforce strong and effective management and leadership through all organisational levels.

Launched in 2020, the U.Gro programme is aimed at supporting the onboarding and personal development of all new employees with a bachelor's degree or higher and less than two years work experience. In 2022, over 300 colleagues worldwide participated, and the group is growing every month. In 2023, the first cohorts will finalise their U.Gro learning journey, supporting them in pursuing further career opportunities within Fugro.

Fugro's international leadership track aims to attract and accelerate the development of highly talented university graduates. During a 2.5 year international traineeship, participants are challenged with diverse international assignments, supported by training opportunities, a senior mentor and a coach. They develop a broad understanding of the organisation, establish a network and build cross-functional relationships, all of which prepare them for key positions within the company. In 2022, eight graduates commenced this track. In 2023, the programme will be further expanded.

For professionals who are already further advanced in their careers, Fugro has developed a range of leadership development programmes. In 2022, the U.Lead leadership programme welcomed over 100 managers with a further 400 assigned to enrol in 2023. Fugro believes that leadership development should be

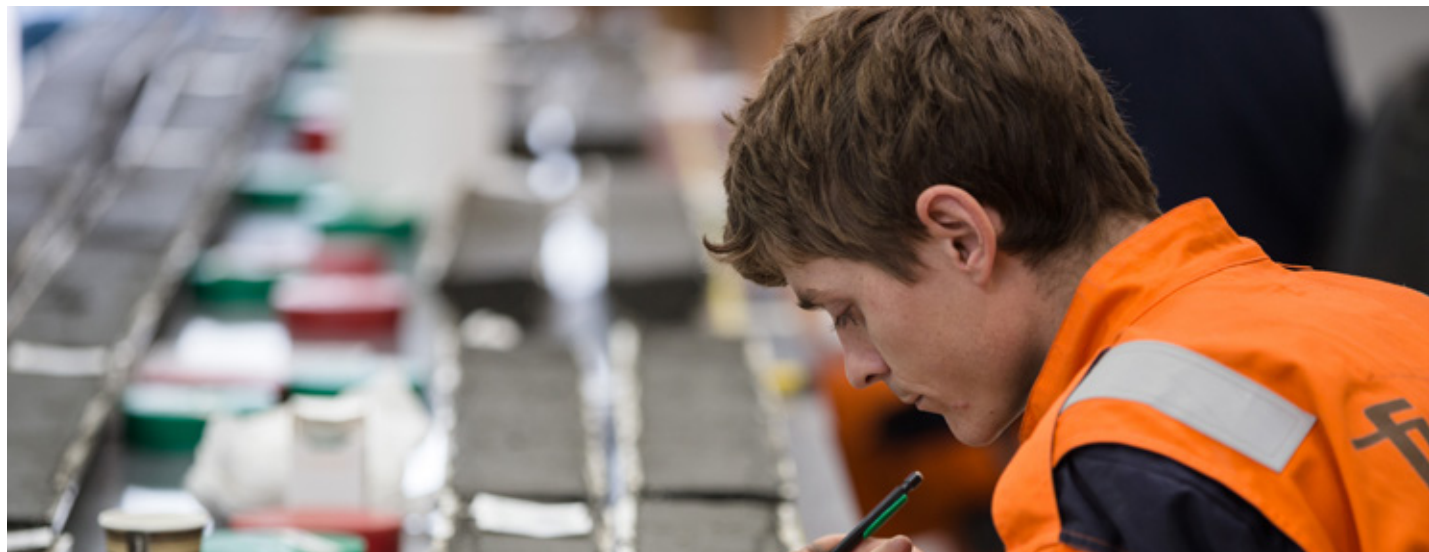
inclusive and widely available to its people, supporting them for what challenges lie ahead as they navigate their teams and build their leadership qualities and agility, so that they are prepared for tomorrow.

Fugro stays on top of the strengths and development areas of its workforce by yearly talent calibration sessions: meetings amongst managers to discuss, assess, validate, and agree upon talent assessments for each of their direct reports. These assessments are captured in personal development plans for the individuals concerned.

In addition to the various leadership development programmes, Fugro Academy is instrumental to the continuous development of employees at all levels of the company. The Academy provides a broad offering of training courses and programmes which have been established over the years, covering a full range of technical, safety, professional and interpersonal skills. Both internal and external trainers and subject matter experts deliver a combination of classroom, on-site, online and virtual training. These courses balance theory, practicals and instructor-guided peer discussions to ensure a competent workforce ready to perform their work today, tomorrow and the day after tomorrow with confidence. In 2022, 95,036 training courses were completed through Fugro Academy (2021: 80,873). Apart from Fugro Academy, Fugro also supports employees to attend courses from external educational and training institutes.

Culture and engagement

Fugro's company values guide employees in fulfilling Fugro's purpose. In 2022, Fugro continued to embed its company values (We are determined to deliver, We do what's right, We prepare for tomorrow, We build trust) by making them an integral part of every development



programme. In addition, an online game was launched and an award ceremony was organised around the globe to celebrate individuals and teams who demonstrated Fugro's values in an exemplary way.

In 2022, Fugro conducted two company-wide employee engagement surveys to enable management to drive meaningful improvements. The results showed an overall improvement compared to 2021. Employees know what is expected from them and feel that their managers show trust. They feel accepted and safe at work. On a more critical note, employees see opportunities for Fugro to better organise work processes and to listen to feedback from employees to implement improvements. Engagement workshops were held with over 1200 managers across Fugro to support them with an effective follow-up of the survey results. Following these sessions, managers planned team sessions to discuss results and initiate conversations with team members on areas for

improvement, resulting in amongst others town hall meetings and the organisation of activity weeks.

Similar to last year, employee turnover rates were relatively high, which is in line with what other organisations are faced with in today's highly competitive labour markets. Therefore retention remains a key management priority. Fugro continues to focus on career development and training, in addition to competitive salary levels. We further developed career paths and trained managers on meaningful performance management and career development conversations.

Voluntary staff turnover

2022	2021	2020	2019	2018
14%	14%	8%	10%	8%

Diversity and inclusion

As stated by its diversity, equity and inclusion policy, Fugro cultivates a culture of belonging where everyone can bring their best selves to work. Fugro does not discriminate in employment opportunities or practices on the basis of race, ethnicity, nationality, class, caste, religion, belief, sex, gender, language, sexual orientation, gender identity, sex characteristics, age, health, education and other characteristics. Fugro's approach of non-discrimination applies to every aspect of the employment relation. Fugro is committed to creating a healthy work environment in which everyone uses their full capabilities and achieves their personal and professional aspirations. To this end, Fugro provides fair terms and conditions of employment and equal opportunity for all, in an environment where everybody feels valued. Fugro strongly believes that when people feel accepted, included and valued, they are more engaged in their roles, work more collaboratively with colleagues, and deliver better outcomes for Fugro and its clients.

Diversity, equity and inclusion roadmap

Fugro aims to increase employees' sense of belonging encompassing a broad range of diversity aspects, including gender, age and cultural differences. Fugro believes that small actions make a big impact, which is why the roadmap has been expanded from large events such as International Women's Day and Pride Month to include smaller initiatives such as Colleague Appreciation Day and International Volunteer Day. A comprehensive calendar for 2023 has been developed in collaboration with the corporate communications team. The roadmap also includes existing unconscious bias training by focusing on conscious action, stimulating colleagues to take action against bias and create habits to be more inclusive every day.

Gender diversity and number of employees

	2022	2021	2020	2019
Overall				
Female	22%	22%	21%	21%
Male	78%	78%	79%	79%
Total number of employees (full-time equivalents)	9401	8976	9025	9856
Total number of employees (headcount)	9851	9317	9471	10343
In senior management¹				
Female	19% ²	15%	NA	NA
Male	81%	85%	NA	NA

¹ The scope of this KPI includes a wider group of functions than reported in previous years; this change was made in conjunction with the 2022 introduction of the sustainability-linked financing framework.

² Refer to the limited assurance report of the independent auditor.

Fugro's female leadership programme called U.WiL (Women in Leadership) continued into 2022. By now, 150 women have successfully completed this programme, testifying that it has given them more confidence and a larger network. A new edition, available for a wider group of women throughout the company, will kick off in the first quarter of 2023.

Fugro will continue to encourage more women to join its workforce and to take on more responsibilities by implementing its gender equality plan. Fugro's gender equality plan consists of a set of commitments, such as a pledge to foster gender equity and the target to increase the representation of women in senior management positions, as well as various actions to support structural change such as setting up coaching circles, leader lunches and employee-led groups to foster a diverse, inclusive workplace by bringing together employees with shared identities and interests. Fugro has committed to a target for 25% women in senior management positions in 2025, which is also one of the key performance indicators of Fugro's

sustainability-linked financing framework (see [note 30.7](#) of the financial statements).

In the past year, the company was successful in attracting, promoting and retaining women for several key senior management positions, both at corporate and regional level. In 2022, 19% (2021: 15%) of senior management positions were held by women.

Employment relations

Fugro's human rights policy addresses the principles of diversity and non-discrimination, freedom of association, fair working hours, fair wages, protection of health and safety, no child labour and adequate grievance procedures. Collective or individual labour relations are ruled by local applicable law, collective agreements, Fugro's Code of Conduct and its underlying policies. Various collective bargaining agreements are in place within several of Fugro's entities. The agreements cover topics such as remuneration, working conditions, health and safety,

equal opportunity and training. As per local labour laws, Fugro's entities in the Netherlands, Belgium, France, Germany, Norway, Brazil, and Australia have works councils, union or employee representatives and/or formal health and safety committees.

