



Annual Report 2023

Royal Schiphol Group

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Message from the CEO

2023 marks a turning point for Schiphol. Our airport is once again a pleasant place, not only for travel but also for work, regardless of working for or at Schiphol. We intensified our steps towards striking a better balance for both neighbours and the environment too. It is important to give more consideration to the interests of others as only then we earn the support needed for us to continue performing our role.



Turning Point: quieter, cleaner, better

2023 has been the year of turnaround for Royal Schiphol Group on many fronts. Not only for travellers who once again could move swiftly from check-in to the gate thanks to sufficient security officers at Amsterdam Airport Schiphol but also for the thousands of employees who have experienced improved working conditions. We have also focused this year on our neighbours and the environment by intensifying our efforts to make Schiphol quieter, cleaner and better not only for today but for the years to come.

Improved working conditions

Achieving better working conditions, higher wages and improved work-to-rest ratio for security officers was non-negotiable in 2023 resulting in Schiphol becoming an attractive workplace for them. I am proud of the high number of security officers recruited in a short time frame and how that has been achieved. Key was the joint recruitment campaign, working side by side with our security companies. The success was for everyone to see and experience – the 2022 queues are no longer there, disappearing like frost in the sun. Occasionally, we find the waiting times for arriving travellers, at for example passport control, too long and we are working hard to find a structural solution together with the government. Overall though 2023 has been the year when travellers have once again experienced how nice it is to travel through Schiphol.

A better experience for travellers

There are many factors that contributed to this improved experience for travellers. Our Airport Operations Centre (APOC) is fully operational, significantly increasing predictability, flexibility and efficiency of our operations. All available data, from our partners at the airport, is processed by the APOC into specific points of attention and measures that allow us to work at

improving the passenger journey. We also gave travellers the opportunity to take partial control of their own journey by booking a time slot to go through security. This service has been used more than a million times since introduced and is much appreciated by travellers. Lastly, I'd like to mention how we brought management closer to the operation. We transformed the senior management team into a broader operationally composed Executive Team of six disciplines responsible for managing the company. As a result, the top of the organisation is much more focused on day-to-day operations at the airport. I am pleased that this management structure will continue.

A sense of responsibility

'It's up to us' is our internal motto and embodies our changed approach. We feel a sense of responsibility for matters and processes that are officially not our responsibility yet do take place at our premises. Our drive to improve the working conditions of the handling agents is an example. Together with the handling companies and airlines, improving the working conditions in baggage handling got off to a flying start in 2023. Many work locations are now equipped with properly functioning lifting aids and there are many more to come this year meaning that agents will no longer need to do heavy lifting. Our vision for the future is a fully automated baggage handling process. We are also hard at work on and around the apron, piloting innovations to reduce exposure to (ultra)fine particles. It won't be easy but we are devoted to offering colleagues working between aircraft every day a better work environment.

Prioritising our investments

Another important shift made in 2023 is the clear need to prioritise our investments in order to ensure the longer term quality of and at the airport. After years of focusing too much

on costs and growth, we decided in 2023 that we had catching up to do to offer a higher level of quality to colleagues, travellers and airlines, as we are first and foremost, a logistics company that must be able to rely on its assets. In the broader context in which Schiphol operates, we want more structural attention to be paid to the quality and reliability of our services.

A quieter, cleaner and better Schiphol

Besides the improvements made for travellers and employees, we also intensified our steps towards developing a better relationship with our neighbours and the environment. We introduced our 8-point plan containing specific measures and suggestions for a quieter, cleaner and better Schiphol, including implementing a night curfew, no longer welcoming private jets and keeping the noisiest planes away. We are in favour of a distance-based air travel tax; the further the flight, the higher the tax. Schiphol must be quieter, cleaner and better. Firstly, because we simply believe that this is necessary. Schiphol serves a societal interest which includes taking good care of the neighbours and the environment. We are very transparent on our position due to the broad public interest. Secondly, because Schiphol's value is too great to jeopardise the public support we have. Schiphol is a fantastic company. Schiphol connects the Netherlands with the rest of the world in a unique way. Every day, the Dutch people, Dutch companies and the Dutch economy benefit from the extensive network of destinations that has been established over more than one hundred years. That is something to be proud of and to cherish. Schiphol, and with it the entire Dutch aviation sector, needs support to continue performing that role. That support needs to be earned, which is only possible if we take the needs of others much more into consideration. This is also high on the political agenda and our proposals resonate with many parties.

Breaking with tradition

We have disturbed the equilibrium with our 8-point plan. Our new ideas and approach has broken with tradition, causing unpopularity with some. However, I am convinced that transparency and engaging in debate from a variety of perspectives only makes for a better balance. Operationally,

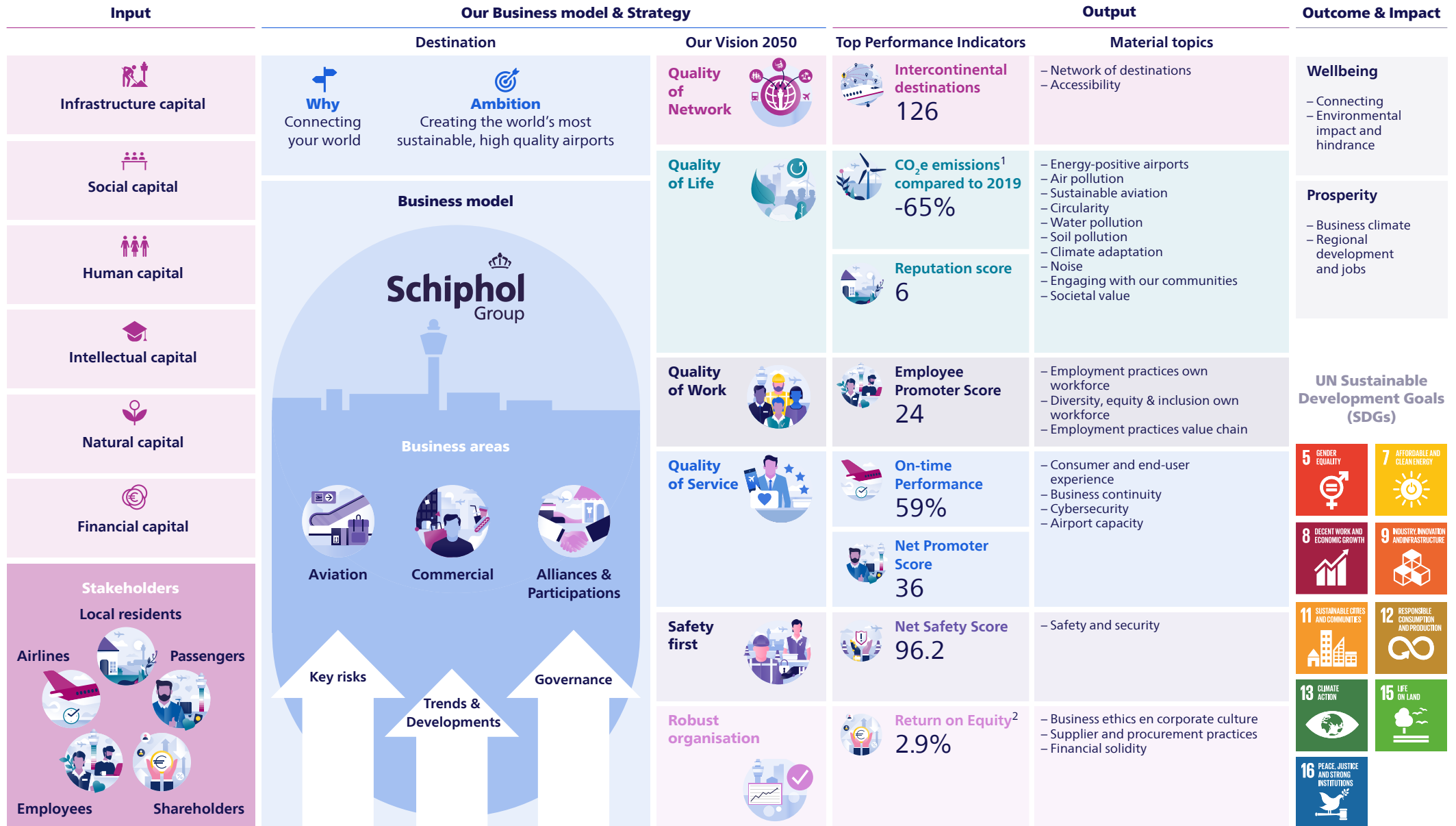
we worked very well with our partners at the airport in 2023, something I am proud of. We also see this reflected in the reputation scores among local residents and people in the Netherlands in general. These have risen systematically over the past year towards the level we are aiming for.

Work well together

A proof point of our 'working well together' was when the Minister of Infrastructure and Water Management surprised us and suspended the experimental scheme meaning that we and our sector partners had to establish, in a very short space of time, what the number of flights for 2024 could be. This is however only one proof point in addition to those already mentioned demonstrating both our actions and commitment to work well together. Our thanks go to all our partners, from cleaners to Marechaussee officers, and from retailers to airlines. Together, we made Schiphol once again a pleasant airport for travellers and workers. The turning point enabling structural improvement at Schiphol has been made yet realistically we recognise that there's still a lot to be done and along the way we will undoubtedly discover that more is needed than we thought. What is certain though, is that we are on our way towards a quieter, cleaner and better future and that we have no intention of turning back. 2023 was truly a turning point of structural improvement for Schiphol.

Ruud Sondag
President & CEO of Royal Schiphol Group

This is how we create value



¹ Concerns scope 1, 2 and selected scope 3 items ² ROE including fair value changes and other one offs: 0.4%

2023: a new direction

First half of the year



Major maintenance Zwanenburgbaan

From January to early May, the Zwanenburgbaan Runway undergoes major maintenance. Works include the complete renewal of the asphalt on the runway. 60 percent of the runway's asphalt is recycled.

Minder Hinder

As part of the Minder Hinder Schiphol programme to reduce noise nuisance experienced by local residents, Air Traffic Control the Netherlands starts using a smart approach system whereby two runway usage measures are introduced. By more efficiently distributing the safe distances or times between aircraft, a second runway is necessary less often.

Renovation baggage halls

Schiphol starts upgrading, renovating and further innovating the baggage halls. Parts of Schiphol's existing baggage system require replacing and we also aim to improve working conditions for baggage employees. Schiphol also starts preparing for the construction of a new baggage basement to create space for the renovation of the current ones.

Strengthening management

On 1 February, Royal Schiphol Group (RSG) changes the management structure of the organisation. The management team becomes a broader, operationally composed Executive Team that is responsible for running the company.

Quieter, cleaner, better

Schiphol publishes its 8-point plan. The airport shows how it will become quieter, cleaner and better with these eight specific proposals that also give the local community, employees and the aviation sector clarity and perspective. Schiphol proposes a nighttime curfew and wants to ban private jets and the noisiest aircraft from the airport.

Collaboration with Maastricht Aachen Airport

In June, the province of Limburg and RSG sign an agreement between Maastricht Aachen Airport (MAA) and Schiphol. As of 1 September RSG acquires a 40 percent stake in MAA and the province maintains a stake of 60 percent.

New social partner

RSG and Médecins sans Frontières will be raising money and awareness for medical care in emergencies. Médecins sans Frontières succeeds Amref Flying Doctors as RSG's social partner.



Schiphol

Get ready for security

In early April, Schiphol launches the *Get ready for security* campaign to prepare travellers for the security check at the airport. To make the process smoother, travellers are advised to wear fitted clothing and low shoes, pack their hand baggage effectively and follow security staff's advice.

Plans for second Kaagbaan cancelled

The Ministry of Infrastructure & Water Management cancels plans to build a runway parallel to the Kaagbaan. With this, the ministry responds to the call made by Schiphol in its 8-point plan. Land for a new runway has been reserved for more than 20 years which was putting unnecessary pressure on the scarce space in the area. Moreover, research showed that a second Kaagbaan would not lead to a reduction in nuisance, but only relocate it.

Second half of the year

Smooth flow of travellers

Schiphol introduces measures to prevent long queues during busy periods. As of the May holiday, departing travellers can reserve a time slot for the security check. This means they go through security at a time of their choice. Furthermore, the almost 1000 new security employees and the *Get ready for security* campaign ensure that there are barely any queues at the airport. During the busy holiday periods, 93 percent of departing passengers go through the security check within 10 minutes.

Better working conditions for baggage workers

In order to improve working conditions for baggage workers, Schiphol invests in 30 new lifting aids and 19 baggage robots to lighten the workload in the baggage hall. Using this equipment reduces the physical strain for staff. In addition, Schiphol and handling companies test three new lifting aids. It is the intention to have every work location in the baggage hall equipped with a fully-functioning lifting aid by the end of April 2024.

New bikeshare programme

A new bikeshare programme at Schiphol East encourages staff to use bicycles rather than cars to cover short distances. The 150 shared bikes are free and available at five bicycle storage facilities.

Towards emission-free handling

With the arrival of thirty generators for parked planes (e-GPUs) and the expansion of electric systems that provide fresh air on board (PCAs), Schiphol takes a step forward towards emission-free ground handling.

Expansion electricity grid

RSG and network operator Liander collaborate to build a new high-voltage substation. This will provide Schiphol with more grid capacity as of 2027 and make the further electrification of Schiphol possible.



Wellness concept Holisteq

New wellness concept Holisteq opens in Lounge 2. In their own 'Biohacking Orb', travellers at Schiphol can choose from various treatments designed to reduce stress and the effects of jetlag.

Nature conservation permit

In September 2023 the Ministry of Agriculture, Nature and Food Quality grants Schiphol a Nature conservation permit (Natuurvergunning) under the Wet Natuurbescherming ('Nature conservation act'). The permit provides certainty for us and for our surrounding environment.

Catching up on maintenance

Schiphol announces plans to invest three billion euros between 2024 and 2027 to catch up on necessary maintenance and renewal of the airport's assets. Important elements of the airport's infrastructure – including Pier C, the baggage basements, climate-control systems, walkways, aircraft stands and taxiways – are due for major maintenance or replacement.

New Social Agreement

In October, RSG, FNV and CNV reach an agreement on the structural improvement of the quality of work and on extending the supplement for employees until 31 December 2024. As a result of this agreement, Schiphol remains an attractive place to work. It is a follow-up to the social agreement negotiated last year.

Concrete recycling facility

Schiphol opens its own recycling facility for concrete rubble. Concrete from renovation and maintenance projects is crushed at the facility to make new concrete and foundation material. This material is reused in construction projects at the airport.



Higher airport charges

In early November, Schiphol announces that it will not be raising the airport charges for 2024 by the expected 12 percent, but by 14.8 percent. The additional increase is the result of a regulated process whereby part of the missed revenues over 2022, as a result of less air traffic, can be offset in future charges.

Innovative baggage handling

TU Delft, along with handling companies, Schiphol and KLM, begin research into a new way of working in Schiphol's baggage halls. Besides the installation of lifting aids, the parties want to investigate how digital innovation can support employees in physical work.

Trials to reduce ultrafine particles

Schiphol will be conducting two trials to reduce ultrafine particles on the apron. The airport is investigating whether an innovative installation that cleans the air in indoor spaces next to the airfield also works outdoors. Schiphol is also taking the next step in a study into the use of water droplets to remove ultrafine particles from the air.

Approval for our sustainable ambitions

In September the Science Based Targets initiative gives it stamp of approval to Schiphol's CO₂e goals for 2030 and 2050. In December Schiphol, Eindhoven Airport and Rotterdam The Hague Airport are among the first ten airports in the world to receive the highest possible level for sustainability by Airports Council International.

Experimental Regulation suspended

The government suspends the Experimental Regulation that was announced in 2022. As we had already issued our capacity declaration based on the maximum number of flights permitted in this regulation, Schiphol publishes an addendum to the capacity declaration in December. It states that there is room for a total of 483,000 flights in 2024.



New CEO

At the end of the year it is announced that Pieter van Oord will be RSG's new CEO as of 1 June 2024. He succeeds interim CEO Ruud Sondag, who is staying on until 29 February. Between 29 February and 1 June, Robert Carsouw (CFO) will be interim CEO of RSG.



About us and our Why

Joany Bouman, team leader at security company CTSN:

'The new waiting room is much bigger, lighter and more pleasant than the old one. There's a nice new kitchen with all new equipment. Fridges, microwaves, machines for coffee, tea and soup. It's all there. And it's a lot cozier too. I enjoy going there in my breaks, catching up with colleagues.'

Facts and figures



Quality of Network

126

TPI Intercontinental destinations (2022: 129)

305

direct destinations from Schiphol (2022: 313)

441,969

air transport movements at Amsterdam Airport Schiphol (2022: 397,646)

71

million passengers Schiphol Group (2022: 60.8)

1.38

million tonnes of cargo at Schiphol (2022: 1.44)



Quality of Life

6

TPI Reputation score (2022: 6.0)

-65%

TPI Sustainability (2022: -28.20%)

4%

achieved energy savings at Schiphol (2022: 7.30%)

46.5%

waste separated at Schiphol (2022: 52.33%)

10,000

people that experienced noise disturbance at night (2022: 10,500)



Quality of Work

24

TPI Employee promotor score (2022: 6.8)

2,820

Total average FTE Schiphol Group (2022: 2,478)

31%

female employees (2022: 30.0%)

4.5%

absenteeism (2022: 5.90%)



Quality of Service

36

TPI Net promotor score (2022: 26.0)

59%

TPI On-time performance (2022: 57.00%)

19.18

Euro spend per passenger on airside at Schiphol (2022: 18.84)

94.3%

Real Estate average physical occupancy rate (2022: 94.4%)



Safety first

96

TPI Net safety score (2022: 97.3)

1.6

Lost Time Injury Frequency (LTIF) (2022: 1.2)

93%

departing passengers who had <10 minutes wait time at Schiphol (2022: -)

1,983

new security officers at Schiphol



Robust organisation

2.9%

TPI Shareholders (2022: -0.80%)

9.3

billion Euros total assets (2022: 9.6)

501

million Euros EBITDA (underlying) (2022: 360.5)

32

number of integrity reports (2022: 29)

Key figures

EUR million unless stated otherwise	2023	2022	%
Underlying results			
Revenue	1,852	1,491	24.2
Other results from investment property	-	-	
Operating expenses (excluding depreciation, amortisation and impairment)	1,351	1,130	19.6
Underlying EBITDA¹	501	361	38.8
Depreciation, amortisation and impairment	344	331	3.9
Underlying operating result	157	30	>100
Financial income and expenses	-28	-78	-64.1
Share in results of associates and joint ventures	21	18	17
Underlying result before tax	150	-30	>100
Corporate income tax	-40	11	>100
Underlying result for the year	110	-19	>100
Attributable to non-controlling interests	9	9	-
Underlying result for the year attributable to shareholders	101	-28	>100
<i>Adjustments for:</i>			
NOW government grants	-	11	
Other results from investment property (including the share of results of associates and joint ventures)	-149	-172	
Impairment (share in results of associates and joint ventures)	-1	-10	
Other results from financial assets	-	135	
Other results from financial liabilities	30	-74	
Tax impact	31	52	
Total adjustments	-89	-58	
Result for the year	22	-77	>100
Attributable to non-controlling interests	9	9	-
Net result for the year attributable to shareholders	13	-86	>100
<hr/>			
Total equity	3,499	3,506	-0.2
<hr/>			
Investments in intangible assets and property, plant & equipment	678	444	52.7
Cash flow from operating activities	489	353	38.5

EUR million unless stated otherwise	2023	2022	%
Business areas			
Aviation	-113	-199	43.2
Schiphol Commercial	242	221	9.5
Alliances & Participations	28	8	>100
Underlying operating result	157	30	>100
<hr/>			
Ratios			
Underlying return on equity (ROE) ²	2.9%	-0.8%	
Net Leverage (underlying EBITDA) ³	7.5	10.05	
FFO / net debt ⁴	11.8%	7.4%	
FFO interest coverage ratio ⁵	6.7	4.47	
Solvency ⁶	37.1%	35.9%	
Basic earnings per share (in EUR 1) ⁷	74	-509	
<hr/>			
Business volume (in numbers)			
Air transport movements ⁸	498,156	451,561	10.3
Passenger movements (x 1,000) ⁸	70,902	60,823	16.6
Cargo (x 1,000 tonnes) ⁹	1,378	1,438	-4.2
Workforce in full-time equivalents (average) ¹⁰	2,820	2,487	13.4
<hr/>			
¹ Operating result plus depreciation, amortisation and impairment. ² Underlying net result attributable to shareholders / average total equity attributable to shareholders ³ Net leverage: (interest-bearing debt - cash and cash equivalents*) / underlying EBITDA. *Cash and cash equivalents does not include deposits > 3 months. ⁴ Funds from operations (cash flow from operating activities before changes in working capital) / (interest-bearing debt - cash and cash equivalents*). *Cash and cash equivalents does not include deposits > 3 months. ⁵ Funds from operations plus gross interest expense / gross interest expense. ⁶ Total equity attributable to the owners of the Company / Total assets. ⁷ Based on net result attributable to shareholders. ⁸ Schiphol Group: Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport. ⁹ Amsterdam Airport Schiphol only. ¹⁰ Schiphol Group: Amsterdam Airport Schiphol, Eindhoven Airport, Lelystad Airport and Rotterdam The Hague Airport.			

For further explanation we refer to the [Financial Performance](#) chapter.