Equal pay

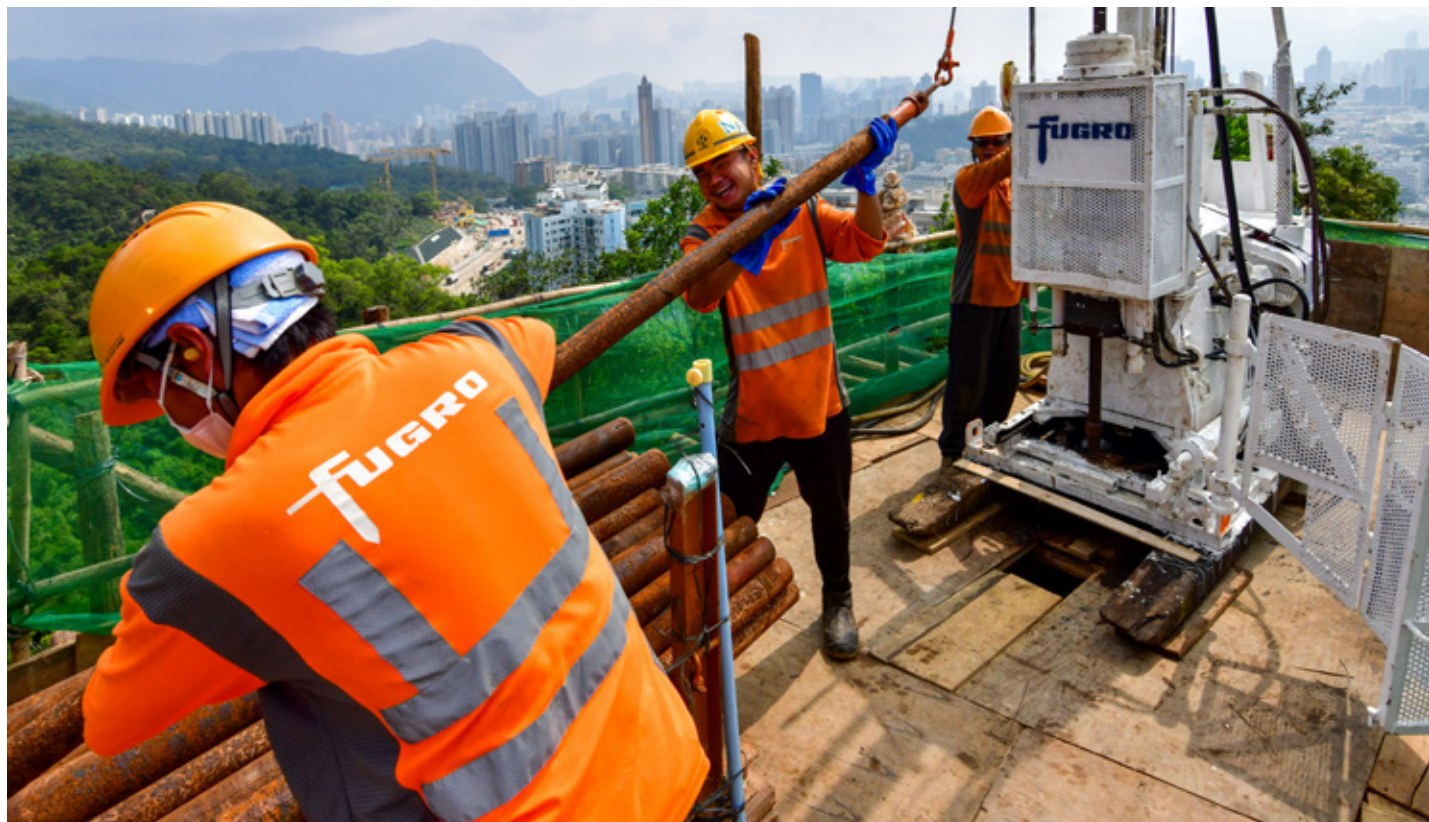
Fugro promotes fair and equal pay for equal jobs and ensures compliance with local pay equity laws. Annual compensations reviews are conducted to identify and correct any wage gaps.

A gender pay gap analysis was performed across Fugro showing that there is a small gap globally across the organisation. This gap can be attributed to the relative underrepresentation of women in middle management and subject matter expert roles, for which actions are being taken as part of the diversity, equity and inclusion roadmap.

An equal pay gap analysis was conducted for countries with more than 250 employees, covering 78% of employees in total, to ensure a statistically meaningful analysis. The employees were categorised by the functions and compensation grades of the global career framework. The outcomes of the equal pay gap analysis are used to instigate further evaluation at local level. Additional governance is being set up to create a continuous process. Meanwhile, recruitment, hiring and salary procedures remain focused at equal pay for equal jobs.

Living wage

In addition to equal pay for men and women, Fugro is committed to living wages for all its employees and subcontractors. Fugro respects national statutory



minimum wages, and the minimum living wage in case this is higher. Living wage is a wage that provides employees with the necessary income to maintain a decent standard of living for themselves and their dependants, based on the cost of living in the local context. Since 2018, Fugro performs an annual living wage assessment, and has increased wages in a few individual situations that surfaced in these assessments as being below the living wage standard. The 2022 assessment compared the data in Fugro's global human resource system with benchmark data provided by

'WageIndicator', a well-known labour market data base. In addition, more benchmark studies were conducted to monitor impacts of the high inflation globally. In some countries, additional measures were taken. Overall, living wage minimums were respected.

ENVIRONMENTAL

Driven by the company's objectives to reduce its impact on the environment and meet global climate change related carbon reduction objectives, Fugro's focuses on both its solutions for the energy transition and climate change mitigation and adaptation ('what we do'), and the way in which the company operates ('how we do it').

Climate change mitigation and adaptation solutions

Fugro actively manages the opportunities and risks resulting from climate change for its business operations, taking both aspects of mitigation and adaptation into account. In 2020, Fugro used the Task Force on Climate-related Financial Disclosures (TCFD) framework to increase its insight into the potential impacts on the organisation by conducting a qualitative assessment. From the potential risk and opportunity categories as identified by TCFD, Fugro assessed in detail those categories it considers relevant given its business characteristics (e.g., sectors, clients, suppliers, and location of operations). Fugro has not performed a detailed analysis for different climate change scenarios, as these are not anticipated to result in a material change to its strategic approach to climate change.

Fugro is actively adapting its business model to climate change mitigation and adaptation solutions as it is uniquely positioned to leverage its Geo-data services in order to contribute to the transition to a low carbon economy and to climate change adaptation. Growth markets such as offshore wind and other renewable energy sources, coastal protection, ocean science and hydrography, flood control and urban infrastructure development provide significant opportunities for further diversification and expansion of Fugro's services

and solutions. To monitor the transition of Fugro's business model, Fugro has set a target for revenue in renewables, sustainable infrastructure and water markets of at least 65% in 2024. In 2022, these market segments made up 63% of revenue (2021: 61%). As part of Fugro's sustainability-linked financing framework, an additional target has been set to grow revenue in renewables by 50% compared to 2021, i.e. to EUR 527 million in 2024 (see [note 30.7](#) of the financial statements). In 2022, revenue in renewables was EUR 521 million (refer to the limited assurance report of the independent auditor).

The physical risk of climate change is considered limited for Fugro; its high value assets are vessels which can be adapted to the physical effects of climate change. The transition risk of climate change mainly relates to the success of Fugro's business model in the transition to a lower carbon economy and to generate sufficient cash flows to finance the necessary investments in a low carbon fleet and other equipment. With the current market outlook, including the targets set by clients and expectations of other stakeholders, Fugro is confident that it can manage a successful transition. Refer to the Risk management chapter for more details on climate risk management.

The risk of Fugro's negative impact on the climate is managed through its greenhouse gas emission reduction roadmap. Refer to Group performance, Greenhouse gas emissions, for more information on this roadmap, the KPIs and the outcomes.

Greenhouse gas emissions

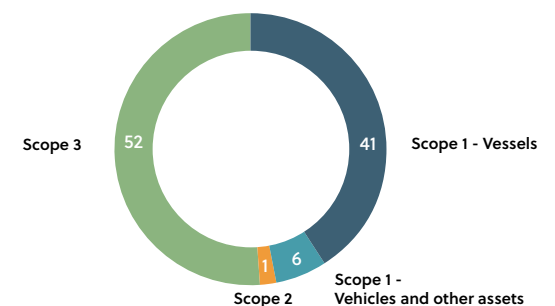
The need for greenhouse gas (GHG) emission reductions to avoid further global warming is a pressing, worldwide topic. Fugro recognises that companies play an important role in the required

reduction of GHG emissions and targets to become net-zero by 2035 covering all direct and indirect emissions from its operations (scope 1 and scope 2). To support this goal, and following its formal commitment in 2022, Fugro is in the final stages of developing science-based targets for its absolute CO₂ emission reduction in line with the Science Based Targets initiative (SBTi), covering scope 1, 2 and 3. Fugro's intermediate target is to lower vessel emission intensity of owned and chartered vessels by 20% in 2025 compared to 2020, which is more ambitious than the International Maritime Organization (IMO) target of reducing GHG emissions from international shipping by at least 50% in 2050 compared to 2008. Moreover, Fugro aims to source 80% of its electricity consumption from renewable energy by 2025, which is in line with SBTi guidance for science-based targets

GHG emission profile

Fugro follows the Greenhouse Gas Protocol reporting standard and applies the operational control approach to set organisational boundaries for GHG accounting purposes. Since Fugro works as a service provider and

GHG emissions 2022 by scope (in %)



consultant, the carbon footprint of its own operations is limited to the emissions from the assets used for data acquisition, laboratories, transport and office environments. The majority of Fugro's scope 1 emissions comes from its vessels, including third party chartered vessels under the operational control of Fugro. Other scope 1 emissions are caused by fuel consumption of cone penetration testing trucks, vehicles and the operation of rigs and other assets. Scope 2 emissions largely come from electricity consumption of Fugro's offices, laboratories and other facilities. Scope 3 emissions relate to upstream emissions only and make up approximately half of Fugro's GHG emission profile.

Despite an increase in activity, Fugro managed to lower its absolute scope 1 and 2 emissions, driven by reduced vessel emission intensity (vessel emissions per operational day).

Scope 1: Reduce vessel emission intensity

As part of its net zero target on absolute emissions, Fugro has set an intermediate target to reduce its vessel emission intensity by 20% in 2025 compared to the 2020 baseline. This target is part of Fugro's sustainability-linked financing framework (see [note 30.7](#) of the financial statements). In 2022, total vessel emission intensity was 13.8 tCO₂ per operational day, a 7% reduction compared to 2021.

Fugro reduced the emission intensity of its own vessels by 10% to 13.3 tCO₂ per operational day.

This achievement was supported by continuous efforts to improve Fugro's vessels' energy efficiency. A ship energy efficiency management plan is in place for all Fugro-managed vessels to establish a better understanding of energy use and implement technologies, processes, and practices for improved energy efficiency. The plan includes guidelines such as a

Absolute GHG emissions (kilotonnes CO₂ equivalent) by source

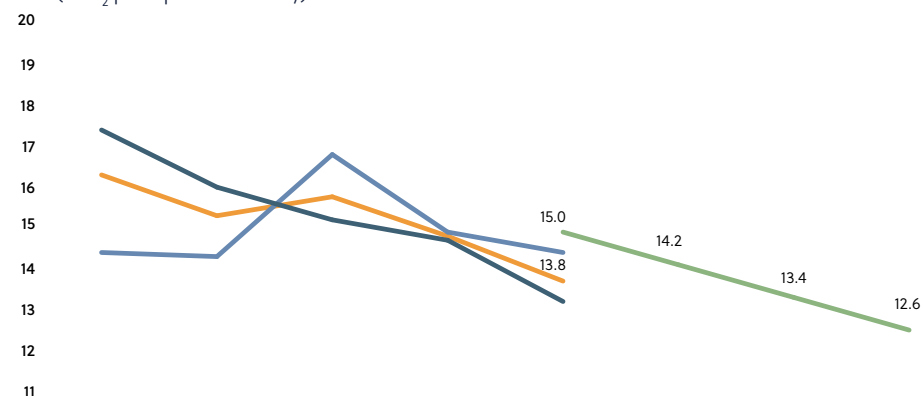
	2022 ³	2021	2020	2019
Scope 1: Owned vessels ¹	102	116	113	128
Scope 1: Chartered vessels	82	71	70	81
Scope 1: Other assets (vehicles, CPT trucks, geotechnical drill rigs, barges, small aircrafts)	26	29	25	29
Scope 2: Electricity consumption	7	8	12	17
Total scope 1 and 2	217	224	220	255
Scope 3 ²	236	192	190	NA
Total scope 1, 2 and 3	453	416	410	NA

¹ Emission (intensity) data of owned vessels include two leased vessels under Fugro management.

² See 'Mapping scope 3 emissions' for breakdown per category

³ Refer to the limited assurance report of the independent auditor on absolute greenhouse gas emissions in 2022.

Vessel CO₂ emission intensity compared to targeted reduction (tCO₂ per operational day)



	2018	2019	2020	2021	2022	2023t	2024t	2025t
Fugro owned vessels	17.5	16.1	15.3	14.8	13.3			
Chartered vessels	14.5	14.4	16.9	15.0	14.5			
Total	16.4	15.4	15.8	14.9	13.8			
Target total					15.0	14.2	13.4	12.6

Note: refer to the limited assurance report of the independent auditor regarding total vessel emission intensity in 2022.

lower redundancy in a dynamic positioning setup, the use of a voyage optimisation tool for transit voyages and other measures such as sailing at economic speed. In addition, Fugro offers its clients biofuel as a low carbon emissions transitional fuel. However, it remains commercially challenging to convince clients to accept higher costs for lower carbon solutions.

The emission intensity of third-party chartered vessels was reduced by 4% to 14.5 tCO₂ per operational day. Fugro continuously aims to charter the most efficient vessel for the job. To that end, a CO₂ emission index is part of our internal vessel vetting procedure. In 2022, emission intensity benchmarks per vessel category have been developed to support the vessel selection process.

Scope 1 emission reduction: Fleet transition plan

Absolute greenhouse gas emissions from vessels, both owned and chartered, account for approximately 85% of Fugro's combined scope 1 and 2 emissions.

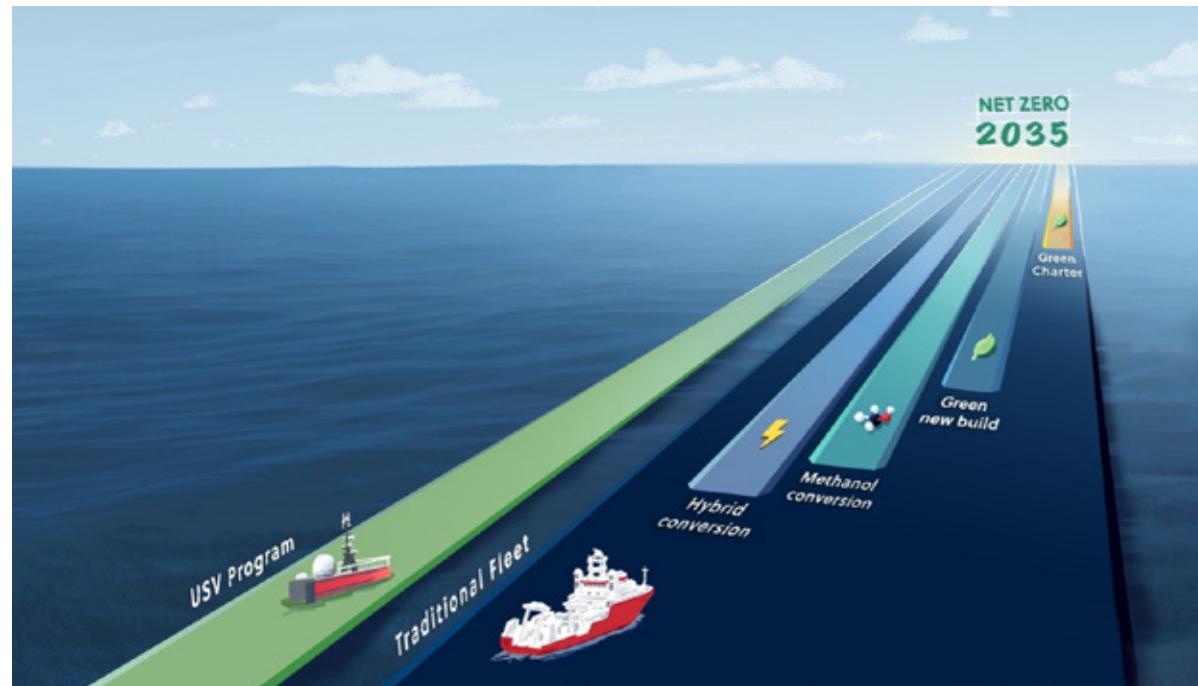
Therefore, Fugro's carbon reduction plan is for a large part included in Fugro's multi-year fleet composition and transition plan, requiring significant multi-year investments. Fugro has set up a net zero marine operations programme, headed by a steering committee consisting of senior management of the business, fleet management and sustainability departments.

The steering committee reports directly to the Board of Management. The programme consists of three pillars:

1. Decarbonising Fugro's own traditional fleet
2. Innovating and decarbonising operations with uncrewed surface vessels and remote operations
3. Reducing emissions from third-party chartered vessels.

1. Own fleet

Fugro's long-term investments entail the conversion of vessels to run on the low carbon emission fuel methanol,



the replacement of older vessels, and the application of hybrid propulsion systems. Hybrid propulsion systems lead to savings in fuel consumption of up to 15% and are therefore key to making Fugro's fleet less carbon intensive in the short to medium term. In 2022, preparations were started for the hybrid conversions of two vessels.