Our company

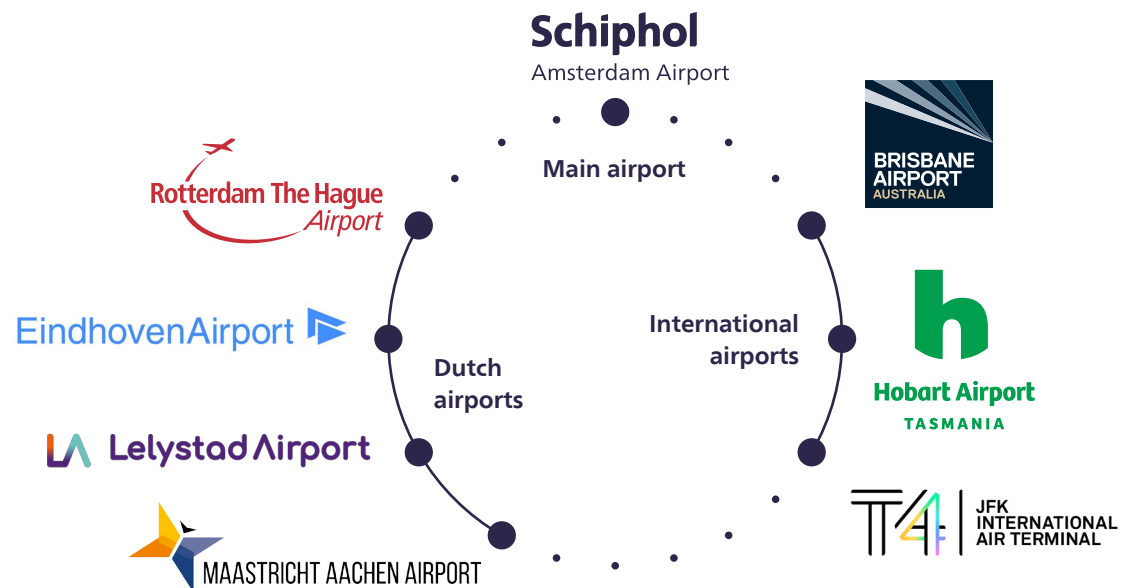
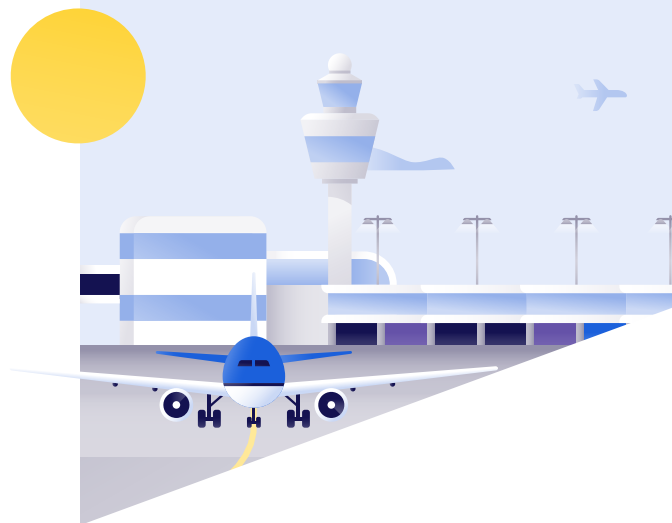
Royal Schiphol Group has an important socio-economic function. The airports in the Group create value for society and for the economy, with safety as a key enabler.

We create value for society and the economy

Royal Schiphol Group is the owner and operator of Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Lelystad Airport, and holds a majority stake in Eindhoven Airport and a 40% stake in Maastricht Aachen Airport. Amsterdam Airport Schiphol is our mainport, a gateway that connects the Netherlands to the rest of the world. Over the years, Schiphol Airport has become one of the best-connected hub airports in Europe, with 305 direct destinations.

volumes went down by 4.2% at 1.38 million tonnes. Schiphol Airport remains an important marketplace: more than 1,300 employers have a connection to the airport. Many are located on the airport site or in close proximity with a combined employee base of approximately 71,000 people.

In 2023, the number of passengers served by the Dutch airports in the Group continued to pick up. Though passenger volumes at Schiphol Airport were still lower than pre-pandemic levels, the volumes were at 18% above 2022 levels at 61.9 million and cargo



Schiphol Group’s partnerships with these other airports in the Netherlands further strengthen our reach and impact, as do our international activities – which account for a substantial share of our Group’s financial results.

In 2023, Royal Schiphol Group acquired a 40% interest in Maastricht Aachen Airport (MAA) for 4.2 million euros. This partnership will contribute to Schiphol Group’s aim to enhance airport sustainability, in part by enabling MAA to accelerate its development as a sustainable and future-proof airport. Electric flying is a key priority, for example. An environmental fund is being set up to drive that ambition. In addition to contributions

from governments and companies, Royal Schiphol Group will put 800,000 euros into the fund.

Schiphol Group also has an interest in the airports of Brisbane and Hobart and manages terminal and retail operations in Terminal 4 at JFK International Airport in New York.

In 2023, we announced our intention to invest three billion euros in catching up on maintenance and upgrades at Amsterdam Airport Schiphol during the coming three years (2024 - 2027) to increase the quality of our assets. The aim of these investments is also to connect the world for our stakeholders and fulfil our ambition of creating the world’s most sustainable, high-quality

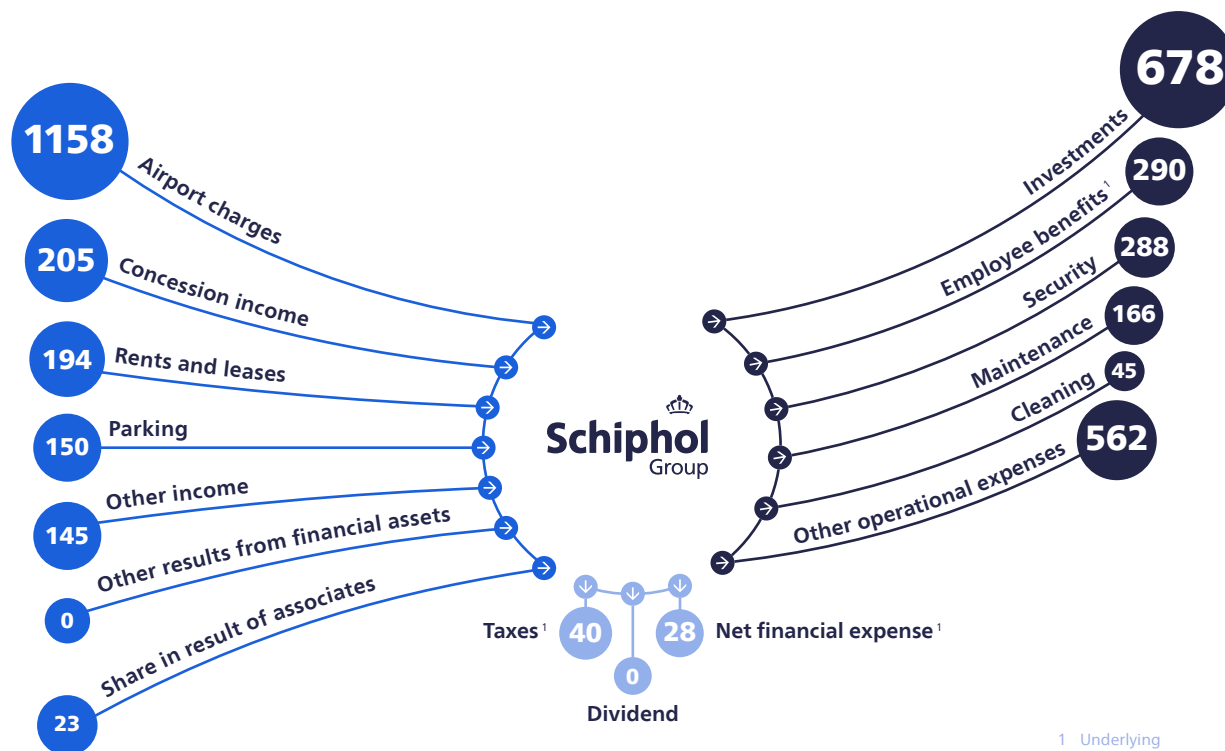
airports. Our robust financial policy seeks to safeguard the independent financing of our business, both today and in the future. Schiphol Group’s core activities are concentrated within three business areas: Aviation, Schiphol Commercial and Alliances & Participations.

In 2023, Schiphol Airport embarked on a hiring drive in response to staffing shortages in 2022. This initiative was not just about numbers, but also marked the introduction of a new fourth cornerstone for our Vision: Quality of Work. This pillar underscores our commitment to ensuring the safety and wellbeing of everyone working at the airport, as well as operational efficiency. Improvements have been made to the working environment, including a major refurbishment of existing rest areas to make them comply with our current quality work standards. The combined impact of these efforts was significant, especially during the busy summer period. Our airport saw remarkable improvements, with 93% of passengers passing through security within a 10-minute window. Indeed, we will continue to invest time and money to ensure that our airport remains an attractive place to work.

Schiphol Group has three shareholders: the Dutch state (69.8%), the municipality of Amsterdam (20.0%) and the municipality of Rotterdam (2.2%). The 8% of Royal Schiphol Group shares that have been bought back from Groupe ADP are currently held by the company (RSG) as treasury shares. This substantial shareholding by the Dutch state is not just a financial stake; it is reflected in our strategy to ‘connect your world’. This approach embodies our commitment to linking the Netherlands with the rest of the world, in line with the government’s Civil Aviation Policy Memorandum 2020-2050. Our goal is to link people, places, and businesses efficiently and sustainably, ensuring safe aviation while contributing to an attractive and healthy living environment embodying our commitment to linking people, places and businesses efficiently and sustainably.

Business model

(x EUR million)



¹ Underlying

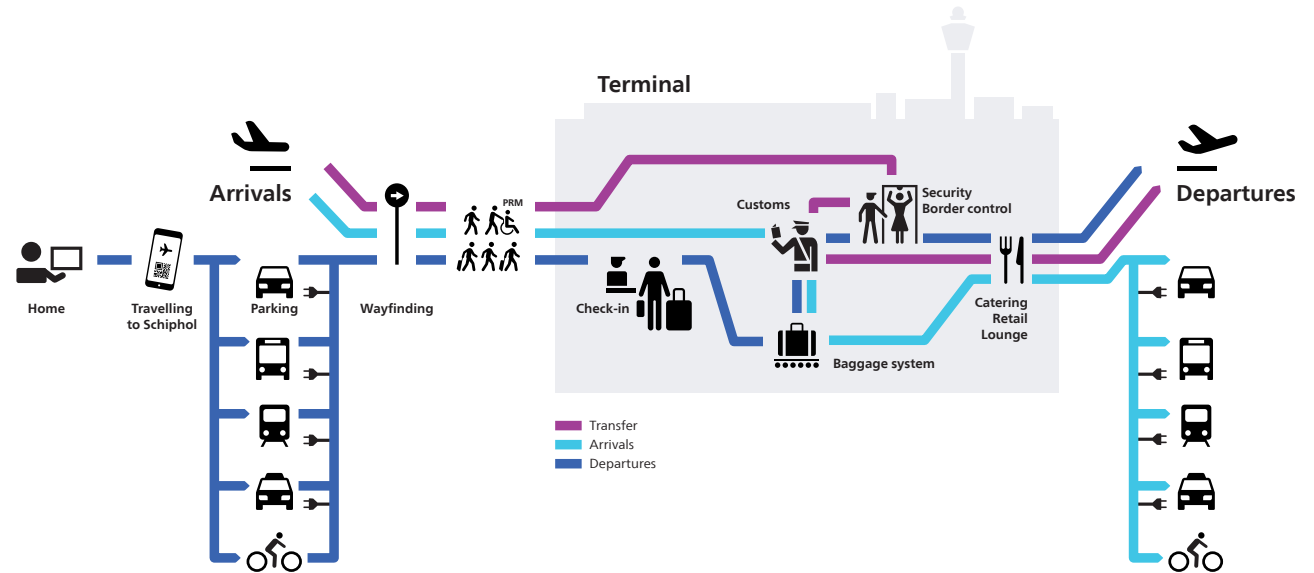
Passenger and airline journey

As an airport operator, we are responsible for the infrastructure and processes that facilitate passengers, airlines, cargo and baggage. Our processes are the basis of our value chain.

Passenger process

Increasingly, passengers check in and receive information online. We are responsible for wayfinding on the airport area and for assisting people with reduced mobility. All passengers and baggage go through security checks, and passengers to and from non-Schengen destinations pass through border control. Passengers wait in the departure lounge before boarding. Arriving passengers may be subject to customs control before entering Schiphol Plaza and continuing their journey.

Passenger journey



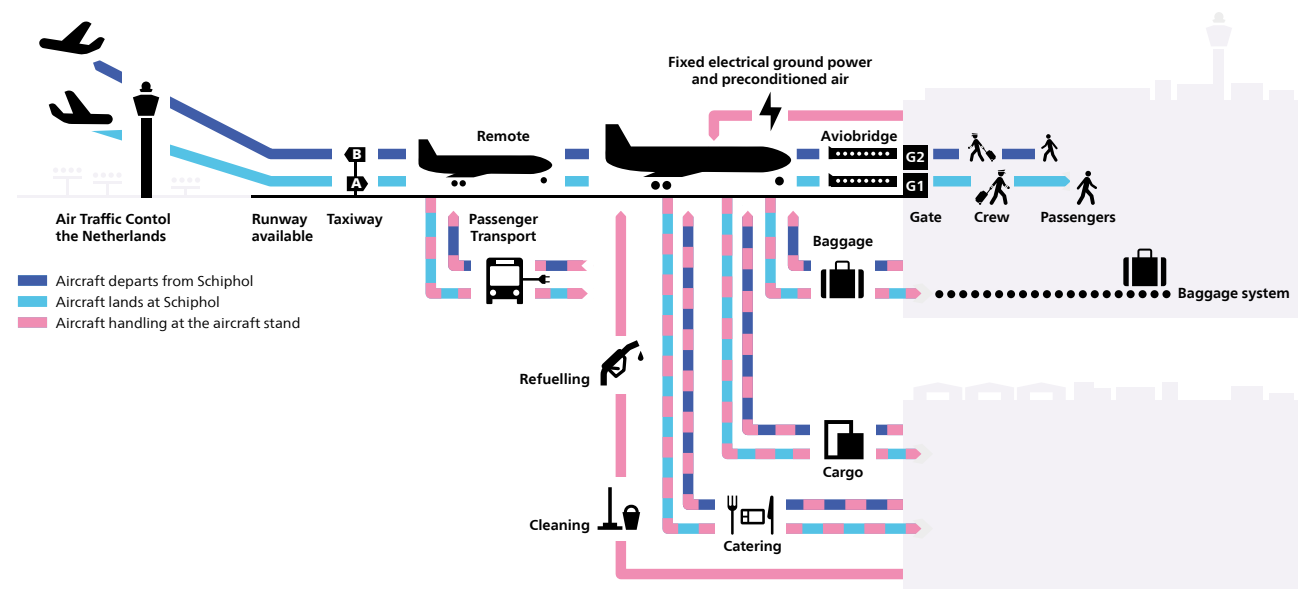
Airline process

Schiphol Group owns, maintains and is responsible for the safety of the runways and the terminal, as well as other airport infrastructure. Real estate is either owned by Schiphol Commercial or its occupants, and contractors carry out services such as security and maintenance. Airlines are responsible for the safe carriage of passengers, baggage and cargo.

Air traffic control is responsible for safely guiding air traffic. The baggage system, passenger bridge and the gate are airport assets, and the airline or handling agent is responsible for all activities associated with aircraft handling. Airline and ground handling staff are also subject to security checks, as is cargo. Cargo may also be subject to a customs inspection.

Airline journey

Aircraft lands at and departs from Schiphol



Our Why, ambition and strategy

Royal Schiphol Group exists to *connect your world*, by orchestrating inspiring journeys and building connections for passengers and other stakeholders. As part of this ambition, we are transitioning into an airport that will act as a front runner in sustainability.

Our Why: Connecting your world

Connecting your world embodies the 'Why' of Royal Schiphol Group. Our airports provide connectivity for passengers and businesses from around the world, allowing international trade, tourism and knowledge exchange to flourish.

In 2023, Schiphol Airport not only witnessed a resurgence in air traffic but also undertook numerous efforts to streamline operations and enhance working conditions. We invested heavily in reducing long queues, increasing wages and improving employment conditions. We also focused on creating better work shifts, minimising inconvenient gaps and reducing wait times for our employees. These comprehensive measures, designed to rejuvenate the airport's functioning, have been pivotal in re-establishing smooth and efficient operations, reflecting our commitment to both our passengers and staff.

Schiphol Airport, recognized as one of Europe's best-connected airports, holds a prestigious position in the Airports Council International (ACI) Europe's 2023 connectivity report – ranking #2 for 'direct connectivity' and #4 for 'global hub connectivity'. This highlights its crucial role in global aviation networks. Complementing this achievement, Schiphol and our airline partners have successfully restored essential connections between the Netherlands and the wider world. These efforts reflect the increasing global and local demand for air travel, symbolising a significant step in re-establishing international links.

Our ambition: Creating the world's most sustainable, high-quality airports

Schiphol Group's ambition to operate the world's most sustainable, high-quality airports is firmly connected with our commitment to our Quality of Work pillar. We are the leading member of the TULIPS consortium, which brings together 29 parties in the aviation chain to accelerate sustainable aviation, underscoring our commitment to both environmental stewardship and the well-being of all our workers. We want our operations to be zero-emissions and zero-waste by 2030 and to function as an energy-positive and fully circular organisation by 2050. Equally important, we will continue to play a leadership role in driving sustainability across the aviation sector, aiming for net-zero carbon emissions aviation by 2050.

Schiphol Group's strategy amidst government aviation reforms

In 2022, the Dutch government announced plans to enforce a cap on flights from Schiphol Airport. The cap aimed to progressively reduce the number of flights. The first step was to limit flights to 460,000 air traffic movements a year. This staged implementation was designed to gradually bring the cap into full effect. However, this was meant to be an interim measure; the intention was to further reduce the number of flights a year to 452,500 by November 2024. Instead of a fixed ATM, Schiphol Group would like to see a system where the level of environmental impact determines the number of annual air traffic movements.



The Dutch government decided to suspend the Experimental Regulation until further notice on 14 November 2023. Of course, the minister's decision has an impact on capacity at Schiphol. However, we had already defined the capacity declaration for the summer of 2024 based on a maximum of 460,000 flights.

That is why the minister initially asked Schiphol and partners such as Air Traffic Control the Netherlands (LVNL), the Royal Netherlands Marechaussee, Customs and the airlines to determine how many flights we would be able to accommodate in 2024, ensuring this will be done in an operationally responsible way. The minister also pointed out that the (increasingly limited) availability of air traffic controllers at LVNL, due to labour market shortages, will also play a role. This process has been completed. Schiphol has set its new capacity for 2024 at 483,000 flights, and the slot coordinator has allocated the slots. This explains why JetBlue, for example, can maintain their operations at Schiphol Airport.

In our view, the suspension of the Experimental Regulation is a disappointing development that will result in local residents getting the short end of the stick. Reducing the number of flights was not an end in itself for Schiphol, but there was finally clarity and certainty for our neighbours. A return to anticipatory enforcement leads to more uncertainty, also for the aviation sector.

While the Dutch government's suspension of the Experimental Regulation and the resulting uncertainties pose challenges for both Schiphol and its local residents, Schiphol has been proactively addressing these issues. Recognising the need for a sustainable balance, Schiphol Group independently developed its own strategy to harmonise airport operations with community interests. This initiative led to the creation of the 'Quieter, Cleaner, Better' 8-point plan in the spring of 2023 (see box for full details). We have been working for some time on improving quality of life for our neighbours, but we felt it was time to shift up a gear. The 8-point plan focuses in particular on three key aspects: night closure, banning private jets, and prohibiting the noisiest aircraft.

We want to stop flying during the night, starting in winter 2025-2026. By no longer allowing flights to arrive between 00:00 and 05:00, there will be around 10,000 fewer night flights. We will limit the reallocation of flights to the very start or very end of the night/early morning as much as possible too. In this way, we will help our local residents get a better night's sleep. Moreover, our intention to ban private jets would prioritise commercial and essential flights in order to mitigate noise nuisance.

Our position on prohibiting the noisiest aircraft signifies a shift in our operational policy. We want to reduce the number of noisiest aircraft on our premises as of 2025-2026. By tightening the maximum permissible daytime and night-time noise limits and further encouraging the use of quieter aircraft, nuisance in the surrounding area will decrease. Our current airport fee system penalises noisier, more polluting aircraft, which pay up to five times more in landing and take-off fees compared to quieter, less polluting aircraft.

We are pushing airlines towards using more modern, quieter and environmentally friendly fleets. This approach aligns with our broader vision of sustainable aviation. It not only illustrates a commitment to improving the quality of life for those living near our airports, but it is also an important step towards regaining the trust of employees, passengers, local residents, politicians and society at large.