Achieving emission-free vessels is not straightforward as most still use fossil fuels. There are only a few low-carbon alternatives to marine diesel of which green methanol seems the most viable option for large-scale introduction on Fugro's dedicated vessels. A successful transition depends on the development of technology and infrastructure in the entire shipping industry and the future worldwide availability of green methanol. Fugro is an outspoken advocate of this transition and builds industry-wide partnerships to drive progress, amongst

others through its leadership of a consortium of the Dutch maritime sector aimed at developing engine technology, ship design and safety procedures for methanol as a low-carbon shipping fuel. The consortium, MENENS (Methanol as Energy Step Towards Emission-free Dutch shipping), has been awarded a grant from the Netherlands Enterprise Agency. Fugro had planned to have its first vessel – the Fugro Pioneer – converted to run on methanol in 2023. However, engineering challenges and current supply chain issues have delayed the conversion. Nevertheless, the development project has made significant progress, for example in preparing necessary adjustments to existing safety standards: a hazard identification workshop has been organised and proposed methanol-adjusted safety standards have been submitted to the relevant authorities.

2. Uncrewed surface vessels

The second pillar of the net zero marine operations programme focuses on Fugro's pioneering work in the development and utilisation of uncrewed surface vessels (USVs) operated from remote operations centres. Data-acquisitions via USVs, operated from remote operations centres, are up to 90% less carbon-intensive than traditional vessel operations. Fugro's fleet transition plan aims for USVs to replace traditional vessels for data acquisition applications in both our marine site characterisation and asset integrity activities. Challenges that are being actively addressed to achieve this are partly technological and partly immature or absent maritime regulations for uncrewed operations in most jurisdictions.

Despite these challenges, Fugro has made considerable progress in implementing its USV strategy. Various USV solutions have been developed, through internal initiatives and external partnerships. Fugro is considered a frontrunner and thought leader in uncrewed solutions for the offshore industry. By year-end 2022, Fugro operates seven USVs globally. In 2022, Fugro managed 289,765 hours in its remote operation centres compared to 140,609 in 2021; the strong increase is clear evidence of an ongoing roll-out and increasing acceptance of this way of working.

3. Chartered vessels

The third pillar entails long-term engagement with third party vessel owners and developing partnerships for future net zero vessels. Fugro is mapping the supply chain and identifying the right suppliers for engagement and collaboration to achieve its net-zero target. The challenge is to align suppliers' longer term investment decisions with Fugro's decarbonisation roadmap.

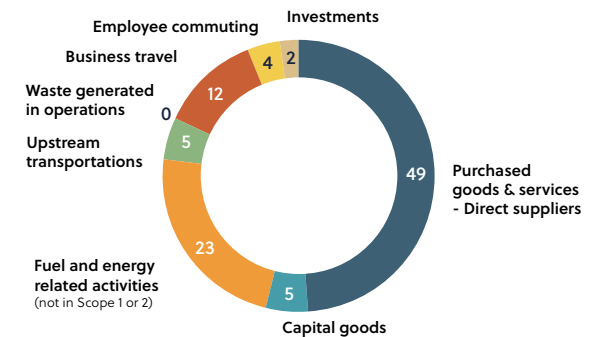
Scope 2: Renewable energy target

For 2025, Fugro targets at least 80% renewable energy consumption for its offices and other facilities worldwide. This will be achieved through the transition to renewable energy suppliers and by seeking alternatives in those countries where green energy is not yet readily available. In 2022, 49% of Fugro's electricity consumption was from renewable sources (2021: 47%; restatement of 43% reported in annual report 2021). In the region Europe-Africa, 78% of all electricity consumed was renewable, in the Americas this was 61%. Asia Pacific and Middle East & India prove to be more challenging due to absence of local renewable options on the grid. Fugro is looking for solutions in these regions, such as the recent installation of solar panels on the roof of Fugro's Singapore offices.

Mapping scope 3 emissions

Fugro is a service company and only rarely sells physical products. Consequently, Fugro's downstream scope 3 emissions are negligible, and the scope 3 calculation focuses on upstream emissions from its supply chain. In 2022, Fugro improved its scope 3 emissions calculation methodology to gain further insights, after having done a scope 3 screening over 2020 data in 2021. The initial spend-based analysis was refined with more specific industry emission factors to calculate emissions from suppliers. In addition, more activity data were used to calculate emissions from business travel and fuel and energy related emissions (not otherwise included in scope 1 or 2). The outcomes of the scope 3 inventories for 2021 and 2022 are 192 and 236 kilotonnes CO₂e respectively. The increase in 2022 can mainly be explained by the increase in company activity compared to 2021 and business travel picking up after COVID-19 related travel restrictions.

Scope 3 GHG emissions 2022 by category (in %)



Fugro is applying these insights to finalise its science-based emission reduction targets. With the complexity of a large number of suppliers, this will entail a risk and impact-based engagement approach.

Other air emissions

Apart from greenhouse gases, Fugro monitors other air emissions from its vessels, most notably sulphur oxides and nitrogen oxides. The sulphur content of all fuel consumed during the year was well within the reduced emission requirements set by the IMO in 2020.

Environmental management

Fugro has strict group-wide guidelines for risk management, and incident prevention, investigation and reporting. Fugro operates according to environmental standards; the requirements of ISO 14001 or similar have been integrated into Fugro's operational activities, providing objectives and practical tools to manage the company's environmental responsibilities. Compliance audits are carried out, both internally and by external certification bodies and clients.

The risks that Fugro's activities pose to the environment are largely related to land data collection equipment, such as geotechnical drill rigs and cone penetration trucks, which are hydraulically powered and could pose a risk of spillage. Fugro's equipment is managed under appropriate proactive maintenance programmes and is subject to periodic inspections, including daily pre-start checks. Operational teams are provided with spill kits and have been trained to capture, contain and clean any potential spillage during operations.

Biodiversity and ocean science initiatives

Worldwide, biodiversity is threatened by an unprecedented loss caused by human activity. Biodiversity decline is widely recognised as a crisis threatening human survival, requiring urgent action. Climate change and biodiversity loss are impacted by common drivers and reinforce one another. At the recent UN Biodiversity Conference (COP 15 in Canada), governments adopted a global biodiversity framework and agreed on targets to address key impact drivers. Fugro has written its biodiversity policy to further guide the organisation's efforts to minimise negative impacts of its operations and maximise positive contributions through its service offering to its clients. Fugro's data collection capabilities and know-how play an important role in understanding biodiversity and related changes, fully in line with its purpose of creating a safe and liveable world.

The impact assessment that Fugro performed in 2021 provided insights in potential effects of its activities on biodiversity, mitigating measures already in place, and areas for improvement. The assessment showed that Fugro's operations affect mainly three biodiversity impact drivers: the emission of greenhouse gases, underwater noise pollution from drilling and surveys, and the risk of transporting species between different



habitats, most prevalent in marine operations. Greenhouse gas emissions are considered a material impact, on which we report earlier in this chapter. Noise pollution is generally local and of short duration. Fugro has mitigating measures in place and will further investigate and collaborate with industry partners for the adoption of best practices. Fugro follows the International Maritime Organization (IMO) guidelines to control the risk of the transfer of invasive species at sea. Furthermore, Fugro invests in innovating its way of working with remotely operated uncrewed vessels, which will significantly reduce negative impacts of its operations.

In addition to its own operations and service offering, a third pillar of Fugro's biodiversity policy is knowledge building and partnerships. For example, Fugro contributed to the International Marine Contractor Association (IMCA) Recommended Code of Practice on

Environmental Sustainability, which addresses marine biodiversity.

Fugro continues to expand its support of several collaborative ocean science initiatives and partnerships that are focused on improving our understanding of the world's oceans by addressing current gaps in ocean data, information and knowledge. Fugro signed a strategic partnership with the Intergovernmental Oceanographic Commission (IOC) of UNESCO in 2021 that seconded a full-time Fugro data expert to the IOC-UNESCO Secretariat in Paris aimed at transforming the coordination of global ocean science data, including improved access to private-sector data in support of the United Nations Decade of Ocean Science for Sustainable Development. Fugro joined the Ocean Decade Alliance in 2022, after receiving an invitation from IOC-UNESCO. Comprising an eminent network of global leaders and institutions, the Alliance

aims to catalyse support for the Ocean Decade through targeted resource mobilisation networking and influence. This led to Fugro's industry leadership and active participation in the second UN Ocean Conference in Lisbon in June and the company's first ever participation in a United Nations climate change conference (COP 27) in Sharm El-Sheikh in November. Fugro also continued its in-kind support of The Nippon Foundation-GEBCO Seabed 2030 mapping project in 2022, contributing approximately 333,000 km² of in-transit bathymetry data over the course of the year, bringing the total area of seafloor data contributed by Fugro vessels to 2.4 million km², an area that is approximately equivalent to the tenth largest country in the world, Algeria.

In 2022, Fugro engaged with The Ocean Cleanup, the international non-profit organisation headquartered in the Netherlands, which is developing and scaling technologies to extract plastic pollution from the world's oceans and intercept trash from rivers before it reaches the ocean. The collaboration involved joint development sessions in finding the optimal remote and low-carbon solutions for their floating ocean plastic removal systems. Both organisations will continue their cooperation in 2023 and beyond.

COMPLIANCE

Business ethics & compliance

Fugro's global presence exposes the company to regional and local laws, regulations, customs and practices in challenging political and economic environments. Fugro is committed to adhering to its values, applicable laws and regulations, and to generally conducting business in a responsible manner. The Code of Conduct, together with its underlying policies, helps

employees to put Fugro's values into practice. Together they provide practical guidance on how to conduct Fugro's business ethically, comply with legal requirements, and maintain Fugro's good reputation.

Code of Conduct and related policies

The Code of Conduct addresses topics including bribery and corruption, conflict of interest, competition and anti-trust, responsible taxation, data protection, human rights, equal opportunity and drugs & alcohol use. It applies to all employees, contractors and third parties that Fugro works with, including suppliers and partners. The underlying policies provide further guidance on various topics, such as fair competition, gifts & entertainment and sponsoring & charity.

Continuous efforts are made to convey the importance of adherence to the Code of Conduct and its underlying policies. To ensure that these documents are easily accessible to all employees, they are available in the company's most relevant working languages and accessible via intranet and the Fugro website. Dilemma workshops have proven to be an effective way to discuss how the Code of Conduct should be brought into practice in difficult situations, as well as a valuable tool to identify where the organisation might need more guidance. In 2022, following the lifting of many global travel restrictions, eight compliance dilemma workshops were held in various regions, and these workshops will continue in 2023.

Compliance trainings are mandatory for all employees to ensure that the entire workforce knows and understands Fugro's expectations and commitment to compliance and what this means for them in their day-to-day operations. The global completion rate for

the mandatory Code of Conduct e-learning modules was 95% in 2022.

Anti-bribery and corruption

Fugro does not condone any form of corruption or bribery and expects the same from all parties it conducts business with. Fugro promotes measures to avoid any such practices by:

- Creating awareness of corruption through training and direct communication with employees exposed to potential bribery and corruption risks
- Communicating Fugro's position with suppliers and third parties by means of the supplier and partner code of business principles
- The screening of (potential) business partners
- The Fugro speak-up procedure to report suspected (potential) violations.

Political donations and lobbying

In accordance with Fugro's Code of Conduct, no political donations were made. Fugro's limited lobbying activities are in the US only, where Fugro monitors and engages on federal legislative, regulatory and policy matters related to Fugro's core business activities. In general, these activities are in support of policies, regulations and appropriations that support the United States' climate mitigation goals and support Fugro's purpose.

Human rights

Fugro recognises its responsibility under the Universal Declaration of Human Rights to respect the rights of those affected by its activities, and to ensure that its business operations do not cause or contribute to human rights abuses. The company is committed to the Core Conventions of the International Labour Organization, outlining, among others, freedom of association and collective bargaining, fair working hours

and fair wages. The company has embedded these commitments in its policy on human rights and the supplier and partner code of business principles. To date, human rights due diligence has been mainly focused on Fugro's own operations. In 2023, Fugro will further develop its supply chain ESG due diligence process. With the complexity of many suppliers across the large number of countries in which Fugro operates, this will entail a risk and impact-based engagement approach.

Fugro endorses the OECD Guidelines for Multinational Enterprises and in 2021 joined United Nations Global Compact, the world's largest corporate sustainability initiative. In 2022, Fugro published a communication on progress on the implementation of the principles of UN Global Compact. Executive responsibility for the implementation of the human rights policy lies with the General Counsel/ Chief Compliance Officer and with the Global Director Human Resources.

Speak-up procedure

Fugro's speak-up procedure forms an essential part of the company's compliance programme and is available to employees, contract staff and to any third parties, amongst others customers, suppliers and agents. The procedure can be found on Fugro's website (for external reporters) and on Fugro's intranet in the company's most relevant working languages, including additional guidance and a webinar for employees and managers. It offers multiple channels for reporting a suspected violation of the Code of Conduct and/or of its underlying policies, and outlines the subsequent internal investigation process which is supervised by Fugro's corporate integrity committee.

One of the channels for reporting a suspected (potential) violation is Fugro's independent external

Speak-up reports

	2022	2021	2020
Total number of reports	21	9	34
(Partially) substantiated	7	1	11
Unsubstantiated	8	8	16
Undetermined ¹	5	0	7
In review	1	0	0

¹ Due to lack of information and absence of response during the investigation, usually by an anonymous reporter

reporting line, which is available on a 24/7 basis (www.Convercent.com/Report) both online and by telephone. Reports can be made in 50+ languages. The Convercent system is operated by an independent third-party provider and the reported data is stored outside our company. The system allows reporters to report a potential irregularity in complete confidence and anonymously if so desired.

Fugro has a strict non-retaliation policy in respect of any party for raising any concern in good faith. All reports are treated confidentially and investigated promptly, properly and fairly. Fugro's corporate integrity committee investigates any allegations regarding a breach of the Code of Conduct and/or its underlying policies. This committee consists of the Group Director Human Resources, Director Internal Audit, General Counsel/ Chief Compliance Officer and the Global Compliance Manager, and reports to the CEO and CFO on any material matters. If a violation is determined, the committee advises on the appropriate remedial action. Fugro is committed to making necessary corrections and taking remedial action to prevent recurrence.

In 2022, through its corporate speak-up procedure, Fugro received 21 reports of a potential violation of Fugro's Code of Conduct or its underlying policies.

Reports pertain to instances of (perceived) harassment, bullying or unfair treatment, (perceived) accounting misrepresentation, (perceived) conflict of interest and/or (perceived) safety concerns. All 21 reports received were properly investigated by the committee and, where necessary, appropriate organisational and/or disciplinary measures were effected. For one report the investigation is still ongoing.

Supplier and partner code of business principles

Fugro requires its suppliers and other business partners to adhere to sound legal and ethical business practices. Fugro uses its supplier and partner code of business principles to engage with its suppliers and partners to ensure they work in accordance with similar standards as Fugro. The Code is an integral part of the company's purchasing terms and conditions, and explicitly refers to the human rights policy, which includes fair working hours and wages.

Screening of business partners

Over the years, Fugro has entered into various joint ventures and other partnership agreements. To reduce possible compliance and operational risks, due diligence and monitoring procedures include screening of the parties involved in an appropriate database; this can be expanded to include background investigation by an independent expert agency.

Partnership agreements include compliance provisions relating to anti-corruption laws and audit rights.

In certain limited instances Fugro works with commercial agents. All commercial agents are screened by an independent expert agency at least every two years, or more often as appropriate. The standard Fugro agency agreement includes clear compliance obligations, guidelines regarding fee arrangements, regular reporting requirements as well as audit rights. Any agent relationship is closely monitored, and each agent must sign a compliance declaration once a year. At year-end 2022, Fugro worked with five commercial agents (2021: 5).

International sanctions

To ensure compliance with internationally imposed sanctions programmes, the company has a strict procedure in place in relation to working in sanctioned territories or with restricted entities/ individuals. Approval of Fugro's Board of Management and/or General Counsel/Chief Compliance Officer must be obtained prior to being able to tender for or perform work in sanctioned areas or with or for forbidden/ blocked businesses, groups or individuals. As part of the mandatory approval process a comprehensive compliance review is performed, taking into account the intended scope of work, third parties involved in the project and potentially applicable sanctions and other restrictions.

Fugro closely monitors the numerous international sanctions programmes imposed following the events in Ukraine to ensure it remains compliant. After the start of the war, Fugro ceased its limited operations in Russia.

Compliance monitoring

Annually, an extended group of senior management worldwide must fill out a declaration regarding compliance with the Code of Conduct and related policies and procedures. For the year 2022, 100% of these senior managers have submitted the completed form. Adherence to the Code of Conduct and its related policies and procedures, as well as the supplier and partner code of business principles, is also monitored by Fugro's internal audit department. The Director Internal Audit plays an integral part in investigations led by Fugro's Corporate Integrity Committee.

Data privacy and security

Building on its commitment to maintaining a high level of privacy standards around the globe, Fugro has a global Privacy Compliance Programme in place, including Global Privacy and Data Protection Principles. These set the global standard for Fugro with respect to the processing of personal data. The awareness of data privacy matters has increased over time, which is evidenced through the increasing number of requests for Data Protection Impact Assessments, consultation on possible data and/or security breaches, requests for specific data protection training and by advice being regularly requested on other data protection topics. In 2022, Fugro executed nine of these assessments.

In 2022, one personal data breach was reported to the Dutch Data Protection Authorities. This pertained to a small portion of Fugro's internal accounts that were compromised and used to initiate a phishing campaign.

Fugro is ISO 27001 certified in several of its key markets. In 2022, Fugro expanded its dedicated global information security team consisting of a governance and operations team. Due to the increasing dependency on information- and operational

technologies, for instance due to remote operations, Fugro has invested in resources and technologies to reduce risks and respond timely and effectively to incidents. The focus of 2022 has been on executing the information security roadmap to improve Fugro's security posture, which included a cyber security awareness campaign. Information security management is on the agenda of the Board of Management, at least on a quarterly basis.

Taxation

General approach to tax

Fugro's approach to tax is guided by its company values: Fugro believes a responsible approach to tax is an integral part of operating a sustainable global business. Even though tax is a cost of doing business, it is equally a contribution to the countries and communities in which the company operates. Fugro's Code of Conduct amongst others covers responsible taxation, and any related issues can be addressed under Fugro's speak-up ("whistleblower") procedure.

To support the company's values, Code of Conduct and overall business strategy, Fugro has a tax strategy, approved by Fugro's Board of Management and the audit committee of the Supervisory Board, and a set of global tax principles, aimed at providing value through the delivery of high-quality tax services within boundaries of legal and tax frameworks. In addition, Fugro has committed itself to comply with the Dutch Tax Governance Code, which was introduced in 2022.