Quieter, Cleaner, Better: Our eight-point plan

Schiphol has been connecting the Netherlands to the rest of the world for more than 100 years. However, we realise that our activities have an impact on the environment and the local area. That is why we are going for a quieter, cleaner and better Schiphol. Keeping in mind the reality of external dependencies, we are continuously committed to moving forward with the following eight steps:

1. **New rules with clear limits for carbon emissions.**
We want to transition as quickly as possible, by 2025-2026 at the latest, to a new system with clear agreements on noise and CO₂e emissions. We are calling on the government to come up with a legally enshrined system in which the means (the number of air transport movements) is no longer leading, but rather the end (less nuisance and emissions, in line with the Paris Agreement). Because by flying in cleaner and quieter aircraft, and with sustainably produced fuels, we achieve what we really want: lower impact aviation. In this way, we better balance our operations with the needs of the environment and our employees, and we contribute to global climate goals.
2. **The noisiest aircraft are no longer welcome.**
The quieter the better. After all, the noisiest aircraft cause above-average noise nuisance. That is why we want to prevent even more of the noisier types of planes from coming to Schiphol. By tightening the maximum permissible daytime and night-time noise limits and further encouraging the use of quieter aircraft, nuisance in the surrounding area will decrease.
3. **No take-offs between midnight and 6 AM, no landings between midnight and 5 AM.** We want to stop flying during a large portion of the night. By no longer allowing aircraft to depart between 00:00 and 06:00 and by no longer allowing flights to arrive between 00:00 and



05:00, there will be around 10,000 fewer night flights. We will limit the reallocation of flights to the very start or very end of the night/early morning as much as possible too. In this way, we help our environment get a better night's sleep.

4. **No more private jets and small business aviation at Schiphol Airport.** We want to stop facilitating business air traffic and air taxis at Schiphol-East (General/Business Aviation) as of 2025-2026. Although these flights do not count towards the maximum number of permitted aircraft movements, they do cause a disproportionately large amount of noise nuisance and CO₂e emissions per passenger compared to commercial flights. By only accepting social air traffic, such as police and ambulance helicopters and the coast guard, the nuisance and emissions from small aircraft are significantly reduced.
5. **No additional runways.** We are definitively abandoning plans for a parallel Kaagbaan Runway. Land for this has been reserved for more than 20 years but it puts unnecessary pressure on the already scarce space in the area. A study in 2019 showed that a second Kaagbaan would not lower noise nuisance but only transfer it to

another location. Besides, an additional runway is unnecessary at the current and projected number of aircraft movements. We are asking the government to revoke the planning reservation, thus ensuring clarity for our environment.

6. **Annual investment of up to 10 million euros for the coming 7 years in local environment and residents.**
We realise that, despite all nuisance-reducing measures, aviation continues to have an impact on the local environment. Therefore, we are setting up an environmental fund. Between now and 2030, Schiphol is planning to make up to 70 million euros available (10 million euros per year) through this fund to be invested in innovative construction concepts, home insulation and area development. This way, we contribute to the improvement of the living environment.
7. **Safeguarding cargo.** We are committed to safeguarding the position of cargo at Schiphol and that's why we want to keep 2.5% of the available take-off and landing slots available for cargo starting 2025-2026. The cargo sector provides a lot of employment opportunities in the area and is valuable for the economy and business climate. We do expect cargo companies to comply with the new, stricter rules for noisy aircraft.
8. **People first.** We want people to work with pride and dignity at our airport again. Whether they are employed by Schiphol or another employer. For too long we have focused on lowering costs and now we realise it's time for a new approach. Because everyone at Schiphol matters. There must be good terms and conditions of employment for everyone working at the airport. We are committed to better pay in all sectors, better protection against emissions, less competition between handling companies and better conditions of employment in baggage handling. That's how we can make sure people come to work at Schiphol and stay here.

Trends and developments

The aviation sector in 2023 was a complex landscape, shaped by ongoing economic recovery, fluctuating demand, and evolving travel patterns in the wake of the global pandemic and ongoing geopolitical uncertainty as a result of the war in Ukraine and the ongoing conflict in the Middle East. The industry, both regionally around hubs such as Amsterdam Airport Schiphol and globally, is navigating a path marked by recovery and adaptation.

Globally, the aviation industry is contending with various macroeconomic factors. Inflation and economic uncertainty have become key concerns, even though inflation seems to be stabilising. But uncertainty affects consumer confidence and behaviour when it comes to disposable income. This, in turn, affects people's propensity to fly. And while leisure travel has shown recovery, business travel lags. The shift to remote work and virtual meetings continues to impact the demand for business travel, a traditionally lucrative segment for airlines.

Air France-KLM take over SAS

In November 2023, Air France-KLM acquired 20% of SAS. This fits in with trend towards consolidation in Europe, in which weaker companies are being taken over by larger ones. The takeover followed approval by a New York bankruptcy court of a rescue plan for SAS worth 1.2 billion dollars.

This acquisition is likely to have a positive impact on Amsterdam Airport Schiphol. As a primary hub for Air France-KLM, Schiphol's traffic and connectivity could be enhanced by this takeover. The integration of SAS's routes into Air France-KLM's network promises to expand our reach, particularly in the Northern European market.

Cargo volumes and business travel

In 2023, cargo volumes at Schiphol were slightly lower than in 2022. The number of cargo flights also fell. However, according to the IATA, the overall global month-to-month trend was significant growth in the final months of 2023, growing by 8.3% in November 2023. According to Willie Walsh, IATA's Director General, these figures are an encouraging trend at the end of the year, especially given the economic concerns in 2023.

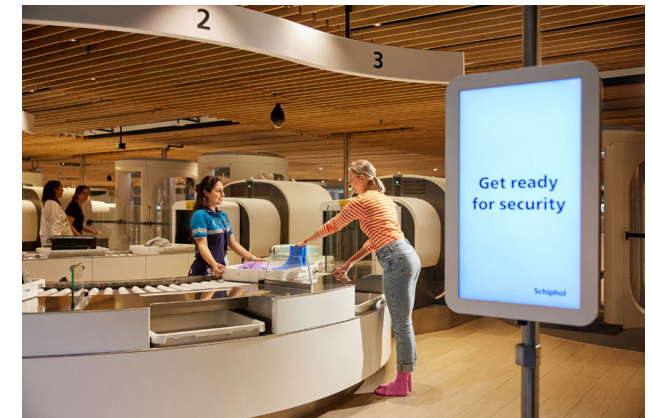
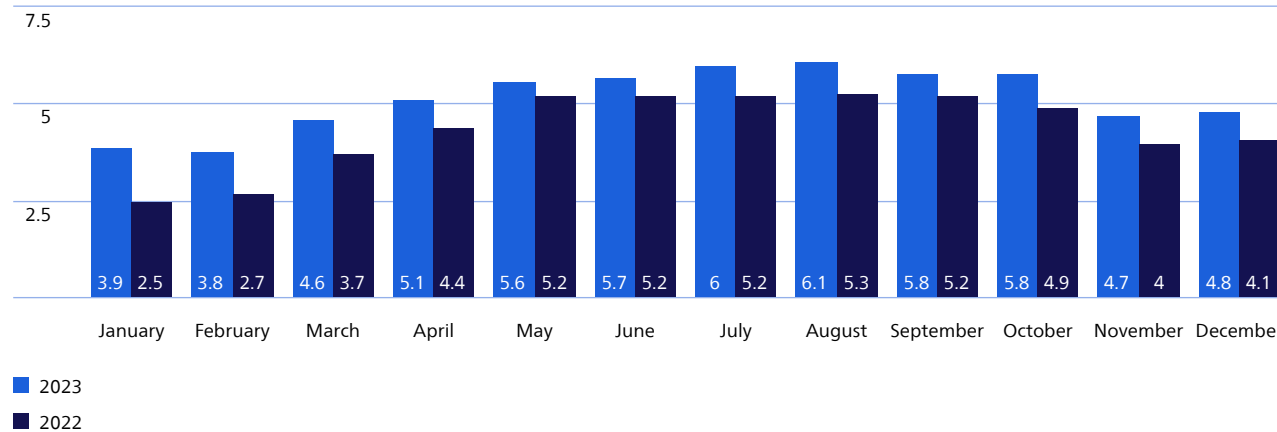
According to European Business Aviation Association (EBAA), business activation activity in Europe was at about 8% below its levels from 2022 by November 2023. This translates into 160 fewer daily business aviation flights compared to 2022. The decrease affected all types of aircraft and most major European airports. In other regions, North America also performed worse in 2023 than in 2022. Asia and Africa were the exceptions. Both these regions experienced an increase.

Temporary cap on passenger numbers lifted

In an important move forward, in 2023 Schiphol Airport lifted the temporary cap on departing passenger numbers that was introduced in 2022 to manage the long queues resulting from staffing shortages and ensure passenger safety. The removal of this cap signals a return towards our normal ways of working. As a sign of Schiphol Airport's improved operations, we are proud that 93% of passengers are now processed through security within a 10-minute time frame. As for the total passenger number, 71 million, it reflects the airport's regained strength and its ability to handle a high volume of travellers effectively.

Development of passengers volumes

Number of passengers (incl. transit) in millions



We improved our efficiency: 95% of the passengers processed security within a 10-minute time frame.

2023: A turning point in improving relations with external workers

Staff shortages and poor working conditions in security and ground-handling led to a strained relationship between the airport and these external staff in 2022. 2023 marked a turning point in the resolution of these issues. This is reflected in the agreement we reached with the FNV and CNV trade unions to permanently improve working conditions, a move that sets a new standard in employee welfare. We have focused more on improving the working experience of these employees at our airport site, promoting health, safety and positive industrial relations. A significant achievement in 2023 was our success in solving the long-standing problem of long queues for passengers, a direct result of these improved working conditions for security staff. These measures reflect our commitment to the fourth cornerstone of our vision, quality of work.

These improvements cover a number of aspects, including actively improving the physical working environment, such as rest areas and toilets, and ensuring that employees can commute to work free of charge. In addition, we are making full use of the permanent staff of security companies and adopting more inclusive recruitment strategies, among other things to achieve a balanced gender ratio among security personnel. Our actions demonstrate a holistic approach that not only addresses past issues, but also sets out improved principles for working together and a new code of conduct for suppliers. These principles include setting minimum requirements in labour-intensive tenders to ensure high standards of work, further demonstrating our commitment to improving working conditions for all airport employees and directly contributing to our success in improving the passenger experience by effectively managing queuing times.

Travelling during geopolitical instability

Despite the challenges from an increasingly volatile geopolitical climate, the aviation sector demonstrated resilience in 2023, maintaining an upward trend in passenger demand despite uncertainties in fuel prices and international travel routes. The ACI predicts the sector will surpass 2019 passenger levels in 2024, but the ongoing war in Ukraine and escalating conflicts in the Middle East have introduced uncertainty, potentially impacting airline operations, cost structures, and slowing growth. Particularly, the Ukraine conflict affects passenger and cargo routes, with closed airspace around Ukraine and Russia necessitating alternative routes, influencing ticket prices and travel times.

Focus on nitrogen impact

As a country, the Netherlands has a duty to protect nature. It is therefore necessary to reduce nitrogen emissions. Schiphol Group is committed to this goal. Our Nitrogen Action Plan outlines a range of measures to achieve this goal. Internally, for example, Schiphol Group is reducing its nitrogen emissions through the electrification of ground-handling equipment. We also promote and support sustainable transport to and from our airports.

In 2023, Amsterdam Airport Schiphol received its nature permit. To obtain this permit, we had to make sure that our nitrogen depositions in Natura 2000 sites did not exceed a historical reference value. To ensure this is the case, in those areas in which Schiphol Group and the airlines deposit too much nitrogen, we introduced external measures to lower the remainder of our excess emissions that could not be reduced with internal measures. For these external measures, we had a strong preference for a coordinated approach, for example via the use of a so-called 'nitrogen bank' from the government. Unfortunately, these instruments were not available. As a result, we eventually decided to purchase the nitrogen rights of farms, paying farmers fair market value for their land and/or nitrogen rights. By buying these nitrogen rights and generating more emission space, we created the conditions needed for the government to grant Amsterdam Airport Schiphol a nature permit.

Sustainability top of mind

In 2023, the aviation industry took further steps towards a more sustainable and environmentally friendly value chain. These steps were taken against the backdrop of the latest Intergovernmental Panel on Climate Change (IPCC) report and the outcomes of the COP28 conference, both underscoring the urgent need for climate action across all sectors. These global discussions have heightened awareness, highlighting how the aviation industry is not only a part of the climate challenge but also a crucial player in the solution. At Schiphol, we introduced our Quieter, Cleaner, Better plan. At the heart of this plan is the realisation that our activities have an impact on the environment and the local area. And an awareness that the drawbacks involved should play a greater role in the choices we make. Recognizing this responsibility, we at Schiphol have committed to taking action to restore the balance. This commitment is a key part of our ambition to change, acknowledging that we need to actively participate in creating a more sustainable future.

ACI Accreditation and Science Based Targets initiative

A milestone in 2023 was the fact that Schiphol, Eindhoven Airport and Rotterdam The Hague Airport were awarded the highest level of accreditation for airport sustainability by the industry association Airports Council International (ACI). The three Royal Schiphol Group airports are among the first ten airports in the world to achieve this level. To be eligible for this ACI accreditation, airports had to reduce their own carbon emissions by 90% or more by 2022 compared to 2010.

ACI has added a new higher level to its CO₂ benchmark: Level 5. This ACI benchmark shows the extent to which airports around the world are reducing carbon emissions from their own ground-based activities. Airports that achieve Level 5 certification have not only reduced their emissions by 90%, but have also achieved net-zero emissions. In addition, airports are actively working with other organisations to reduce the emissions of the whole aviation sector and other indirect emissions, such as traffic to and from the airport, to zero.

In 2023, the Science Based Targets initiative gave its seal of approval to Schiphol's sustainability goals for Scope 1, 2 and 3 emissions for 2030 and 2050.

Net-zero emissions

Schiphol Group leads the TULIPS consortium, a collaborative effort of 29 entities including airports, airlines, knowledge institutes and industrial partners that aims to accelerate the adoption of sustainable aviation technologies. With 25 million euros in funding from the European Commission as part of the European Green Deal, TULIPS is an important force in the industry's journey towards zero-emissions and zero-waste airports by 2030, and achieving net-zero carbon emissions in aviation by 2050.

Schiphol Airport and Rotterdam The Hague Airport will serve as a 'living lab' for 17 innovative projects under TULIPS, focusing on sustainable solutions such as hydrogen-powered vehicles, electric and hydrogen power supply facilities for aircraft, and the use of circular materials.

A significant part of this consortium's work involves developing and testing emerging 'green' aviation technologies, such as hydrogen and electric aircraft. Rotterdam The Hague Airport (RTHA) is at the forefront of this initiative, serving as a testing ground for these sustainable aviation innovations. The Fieldlab Next Aviation project, spearheaded by RTHA, is exploring new propulsion techniques, including hydrogen fuel, with the first ZeroAvia hydrogen-powered flight anticipated for 2025.

Complementing these efforts, Schiphol's zero-emission airside program is central to our sustainability vision. We have made strides by transitioning to electric Ground Power Units, thereby reducing emissions and ultrafine particles. Our goal is to ensure that all ground-handling operations at Schiphol are emission-free by 2030, aligning with our broader sustainability roadmap.

However, our commitment extends beyond these initiatives. Schiphol Group is actively evolving its approach to Scope 3 CO₂ emissions. Indeed, we recognise the need for the Dutch aviation

industry to accelerate CO₂ reductions to remain aligned with the Paris Agreement, beyond current targets.

Schiphol Group supports global measures through the International Civil Aviation Organization, advocating for initiatives such as a global kerosene tax or blending mandate. Recognising the potential limitations of these measures, we also support the strengthening of EU policies. A key aspect of this is our backing for the expansion of the EU ETS system to include long-haul flights, addressing the 'polluter pays' principle. Notably, 80% of Schiphol's CO₂ emissions are generated by 20% of the flights, predominantly long-haul flights.

To mitigate carbon leakage, we endorse the application of the CBAM regulation to aviation. Furthermore, we propose a restructured aviation tax, dependent on distance, increasing with the length of the flight. The revenues from this tax should be reinvested into the sustainability transition within the aviation industry. These measures collectively reflect our comprehensive approach to not only achieving net-zero emissions but also driving broader systemic change in the aviation sector.

Sustainable aviation fuels

As part of the transition to sustainable aviation, Schiphol Group is involved on several fronts when it comes to promoting the use of SAF. For example, we give airlines credit in our airline fees for using sustainable aviation fuels. Between 2022 and 2024, Amsterdam Airport Schiphol is contributing 15 million euros towards incentives to use SAF. Airlines flying into and from Schiphol Airport are eligible to take advantage of this incentive.

In addition, Rotterdam The Hague Airport has an online tool called 'Fly on SAF'. This digital resource allows passengers to lower the carbon emissions of their flight by replacing fossil kerosene with SAF. RTHA also signed a long-term agreement with Shell in November 2023 to start blending sustainable aviation fuel into all aircraft refuelling at RTHA from 2024. At the airport, at least 8% additional sustainable aviation fuel will be blended on top of the European blending obligation of 6%. This will help to achieve the Dutch aviation sector's 14% target in 2030.

Emirates will be flying from Schiphol Airport partly on SAF next year. Air France-KLM is already using it, following the purchase of 1.6 million tonnes of SAF in 2022. In 2023, the multi-year agreement kicked in and will see Neste supply SAF over an eight-year period, with DG Fuels, a front runner in renewable hydrogen and biogenic-based, synthetic low-emissions aviation and diesel fuel, contributing from 2027 onwards.

Cleaner, quieter aircraft

To address the pressing issue of noise pollution, Schiphol Group is encouraging the use of quieter aircraft by offering reduced airport charges to airlines that operate these models. This policy not only gives airlines an incentive to modernise their fleets with quieter, more efficient aircraft but also supports manufacturers such as Airbus and Boeing in their development of engines that consume less fuel and produce fewer emissions.

Transavia has already taken a step towards sustainable aviation by renewing its fleet with new Airbus aircraft. The first flight with this new aeroplane took off on 5 January 2024. Transavia's decision aligns with the broader aviation industry's efforts to become cleaner and quieter. The new Airbus aircraft are chosen for their quieter, more fuel-efficient capabilities, promising a 15% reduction in fuel consumption and carbon emissions. Furthermore, these planes are designed to halve the noise footprint, benefiting both the environment and communities near airports.

In collaboration with Air Traffic Control the Netherlands (LVNL), Schiphol Airport is optimising flight paths and runway use to minimise noise disturbance. LVNL's strategic routing allows for take-offs, landings, and flights along trajectories that limit noise impact on surrounding communities, particularly through the use of the Kaagbaan Runway for incoming flights and the Polderbaan Runway for outgoing ones, which traverse less densely populated areas.

In addition to these operational changes, we are championing innovative solutions such as supporting DeNoise, a startup focused on developing soundproofing technology for residential

windows. This technology holds the promise of improving the living conditions of local residents.

Workplace quality

Schiphol's commitment to sustainability extends to workplace quality, with the airport taking proactive steps to ensure a safe and health-conscious work environment. Initiatives to improve air quality at our stands and the implementation of robust safety standards reflect our dedication to our employees' wellbeing. This includes the gradual replacement of fossil-fuel-powered vehicles with electric ones across various operational areas. Our transition encompasses a wide array of vehicles, from standard cars and delivery vans to pushback tractors and lorries. Additionally, more specialized equipment such as conveyor belt loaders, catering lifts, passenger staircases, and generators are also being shifted to electric models. These efforts reflect our dedication not only to our employees' wellbeing but also to reducing carbon emissions at our airports.

These initiatives reflect our commitment to playing a leading role in sustainable airport operations and being a responsible community neighbour. With the Cleaner, Quieter, Better plan, we are setting a benchmark in the aviation industry, demonstrating that environmental stewardship and operational excellence can go hand in hand.

A technology-driven landscape

In 2023, airports and airlines continued to explore and adopt cutting-edge digital advancements to enhance the travel experience and refine their services. Solutions such as biometrics, facial recognition technology and CT scanners are increasingly being introduced in airports around the world, enabling streamlined, paperless and more efficient passenger processes. Building on this momentum of innovation, Schiphol Airport has also embraced a pioneering initiative, Deep Turnaround. This program uses artificial intelligence (AI) to transform and optimise aircraft turnaround processes for enhanced efficiency, sustainability and performance. A notable benefit of Deep Turnaround will be its impact on improving our on-time performance, thereby increasing overall passenger satisfaction.

Deep Turnaround provides historical, real-time, and predictive insights to all stakeholders involved through a tailored dashboard or data stream. By accurately detecting over 70 unique turnaround events across 30 processes, Deep Turnaround can pre-empt delays, enabling proactive decision-making. This predictive capability is especially crucial, as traditionally, 40%-50% of flight delays are attributed to turnaround activities, where misalignment and inefficiencies are common.

Deep Turnaround is expected to reduce carbon emissions through the detection of Auxiliary Power Unit use and optimising asset and resource management. Its implementation can lead to a reduction of turnaround delays by up to 30%, improving passenger experiences and increasing overall airport capacity without the need for additional stands. All these measures support our Cleaner, Quieter, Better programme, affirming its commitment to becoming a more sustainable airport while maintaining operational excellence.

SWOT analysis

Strengths

- Resilient network of destinations
- Strong hub position of Schiphol in Europe
- Excellent hub facilities, i.e. one-terminal concept
- Sustainability at our premises
- Economic strength of the Randstad region and attractiveness of airport city

Opportunities

- Digitalisation, artificial intelligence, automation and big data
- International activities and partnerships
- Sustainable aviation and innovation initiatives
- Train travel synergies, e.g. train station below terminal

Weaknesses

- Capacity shortage during peak hours: terminal, stands, border control, customs, LVNL and railway station
- Operational and sourcing model
- Current state and future reliability of assets
- Declining airport customer experience assessment and Airport Service Quality ranking
- Perceived negative cost/service quality balance by airlines
- Labour conditions in the baggage halls and on the platforms
- Very limited financial buffers as a consequence of COVID-19 losses

Threats

- Challenging geopolitical and macroeconomic climate
- Terrorism and cyberthreats
- Worsening labour market and ageing workforce
- Pressure on cargo volumes from slot allocation system
- European Entry-Exit System legislation
- Influence of social and political debate on number of permissible air traffic movements

Royal Schiphol Group's ambition, outlined in our Vision 2050, is to create the world's most sustainable, high-quality airports, setting a new, aspirational goal for our organisation and the aviation value chain.

Our Vision 2050

Vision 2050 is our aspirational goal, our long-term ambition. It lays the foundation for our business strategies and Master Plan, serving as the point of reference for discussions with our partners and stakeholders. The cornerstones of our Vision, the four Qualities – Quality of Network, Quality of Life, Quality of Work and Quality of Service– rest on a foundation of two key enablers: Safety first and a Robust organisation. These fundamental pillars will guide our Group through the challenging period ahead.

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Connecting your world

Creating the world's **most sustainable** and **high-quality** airports



Enablers



Quality of Network

Maintaining a high-quality network is an essential pillar of our Vision 2050. Together with our other airports, Amsterdam Airport Schiphol provides and facilitates the connectivity that is vital for an open economy such as the Netherlands. Flight frequencies are on the rise again, enabling us to maintain the vast majority of our destinations and our connectivity. Indeed, Amsterdam Airport Schiphol is still high in the ‘direct connectivity ranking’ of European airports, based on the 2023 Airport Industry Connectivity Report – though it did slip from first to second place in the ranking in 2023, behind Istanbul.

Schiphol Group remains steadfast in its commitment to preserving a high-quality network, a cornerstone of our Vision 2050. While we navigate the complexities brought on by the suspension of the proposed flight movement cap, our focus remains on maintaining the connectivity crucial for the Netherlands’ open economy. We will continue our discussions with the government, seeking a resolution that not only upholds our network’s integrity but also prioritises the environmental footprint over the volume of air transport movements, thereby ensuring clarity and direction for all our stakeholders. We also remain committed to balancing the requirement for a high-quality network with the need to safeguard Quality of Service for our customers, Quality of Life for local residents and wider society, and Quality of Work for our own employees.

Quality of Life

As outlined by our Most Sustainable Airports roadmap, Schiphol Group aims to operate zero-emissions and zero-waste airports by 2030. We also aim to uphold the principles of sustainable aviation and ensure a healthy living environment for local residents. This means prioritising the needs of local communities by ensuring noise pollution remains at an acceptable level as the aviation industry continues to grow again.

Key initiatives include the ‘Minder Hinder’ noise reduction programme in collaboration with LVNL. This multifaceted strategy includes using flight paths and runways that minimise disturbance, and incentivising airlines to operate quieter and cleaner aircraft by offering reduced airport charges. The launch of our [8-point plan](#), ‘Quieter, Cleaner, Better’ further supports these efforts and aims to create a harmonious balance between our airport, the aviation industry and the surrounding environment. Key focus areas include implementing night closure, banning private jets and prohibiting the use of the noisiest aircraft, marking a step towards a more sustainable and community-friendly approach to aviation at Schiphol Airport.

Schiphol Group’s sustainability strategy is further supported by the TULIPS alliance, aiming to accelerate the rollout of innovative technologies across the aviation sector. Our airport charges scheme, in effect from 2022 to 2024, includes incentives for using sustainable aviation fuels and cleaner, quieter aircraft. We are also continuing our policy of banning the noisiest aircraft. In our capacity declaration for the 2024 summer season, we listed 87 aircraft types that are no longer welcome at Schiphol.

These initiatives are critical to ensuring our license to operate as an airport, shifting the focus from last year’s recovery-oriented strategy to one that puts people first. In 2023, our priorities were taking social responsibility and putting the needs and wellbeing of our communities at the forefront of our operations.

Quality of Work

In line with the 2022 Social Agreement, Schiphol Group is integrating a new cornerstone into our vision: the Quality of Work. This focuses on enhancing work standards at Schiphol Airport for everyone involved, aiming to establish it as the world’s leading sustainable, high-quality airport.

The past year revealed significant labour market challenges impacting airport operations. Key services such as security, passenger assistance, cleaning and ground-handling rely heavily on efficient labour organisation. We have seen that optimal functioning between the labour market and Schiphol Airport is not a given, and we are simultaneously navigating the complexities of a fluctuating labour market as well.

Central to our mission and a fundamental element of our eight-point ‘Quieter, Cleaner, Better’ plan is the principle that people come first. At Schiphol Group, we are deeply committed to our social responsibility as an employer and as an airport operator. Our aim is not only to provide a rewarding work environment, but also to prioritise the well-being and development of our employees.

This includes offering fair wages, work-life balance, career opportunities and safe working conditions until retirement, underlining our commitment to putting our staff first in everything we do. To further this commitment, we have introduced measures such as providing rest areas and other support mechanisms to improve the work environment. Moreover, the introduction of electric cars on airside not only supports our environmental goals but also improves air quality for our staff working in these areas.

Our Quality of Work initiative aims to provide inspiring and attractive working conditions for Schiphol’s employees, promoting health, safety, and positive labour relations. This includes setting an agenda for quality work policies and initiatives through social dialogue, which is vital for supporting and monitoring these efforts.

The renewal of the Schiphol Social Agreement in 2023 marked the first time this agenda was set through social dialogue, further detailed in the ‘Employment practices value chain’ chapter.

Quality of Service

At Schiphol Group, we are committed to creating the most sustainable, high-quality airports. We aim to do this by orchestrating smooth and inspiring passenger experiences, supported by efficient, digitally enabled airport processes. This commitment was recognised in 2023 when Schiphol Airport was ranked #2 for 'direct connectivity' and #4 for 'global hub connectivity' in ACI Europe's 2023 connectivity report, underscoring our status as a premier global hub.

Confronted with the challenge of long queues at security checkpoints in 2022, we took decisive action in 2023 to bolster our workforce, particularly those integral to operational efficiency. Our targeted investments in staff and technology have improved service levels. During peak travel times, such as the May vacation and summer break, we were again able to provide the high-quality service our customers expect, with 93% of passengers clearing security in under 10 minutes. In addition to these improvements and supplemental to our multi-year maintenance plan, in 2023 we announced that we would invest a further three billion euros in infrastructure and facilities across our airports.

Quality of Service extends beyond serving air passengers: our airports are a place where people from all walks of life – travellers, businesses, students and research institutions – can come together. Our real estate and commercial teams further support the local business community and knowledge economy by connecting people, businesses and ideas from around the world, and by providing high-quality workspaces for our tenants.

Schiphol Airport uses technology and data to improve the passenger experience. Innovations such as smart maintenance provide insights into how airport assets are performing and when they require maintenance. We also work closely with the aviation chain to meet the needs of our customers: Schiphol's Airport Operations Centre (APOC) enables us to jointly manage essential aviation processes alongside our key aviation partners, with efficient exchanges of knowledge and data.

Safety first

Safety remains one of the key enablers of our four qualities, as we continue to prioritise the health and well-being of those using our services. As an operator of airports, we have a responsibility to safeguard the health of our passengers, employees and other visitors by carefully managing our facilities and processes.

Schiphol Group remains committed to ensuring the safe running of our airport operations for all those working at the airport site, as well as safe surroundings for passengers and local residents. We have safety-focused measures in place at all times to support our goals. Our medium-term safety objectives are outlined in the Safety Improvement Roadmap Schiphol and implemented through the Integral Safety Management System (ISMS). The shared goals are to control current safety risks, reduce future risks and create shared opportunities for continuous safety. This integrated approach to collaboration on safety makes the Netherlands a global front runner in aviation safety. We want air travel to remain the safest mode of transport, and we will do our part by ensuring safety remains our top priority.

In 2023, we made considerable investments in airport processes and infrastructure. The multiphase project to upgrade the Quebec taxiway into a dual taxiway system is advancing steadily, with the completion anticipated in the coming years. This enhancement will facilitate air traffic control operations and reduce aircraft queue times, improving airside safety and service quality. In addition, Schiphol Airport is embarking on extensive maintenance to renovate aircraft stands and taxiways, ensuring robust asphalt and concrete surfaces across the airport. To maintain a safe and accessible environment, adjustments to roads and viaducts are also underway, reflecting our ongoing efforts to reinforce safety and accessibility at our airport. Security is fundamental for safe and efficient airport operations. In 2023, our top priority was to restore the efficiency and predictability of the security process. Our efforts were driven by three pillars: Improving manpower capacity, enhancing the productivity of our security process and ensuring the availability of our security assets.

We are also looking to introduce technological innovations to improve our security processes in terms of compliance, passenger friendliness, employee satisfaction and cost. We use state-of-the-art technology, such as CT and Security scanners. In addition, we are working with external experts to develop software solutions for our 3D cabin bag screening equipment that will support the work of airport security staff.

Robust organisation

To cope with similar shocks in the future, we need to focus on restoring our financial resilience. To restore this financial resilience, we need to ensure that our regulated airport charges cover the costs and investments associated with our core aviation product. In 2021, we set airport charges for the three-year period 2022-2024. Although the airport charges have increased, Schiphol has faced significant additional costs due to inflation, the social agreement and other quality of work initiatives, for which it does not receive cost recovery through the airport charges as these were already set in 2021. In addition, restoring financial resilience is necessary to finance the multi-billion euro investments in infrastructure and facilities at our airports, which are part of our multi-year maintenance plan. This investment is necessary to improve the quality of our assets and to support our commercial and international activities, thereby increasing profitability and financial resilience.

We uphold the highest standards of integrity. Our robust compliance and integrity programme is designed to monitor employee behaviour and mitigate compliance and integrity risks effectively. We have an Ethics Annual Plan, detailing new developments and preventive measures, including the promotion of ethical behaviour and culture evaluation. In line with our corporate strategy, as outlined in the Fast Forward programme, the eight-point-plan, and the 'people first' perspective, we are also pioneering a vision for sector-wide integrity and social safety within the aviation sector.

Materiality analysis

Royal Schiphol Group serves a large international stakeholder base that ranges from passengers and sector partners to government authorities and local residents. The double materiality analysis gives a comprehensive overview of the topics that have an actual or potential impact on our stakeholders and those that have an actual and potential financial impact on our organisation.



Context

To achieve Royal Schiphol Group’s ambition to operate the most sustainable and high-quality airports in the world, the material topics that have been identified through our double materiality assessment provide guidance to focus our sustainability efforts and relate to the entire consolidated Royal Schiphol Group.

The materiality assessment performed this year is with reference to the Global Reporting Initiative (GRI) guidelines, but enriched with two key requirements from the Corporate Sustainability Reporting Directive (CSRD), to which we need to be compliant as of 2024. We have included financial materiality in the methodology and reviewed and considered all material topics in the CSRD as part of the materiality assessment. Therefore, we did not only deem topics material based on impact materiality but also on financial materiality.

Impact materiality being the (actual or potential) significant impact Royal Schiphol Group has on people or the environment, and financial materiality the risks and opportunities that (may) arise from a sustainability matter leading to a financial effect. The results of the materiality analysis are presented in a butterfly figure, with two axis that represent the impact and financial materiality. The materiality butterfly included in this chapter shows how the topics score on both axes on the short- (within 1 year), medium (between 1 and 5 years), and long term (longer than 5 years).

We report on the material topics in the 'Our results' chapter of the annual report, which follows the structure of our Vision 2050. In this respect, the materiality analysis is the cornerstone of the annual report and helps to shape Schiphol Group's strategic and risk-setting activities. [Our value creation model](#) depicts the relationship between our material topics, strategy and risks.

Process materiality analysis

Royal Schiphol Group conducts a yearly materiality analysis to identify the impact and financial materiality. We made a number of revisions to the materiality analysis based on a five-step process: 1) evaluating Royal Schiphol Group’s key stakeholders and value chain; 2) gathering input and scoring of impacts, risks and opportunities internally; 3) validation of scoring outcomes with key stakeholders; 4) determining the material topics based on our threshold; and, 5) validation and sign-off by the Executive Team. As part of a three-yearly cycle, next year's results will be validated externally.

To determine which topics were deemed material we had an iterative ranking process that asked internal stakeholders to rank the material topics according to their impacts, risks and opportunities. Respondents were also able to suggest new topics and validate the findings through internal rounds of validation. Schiphol's Executive Team subsequently acknowledged that the material topics provide a proper account of the developments in 2023 and approved their inclusion in the materiality results for 2023. The next extensive update of the materiality analysis will be performed in 2024 and will be fully in line with the requirements of CSRD.

2023 results

24 material topics have been identified during the double materiality process. Most new topics result from a more granular depiction of existing material topics. In 2023, two new material topics have been identified, *Soil Pollution* and *Societal Value*. *Soil Pollution* entails the emissions into soil and the prevention, control and reduction of such emissions and thereby pollution.

Societal value is defined as the impact Royal Schiphol Group has on stakeholders and society through economic factors such as job creation, economic role in society and societal engagement. Even though these topics have only been part of the materiality list since this year does not imply that they are new topics for Royal Schiphol Group; we have already been working on societal value and the prevention, control, and reduction of soil pollution.

The table on this page shows how this year's material topics relate to those of last year and illustrates the more granular depiction of the old topics. The definition of our material topics can be found in [the list of definitions](#); note that the definitions of our material topics have been more closely aligned to the CSRD definitions where that is applicable and possible.

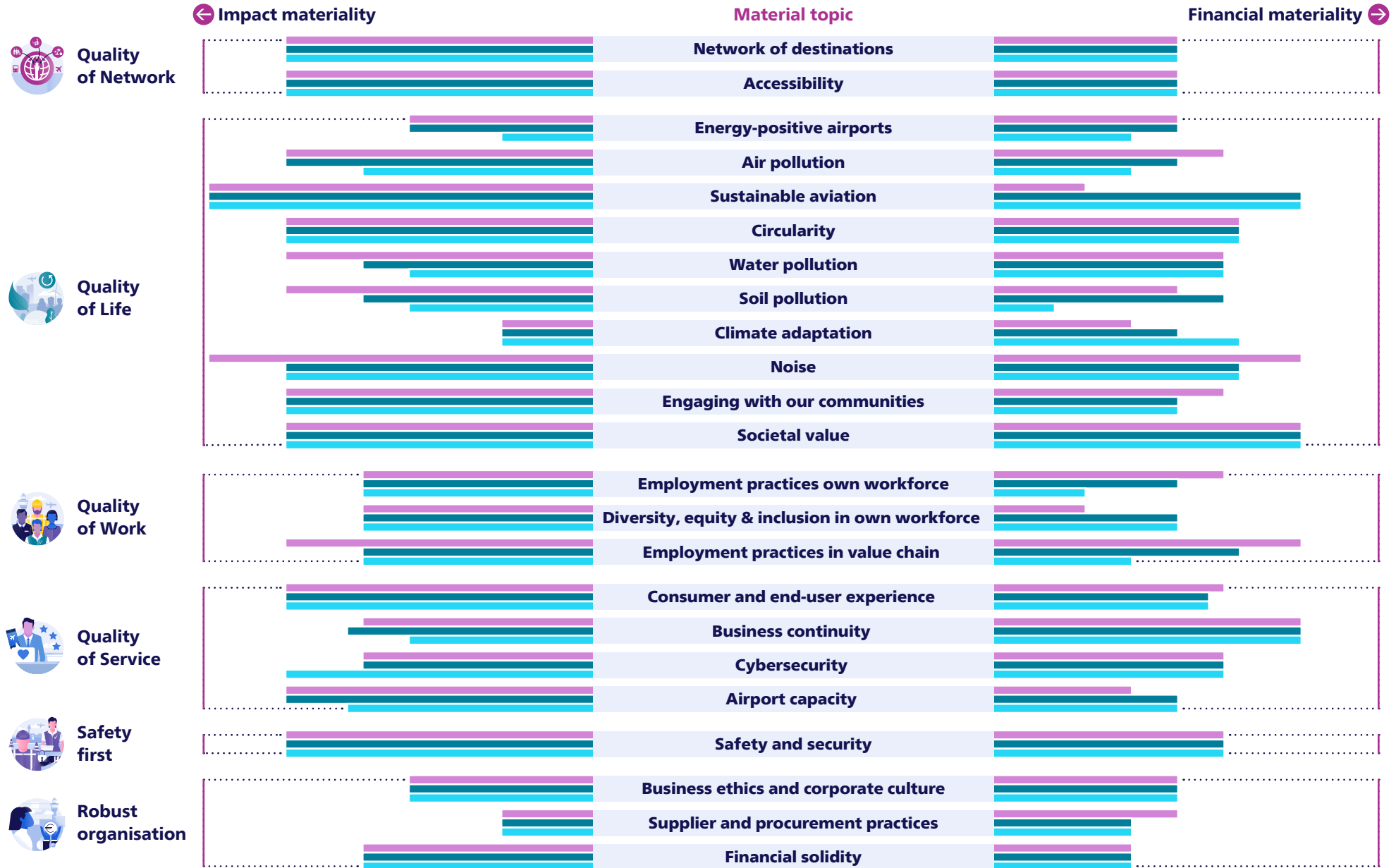
The following materiality butterfly visualizes the results of the materiality analysis for 2023. We added two new factors to the analysis: the three time horizons of materiality and financial materiality, as prescribed by the CSRD. On the left side of the butterfly, the results of impact materiality are shown, taking the time horizons into account. The right side of the butterfly show the financial materiality.

Although financial materiality and the time horizons were included in the analysis this year as part of the preparation for CSRD, they were not further elaborated upon in explaining 'our results' throughout the annual report. For this year, we chose to only focus on impact materiality in our reporting, following the content format of previous years; next year we will incorporate the time horizons and financial materiality.

The topics covered in the butterfly relate to Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport. Not all material topics are relevant to the regional airports, due to the scale and nature of their operations. For this reporting year some topics are reported on only in relation to Amsterdam Airport Schiphol, and not to the regional airports in our Group. Where a limited scope is considered, we have included this in the relevant chapters. In following years, and in line with CSRD, the scope of reporting will be extended.

	Material topics 2022	Material topics 2023
 Quality of Network	Network of destinations	Network of destinations
	Accessibility	Accessibility
	Zero emission airports	Energy-positive airports
	Sustainable aviation	Air pollution
 Quality of Life	Circular economy	Sustainable aviation
	Not material in 2022	Circularity
	Community and noise	Water pollution
	Not material in 2022	Soil pollution
		Climate adaptation
 Quality of Work	Employment practices	Noise
		Engaging with our communities
		Societal value
		Employment practices own workforce
 Quality of Service	Customer appreciation	Diversity, Equity and Inclusion in own workforce
	Business continuity	Employment practices in value chain
	Digital innovation and cybersecurity	Consumer and end-user experience
	Airport Capacity	Business continuity
 Safety first	Safety and security	Cybersecurity
		Airport Capacity
 Robust organisation	Responsible business	Safety and security
	Financial solidity	Business ethics and corporate culture
		Supplier and procurement practices

Time horizon ■ Short ■ Medium ■ Long



Definitions of material topics



Quality of Network

Network of destinations

Quality and frequency of destinations.

Accessibility

Landside accessibility and intermodality (e.g., train, taxi, car access and interchangeability between different public transportation).



Quality of Life

Energy positive airports

Climate mitigation activities related to the CO₂e emissions from airport operations and ground transport (own vehicles and ground operations at airside) and energy use.

Air pollution

Royal Schiphol Group's potentially harmful emissions (e.g., nitrogen oxides (NO_x) and ultra fine particulates). Prevention, control and reduction of such emissions at and around our airports and improvement of air quality at our airport sites and in neighbouring communities.

Sustainable aviation

Driving climate mitigation initiatives in the aviation sector and international advocacy to reduce industrywide CO₂e emissions and energy use.

Circularity

Resource inflows including the circularity of material resource inflows, considering resource use optimisation, intensity of materials and products and renewable and non-renewable resources and resource outflows related to products and services, including waste generation and significant waste-related impacts.

Water pollution

Royal Schiphol Group's pollution to water, and prevention, control and reduction of such emissions as well as the management of surface water.

Soil pollution

Royal Schiphol Group's emissions into soil and the prevention, control and reduction of such emissions and thereby pollution (e.g. with PFAS).

Climate adaptation

Preparing for the physical and transition risks and opportunities associated with changing climate.

Noise

Royal Schiphol Group's impacts, and management of aircraft and ground noise.

Engaging with our communities

Direct community engagement and the impact of the airport operations on surrounding communities.

Societal value

Royal Schiphol Group's impact on stakeholders and society through economic factors such as job creation, economic role in society and societal engagement.



Quality of Work

Employment practices own workforce

Royal Schiphol Group's impacts and the management of those on their own workforce in terms of working conditions.

Diversity, equity & inclusion in own workforce

Royal Schiphol Group's impacts and their actions on their own employees in terms of equal treatment and opportunities for all.

Employment practices in value chain

Royal Schiphol Group's impacts, and the management of those, on their value chain workers in terms of working conditions.



Quality of Service

Consumer and end-user experience

Consumer and end-user experience refers to the overall perception and interactions that consumers and end-users have with Schiphol and its products or services throughout the entire consumer and end-user journey.

Business continuity

Royal Schiphol Group's ability to effectively navigate and adapt to disruptions, maintain essential operations, and swiftly recover from incidents or crises, ensuring the sustained functioning and resilience of the organisation.

Cybersecurity

The application of digital technology to the business operation. This includes innovating airport processes and preventing fraud and the unauthorized access to our networks, IT systems and data.

Airport capacity

Infrastructural capacity at the airport for consumers and end-users.



Safety first

Safety and security

Safe and secure airport operations and surrounding areas.



Robust organisation

Business ethics and corporate culture

Transparent and fair business practices incl. anti-corruption and anti-bribery and protection of whistle-blowers.