Accountability, tax governance and risks

Fugro's tax governance and management of related risks follows the overall risk management framework, as described in the risk management chapter. Fugro's tax function is embedded in both the first and second

line. The global tax department is equipped to support Fugro's global activities in an effective and compliant manner. By partnering with the business, the tax function identifies risks based on undertaken business activities. The correct treatment is applied through training, analysis and review by qualified staff, complemented by an extended tax function, represented by professionals across finance, business, procurement and human resources. External support is provided by a reputable global network of external advisers that follow professional standards. Where possible, pre-transaction clearances or rulings from the tax authorities will be obtained to mitigate risks or assure the tax outcome of transactions. Such rulings will not be in contradiction with Fugro's global tax principles.

In the third line, tax compliance and tax controls are monitored by Fugro's internal audit department, based on its risk-based audit plan. The audit committee of the Supervisory board reviews, at least once a year, the tax strategy including financial impact, management of tax risks, valuation of deferred tax assets, status of compliance and tax implications of any acquisition or divestment. In addition, Fugro's global tax position and processes are included in the audit process of the external auditors, both on a local and consolidated group level.

Within the Fugro control framework, internal controls addressing risks related to tax and compliance with local and international tax laws and regulations are outlined. The in-control statement by the Board of Management is based on the effectiveness of Fugro's internal controls, including those relating to tax. In line with the principle that taxation is an integral part of doing business, no separate tax in-control statement is provided by the Board of Management. The auditor

does not provide separate assurance on tax; compliance with relevant tax laws and related accounting is nevertheless a material item as part of the financial statement for which assurance is provided by the external auditors.

Fugro's presence and cross-border operations in a large number of countries expose the company to various complex tax jurisdictions and tax systems. These systems are constantly under development following initiatives from individual countries and organisations such as the OECD and the EU. Other developments arise from the economic environment; as tax is a crucial component of the financial budget of national jurisdictions, economic and geopolitical developments have a direct impact on the way fiscal regulations are designed and upheld. Accordingly, the global footprint and complexity of Fugro's business undertakings automatically result in potential tax risks, for which Fugro has a low risk appetite.

Based on likelihood and impact, Fugro has identified four key tax risks, for which it has mitigating actions in place:

- Impact of national and global tax developments.
Actions: monitoring global developments and mitigating effects on an ongoing basis; educating business and other stakeholders on commercial effects of tax developments.
- Tax controversy: Adequate management of tax queries and tax audits
Actions: maintain proper relation with tax offices; assure defensible filing positions; timely and complete input from business and support functions.
- Involvement of tax function in commercial bid proposal processes
Actions: monitoring of proposal reviews following

the authorisation matrix, including tax consultation in defined thresholds.

- Management of workload and costs associated with tax filings
Action: engaging with network of reputable tax advisers; ongoing education and retention investments in groupwide tax function/ team and reliance on internal tax control framework; focus on financial and tax automation.

Compliance

Fugro prepares and files over 300 corporate income tax returns in more than 60 jurisdictions. Depending on regional or country specifics, these returns will be prepared in-house or by external consultants followed by Fugro review. Returns are based on complete, accurate and timely disclosures to all relevant authorities. If applicable, Fugro will claim tax incentives in the returns, but only if such incentives are openly available to comparable taxpayers.

Business structure

Tax effects are one of the components in the commercial process but ultimately only legitimate business considerations drive decisions. The commercial and operational focus of the group determines that Fugro does not undertake artificial tax planning and does not use tax havens for tax avoidance purposes. The specific definition of what Fugro classifies as a tax haven aligns with generally accepted indicators as provided by organisations such as EU and OECD.

Relationships with tax authorities and other stakeholders

Fugro maintains cooperative relationships with tax authorities in various jurisdictions, mitigating future disputes and uncertainty with potential financial, business and reputational effects. In The Netherlands,

for example, Fugro cooperates with the Dutch tax office in an open and transparent matter, although this is not formalised under an agreement. Another example is the United Kingdom, where Fugro cooperates with the tax office under the applicable business risk review process, with a variety of information exchanges between tax authorities and taxpayer; a process which recently resulted in a low risk classification.

Other interactions take place with external stakeholders, where Fugro's views are provided on interpretation or development of relevant legislative matters. This particularly applies to tax developments that have a close connection with Fugro's business specifics. In 2022, such interaction took place for instance on the anticipated implementation of Pillar 2 (global minimum tax level) and its impact on Fugro's maritime activities. The concept of the Dutch Tax Governance Code was discussed with VNO-NCW.

Stakeholders such as shareholders, analysts and other investors requesting background on Fugro's tax position are directly informed by Fugro's investor relations department, where needed supported by the global tax department. In addition, internal stakeholders such as management, other support functions and employees are regularly informed by the global or regional tax departments on relevant developments.

Reporting

For a detailed overview of tax positions, including narratives on material items and reconciliation of the effective tax rate of the group, please refer to [note 18](#) of the financial statements. The tax charge per region is included under operational segment reporting in [note 7](#) of the financial statements.

EU TAXONOMY REPORTING

The EU Taxonomy-Regulation as part of the EU Action Plan on Sustainable Finance is aimed at directing investments towards sustainable projects and activities. This regulation serves as a standardised and mandatory classification system to determine which economic activities are considered as 'environmentally sustainable' in the EU.

The EU Taxonomy-Regulation identifies the following six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

A distinction is made between Taxonomy-eligibility and Taxonomy-alignment. An activity can be considered eligible when it is described in the Delegated Regulations of (EU) 2020/852. To assess whether the activity can also be considered Taxonomy-aligned or 'environmentally sustainable', an additional evaluation must be executed to identify whether the specified technical screening criteria in the Delegated Regulations are met.

This year's reporting requirement covers eligibility and alignment for the available two of the six environmental objectives: climate change mitigation and climate change adaptation. The Technical Screening Criteria for the remaining four environmental Taxonomy objectives are expected to become applicable for financial year 2023.

The regulation is complex and Delegated Acts are still under development. On 15 July 2022, the EU Taxonomy

Climate Complementary Delegated Act was published. This act sets down the strict technical screening criteria in order for an economic activity involving gas or nuclear energy to be classified as environmentally sustainable. The Platform for Sustainable Finance published several reports with recommendations on a variety of topics for the European Commission to consider in the Delegated Regulations. Further guidance is needed for the application methodology of certain topics, such as enabling activities, as also highlighted by the Platform on Sustainable Finance in recent reports.

Having completed the eligibility assessment last year for climate change mitigation and climate change adaptation, Fugro performed the following alignment screening steps. Several workshops were held with key local and global product owners and group level senior management. The workshops were used to determine whether Fugro has an instrumental role in the target activities and projects meeting the substantial contribution and 'do-no-significant-harm' criteria.

Fugro is a key enabler in climate change mitigation and climate change adaptation. Fugro helps its clients make a substantial contribution to one or more of the Taxonomy's six environmental objectives. Fugro enables clients to qualify their economic activities (for example in the energy transition) as 'environmentally sustainable'.

The EU Taxonomy alignment criteria encompass 'substantial contribution' to one of the environmental objectives, 'do no significant harm' to the other environmental objectives, and compliance with 'minimum social safeguards' in the value chain of the activity. Fugro has assessed all three alignment criteria for its Taxonomy eligible activities. Fugro's activities in

renewable energy enable the energy transition and as such Fugro considers these activities to make a substantial contribution to climate change mitigation. However, In the client value chain, Fugro has limited possibilities to assess whether the 'do-no-significant-harm' and 'minimum social safeguards' criteria are met. Fugro's Taxonomy-eligible activities relate mainly to site characterisation work performed for offshore wind farms, which are built (much) later by the client and other parties further down the value chain. The information necessary to determine whether the 'do-no-significant-harm' and 'minimum social safeguards' criteria are met is not available during the stages that Fugro is involved. Even if such information does become available (much) later, it is produced and used by the client and other parties further down the value chain.

For Fugro's own operations, policies and procedures are in place to prevent or minimise any significant harm to the environment and safeguard minimum social safeguards in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. To date, human rights due diligence has been mainly focused on Fugro's own operations. More information on Fugro's ESG approach can be found in the Group performance - compliance chapter. In 2023, Fugro will further develop its supply chain ESG due diligence process. In the client value chain, Fugro has limited possibilities to assess whether the 'do-no-significant-harm' and 'minimum social safeguards' criteria are met.

There is a lack of interpretative guidance and unclarity on how to apply the EU Taxonomy Regulation to these enabling activities. As a result, Fugro cannot make an informed assessment on whether its own activities are Taxonomy-aligned. Therefore, Fugro reports zero % of its economic activities to be Taxonomy-aligned.

Fugro actively monitors the developments regarding this regulation and evolving market practices. This may lead to changes in interpretation and changes in disclosures.

Application

Revenue

The turnover KPI is calculated by the proportion of revenue derived from products or services that are Taxonomy-eligible. The denominator for the turnover KPI corresponds to the total revenue in the consolidated statement of comprehensive income for the year ended 31 December 2022 (EUR 1,766 million).

Based on Fugro's market segmentation and a detailed analysis of the underlying activities, the company has allocated the related revenue to the Taxonomy-eligible economic activities as follows:

Eligible activities relate to climate change mitigation and primarily consider the renewables market segment, where Fugro's services and solutions enable the development of offshore wind farms which are a key contributor to the energy transition by generating electricity from renewable sources supporting climate change mitigation. The taxonomy category is predominately 4.3 'Electricity generation from wind power'. The percentage of taxonomy eligible activities is therefore primarily driven by the respective share of revenues that relate to the renewables market segment. A reconciliation was made to the total reported revenue to avoid double counting.

Based on further analysis in 2022, Fugro also considers activities related to coastal protection and flood control as eligible in the taxonomy category '9.1 Engineering activities and related technical consultancy dedicated to adaptation to climate change' (comparative figures have been restated). These activities are primarily reported in the water market segment. However, reliable actual revenue data on this lower level is not available on a consolidated level, partly because economic activities in this market segment may be multi-purpose and thus not exclusively related to climate change adaptation. Hence, these economic activities are excluded from

Revenue

	2022	2021
Taxonomy eligible	30%	25%
Non-eligible*	70%	75%
Total (X EUR million)	1,766	1,462

* Revenue reported as unassessed in prior year has been restated to non-eligible

eligible activities in the above table. The impact is considered not material. In 2022, 4% of Fugro's revenues related to the water segment. In 2023 we will continue to work on our reporting processes, as part of more extensive preparation for upcoming reporting requirements including CSRD.

In 2022, 37% (2021: 39%) of Fugro's revenue was generated from the oil and gas market segment. Activities supporting the development and production of fossil fuels do not qualify as eligible under the Taxonomy. This revenue is therefore reported as non-eligible. It is noted that meeting the short-term energy demand requires an energy mix which includes fossil fuels, in particular natural gas. Our solutions enable clients to keep their existing oil and gas assets operating in a safe, sustainable and reliable way. Fugro is committed to executing its activities in the most sustainable way, using state of the art technologies with a strong focus on significant reduction of our own carbon emissions. Fugro supports the ambition to work towards a net-zero Europe by 2050 and targets 'net zero' carbon emissions from its own operations by 2035 (scope 1 and scope 2).

Capex

Capital expenditures considered for Taxonomy purposes (Taxonomy-Capex) comprise additions to property, plant and equipment, additions to intangible assets and additions to right-of-use assets (see [notes 19, 20 and 21](#) of the consolidated financial statements. Additions to goodwill, if any, are not considered. Capital expenditures are reported as eligible when these are related to assets or processes associated with the EU Taxonomy eligible activities. Capital expenditures are reported as aligned, when these are related to assets or processes associated with the EU Taxonomy aligned activities, part of the Capex-plan, or related to the

purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, provided that such measures are implemented and operational within 18 months.

For 2022, 38.2% out of total Taxonomy-Capex (non-IFRS performance measure; reference is made to the reconciliation of non-IFRS performance measures and glossary) of EUR 186.3 million (2021: 42.6% out of EUR 103.4 million) is considered eligible. Capital expenditures that are classified as eligible predominately relate to climate change mitigation and

the Taxonomy category '6.12. Retrofitting of sea and coastal freight and passenger water transport' and include investments in vessels such as dry-docking and investments in uncrewed vessels (USVs). USV operations increase safety by removing personnel from high-risk offshore environments and reduce carbon footprint by over 90 % compared to traditional survey methods. A reconciliation was made to the total reported additions to property, plant and equipment, additions to intangible assets and additions to right-of-use assets to avoid double counting.

For 2022, zero percent of capital expenditures is reported as taxonomy aligned. As already disclosed last



year, it is expected that alignment is significantly below the percentage of eligibility, as for example regular maintenance capex does not meet the specified technical screening criteria. To reach net zero carbon emissions from its own operations, Fugro will continue to invest in decarbonisation of its vessels and equipment, and the procurement of green energy. A significant part of these future investments is expected to classify as Taxonomy-aligned. It is noted however that Fugro's asset base, including its vessels and USVs, is generally sector-agnostic and while increasingly serving the renewables market segment, these assets can also be directed to serve customers in traditional energy markets, which might limit the percentage of investments that may qualify as aligned.

Opex

Operating expenditures considered for Taxonomy purposes (Taxonomy-Opex) comprise direct non-capitalised costs recorded in the consolidated statement of comprehensive income that relate to R&D, building renovation measures, short-term lease, maintenance and repair (excluding expenses reported as Cost of Sales), and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. Operating expenditures are reported as eligible when there are related to assets or processes associated with the EU Taxonomy eligible activities.

Total Taxonomy-Opex amounts to EUR 171.9 million, or 10.9% (2021: EUR 142.3 million and 10.6%) of total operating expenditures, comprising of costs of suppliers, personnel expenses and other expenses as specified in [notes 10, 12](#) and [16](#) of the 2022 consolidated financial statements. A reconciliation was made to the financial administration to avoid double accounting. Since the costs included in the Taxonomy-Opex are not separately disclosed in the consolidated financial statements,

no reconciliation is provided. No opex is reported as Taxonomy eligible or aligned. The % of Taxonomy eligible or aligned opex is not expected to be material at this stage. Operating expenditures that are expected to qualify as eligible include innovation expenditures related to solutions for climate change mitigation and adaptation.

Next steps

During 2023, Fugro will proceed with the assessment and implementation of the related Taxonomy reporting requirements in internal processes, which may include the remaining four environmental objectives, depending on whether they become effective, as well as including an impact assessment of the EU Taxonomy Climate Complementary Delegated Act. This includes the further consideration of the Platform on Sustainable Finance's Recommendations on Data and Usability (28 October 2022) in the context of Fugro's enabling activities. Fugro will further review all of the company's activities and implement internal data-collection and reporting processes in line with the requirements of the EU Taxonomy.

SUSTAINABILITY REPORTING PRINCIPLES

Reporting framework

This board report has been prepared according to the legal requirements of section 2:391 of the Dutch civil code, including the Decree on the content of the board report, the Dutch Corporate Governance Code and the Decree on disclosure of non-financial and diversity information. The information in this report on Fugro's approach to managing climate risk follows the recommendations provided by the Task Force on Climate-Related Financial Disclosures (TCFD) and the EC Guidelines on reporting climate-related information.

Fugro's reporting has been guided by the reporting principles from GRI 1: Foundation 2021 as issued by the Global Reporting Initiative. Fugro has applied the principles for defining report content (stakeholder inclusiveness, sustainability context, materiality, and completeness) and the principles for defining report quality (accuracy, balance, clarity, comparability, reliability, and timeliness) in the preparation of the sustainability information. Moreover, the report has been informed by the value creation concept and the content elements of the Integrated Reporting Framework.

Fugro is preparing for reporting in line with European Sustainability Reporting Standards, as will be required from reporting year 2024 under the Corporate Sustainability Reporting Directive.

Scope & consolidation

This report covers the activities of Fugro N.V. and its subsidiaries for the period from 1 January to 31 December 2022. The scope for human resources (HR) data and health, safety, security and environmental (HSSE) data including GHG emissions is based on the principle of operational control. For entities under operational control, 100% of HR, HSSE and GHG emission data is included irrespective of percentage ownership. The vessel GHG emissions of Seabed Geosolutions have been included up to the divestment in June 2021. HR and HSSE data have always excluded Seabed Geosolutions. The scope for the number of employees is the financial consolidation scope. The difference between the operational control scope and the financial control scope concerns three joint ventures where Fugro has operational control but no financial control.

Reporting process and controls

The Board of Management is responsible for the contents of the integrated annual report. Director Investor Relations coordinates the board report and collects information from departments, group strategy & communication, safety & sustainability, human resources, and compliance. The Board of Management thoroughly reviews the contents before signing off.

Health and safety data are extracted from the global HSSE system, HR data from the global HR system Workday. Fugro's subsidiaries report their fuel and renewable/ non-renewable electricity consumption and related scope 1 & 2 emissions in the group's consolidation system. CO₂ emission data from vessels is collected via the digital operational management environment. Each of these systems is operated with checks and balances to safeguard data quality.

The group safety & sustainability team safeguards that the non-financial data from different source systems is consistent with the indicator definitions.

Assurance

Fugro's auditor has reviewed the reported performance for absolute GHG emissions scope 1, 2 and 3, and the KPIs that are part of Fugro's sustainability-linked financing framework: Vessel emission intensity, Percentage of women in senior management, and Revenue in the renewables market segment. Refer to the limited assurance report of the independent auditor.

KPI definitions

Greenhouse gas emissions

Fugro follows the Greenhouse Gas Protocol reporting standard and applies the operational control approach to

set organisational boundaries for GHG accounting purposes. The majority of Fugro's scope 1 emissions comes from the consumption of marine gas oil (MGO) of its vessels, including third party chartered vessels of which Fugro has operational control. Other scope 1 emissions are caused by fuel consumption of cone penetration testing trucks, vehicles and the operation of rigs and other assets. Scope 1 emissions are calculated by multiplying the fuel consumption in the period with the applicable CO₂ equivalent conversion factors for MGO, diesel, gasoline and aviation fuel, as published by the UK government Department for Business, Energy & Industrial Strategy.