Supplier and procurement practices

Management of relationships with suppliers, including payment practices, especially with regard to late payment to small and medium-sized undertakings.

Financial solidity

Financial robustness and shareholder value.

Targets 2024

We translate our long-term strategy into a business plan, which also incorporates the budget for the following year. The business plan sets out how we plan to achieve each of Royal Schiphol Group's strategic milestones. Our Top Performance Indicators represent our multi-stakeholder approach, which takes into account RSG's main stakeholder groups.

An important condition of the business plan is that it meets the requirements of a sound financial policy and is robust enough to weather potential financial setbacks. The business plan also results in a management agenda, which sets out concrete actions and targets for management for the year ahead. Since 2019, Schiphol Group's target setting has consisted of the Top Performance Indicators (TPIs) and major deliverables, enabling the introduction of a consistent language across Royal Schiphol Group, the alignment of all Group activities and a focus on the most value-adding activities. For 2024, two TPIs have been altered: Local Residents and Passengers.

In the TPI Local Residents the BAS reports are excluded as a metric since this was based on a 24-month rolling average and does not reflect the current reputation of RSG. The Net Promoter Score used for the TPI Passengers is replaced by the Passenger Experience score. This score is more directly affected by underlying quality of airport touchpoints, products and services. The major deliverables are mainly linked to the Fast Forward programme.



¹ On-time performance of comparable European hubs

TPI targets for 2024

Priorities

Safety

Net Safety Score target 2024: 95.6

This index takes into account the percentage of days without serious¹ incidents minus the percentage of days with serious incidents².

Sustainability

CO₂e emissions Royal Schiphol Group target 2024: -65%³

Decrease in CO₂e emissions compared with 2019 levels, taking into account Scope 1 (natural gas and fuels used by own vehicle fleet) and selected items of Scope 3 (natural gas used by third parties in buildings owned by Schiphol Commercial with their own environmental permits, airside fuels, commuter traffic and business travel by own car or aircraft⁴). Market-based emissions without Scope 2 (electricity) are used, since Schiphol Group purchases 100% renewable electricity and the market-based method therefore better reflects our progress towards zero emissions in 2030.

Network

Number of intercontinental destinations target 2024: 125

The number of direct intercontinental destinations for passengers and cargo⁵.

Passengers

Passenger Experience (PX) score target 2024: 3.96

The CSAT (customer satisfaction score) measures the overall satisfaction of the airport among departing and arriving passengers. At the end of their airport journey passenger are asked "Taking everything into account, how do you rate Amsterdam Airport Schiphol overall"? excellent, very good, good, fair or poor. The result is an average score between 1 (poor) and 5 (excellent). The higher the score, the better the experience. In previous years the Net Promoter Score (NPS) was used. As of 2024 the PX score will replace the NPS. The PX score is more directly affected by underlying quality of airport touchpoints, products and services. In addition, the PX score is more commonly used by other airports.⁵

Airlines

On-time performance target 2024: within top 2 on on-time performance compared to comparable European hubs

The punctuality of outbound traffic is the percentage of commercial flights departing on time (based on the sector-wide standard D15)⁵. The OTP is benchmarked against Charles de Gaulle Airport, Frankfurt Airport, London Heathrow, and Munich Airport.

Local residents

Reputation score target 2024: 7.0

This score is based on qualitative reputation surveys (motivaction). In previous years, the reputation score was partly based on the Motivaction score (80%) and partly based on the 24-month rolling average of the number of reporters at Bewoners Aanspreekpunt Schiphol (BAS) (20%). RSG wants the performance indicator to reflect the current sentiment of local residents. Hence, RSG decided to exclude the BAS reports due to the lag in this metric⁵.

Employees

Employee Promoter Score target 2024: 31

The Employee Promoter Score (EPS) measures how likely employees are to recommend Schiphol as an employer. Employees are asked: 'On a scale of 0 to 10, how likely would you be to recommend your employer to friends and acquaintances?' Employees who give a score under or equal to 6 are detractors; 9 or 10 are promoters. The Employee Promoter Score is determined by subtracting the percentage of employees who are detractors from the percentage who are promoters to generate a score between -100 and 100, which is similar to the Net Promoter Score⁵.

Shareholders

Return on equity (ROE) target 2024: 6.5%

The ROE is the financial return for shareholders based on net result adjusted for fair value gains and losses on investment property and one-off items divided by average equity⁶.

¹ Serious incidents are defined as incidents that have led to death, permanent injury or hospitalisation and potential fatal incidents (near miss).

² The scope of this TPI is Amsterdam Airport Schiphol and contractors.

³ The 2019 baseline is 160kt CO₂e.

⁴ The scope of this TPI is the Dutch airports of Schiphol Group.

⁵ The scope of this TPI is Amsterdam Airport Schiphol.

⁶ The scope of this TPI is Royal Schiphol Group.



Our results

Marianne van Scherpenzeel, Senior Manager Programme Development:

'By investing 3 billion in the maintenance and renewal of our assets, systems and facilities, we are considerably improving quality over the next 3 years. The baggage halls, power supply, climate-control systems, moving walkways and taxiways are all going to be tackled. Sustainability is an integral part of the replacement and maintenance work.'

Our performance in 2023

Annually, the Supervisory Board grants approval to the Management Agenda, a comprehensive plan that has, since 2019, incorporated management's priorities into Top Performance Indicators (TPIs) and major deliverables. The TPIs are categorized into five essential focus groups: local residents, passengers, airlines, employees, and shareholders. Within these groups, three indicators: safety, network, and sustainability, are overarching. The definitions of the TPIs are explicitly outlined on this page for reference and clarity.

The TPIs and major deliverables are instrumental in defining the course for Schiphol. The evaluation is also used to determine variable remuneration. More information can be found in the section on [Remuneration](#).

A brief overview of the results achieved for each priority is provided on the next page, offering concise background information. The chapters relevant to each TPI will discuss these indicators in more detail. The adoption of TPIs and major deliverables in target-setting commenced in 2019, marking the inaugural year for this strategic approach. In 2023, this methodology persists, reaffirming the ongoing significance of TPIs and major deliverables in shaping Schiphol's strategic direction.

TPI performance

Priorities

Safety

Net safety score: 96.2 (target: 95)

The percentage of days without serious incidents¹ minus the percentage of days with serious incidents². This includes all safety-related incidents.

Sustainability

CO₂e emissions Royal Schiphol Group: -65% (target: -62%³)

Decrease in CO₂e emissions compared with 2019 levels, taking into account Scope 1 (natural gas and fuels used by own vehicle fleet), Scope 2 (electricity) and selected items of Scope 3 (electricity and natural gas used by third parties in buildings owned by Schiphol Commercial with their own environmental permits, airside fuels, commuter traffic and business travel by own car or aircraft)^{4,5}.

Network

Number of Intercontinental destinations: 126 (target: 125 ICA destinations)

Number of direct intercontinental destinations for passengers and cargo⁶.

Priorities

Passengers

Net promoter score: +36 (target: +36)

The Net Promoter Score (NPS) measures how likely passengers are to recommend Schiphol as an airport. Passengers are asked to rate Schiphol on a scale from 1 to 10, passengers who give a score under or equal to 6 are detractors, 9 or 10 are promoters. The score is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. The result is a score between -100 and +100⁷.

Airlines

On-time performance: 59% (target: 71%)

Punctuality of outbound traffic derived from the percentage of commercial flights that depart on time⁶ (this is based on the sector-wide standard D15).

Local residents

TPI Local residents: 6 (target: 7)

The TPI Local residents is based on the Reputation Score survey (responsible for 80% of the final TPI score) and the number of people that filed one or several reports with Bewoners Aanspreekpunt Schiphol (BAS) (responsible for 20% of the final TPI score)⁵.

Employees

Employee Promoter Score: 24 (target: 20)

The Employee Promoter Score (EPS) measures how likely employees are to recommend Schiphol as an employer. On a scale from 1 to 10, employees who give a score under or equal to 6 are detractors; 9 or 10 are promoters. The Employee Promoter Score is determined by subtracting the percentage of employees who are detractors from the percentage who are promoters to generate a score between -100 and +100, which is similar to the Net Promoter Score⁵.

Shareholders

Return on equity (ROE): normalized for fair value changes and other one offs amounted to 2.9% (target 4.6%). The ROE including fair value changes and other one offs amounted to 0.4% in 2023.

Financial return for shareholders based on net result adjusted for fair value changes and other one offs, divided by average equity⁷.

1 Serious incidents are defined as incidents that have led to death, permanent injury or hospitalisation and potential fatal incidents (near miss).

2 The scope of this TPI is Amsterdam Airport Schiphol and contractors.

3 The 2019 baseline is 160kt CO₂e.

4 The scope of this TPI is the Dutch airports of Schiphol Group excluding Maastricht Aachen Airport.

5 As of 2022 the market-based calculation method is applied, since Schiphol Group purchases 100% renewable electricity.

6 The scope of this TPI is Amsterdam Airport Schiphol.

7 The scope of this TPI is Royal Schiphol Group.

Performance

The TPIs are primarily centered around our operations at Amsterdam Airport Schiphol (AAS) and the broader influence of the Schiphol hub. This holds true for most topics, with the exceptions being Sustainability and Return on Equity (ROE). Specifically, the TPI Sustainability - CO₂e emissions pertain to the emissions of our Dutch airports, excluding Maastricht Aachen Airport. On the other hand, ROE addresses the overall performance of the entire Royal Schiphol Group.

We present our performance according to our major deliverables. In 2023, the major deliverables were grouped into six clusters: (1) Safety first, (2) Robust organisation, (3) Quality of Network, (4) Quality of Life, (5) Quality of Work and (6) Quality of Service. Each TPI contributes to one of these six clusters. The performance of our regional airports and our international activities are presented in two separate chapters: [Our regional airports](#) and [Our international activities](#).

Safety – Net safety score

The Net Safety Score reached 96.2, surpassing the targeted score of 95. Despite this achievement, there was a slight decline in performance compared to 2022 (97.3) due to eight serious incidents. These incidents involved injuries caused by passenger falls, employee injuries, and accidents related to vehicles on the airside. Safety remains the top priority, and ongoing efforts are dedicated to enhancing safety-related systems and fostering our safety culture.

Sustainability – CO₂e emissions

In 2023, the TPI Sustainability achieved a result of -65%, surpassing the targeted -62%. The notable reduction in emissions can be attributed to decreased natural gas consumption at our Dutch airports and the transition to HVO100, which became the standard fuel for airside ground operations starting January 2023.

Network – Intercontinental destinations

Amsterdam Airport Schiphol (AAS) exceeded its target by serving 126 intercontinental destinations in 2023. Despite the addition of four new destinations and the loss of seven, AAS maintained its status as a prominent airport for connectivity. While there was a slight reduction in the total number of destinations compared to 2022 (129), Amsterdam Airport Schiphol continued to be a leading hub. According to the ACI Airport Industry Connectivity Report 2023, it ranked second for direct connectivity (having been first in 2022) and fourth for hub connectivity (down from third in 2022). Data provided by OAG positions AAS as the third-largest megahub globally, following London Heathrow and JFK International Airport. Out of the 126 destinations served, 16 were exclusively dedicated to cargo operations.

Passengers – Net Promoter Score

In 2023, the Net Promoter Score (NPS) reached +36, marking a significant increase of +10 points compared to 2022. This achievement narrowly meets the target of +36 and brings the NPS back to its pre-COVID-19 level observed in late 2019. The improvement from 2022 is attributed to enhanced perceptions of waiting times at security (due to increased staffing), check-in efficiency, staff friendliness, ease of connections for transfer passengers, and overall ambience. Passengers in 2023 reported feeling more welcome, in control, and better informed than in the previous year. However, waiting times at passport control (both on arrival and departure) and baggage reclaim continue to be areas of focus for improvement.

Airlines – On-time performance

On-time performance (OTP) was 59%, which is below the target of 2023 (71%). The main contributing factors to not reaching our on-time performance target were staff shortage at ground handlers, congestion at Schiphol and in European airspace and various reasons outside the sphere of influence of Schiphol (e.g. weather related delays and disruptions at outstations). The primary source of delays at Schiphol Airport stems from issues in the ground handling process and runway capacity-related delays. Our robust departure peaks contribute to an excess demand for departure runways, despite having two runways for this

purpose. Notably, the majority of on-time performance (OTP) is compromised during the initial morning peak, where this impact is particularly pronounced.

Employees – Employee Promoter Score

In 2023, the Employee Net Promoter Score experienced a substantial surge, reaching +24 and surpassing our target of +20. This shows an improvement from the previous year, in which we achieved a score of 7. The advancement underscores a positive atmosphere that fosters pride in our organisation. Colleagues are now more inclined to recommend us as an employer, indicating a positive trajectory and validation that we are on the right path. Our performance in autonomy, employability, commitment, social security, sustainable employability, and team leadership, all scoring 7 or higher, reflects the positive sentiments across these crucial aspects. While we have surpassed benchmarks in the first five themes, there is acknowledgment that collaboration between departments requires improvement. Therefore, we invest in inter-departmental collaboration to continuously improve as an employer.

Local residents – Reputation Score

The TPI Local Residents stood at 6.0, comprising two key elements. The primary factor, contributing 80% to the overall score, is the quarterly reputation surveys conducted by the research agency Motivaction among local residents. The average score obtained from these surveys in 2023 was 6.7 (6.5 in 2022). The second element, accounting for 20% of the total score, involves the number of reports filed at Bewoners Aanspreekpunt Schiphol (BAS). To maintain a more representative benchmark, a 24-month rolling average is used. The average score at BAS declined to 3.3 in 2023 due to a reduced number of reports during the COVID-19 period, which is still part of the benchmark timeframe.

Shareholders – Return on Equity (ROE)

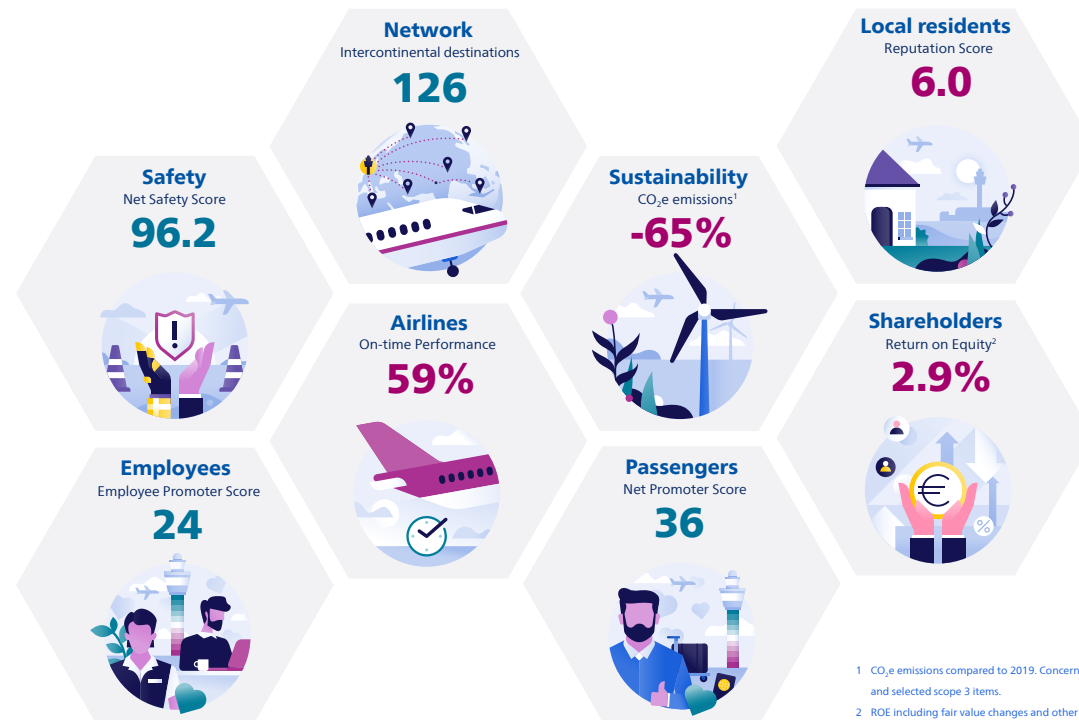
The return on equity (including fair value gains and losses and other one-off adjustments) amounted to 0.4% in 2023. The underlying return, excluding fair gains and losses and other one-offs adjustments, resulted in 2.9%, compared to our target of 4.6% (see note 2 in the [financial statements](#) for an overview of the fair value gains and losses). Mainly as a result of the lower than budgeted traffic recovery as well as the increased cost level due to inflation, the Social Agreement, and other Quality of Work initiatives for which Schiphol receives no cost coverage via the airport charges as these were already set in 2021, the target level was not reached. The underlying net result attributable to shareholders was 102 million euros compared to the target of 178 million euros positive.

Our return was negatively impacted by cost increases within the Aviation domain as a result of investments made in quality, capacity and wellbeing of our people. In addition, inflation had a considerable upward pressure on the cost level. Due to the regulatory setup of setting airport charges whereby these charges are set for a three year period, Schiphol is unable to pass on these higher costs to airlines within this three year period. This negatively impacts the financial return of Aviation, which delays Schiphol restoring financial resilience. Improving the financial return of Aviation, by amongst others collecting settlements from the past and being able to pass on a fair cost level, will be critical to improve the financial position of RSG going forward. This will be a prerequisite for RSG to finance the required capital expenditures at Amsterdam Airport Schiphol.

Major deliverables

Eleven major deliverables were set for 2023, categorised in three clusters: strategic, tactical and operational. Important progress was realised the past year in relation to the major deliverables: CAPEX delivery increased significantly compared to 2022, Schiphol Group published its 'eight-point plan', the nature permit for Amsterdam Airport Schiphol was obtained and important steps have been taken in relation to the ultrafine particles action plan. The execution of the remaining works in relation to Pier A,

TPI performance 2023



1 CO₂e emissions compared to 2019. Concerns scope 1, 2 and selected scope 3 items.
 2 ROE including fair value changes and other one-offs: 0.4%

Schiphol Group’s maintenance backlog and collaboration within the sector will require further attention in 2024.

Quality of Network

Strong international connections are essential for an open and globally connected economy such as the Netherlands. In recent years, Schiphol has built a thriving network that links people and businesses with destinations and opportunities around the world.



One of Schiphol Group’s priorities is always to maintain its superior network standard. As a central hub within our Group, Amsterdam Airport Schiphol plays a key role in providing the connectivity that is necessary to the Netherlands’ thriving open economy. We are seeing a resurgence in flight frequencies, allowing us to maintain the breadth of our destinations and overall connectivity. Notably, in the 2023 Airport Industry Connectivity Report, Amsterdam Airport Schiphol continues to feature prominently in the 'direct connectivity ranking' of European airports, securing second place behind Istanbul, a slight shift from its previous top position.

2023 was a notable year for expanding our network. We welcomed four new airlines – PLAY, Freebird Europe, Air India and JetBlue – and expanded our network with seven new destinations. There were also minor reductions, with KLM ceasing flights to several destinations and the bankruptcy of FlyBe.

Despite challenges such as the planned flight movement cap, we are steadfast in our commitment to sustain a network of exceptional quality. We aim to find solutions that harmonise our network’s integrity with environmental stewardship. This approach is essential to provide clarity and direction to our stakeholders and ensuring the long-term sustainability of our operations.

In our ongoing effort to maintain a high-quality network, we are equally committed to ensuring quality of service for our customers and quality of life for the communities around us, including our employees. Balancing these aspects is critical to our mission and forms the basis of our long-term strategy for a sustainable and responsible future in aviation.

Top performance indicator Quality of Network



➔ Network of destinations

In 2023, the network of destinations served by Amsterdam Airport Schiphol shrunk in comparison to last year from 313 to 305. This was mainly caused by the fact that a number of cargo-only routes that were flown in 2022 did not return in 2023. The total number of ‘pre-COVID’ destinations in 2019 was 332.

Despite its decrease in destinations, Schiphol remained a leading airport in terms of connectivity in 2023. According to the ACI Airport Industry Connectivity Report 2023, Amsterdam ranked second for direct connectivity (first in 2022) and fourth for hub connectivity. A further report by travel data provider OAG mentioned that, in 2023, Amsterdam Airport Schiphol was the number 3 megahub behind London Heathrow and JFK International Airport. Both reports suggest that Schiphol’s position as a major aviation hub is under pressure by the Dutch government’s capacity reduction plans.

Direct connectivity

Ranking of top-10 European airports (ACI Airport Industry Connectivity Report)

Rank 2023	Airport	Rank 2022	Rank 2019
1	Istanbul IST	2	5
2	Amsterdam Airport Schiphol AMS	1	2
3	London Heathrow LHR	3	4
4	Frankfurt FRA	4	1
5	Paris CDG	5	3
6	Madrid MAD	6	7
7	Barcelona BCN	8	8
8	Munich MUC	7	6
9	Rome FCO	11	9
10	Londen Gatwick LGW	9	10

Hub connectivity

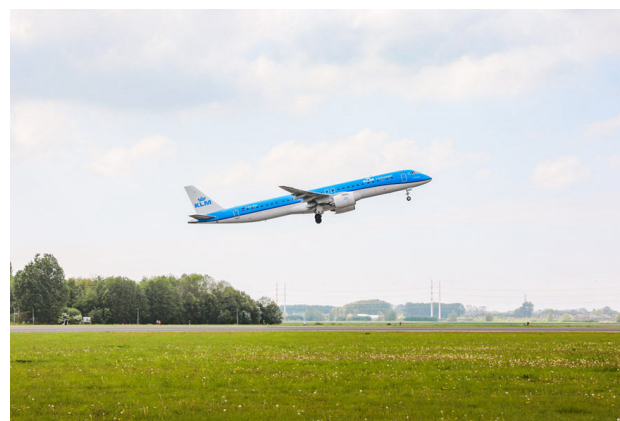
Ranking of top-10 airports worldwide (ACI Airport Industry Connectivity Report)

Rank 2023	Airport	Rank 2022	Rank 2019
1	Frankfurt FRA	1	1
2	Istanbul IST	3	6
3	Dallas Fort Worth DFW	2	2
4	Amsterdam Airport Schiphol AMS	4	3
5	Denver DEN	5	7
6	Paris CDG	6	4
7	Atlanta ATL	7	5
8	London Heathrow LHR	10	10
9	Newark Liberty EWR	8	13
10	Hamad DOH	13	17

Network developments

In 2023, four new airlines were welcomed to Amsterdam Airport Schiphol. PLAY returned in June with flights from Reykjavik, Freebird Europe with flights from Dubrovnik, Air India returned after 23 years with flights from New Delhi and JetBlue began serving Amsterdam for the first time, with flights from New York and Boston.

In total, seven new destinations were added to our network. China Southern Airlines introduced flights from Shenzhen to Amsterdam for a period of six weeks, replacing it with flights from Beijing Daxing. KLM reintroduced flights to Beijing Capital after Chinese COVID-19 restrictions were lifted. In addition, easyJet launched services from Jersey, and London Southend and Corendon Dutch Airlines introduced flights from Gazipasa in Turkey. In December 2023, Transavia launched services to Tromsø, Norway. In addition to these new destinations for Schiphol, various airlines launched new routes, including Montréal by Air Canada, Curaçao by Corendon Dutch Airlines, Salzburg (Austria) by Eurowings and Rovaniemi (Finland) by easyJet.



Even though the number of destinations decreased in 2023, Schiphol continued to be a leading airport in terms of connectivity.

Unfortunately, several destinations were also cut from Schiphol's network in 2023. KLM ceased flying to Katowice in Poland, Aarhus in Denmark, Muscat in Oman and Bridgetown in Barbados. China Southern Airlines has stopped flights from Shenzhen after only six weeks. With the bankruptcy of FlyBe, we also lost East Midlands (UK) as a destination; FlyBe flew four routes from Amsterdam.

Traffic and transport in 2023

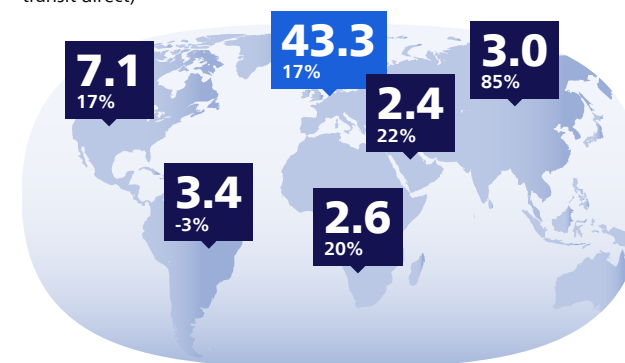
Passengers

The recovery of passenger numbers in the first months of 2023 was not possible as the measure to limit the number of local departing passengers was extended until the end of the winter season (25 March 2023). To ensure that operations during the first weeks of the summer season, including the May holidays, would be able to cope with the increasing number of passengers, several measures were taken to limit the number of local departing passengers in the morning hours. After mid-May, there were no more restrictions.

By mid-May, it was possible for all airlines to operate up to the maximum capacity of Amsterdam Airport Schiphol.

Passenger volumes by continent in 2023

Passenger volume at Schiphol in millions (change versus 2022; excluding transit direct)



Air transport movements at Schiphol in 2023

Movements per airline		Change
KLM	228,956	14.1%
easyJet	35,482	10.5%
Transavia	30,567	7.7%
Delta Air Lines	11,259	15.3%
Vueling	10,393	10.1%
British Airways	10,043	38.6%
TUI fly	8,264	3.4%
Lufthansa	7,191	16.9%
Air France	5,764	-18.0%
SAS	5,585	16.1%
Other airlines	88,465	17.3%

Top-10 European passenger volumes and market share in 2023

in millions, excluding transit	Change	Market share
London LHR	79.2	13.8%
Istanbul IST	75.9	13.3%
Paris CDG	67.4	11.8%
Amsterdam AMS	61.9	10.8%
Madrid MAD	60.2	10.5%
Frankfurt FRA	59.3	10.4%
Barcelona BCN	49.8	8.7%
London LGW	40.9	7.2%
Rome FCO	40.3	7.1%
Munich MUC	37.0	6.5%

Cargo

The total volume of freight in tonnes fell by 4.2% YTD (first half -5.9%) in 2023 compared with the same period in 2022. There are two main reasons for this.

First, it is largely related to the shortage of slots. Freighters prefer to operate on Schiphol routes, but there are no slots available and ad hoc slots have decreased compared to the first quarter of 2022 in particular. The number of freighters (ATM) has decreased by 12.9% (half-year figures -8.4%), which explains a significant part of the tonnage loss. In Q1 2022, there were significantly fewer flights due to COVID-19 and freighters had the opportunity to make ad hoc flights to Schiphol Airport.

Another reason is the decline in demand for air freight, which is an important global economic indicator. Looking at the year to date (June 2023), total freight volumes to and from Europe, there is a decrease of 10%. Globally, freight volumes are performing poorly. Schiphol is also experiencing this, but to a lesser extent; relatively speaking, Schiphol is performing well in comparison to our European counterparts.



The new cargo strategy for Schiphol Cargo, focusing on more high-quality and high-value cargo, will be implemented in 2024.

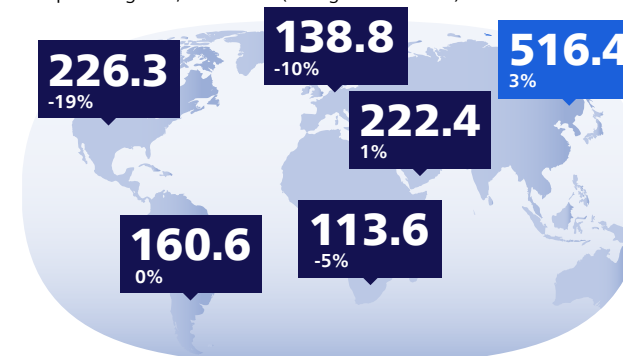
Although the total volume of freight has decreased, freighters at Schiphol Airport have a higher load factor (+6%) in 2023 than in 2022. In addition, there was 2.1% more cargo in the belly of passenger flights.

It is expected that if the number of slots at Schiphol shrinks, the volume of cargo will fall more than the number of passengers (cargo slots are exchanged for passenger slots). Schiphol therefore wants to protect the number of slots for cargo aircraft (2.4% of the total).

In 2023 we decided to draw up a new cargo strategy for Schiphol Cargo, focusing on more high-quality and high-value cargo. We aim to complete this new strategy in the first half of 2024. One of the main focuses will be to improve landside accessibility for visiting trucks and to reduce congestion. We will continue to work with the Dutch air cargo community and invest heavily in our new Port Community System to make it state of the art, as we aim to become an efficient multimodal hub for European cargo, focusing on quality rather than quantity. In addition, we will continue to work on the new online information portal Secure Import, which aims to enhance cargo security in and around the hub.

Cargo volumes by continent in 2023

Schiphol cargo x 1,000 tonnes (change versus 2022)



Schiphol is developing a fully automated cargo centre, dnata Cargo City Amsterdam, which will have an annual handling capacity of 850,000 tonnes by the second half of 2024. This will strengthen the existing warehousing facilities at the airport, which also offers well-connected belly and full-freighter networks.

Top-10 European cargo volumes and market share in 2023

x 1,000 tonnes of cargo		Change	Market share
Frankfurt FRA	1,828	95.0%	14.5%
Paris CDG	1,815	98.2%	14.4%
Istanbul IST	1,516	106.3%	12.0%
Leipzig LEJ	1,393	92.3%	11.0%
London LHR	1,387	102.7%	11.0%
Amsterdam AMS	1,378	95.8%	10.9%
Liege LGG	1,006	88.2%	8.0%
Cologne CGN	859	89.6%	6.8%
Luxembourg LUX	795	82.0%	6.3%
Milan MXP	666	93.0%	5.3%

Airlines continue to increase the use of quietest aircraft in 2023

The share of latest-generation aircraft at Amsterdam has grown strongly in recent years. In 2019 the share of latest-generation aircraft was only 6.0% at Amsterdam. This increased to 19.5% in 2023. Examples of latest-generation aircraft are the Airbus A220, Airbus A320neo, Airbus A321neo, Boeing 737MAX, Airbus A350, Boeing 787 Dreamliner, Boeing 747-8 Freighter and Embraer ERJ-195-E2. This shift towards newer, quieter aircraft models aligns very well with Schiphol Airport's 'Quieter, Cleaner, Better' policy, highlighting its commitment to reducing environmental impact and enhancing the quality of life for nearby communities.

In 2023, several airlines operated quieter aircraft, including three newcomers in 2023; Air India with the B787-8, PLAY with the Airbus A320neo and JetBlue with the Airbus A321neo. Other airlines adding Chapter 14 aircraft included Aegean Airlines, Air Astana, Air Transat, Air Malta, easyJet, Egypt Air, ITA, SAS and Swiss. Transavia took delivery of its first A321neo in December,

with many more to follow. Corendon Dutch Airlines took delivery of their B737 MAX9 in September, with two more to follow.

Airlines concerned about capacity at Schiphol

A major issue for the aviation industry in 2023 was the Dutch government's planned reduction of the maximum number of annual flight movements at Schiphol. With a reduction in aircraft movements it is expected this will have a negative impact on the number of destinations served from Amsterdam.

➔ Accessibility

The recovery in passenger numbers that began post-COVID-19 in 2021 continued in 2022 and in 2023. In 2023, passenger numbers came close during the peak summer and autumn break periods of 2019, which created challenges in accommodating the increased traffic flows at the curbside drop-off zone. As 2023 progressed the modal split became more balanced again, resembling 2019.

Smart and clean mobility

Amsterdam Airport Schiphol is continuously improving and modernising its landside infrastructure. These steps will help ensure Schiphol's capacity once passenger numbers return to normal levels. We are preparing for the future with our Landside Central Programme (LCP) to ensure that our airport remains accessible for all modes of transport. The programme was launched in 2020 to help coordinate and integrate the development of access road projects at Schiphol Centre. We are exploring ways to further improve the landside infrastructure to keep Schiphol Centre accessible and landside safe in the coming years, taking into account long-term trends and developments.

In 2023 we further developed Schiphol GO, a smart mobility app that allows Schiphol employees to choose and register their own modes of transport to and from work and for business trips. The app includes a 'work-at-home allowance' and a 'cycling mileage allowance' of 30 cents per kilometres for cycling. This is a strong incentive for employees to cycle to work or to the nearest public transport station. Each trip generates a carbon footprint report to

heighten employees' awareness of their transport behaviour and the impact it has on sustainability.

The airport aims to be an attractive, vibrant and easily accessible hub. The Most Sustainable Airports 2030 roadmap shapes the transition to smart and clean mobility, with the aim of maintaining the vibrancy and accessibility of the growing airport. Reducing the use of fossil fuels and promoting clean transport is key. Our bicycle policy aims to create a culture using a bicycle is natural, given its smart, clean and fast characteristics. We want to improve the use of bicycles, parking facilities, cycling culture and appreciation of cycling facilities throughout the Schiphol area with the aim of reducing our Scope 3 emissions.



Our bicycle policy aims to create a culture using bicycle is natural, given its smart, clean and fast characteristics.

Looking to the future, Schiphol will introduce zero-emission zones at Schiphol Centre from 2026, where only trucks and vans that do not produce harmful emissions will have access to the 'logistics roads' around the terminal. This important step aims to reduce nitrogen and carbon emissions and improve air quality in the logistics basements.

Improving access by public transport

To achieve our sustainability ambitions and further develop multimodality, Schiphol promotes the increased use of rail and other public transport during journeys to and from our airport.

We are in favour of high-speed rail as a long-term substitute for short-haul flights. To underline this, in 2022 Schiphol facilitated an air-rail pilot by KLM and Thalys, which gave us a unique insight into passenger expectations and experiences. Together with air-rail partners, we will further evaluate the pilot and continue to improve the air-rail journey, in line with the air-rail action agenda as presented to Dutch parliament in 2020. Air-rail is also part of the TULIPS research and development programme to make the airport more sustainable.

At Schiphol Plaza, work has also started on improving access from the train platforms by renovating the staircases and lifts. At the same time, major steps have been taken to improve the overall wayfinding in the Plaza area.



At Schiphol Plaza the project has started to enhance the capacity to and from the platforms by renewing staircases and elevators.

Continued efforts in North/South metro line

The North/South metro line will ensure that Schiphol Airport remains accessible by public transport in the long term. The expected demand for public transport passengers in the Amsterdam metropolitan region is expected to exceed the capacity of Schiphol station.

In 2023, Schiphol not only continued but also formalised its collaboration. Concurrently, the Dutch government has proposed funding for the exploration phase. In line with this, the OVAH (OV-verbinding Amsterdam-Haarlemmermeer) project organisation – which is part of the MIRT (Meerjarenprogramma Infrastructuur, Ruimte en Transport) – initiated the tender proces in September 2023, aiming to engage consultants for assistance in this phase. The consortium, comprising both governmental bodies and private organisations, anticipates selecting a preferred alternative by the end of 2025.

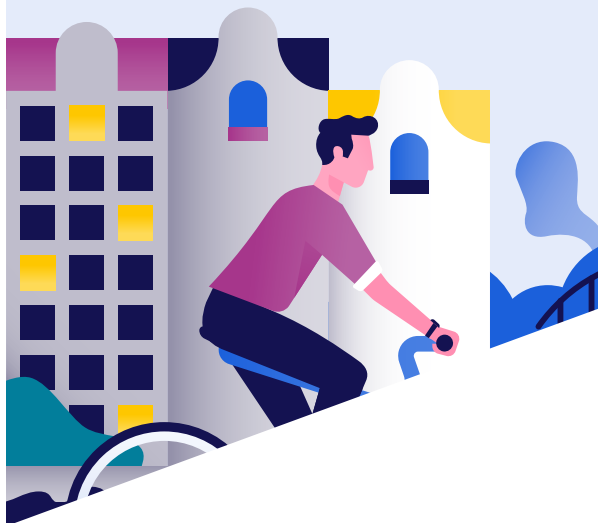
The extension of the North/South line will promote sustainable regional, national and international connectivity. It will free up space in the Schiphol tunnel, which can then be used by both national and international trains. The latter is important so that the train can serve as an alternative to air travel for short distances. It will also strengthen Schiphol Airport as a multimodal hub, bringing together public transport, cars and planes..

Parking operations

While we encourage visitors to Schiphol to use public transport whenever possible, ensuring good parking facilities and capacity remains essential for our accessibility. We actively monitor mobility trends and developments to ensure that we can meet long-term demand. We have started the construction of a new car rental service centre at Schiphol. The car rental service centre can accommodate approximately 2,500 vehicles. The five largest car rental companies at Schiphol will come together under one roof, which will be covered by 17,000 m² of solar panels. With this facility, Schiphol is encouraging car rental companies to switch to electric vehicles. In addition to our regular long-term maintenance activities, we have completely renovated our staff car park P30 with 3,300 parking spaces.

Quality of Life

Royal Schiphol Group's focus on Quality of Life acknowledges our responsibility to help ensure a sustainable future for aviation. As a central player in the aviation chain in the Netherlands, we aim to promote safe and responsible air travel and safeguard the long-term well-being of people and the environment.



Schiphol Group aims to operate the world's most sustainable airports. Building on our current sustainability performance, in 2019 we created the Most Sustainable Airports roadmap. It sets out the actions required to achieve our 2030 objectives as a next step towards realising Vision 2050.

When aviation markets opened up again in 2022, we embraced the opportunity to achieve a better balance between the needs of our customers and other stakeholders. These include our local communities, but also society at large. Sustainability and reducing pollution and noise disturbance are a priority. We also continue to examine ways to reduce noise-disturbance levels, such as offering incentives to airlines that use quieter and cleaner aircraft and incentivise airlines to use sustainable aviation fuel (SAF) at Schiphol.

In 2023, Schiphol Group published our eight-point plan 'Quieter, Cleaner Better'. It contains eight measures to improve the quality of life for our neighbours. We continue to work with the government, local authorities, regulators and other leading airports (including those in our Group) to advance the sustainability agenda at a regional, national and international level.

In 2023, Schiphol Group received a second letter from Dutch environmental organisation Milieudefensie, requesting an update of our CO₂e reduction plan for 2030. In response, we shared our 'Better and Balanced' plan, which represents the latest progression since the publication of our revised sustainability strategy. This plan reflects our ongoing commitment to environmental stewardship and outlines specific steps towards achieving our carbon reduction goals. After sharing our plan, we received no further response from Milieudefensie. Later in 2023 they announced that they are focusing on the financial sector. At the beginning of 2024 it became known that Milieudefensie will start a lawsuit against ING.

Top performance indicators Quality of Life



¹ CO₂e emissions compared to 2019. Concerns scope 1, 2 and selected scope 3 items.

TULIPS

Schiphol Group was selected in 2021 by the EU as a lighthouse airport to contribute to the Green Airports call. This call supports the objectives in our roadmap Most Sustainable Airports with 25 million euros in funding and is being developed as an EU-wide project named TULIPS, involving 32 partners. The funding is part of the European Green Deal and aims to stimulate innovations that facilitate the transition to low-carbon mobility and enhance sustainability at airports. The consortium was launched in 2022 and is supported by the fellow airports Avinor in Oslo, SAGAT in Turin and Hermes in Larnaca, Cyprus. Amsterdam Airport Schiphol will be the proving ground for 17 demonstrator projects resulting from the partnership between airports, airlines, knowledge institutes and industrial partners in this unique European consortium. The joint programme aims to accelerate the introduction of sustainable technologies in aviation, contributing to zero-emission and zero-waste airports by 2030 and net-zero-carbon aviation by 2050. TULIPS will run until December 2025. More information is available at the [TULIPS website](#).

Read more about the steps we are taking to improve sustainability and our achievements [here](#).

Most Sustainable Airports

In order to realize our ambition of becoming the worlds most sustainable airports, we developed a roadmap that helps us achieve the following objectives.

Energy Positive: Zero-emissions airports 2030, towards energy-positive in 2050

- All vehicles are zero emissions, including ground support equipment on airside.
- Existing buildings will be renovated and new buildings are at least energy-neutral.
- For energy use, we increase efficiency, produce more solar power and strengthen our grid.

Sustainable aviation: International aviation carbon emissions at 2005 level in 2030, towards net-zero mobility in 2050

- Contribute to 14% sustainable aviation fuel in 2030 and optimise airside procedures.
- Increase smart and clean mobility to and from the airports by investing in public transport, bicycle infrastructure and electric car sharing.
- Actively inform passengers about sustainability and offer sustainable travel options, and combat human and wildlife trafficking.

Circular economy: Zero-waste airports 2030, towards circular in 2050

- For infrastructure, we focus on circular design principles and reuse and upcycling. Embedding circular design in new buildings and looking for better solutions to traditional asphalt and concrete are critical tasks for us.
- For operational materials, the priorities are reuse and upcycling and closed loops. We are working towards improving separation, recycling and upcycling and having a data-driven approach to material flows.

Communities: Improved balance between communities and airports in 2030, towards a good working and living environment at and around airports in 2050

- Decrease noise hindrance, improve air quality and work on community engagement.
- Adapt to climate change and restore biodiversity.
- Empower our strongest asset – our inclusive, diverse and motivated workforce – and offer sustainable and healthy workspaces.

Sustainable Development Goals

Introduced in 2015 by the United Nations, the Sustainable Development Goals relate to the 17 most important opportunities and challenges facing the world towards 2030. The 2030 agenda was adopted by all United Nations Member States in 2015. In developing our sustainability vision and strategy, Schiphol Group analysed the SDGs, including the underlying indicators, and identified the goals that are particularly relevant to our activities. There are also indicators that are relevant for our role in the value chain: SDG 8 and SDG 12 both address sustainable tourism. We will actively support and contribute to these goals over the coming years in line with our 2030 targets. Read more about the SDGs in the [Reporting guidelines chapter](#).

	SDG 5	Gender equality
	SDG 7	Affordable and clean energy
	SDG 8	Decent work and economic growth
	SDG 9	Industry innovation and infrastructure
	SDG 11	Sustainable cities and communities
	SDG 12	Responsible consumption and production
	SDG 13	Climate action
	SDG 15	Life on land
	SDG 16	Peace, justice and strong institutions

➔ Energy-positive airports

Schiphol Group's Dutch airports Schiphol Airport, Eindhoven Airport, Rotterdam The Hague Airport and Lelystad Airport are still on track to become zero-emission airports by 2030. However, achieving our goal is more difficult due to the long lead time of projects. This includes phasing out the use of natural gas in all our offices and buildings. Since 2020, we have been taking steps along our roadmap to achieve this goal. To increase our internal target, we have committed to the goals of the Dutch Green Building Council and aim to align our commercial buildings with the climate commitments of the Paris Agreement by 2030.

ACA Level 5 and SBTi

In December 2023, Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport (RTHA) reached the highest level of the Airport Carbon Accreditation (ACA), level 5. To reach this level, an airport must reach and maintain a net zero carbon balance on scope 1 and 2, and address scope 3 emission sources. This thus means that our absolute Scope 1 and 2 emissions have been reduced by 90% compared to 2010 for Schiphol and Eindhoven and compared to 2019 for RTHA and is applying credible carbon removals for the residual emissions.