Scope 2 emissions largely come from electricity consumption of Fugro's offices, laboratories and other facilities. Fugro applies the market-based method to calculate scope 2 emissions, meaning that contractual instruments are considered. Fugro collects activity data of electricity, steam, heat and cooling per entity and applies the market-based emission factor hierarchy: energy attribute certificates such as Guarantees of Origin and Renewable Energy Certificates, electricity contracts, supplier specific emission factors, regional and national grid-average emission factors. In addition, through CDP Fugro reports a scope 2 total based on the location-based method.

Scope 3 emissions relate to upstream emissions and investments; other downstream emissions are negligible. Following the Greenhouse Gas Protocol, Fugro's scope 3 emissions are categorised as purchased goods and services, fuel and energy related emissions (not included in scope 1 or 2), capital goods, upstream transportation and distribution, waste generated in operations, business travel, employee commuting and investments. The other scope 3 categories are not material when considering Fugro's operations and services. Activity data combined

with relevant emission factors published by the UK government were used to calculate emissions from fuel and energy related emissions, business travel, employee commuting and (partly) investments. The spend-based method was applied for the other categories, using WIOD emission factors.

Vessel CO₂ emission intensity

CO₂ emissions from fuel combustion of the vessels, both owned and chartered, in tonnes of CO₂ per operational day. An operational day is when the vessel is being used for actual business-related project work, including project related transit, preparation and testing. Other operational days include transits (port calls or repositioning of the vessels between regions), calibration and tests. The notion of operational is irrespective of project contractual or client definitions or interpretations and is not linked to actual agreed contractually paid days. For each vessel, the fuel consumption (on both operational and non-operational days) is multiplied with the density factor (source: Bunker Delivery Note) and the CO₂ emission factor (source: latest edition of the International Maritime Organisation (IMO) GHG studies). The outcome is total CO₂ emissions in the period per vessel. The sum of total CO₂ emissions for all vessels is divided by the sum of operational days for all vessels.

Share of energy consumption in Fugro offices from renewable sources

Part of the electricity consumption in Fugro offices from renewable sources such as solar, wind, hydro, thermal and tidal energy. This includes renewable energy generated on Fugro sites, renewable energy purchased via contractual instruments and electricity consumption in countries where the grid energy mix consists (almost) only of renewable sources.

Lost time injury frequency (LTIF)

Sum of injuries resulting in fatalities, permanent total disabilities and lost workday cases per one million exposure hours. A lost workday case is a work-related injury or illness which results in a person being unable to perform their normal work or restricted work on any day after the day on which the injury /illness occurred. LTIF covers both employees and contractors in all Fugro's activities.

Total recordable case frequency (TRCF)

Sum of injuries resulting in fatalities, permanent total disabilities and lost workday cases, restricted work cases and medical treatment cases per one million exposure hours. TRCF covers both employees and contractors in all Fugro's activities.

Serious vehicle incident frequency

Sum of work-related vehicle incidents per 1 million kilometers driven, which have resulted or could possibly have resulted in a fatality, permanent disability, lost workday case, restricted workday case or medical treatment case.

Number of employees

- Number of employees in full-time equivalents: per 31 December, excluding contingent workers.
- Number of employees headcount: per 31 December close of business, excluding contingent workers.

Percentage of female employees

Number of female employees as share of total number of employees, based on headcount per 31 December.

Percentage of women in senior management

Number of women in defined senior management positions as share of total number of defined senior management positions, based on headcount per the end

of the reporting period. Senior management positions include the Board of Management, the Executive Leadership Team and key management positions. Per 31 December 2022 close of business, this comprises 162 senior management positions.

Voluntary employee turnover rate

Total resignations divided by average headcount in the reporting year, covering all staff on an employment contract and excluding contingent workers.

Number of completed courses at Fugro Academy

Total number of courses completed by employees at Fugro Academy during the reporting year, including classroom, on site, online and virtual training.

Net promotor score

Net promoter score is a globally recognised measurement of client loyalty and satisfaction, taken by asking clients how likely they are to recommend Fugro to someone else, on a scale from 0 – 10 (lowest to highest score). Net promoter score is a representation of the percentage of promoters minus the percentage of detractors, and is expressed as a figure from -100 to +100. Those customers answering the above question with a 6 or lower are known as detractors and those with a score of 9 or 10 are promoters. Scorers of 7 or 8 are passives and not included in the calculation.

Number of alleged violations of Code of Conduct

All suspected violations of the Code of Conduct and/or of its underlying policies reported through one of the channels of the speak-up procedure during the reporting year. The speak-up procedure is available to employees, contract staff, business relationships and other stakeholders.

Remote operations centre (ROC) project hours

Number of offshore project hours managed from a remote operations centre. The number of offshore project hours is based on the number of working hours that would have been required if the project was managed from a vessel instead of remotely. The remote project hours allow Fugro to track the amount of traditional project hours that are replaced with safer and more efficient remote operations.

R&D spend as share of revenue

R&D spend consists of the operating expenses of Fugro's innovation centres, mainly personnel expenses. The R&D spend is related to total group revenue.

Renewables, infra and water as percentage of total revenue

Revenue in the market segments renewable energy, infrastructure, and water (nautical), as a percentage of total revenue.

Revenue in the market segment renewables

Revenue in the market segment renewables (in EUR million). This indicator represents Fugro's contribution to the energy transition. Fugro's activities in the renewable energy market segment are site characterisation and asset integrity solutions for renewable energy constructions. For Fugro this market segment consists mainly of offshore wind parks, but also includes onshore wind parks, solar farms, hydropower dams, and constructions to generate energy from tides, waves, and geothermal heat.

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR ON FUGRO N.V.'S SELECTED INDICATORS

To: the shareholders and supervisory board of Fugro N.V.

Our conclusion

We have performed a limited assurance engagement on selected indicators in the annual report for the year 2022 (hereinafter: selected indicators) of Fugro N.V. at Leidschendam.

Based on our procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected indicators are not prepared, in all material respects, in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report.

The selected indicators consist of:

- Greenhouse gas emissions (scope 1, 2 and 3) – as presented on [page 50](#) in the annual report
- Vessel emission intensity owned and chartered vessels – as presented on [page 50](#) in the annual report
- Revenue in renewable energy market – as presented on [page 49](#) in the annual report
- Share of women in senior management positions – as presented on [page 47](#) in the annual report

Basis for our conclusion

We have performed our limited assurance engagement on the selected indicators in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities under this standard are further described in the 'Our

responsibilities for the assurance engagement on the selected indicators' section of our report.

We are independent of Fugro N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch code of ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The reporting criteria used for the preparation of the selected indicators are the reporting criteria developed by Fugro N.V. and are disclosed in section 'Sustainability reporting principles' of the annual report.

The absence of an established practice on which to draw, to evaluate and measure the selected indicators allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Consequently, the selected indicators need to be read and understood together with the reporting criteria used.

Unassured corresponding information

No assurance engagement has been performed on the selected indicators:

- Greenhouse gas emissions (scope 1,2 and 3) for the periods prior to 2022.
- Vessel emission intensity owned and chartered vessels for the periods prior to 2020.
- Revenue in renewable energy market for the periods prior to 2021.

Consequently, the corresponding selected indicators for those periods are not assured.

Limitations to the scope of our assurance engagement

Our assurance engagement is restricted to the selected indicators. We have not performed assurance procedures on any other information as included in the annual report in light of this engagement.

The selected indicators include prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the selected indicators.

The references to external sources or websites are not part of our assurance engagement on the selected indicators. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect of these matters.

Responsibilities of the board of management and the supervisory board for the selected indicators

The board of management is responsible for the preparation of the selected indicators in accordance with the reporting criteria as included in the 'Reporting criteria' section of our report. The board of management is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting. In this context, the board of management is responsible for the identification of the intended users and the criteria being applicable for their purposes. The choices made by the board of management regarding the scope of the selected indicators and the reporting policy are summarized in in section 'Sustainability reporting principles' of the annual report.

Furthermore, the board of management is responsible for such internal control as it determines is necessary to enable the preparation of the selected indicators that are free from material misstatement, whether due to error or fraud.

The supervisory board is responsible for overseeing the reporting process of Fugro N.V.

Our responsibilities for the assurance engagement on the selected indicators

Our responsibility is to plan and perform our limited assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance

engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance obtained in a reasonable assurance engagement.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, Regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

The procedures of our limited assurance engagement included among others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues, relevant laws and regulations and the characteristics of the company as far as relevant to the selected indicators
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures on the selected indicators. This includes the evaluation of the reasonableness of estimates made by the board of management
- Obtaining through inquiries a general understanding of internal control, reporting processes and information systems relevant for the preparation of the selected indicators, without obtaining evidence about implementation or testing the operating effectiveness of controls
- Identifying areas of the selected indicators with a higher risk of misleading or unbalanced information or material misstatements, whether due to error or fraud. Designing and performing further assurance procedures aimed at determining the plausibility of

the selected indicators responsive to this risk analysis. These further assurance procedures consisted amongst others of:

- Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the selected indicators
- Obtaining assurance information that the selected indicators reconcile with underlying records of the company
- Reviewing, on a limited test basis, relevant internal and external documentation
- Performing an analytical review of the data and trends
- Evaluating the consistency of the selected indicators with the information in the annual report which is not included in the scope of our assurance engagement

Amsterdam, 10 March 2023

Ernst & Young Accountants LLP

R.T.H. Wortelboer