The ACA certification also takes into account the work the three airports are doing with stakeholders to reduce indirect CO₂e Scope 3 emissions in order to achieve a net-zero carbon footprint by 2050.

The majority of Schiphol Group's CO₂e emissions stem from third-party (Scope 3) activities. These include aircraft landings and take-offs, aircraft handling and road traffic around the airport site. CO₂e emissions from kerosene for outbound flights are also

classified as Scope 3. Emissions generated by inbound flights to our airports are included in the carbon footprint of the departing airport, while emissions generated during landing (3,000 feet) are included in the carbon footprint of our airports.

In general, CO₂e emissions account for about one third of the total climate impact of aviation. Non-CO₂ emissions have not yet been quantified as further consideration is needed on how best to address non-CO₂ climate impacts.

Schiphol Group reports its Scope 3 carbon footprint in line with the Greenhouse Gas (GHG) Protocol. The consolidated CO₂e footprint of Schiphol Group for 2022 [is available](#).

In September 2023 Schiphol has obtained SBTi validation for scope 1, 2 and 3 targets.

The ACI ACA accreditation and SBTi validation show that we are taking the necessary steps towards becoming the world's most sustainable airports.

On track to become zero-emission airports by 2030

In 2019, Schiphol Group introduced its Top Performance Indicators (TPIs), including the 'Sustainability' TPI, to monitor our progress towards our 2030 zero-emissions target. The Sustainability TPI target (-62%) was met in 2023 (-65%), mainly due to lower gas consumption, and HVO100 has been the default fuel for airside ground operations since January 2023.

Going forward, we will continue with our renovation plans for our buildings to phase out natural gas and continue to work with ground handlers and third parties to increase the proportion of electric ground support equipment used airside. The remaining projects needed to decarbonise our operations will be more challenging and we will also need to strengthen our energy grid to support the transition to sustainability.

Energy efficiency

In 2023, Schiphol Airport's energy-efficiency rating was 4.0% based on our projected energy usage for the year, equalling our

4% target. The rating is lower than in previous years because we now separate renewable energy and energy efficiency. Meanwhile, the percentage of renewable energy produced at our own sites rose to 4.0%. The energy efficiency is the result of more than 100 individual adjustments to the airport environment, including extending our use of LED lighting, replacing old telecom and IT equipment, and upgrading our climate-control and heating, ventilation and air conditioning. Adjustments to the climate settings have also been an improvement. The temperature in the airport terminal was lowered by one degree in 2022 as a result of the energy crisis. Temperatures have also been lowered in office buildings and warehouses, and all climate settings have been optimised. We continued this throughout 2023.

Despite these measures, our energy consumption increased in 2023 compared to the previous year, but remained below the level of 2019. This is due to the continued recovery in passenger numbers and the further electrification of mobility and power for aircraft through fixed power units and mobile electric ground power units.

In 2023, the energy label was renewed for four areas of the terminal. Each area showed an improvement over the previous label: Pier C now has a C label (previously G); T1 now has an A label (previously B); and Pier G now has an A+ label (previously C) and Pier E now has an A+ label (previously B). In addition, the ISO 50001 (energy management) certification for all four of our Dutch airports was reviewed and renewed.

TPI sustainability¹

In K tonnes CO₂e

	2023	2019	Change
Royal Schiphol Group	18.02	51.2	-65%
Amsterdam Airport Schiphol	16.91	48.8	-65%
Eindhoven Airport	0.94	1.2	-22%
Rotterdam the Hague Airport	0.13	1.1	-88%
Lelystad Airport	0.04	0.1	-60%

¹ The TPI is based on the emissions from gas consumption, Fuel consumption, Fire brigade emissions, electricity usage, ground support equipment and the single tenant energy usage (scope 3). RSG aims to reduce emissions from these sources to a minimum by 2030.



During the year, the Netherlands tightened national legislation on energy saving. Schiphol Group complied with the new standards by reporting, before 1 December 2023, on the measures already taken during the year and the measures planned for the coming years. Although a number of the energy-saving measures required by the updated legislation have been implemented, we still need to make improvements. The Dutch authorities will start their inspection rounds in 2024; accelerating the implementation of the necessary measures will help us make progress towards our energy-efficiency goals.

In 2024 Schiphol Airport will also begin piloting a performance contracting solution for the terminal and piers. We aim to use the knowledge gained from the pilot to extend the solution to the entire terminal complex, which we hope will improve the energy efficiency associated with this type of contracting by between 10% and 15%.

Commercial buildings

Twelve of our Commercial Real Estate offices have an A energy label or higher, while the remaining two offices have a C label. The labelling system represents the theoretical energy use of the buildings, but we prefer to use the Paris Proof metric of kWh/m²/yr, which translates gas use into kWh. Using this metric, we expect to achieve an average of 70 in 2030, 10 years ahead of the target set by the Dutch Green Building Council. In 2023, our real estate offices already average around 114 kWh/m²/yr, a 22% reduction compared to the 147 kWh/m²/yr in 2019. The significant reduction between 2019 and 2023 is mainly due to implementation of gas reducing measures like installation of heatpumps and ATEs (gas reduction was 43% compared to 2019). New measures are in the pipeline.

Meanwhile, the new Cargo Building, 17, was introduced. The building has a BREEAM Excellent rating and is designed to support the maximum number of solar panels on its roof. It is also gas-free thanks to an aquifer thermal energy storage (ATES) system, has a partially wooden support structure and is designed for easy disassembly.

In 2023, we carried out technical research to support the final design of the centralised thermal energy storage system that will serve the Outlook and Avioport buildings at Schiphol and the Schiphol Group head office. We also started installing heat pumps to prepare the buildings for the new system. The contract for the project management and construction of the system has been awarded and work is scheduled to start in early 2024.

Schiphol certifies its existing commercial properties to BREEAM In-Use, an environmental assessment method that enables property investors, owners, managers and occupiers to identify and drive sustainable improvements in the operational performance of their buildings. In 2023, we focused on implementing the latest BREEAM In-Use assessment framework for a further batch of the 10 certified buildings in our Commercial/Schiphol Real Estate portfolio.

Energy use commercial buildings

(x 1,000)	Size (m ²)	Electricity (kWh)	Natural gas (m ³)
Schiphol HQ (SHG) ¹	34	4,678	50
Commercial Real Estate ²	587	42,141	2,318

¹ Incl. datacenter
² Excl. Rotterdam Airport Real Estate (RAV)

Renewable energy

Renewable energy supports our carbon reduction programmes. Schiphol Group's electricity comes mainly from wind farms in the Netherlands, and to a lesser extent from solar farms, although the proportion of solar energy is increasing. The electricity purchased for Rotterdam The Hague Airport comes from the solar park on the RTHA airport site. In 2023, green gas will account for 17% of Schiphol Group's total gas purchases and 100% of the gas used by Eindhoven Airport, RTHA and Lelystad Airport.



The electricity purchased by Schiphol Group comes mainly from wind, though the amount of solar is increasing.

In 2023, the solar panels at Schiphol Airport generated a total of 2.3 million kWh. Due to fewer hours of sunlight during the year, the yield of the existing solar panels was slightly lower than in 2022, at -9.9%. The solar energy generated on site in 2023 is shown in the 'Solar energy per airport' table below.

Solar energy per airport

(x 1,000)	Solar energy (kwh) generated on site in 2023
Schiphol Airport	2,339
Eindhoven Airport	197
Lelystad Airport ¹	-
Rotterdam The Hague Airport	12,072
Unisun solar park at RTHA	698

¹ Data not available for 2023, we are working on getting the correct data for 2024

➔ Air pollution

Schiphol Group is committed to reducing emissions that could have a negative impact on the air quality at our airport sites and in the neighbouring communities. Air quality around Schiphol Airport is continuously monitored by the government; the province of North Holland has three air quality monitoring stations in the vicinity of the airport and publishes its measurements online. For 2023, Schiphol met all government air quality requirements (based on EU Directive 2008/50/EG) for this category.

RSG's air quality policy focuses on reducing emissions from aircraft and fossil-fuel-powered vehicles in order to limit substances that affect the climate, the environment and human health. Schiphol focuses on a number of substances because they require special attention, such as NOx and Substances of Very High Concern (SVHC), or because there is still much to learn about them, such as ultrafine particles (UFPs).

Nitrogen emissions (NOx)

Schiphol Group is committed to reducing our nitrogen emissions, an ambition supported by the Nitrogen action plan (Actieprogramma stikstof) launched in early 2020 and secured in the Most Sustainable Airports roadmap. In September 2023, the Ministry of Agriculture, Nature and Food Quality granted Amsterdam Airport Schiphol a Nature conservation permit (Natuurvergunning) under the Nature conservation act (Wet Natuurbescherming).

In areas where Schiphol's nitrogen depositions exceed a historical reference value, excess depositions must be mitigated. To do so, Schiphol is implementing a combination of internal and external measures. In terms of internal measures, Schiphol Group is reducing its own nitrogen emissions, for example through the electrification of ground-handling equipment. In terms of external measures, third parties enter into an agreement with Schiphol Group to lower or stop their deposition-causing activity in relevant areas. These internal and external measures

have become mandatory from the moment the Nature permit took effect.

Substances of Very High Concern (SVHCs)

RIVM, the National Institute for Public Health and the Environment, determines which substances are considered nationally to be SVHCs (Substance of Very High Concern/Zeer Zorgwekkende Stoffen, ZZS). Eight of the volatile organic compounds (VOCs) found in aircraft engine emissions are also SVHCs. The substances emitted into the environment by the aviation sector, including the most important VOCs, are published annually on the Emissions Register (Emissieregistratie.nl).

While there are no limit values for SVHCs emitted by aviation, there are occupational exposure limits for workplace exposure to chemicals classified as carcinogenic, mutagenic or toxic to reproduction. These substances have similar properties to those classified as SVHC. The Job Safety Analysis identified a number of exposure situations where we have not yet been able to demonstrate that exposure is below the limit. Measurements are required to establish compliance with the guidelines. These measurements will be carried out in Q4 2023 and Q1 2024. Once it has been demonstrated that Schiphol complies with the guidelines, these guidelines will be incorporated into occupational health and safety standards to ensure the health and safety of employees.

In addition, there is an obligation to minimise emissions for activities on the ground that emit SVHC (Activiteitenbesluit Art. 2.4, para. 1). Schiphol has submitted a complete Avoidance and Reduction Programma for SVHC which has been approved by the Environment Agency (Omgevingsdienst).

There is no such obligation for emissions from aviation. Nevertheless, Schiphol is committed to reducing SVHC emissions from the largest source: aircraft engines. In February 2023, TNO published a study in which it calculated the emissions from Dutch airports. In this study, TNO mapped the possibilities for aviation to reduce SVHC emissions, and Schiphol either has these measures in place or already has plans to implement them in the future.

The measures that have had the greatest impact are those that reduce taxiing times, which are responsible for the majority of SVHC emissions.

Finally, there are limits for VOCs, which make up SVHC, relative to the maximum takeoff mass (MTOW) of the aircraft. These emission values are strictly monitored in Schiphol's Handhavingsrapportage and are published annually. The VOC figures have shown a steady decrease over the years, thanks to the airlines' investment in fleet renewal, supported by Schiphol's policy of reducing airport charges for quieter and cleaner aircraft.



Air quality around Schiphol Airport is continuously monitored by the government. The province of North Holland has three air quality measuring stations in the vicinity of the airport and publishes its measurements online.

Ultrafine Particles (UFPs)

In the years leading up to 2023, several studies were carried out by external parties (RIVM), Schiphol and sector partners on the exposure of residents and the surrounding area to UFPs (Ultrafine Particles). The results of these studies and external pressure, such as from the FNV, led to the establishment of a task force in early 2022, together with the sector parties, to carry out further exposure and health studies among platform workers and to investigate short and long-term measures to limit workers' exposure to UFPs and to minimise emissions.

In December 2022, this taskforce was renamed the Aircraft and Diesel Engine Emissions (VDME) programme, and this sector collaboration includes dnata, Viggo, KLM, Axxicom, Menzies, Aviapartner, Swissport, Heijmans, BAM, VolkerInra and the Ministry of Infrastructure and Water Management. The aim of the VDME programme is to minimise the exposure of employees to the UFPs as part of VDME in order to create a safe and healthy working environment. To this end, three main areas of focus have been identified to group together current and future actions.

For all measures of the VDME programme, the sector parties are regularly updated on the progress and for each measure a selected group of the sector is actively involved in the development and implementation of the measures. Schiphol plays a leading and central role in the VDME programme. In addition, Schiphol has received two sets of demands (Deelbesluit 1 en Voorgenomen Deelbesluit 2) from the Dutch Labour Inspectorate (NLA), which it must comply with regarding the health conditions of employees in relation to VDME. Schiphol has submitted an objection (bezwaar) to part 1 (diesel engine emissions) and a response (zienswijze) on part 2 (kerosene emissions). We are currently awaiting final decisions. At the same time, Schiphol is in constant contact with the NLA about the progress of the measures in the VDME programme that meet the requirements.

VDME focus area 1: Understanding the behaviour and (health) consequences of UFPs

In August and September 2023, the Institute for Risk Assessment Sciences (IRAS) conducted an exposure study with all stakeholders in the sector, measuring the personal exposure of airside employees over the course of a day. Employees from different functional groups wore a sensor on their uniform to measure their exposure to UFPs during a normal working day. Results are expected in the first quarter of 2024.

To gain knowledge about the specific UFPs at airside, a research laboratory was officially opened in September 2023. The laboratory is located on two gates and can carry out all kinds of experiments to test possible measures to reduce emissions

or exposure to these emissions. Ten stationary UFP sensors have been installed at this location to measure the amount of UFP and provide a baseline against which Schiphol can test the effect of various measures.

In July, we introduced a policy of periodic occupational health examinations (PAGO) enabling employees to apply for an examination by health professionals to determine possible health effects due to exposure to emissions from kerosene or diesel-powered engines. As there was no existing PAGO for aircraft emissions, it was developed by an external party at the request of the VDME programme/steering committee and will be organised on a regular basis. The first PAGO was carried out in November. In addition, all information and knowledge gathered by Schiphol or its partners is available to employees via VDME e-learning in the Schiphol Learning Hub. This training will be updated as new information becomes available and will be shared with all parties in the sector.

VDME focus area 2: Minimising employee exposure to emissions

During the summer of 2023, Schiphol carried out a pilot project with respiratory protection equipment to investigate which face masks offer the best possible protection and comfort for continuous use. The results of the pilot led to consultations with the manufacturers to further develop the equipment to achieve the best possible protection.

In addition, a dedicated Sustainable Ground Movement Task Force has been established in collaboration with the Integral Safety Management System (ISMS) partners to develop and coordinate actions in the operational ground movement processes of the ISMS partners.

This includes the development of a new ground movement concept for 2030. It focuses on reducing and maintaining occupational risks from kerosene engine emissions at an acceptable level, while maintaining operational safety. These are just a few examples of the 23 measures in the VDME

programme to minimise employee exposure to UFPs from aircraft and diesel engines.

VDME focus area 3: Minimising aircraft and diesel engine emissions

Ultimately, the reduction of VDME must be achieved by reducing aircraft and diesel engine emissions in the first place. This can be done either by keeping engines off for as long as possible, such as with our APU action plan, or by electrifying the vehicle fleet and airport equipment. In order to be able to substitute certain diesel or kerosene emission, Schiphol is working on the provision of electricity on airside. This is a complex project, but crucial for the reduction of emissions.

Auxiliary power units (APU) action plan

Schiphol has submitted an auxiliary power units (APU's) action plan to the Human Environment and Transport Inspectorate (ILT), with input from the airport's partners, with the aim of reducing the use of APUs by aircraft parked on the apron. APUs run on kerosene and cause harmful emissions as well as noise nuisance for apron workers.

Schiphol considers reducing the use of APUs to be a priority because it will make a concrete improvement to the health and working conditions of apron workers. It will also help to reduce CO₂e emissions of aviation as a whole.

Aviapartner, dnata, KLM and Schiphol have joined forces to optimise the use of existing electric preconditioned air (PCAs) units at Schiphol. This has had an immediate positive impact on airside working conditions. All ground handlers can use the electric PCAs. Two e-PCAs are mounted on the passenger boarding bridge at F03 and G04, which is a new way of working for the handlers and the first reactions are positive, especially regarding the working conditions. Schiphol has ordered more e-PCAs to ensure that all wide-body stands are equipped with an e-PCA by the summer of 2024. In parallel, we're working on e-PCAs for narrowbody stands as well.

The text of the Aeronautical Information Publication (AIP) has been updated with further restrictions regarding the use of APUs before take-off. This update went into effect in late December 2023. ILT monitors the use of APUs on a weekly basis and warns airlines if they fail to comply. Schiphol is working with handlers and airlines to implement the changed procedures to comply with the AIP. We have developed a campaign to raise awareness among handlers and cockpit crews about why APU use must be minimised.

Electric equipment

Schiphol aims to achieve zero CO₂e emissions on airside by 2030. By phasing out fossil fuels we will also reduce emissions of NO_x, SVHC and UFP. The majority of the fleet is already electric or has the best diesel engine where no electric equivalent is yet available. In addition to vehicles, Ground Service Equipment (GSE) is also being replaced with electric equivalents, such as electric Ground Power Units (e-GPUs) and e-PCAs units. This is being done in cooperation with the industry parties and KES, with KLM and Schiphol owning the e-PCAs that the industry parties use. Due to innovation, delivery times and required infrastructure implementations, the timeline for all GSE replacements is ongoing until 2030.



Since December 2023, 100% of the taxi rides that depart from the taxi stand at Schiphol are zero-emission.

Our partners have also expanded their electrical equipment. Viggo has purchased an electric pushback for wide-body aircraft, and KLM has purchased a number of pushbacks for narrow-body aircraft. Axxicom introduced 10 electric buses to transport people with reduced mobility to and from the aircraft. Combined Refuel Services (CRS) made a first with the electric hydrant dispenser for refuelling aircraft. We are proud to be working with such committed partners towards zero emission ground operations and improving local working conditions.

Clean mobility

Schiphol Group supports the use of clean mobility solutions, whether through its own fleet or that of companies operating on the airport site.

Taxis

Since December 2023 100% of the taxi rides that depart from the taxi stand at Schiphol airport are zero-emission. A great milestone, which Schiphol has been striving to achieve over the last decade, starting with the introduction of sustainable taxi-vehicles by Schiphol's official taxi concession holders Bios Group (ZCN), Schiphol Taxi (BBF) and Schiphol Service (Willemsen de Koning) in 2014. In the years since, the independent taxi operators that are active from the taxi stand via the taxi control foundation (STC) have also been stimulated to switch to a zero-emission vehicle. A process that has now been successfully completed.

Together, Schiphol's concession holders operate a fleet of 177 electric taxi cabs and vans from the official taxi stand. The fleet of the independent taxi operators includes a further 772 zero-emissions vehicles, among which 154 electric vans and 1 hydrogen-powered taxi. In total, 949 electric taxis are currently operating from the official taxi stand. This number has risen significantly this year, which reflects the recovery in demand for taxi services (post-Covid) and Schiphol's ambition to strive for a zero-emission taxi rank at the airport. Consequently, more than 93% of the 868.192 taxi rides from the taxi stand were carried out by zero-emissions vehicles in 2023.

Unfortunately, pre-ordered app taxi services (638.085 rides) are still mostly executed by traditional fossil fuel-powered vehicles (81%). Schiphol is working with the parties responsible for those services to change that towards a more sustainable outcome by 2026 – and plans to implement a zero-emission zone for taxi's by 2026.

Equipment pooling

At Amsterdam Airport Schiphol, six general handlers provide ground-handling services to airlines. Each handler currently uses its own ground support equipment (GSE) for ramp handling and transports its GSE from one aircraft stand to another, even if an aircraft is located at a different pier.

Transporting GSEs by vehicle creates unnecessary movements on airside access roads and around aircraft stands, resulting in increased congestion and safety risks. To mitigate these risks, Schiphol, in cooperation with the ground handlers, conducted a pilot project in 2023 to test the operational feasibility of sharing GSE between all six handlers: equipment pooling. The pilot took place between January and August at six aircraft stands at Pier D (D16-D28). The GSE used in the pilot included passenger stairs, conveyors and powerstows, all electrically powered. One of the lessons learned from the pilot was that sufficient charging facilities and space at and around the aircraft stands is essential for the successful implementation of charging infrastructure, leading to a rapid roll-out at the stands. Together with the ground handlers, we will determine the next steps to implement a more permanent equipment pooling strategy at Schiphol Airport, with a focus on equipment at the stands.

Cleaner fuels

In January 2023, KLM Equipment Services switched all airside equipment from GTL to HVO100 fuel in order to reduce carbon emissions, in addition to the air quality benefits that GTL already offered. HVO100 is produced from biomass and reduces emissions by more than 89% compared to the GTL production process.



Schiphol Group supports the use of clean mobility solutions, whether through its own fleet or that of companies operating on the airport site.

Supporting electric vehicles

In 2023, Schiphol implemented a charge point operator platform. More than 300 existing and new AC chargers have been added to a new management software platform and are ready for future growth. In addition to these chargers, the first DC fast charger has been installed at Rotterdam The Hague Airport, achieving proof of concept. At Schiphol Airport we will install a multitude of DC fast chargers over the next few years, starting in 2024 with the P3 shuttle bus (Q2), trucks at Truck Parking 3 (Q3) and airside vehicles (Q4). This important turning point provides an important foundation for scaling the eMobility offering to approximately 10,000 chargers with an expected equivalent capacity of 220 megawatts by 2030.

We also faced capacity issues on the energy grid in 2023. A number of projects, such as the rollout of (fast) chargers, have been postponed due to these capacity problems. However, further research in 2023 shows that with the deployment of smart dynamic load balancing technologies, we can use our reserved capacity much more efficiently. Therefore, this will become the new development standard in 2024 to continue our roll out.

➔ Sustainable aviation

Sustainability is central to the aviation sector discussion around how to move forward in the currently challenging operating landscape. 2023 saw further positive steps taken: the EU and its Member States proposed new aviation sector incentives within the Fit for 55 framework, including a new mechanism to support the proposed sustainable aviation fuel (SAF) blending mandate for fuel supplied to EU airports from 2025 onwards. The voluntary uptake of SAF by airlines is a promising development, and has been partly stimulated by Schiphol Group's incentive to partially subsidise SAF used at Amsterdam Airport Schiphol.

These new developments support the long-term course set out by Schiphol Group and the wider aviation sector in the Netherlands. Our shared target is to reduce carbon emissions generated by the Dutch aviation industry to 2005 levels or lower by 2030. Meanwhile, we are committed to reaching the targets set by the Paris Agreement and the Dutch Climate Agreement. This will include continuing to encourage measures such as distance-related taxiing, encouraging train travel for shorter distances, fleet renewal, increasing synthetic and bio-kerosene, and introducing hybrid/electric propulsion.

Supporting the EU Green Deal

Schiphol Group supports the EU Commission's Fit for 55 climate package, which sets a minimal 6% SAF blending target from 2030 onwards with strong increases in subsequent years. The package includes a specific target for the use of synthetic fuel. The EU Member States and European Parliament have agreed on most of the proposals of the Fit for 55 climate package to enable the overall target on transport fuels in 2030. The current proposal is to reach a 14.5% CO₂e intensity improvement, which will be implemented across each Member State in 2024. Schiphol Group, together with the Dutch aviation sector and Dutch government, supports the Dutch aviation industry-wide target to achieve a 14% SAF blend by 2030.

Sustainable aviation fuel

Schiphol Group is involved in several projects aimed at accelerating the uptake of sustainable aviation fuel by carriers. Flying with sustainable aviation fuel as a so-called 'drop-in solution' is the most effective way to decarbonise air travel. Fossil kerosene can be replaced with bio-based or synthetic kerosene that is blended in aircraft and hydrant storage without any modifications to facilities or aircraft engines. In larger quantities, SAF can also help to improve air quality around airports. Meanwhile, non-drop-in fuels are also being developed with different characteristics to conventional kerosene, such as hydrogen or electric propulsion.



Flying with Sustainable Aviation Fuel (SAF) is the most effective measure on the short term to successfully decarbonise air travel and achieve the climate goals for 2050 and beyond.

Promoting production capacity and the use of SAF

Since 2022, Schiphol Group has received a continuous supply of SAF by Neste and KLM into the storage and hydrant facility of Aircraft Fuel Supply, while in 2023 SAF deliveries were made to multiple airlines operating at Schiphol Airport, including Air France, Delta, KLM, Qatar, Ryanair, Transavia and United.

In total, over 40,000 tonnes of SAF was delivered, making the airport one of the leading SAF hubs in the world.

Schiphol Group partners with Port of Amsterdam, SkyNRG and KLM in Synkero BV, a start-up focused on developing a commercial SAF production facility in Amsterdam. By 2030, Synkero BV aims to produce 50,000 tonnes of SAF to help meet the SAF volumes mandated by EU proposals. We plan to supplement the volumes provided through the start-up by encouraging SAF supplies from producers such as Neste, Shell and Argent Energy, provided sustainable and scalable feedstocks are used.

In addition, in 2023 we set up an experience centre at Schiphol Airport to increase awareness among passengers, together with airlines and the aviation fuel industry. Meanwhile, Rotterdam The Hague Airport (RTHA), working with SkyNRG and CHOOOSE, has introduced a tool to enable travellers to fly more sustainably by replacing fossil fuels with SAF via the 'book and claim' principle.

Moreover, Zenid, a consortium of various pioneering partners in technology and aviation (RTHA as part of RSG, RHIA, SkyNRG, Climeworks), has the ambition to build a demonstration plant producing fully circular sustainable aviation fuel directly from air. With the technological developments necessary for building the demonstration plant being uncertain in delivery, the consortium is reevaluating its course and direction. There is no indication on how this consortium will develop in the future.

New SAF incentives in the coming years

In 2023, we continued to expand the incentive scheme introduced in 2022 to encourage the use of SAF by airlines at Amsterdam Airport Schiphol. In 2023, 12,500 tonnes of SAF was subsidised at the airport, more than doubling the volume of 2022. Meanwhile, the joint efforts of Schiphol Group and its partners in the EU TULIPS project will also contribute to the scaling up of SAF at EU airports. Some of the initiatives being explored over the coming three years include creating new supply channels for e-fuels, enabling large-scale supply options and introducing potential SAF incentives at other EU airports.

Supporting long-term solutions

In addition to promoting the use of SAF, other non-drop-in sources of sustainable energy will be needed to reach net-zero aviation emissions by 2050. These solutions include renewable electricity and green hydrogen. Together with manufacturers such as Airbus, Pipistrel and ZeroAvia, Schiphol Group is involved in initiatives to develop the long-term infrastructure for liquid hydrogen, which is a precondition to deliver sufficient energy for aircraft that can carry up to 100 passengers within Europe or beyond. The extreme cooling of hydrogen to minus 250 degrees Celsius requires new methods of transport and storage at airports.

Schiphol Group will test the use of hydrogen in the TULIPS project by storing it temporarily and fuelling a drone at RTHA. In 2023, we continued to research different options for the storage and transport of liquid hydrogen.

These ambitions are only possible with sufficient renewable energy and new supply chains. Schiphol Group has joined with the Port of Amsterdam, Tata Steel and various supply chain partners to scale up the regional availability of green hydrogen over the coming decade. Achieving our goal depends on the availability of renewable energy for ramping up local production, the connection to the national grid and focusing on international imports to identify the areas in which the production of green hydrogen is most feasible.

The TULIPS project has set up demonstrations with green hydrogen to charge aircraft and equipment and alleviate the high electricity demand at airports. In addition, RTHA and ZeroAvia have planned a hydrogen flight from London to Rotterdam in 2024.

Sustainable taxiing

Schiphol is working with a consortium to take steps towards the operational roll-out of sustainable taxiing at Amsterdam Airport Schiphol. The consortium includes Corendon, dnata, KLM, LVNL, Swissport, Transavia, TUI and Viggo. While the ambition of eliminating all avoidable taxiing-related emissions remains unchanged, the consortium members have submitted an update



Schiphol is working with a consortium that is taking steps towards the operational roll-out of sustainable taxiing.

to the strategic roadmap, detailing the scale-up of sustainable taxiing until 2030. Scaling efforts will build on the learnings via the showcase that was executed through the two TaxiBots owned by Schiphol Airport. It is an opportunity to drastically lower fuel consumption, greenhouse gas emissions, local UFP levels and noise disturbance caused by ground operations.

Schiphol and KLM are continuing their collaboration on a European Level as part of the EU-subsidised HERON consortium, which aims to drive sustainability by reducing CO₂e emissions related to airport operations. Within the context of HERON, Schiphol Group successfully established sustainable taxiing as SESAR solution. We also continue to work with EUROCONTROL to align recommendations to implement sustainable taxiing across Europe and develop European operational standards for TaxiBot operations.

Wildlife trafficking

Schiphol Group works with various sector partners as well as Airports Council International (ACI) to fight wildlife trafficking. As traffickers often use aircraft to smuggle their goods, airlines and airports are ideally positioned to help combat trafficking by training staff to recognise and deal with trafficking situations, raising awareness by providing information to the public and through partnerships in the supply chain.

In 2023, we continued our activities as chair of the ACI Wildlife Trafficking Task Force, including by sharing our case study on the prevention of wildlife trafficking with our stakeholders and fellow task force members. We also organised a workshop for ACI World Environment Standing Committee (WEnSC) members about wildlife detection scanning equipment and participated in a conference on the revised EU Action Plan against Wildlife Trafficking 2022-2027 hosted by the European Commission. Meanwhile, at Schiphol Airport, we worked with retail outlets to ban the sale of packaged eel in the food stores of our lounges. Eel products can be bought legally in the EU but cannot be exported.

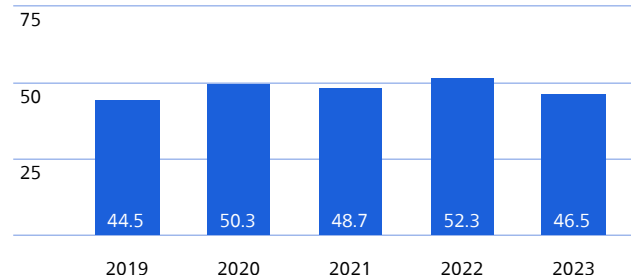
➔ Circularity

In a circular economy, we aim to create, maintain and enhance the value of resources in harmony with the environment. There is no waste; instead, resources continuously cycle from one use to another. Each resource serves a purpose in one application and, once it has completed its role, it becomes a valuable input for another, higher-value use. Achieving this requires us to address inefficiencies at every stage of the resource value chain.

Our approach prioritises reducing material consumption and enhancing the next-life application of residual materials for future life cycles. We also aim to minimise the environmental impact of the processes and the consumption of the materials

Percentage of separated operational residual flows¹

(per year at Amsterdam Airport Schiphol)



¹ Excluding CAT1 aircraft waste.

we use. Our goals are to achieve zero waste by 2030 and full circularity by 2050. The new circular system and the programme to implement it are currently being developed. Among other things, we are planning the following initiatives.

Separation rate

For the operational residual streams that are part of Material Flow Management, the separation rate was 46.5% in 2023. Although the focus was on source separation, there was a successful post-separation pilot from summer 2022 to April 2023, which increased the waste separation rate. From May 2023, it has no longer been possible to continue post-separation in the pilot form. We are focusing on separation at source by encouraging passengers to put waste in the right bin and working with business partners to avoid certain products (and prevent waste from being generated).

Improving the value chain

To meet our zero-waste goals and advance our circular transition by 2050, Schiphol Group must focus on optimising our value chain, asset lifecycles and material flows. In 2023, we continued to apply our zero-waste and circularity policies.

A significant organisational development this year was teaming up with Renewi/Seenons as our new material flow management partner for operational streams. In addition, establishing the Sustainability and Energy Management team within Asset Management marks a pivotal shift towards a systematic, KPI-driven circularity model, moving away from an approach that is driven by the project level.

Currently, organising data on our residual streams and forecasting their future trajectory poses a challenge. This year, our focus is on several flagship projects that demonstrate how Schiphol is putting its circularity ambitions into practice. As the following examples illustrate, our primary emphasis is on preserving or enhancing the value of resources, while actively avoiding downcycling and waste generation.

Towards a fully circular 2050

The 2030 Roadmap helps us to become zero waste. However, with increasing resource scarcity and the risk this poses to business continuity, we need to embrace a circular model that makes the best use of material resources. To realise our new system and our 2050 goals, we must act now, in parallel with the implementation of the 2030 Roadmap.

Materials are becoming scarce and expensive due to increasing demand, insufficient reuse and depletion of these finite resources. The linear 'take-make-waste' approach depletes available materials and fails to maximise material value. Focusing on recycling alone, while maintaining a linear approach, will not deliver sufficient results. We need to manage both input and output in a systemic way that requires a paradigm shift in the way we manage our materials, recognising their inherent value.

From operational residuals to operational resources

In 2023, we continued our efforts in Work Package 6 – Circular Airports, as part of TULIPS. Our aim is to minimise passenger waste and maximise the reuse of secondary materials in construction. Throughout the year, we measured our operational waste streams and assessed their environmental footprint. We have made two relevant results available to the public: the [Circularity Performance Management System](#) and the [Airport Circularity Baseline Study](#). These results are crucial for prioritising residual streams and defining concrete, specific actions to reduce passenger waste.

In June 2023, we started working with Renewi and Seenons at Amsterdam Airport Schiphol and Rotterdam The Hague Airport, and with Remondis, our material flow management partner, at Eindhoven Airport. In this new approach, we treat our operational residuals as materials. We have worked with partners along the value chain and collected relevant data to assess and prioritise streams (also in collaboration with TULIPS Work Package 6).

We already know that residual waste, cabin waste, plastics and food waste have a big impact in terms of weight and environmental footprint (including CO₂e), so we are taking concrete measures to reduce these streams and increase the value for their next use. For example, in addition to the introduction of a deposit on PET bottles (July 2021), Schiphol Airport has also been offering a deposit on cans since 1 April 2023. Although Schiphol is not legally obliged to provide return facilities, we are motivated to voluntarily facilitate such initiatives in line with our goal of achieving zero waste by 2030. Our goal is to offer travellers the option to either donate the deposit or receive a 0.15 euro refund via an app. We are currently exploring the feasibility of this initiative to contribute to our broader sustainability goals.

In addition to these actions, we are also defining the monitoring system to start managing circularity. Systematic data collection, visualisation and analysis with relevant KPIs is a framework that will be in place in 2024 for our operational residual streams.

Plastic road

In 2023, we conducted a trial on airside with a road composed entirely out of recycled plastic from our airport. Although Schiphol itself was not dissatisfied with the results of the trial, the organisation that developed the initiative has stopped. We are therefore not continuing with the test.

Partnerships

To measure the sustainability performance of our suppliers and partners, we are implementing the Global Sustainable Enterprise Systems. This tool enables us to also select partners we work with based on sustainability by actively monitoring and tracking their level of circularity at product, project and overall company level.

From construction residuals to construction resources

Circular construction materials

According to our sustainability roadmap, approximately 1% of all construction residual streams in the Netherlands come from Schiphol. Concrete is the building material most frequently used

in construction projects at Schiphol and has the greatest impact on CO₂e emissions.

At the concrete recycling plant at Zonnekruisweg at Schiphol Airport, we will collect demolished concrete from the Schiphol ecosystem and process it into recycled concrete materials. In the coming years, we want to process more and more demolished concrete into high-quality circular concrete. By using circular concrete, we can save CO₂e emissions in the polluting concrete supply chain. In addition, we can secure our own supply of high-quality concrete for the future, which is particularly beneficial given our project portfolio (e.g. Terminal South, Pier C).

Examples of the circular transition

In the Checkpoint 90 project, we shifted from using traditional design methods to circular design principles. The Quebec Project exemplifies this transition by adopting an integrated sustainable approach that enables the creation of a circular building using reused materials from existing cargo buildings on-site. The circularity of a building is quantified using the Building Circularity Index (BCI). The BCI target for the Checkpoint 90 project was 60%. The project successfully achieved a BCI of 68%. In particular, various secondary materials were used, including steel for the roof, doors, lighting, sanitary facilities, counters and emergency equipment.

In addition to the use of secondary materials, the project emphasises forward-looking practices. Checkpoint 90 is designed to be demountable, allowing materials to be reused in future construction projects. This approach underlines a commitment not only to circularity in the present, but also to sustainability and the reuse of materials for future endeavours.

Checkpoint 90 is bio-based, meaning that the construction materials, mainly wood, and other materials used in the building are of natural origin. Energy is generated locally as the canopy is made up of over 1,100 German bifacial solar panels. – which is almost enough for the building to become zero net (energy neutral).



Doorlaatpost 90 is biobased, meaning that the construction materials, predominantly wood, have a natural origin, enabling the reuse of materials in future construction projects.

Another great example is the 'Zwanenburg Runway'. This project ensures the operational availability of the runway for the next seven years. Major maintenance was required to ensure reliability and prevent the risk of breakdowns. Assets on the runway could no longer be safely maintained and had to be replaced in accordance with legislation and regulations. About 60 percent of the removed asphalt from the runway has been reused in the newly laid asphalt and several parts, such as the fixtures, have been refurbished for use during upcoming projects. In addition, the released materials that could not be used at Schiphol, were collected separately as much as possible so they can be used at other locations.

In addition, the cargo apron, called Sierra, will be extended with three aircraft stands. Work started in 2023 and will be completed in 2024. Three major improvements have taken place. First, we have reduced the thickness of the pavement foundation at the front of the apron by 20%. This was possible because this area has lower surface loads, saving 720m³ of concrete or the equivalent of 60 lorries.

Second, we reconsidered the need for a new emergency power station. By looking at similar situations and data, we eliminated the need for an additional building with a diesel generator.

Third, as the aprons are used day and night, we need lights there. Normally we would have built 25 lights, but by defining the apron more precisely we only needed 18 lights, without compromising on compliance and functionality. All these measures together mean that we're using less material, producing fewer emissions and using less energy.

➔ Water pollution

At Schiphol Airport, we have a separate sewer system that transports wastewater (mainly sanitary wastewater) from buildings to an on-site treatment plant. The rainwater system, including all rainfall from paved areas (including buildings), flows directly to the surface water. In winter, measures to keep aircraft free of ice and to keep snow and ice off taxiways, runways and aprons affect the quality of surface water. The de-icing agents used are biodegradable and remove oxygen from the water. Other risks of water pollution come from spills from equipment



Schiphol is committed to improve the quality of surface water on a permanent basis, particularly by minimising the harmful effects of de-icing and ice control measures. This includes both more economical spraying and the use of sustainable alternatives.

or activities. Schiphol has several measures in place to minimise the impact.

Measures

Schiphol is continuously improving the quality of surface water, in particular by minimising the harmful effects of de-icing and ice control measures. This includes both more economical spraying and the use of sustainable alternatives such as potassium formate. Source reduction measures focus on the more economical use of both aircraft de-icing and snow and ice control agents.

Handling agents use monopropylene glycol (glycol) for aircraft de-icing and potassium formate for ice control on asphalt. Glycol has the greatest impact on oxygen demand in surface waters and is therefore collected as much as possible after aircraft de-icing through infrastructural and operational measures. Glycol is collected both at the Central De-Icing Facility and at the gates.

Use and collection of de-icing fluids in winter 2022-2023 (mild winter)

	Winter 2022-2023
Potassium formate	1,121,000 litres
Glycol	784,000 litres
Collected glycol-water mix	9,309,000 litres

We work closely with the Rijnland Water Authority to monitor the quality of surface water during the winter season. The oxygen demand of the surface water from the de-icing fluids is actively monitored at 20 locations around the airport. From 2023, all monitoring sites are continuous, automatic and online, so oxygen and oxygen demand in the surface water can be checked at any time.

By law, contaminated runoff from new pavement structures (taxiways, runways and aprons) cannot be discharged into surface water. First flush from new pavements is therefore collected, stored and combined with collected aircraft de-icing fluid for off-

site treatment. This year, a first flush system was installed on the first phase of the new Quebec taxiway viaduct.

At a busy airport, spills from equipment or activities do occur. Schiphol has put in place an appropriate system to control and clean up these spills as quickly as possible. Most spills are directly cleaned after they are reported, minimising the risk of spills contaminating our surface water.

Future developments

Schiphol has developed a new strategy to convert the existing storm water sewer and build a treatment plant on the airport in order to collect and process potassium formate contaminated runoff from existing taxiways, runways and aprons. This will be a long-term, 10-15-year strategy as all existing facilities will need to be upgraded.

Next year, projects on the Romeo and Sierra platforms will have a first flush installation.



At a busy airport, incidents with spills from equipment of activities happen. Schiphol has set up an adequate system to control these spills and clean them as fast as possible.

PFAS

For every project that requires work in or with the soil, the quality of the soil is assessed through the standard protocol and on the standard set of parameters according to Dutch legislation. As of 2016, these assessments include testing for PFAS (Poly- and PerfluoroAlkyl Substances) because firefighting foams containing PFAS have been used in the past at Schiphol Airport (and airports worldwide).

Originally, the legislation restricted the reuse or disposal of PFAS-contaminated soil, and no effective remediation methods were available, leading to the establishment of storage facilities for contaminated soil on our grounds. Currently, approximately 180,000 tonnes of PFAS-contaminated soil are stored on-site.

We have been exploring and testing various remediation techniques suitable for our specific soil. This research has recently yielded a promising method, leading to our decision in 2023 to acquire a remediation facility that uses this technique. We aim to start operations by the end of 2024, following the necessary permit acquisitions. This facility is expected to process all stored PFAS-contaminated soil within approximately three years, marking a significant step in our environmental stewardship efforts.

We do not foresee any health risks for local stakeholders. The cleaning process is a closed system (no process water is discharged), the soil remediation installation is realized on a liquid-proof floor, stored soil awaiting remediation is covered with foil, there will be a dirty and clean zone and there will be a wheel washing installation so that trucks do not remove any contaminated soil from the dirty zone. Moreover, the site is closed and not accessible to unauthorized persons.

→ Soil pollution

Schiphol Group makes every effort to manage emissions into soil and to prevent, control and reduce such emissions and thereby pollution (e.g. with PFAS). If for some reason emissions do occur we act prudently and in line with our permits and regulations to ensure the impact on the environment is limited.

Preventative measures

Schiphol Airport adheres to the national guideline for soil protection (*Nederlandse Richtlijn Bodembescherming*). Potential threats to soil quality, such as oil storage, undergo assessment. This includes a comprehensive soil risk analysis to identify and implement essential measures and technical solutions that minimise contamination risks. No activities commence until these preventative steps are firmly in place.

Despite stringent preventative measures, soil contamination incidents are sometimes inevitable. Our goal remains prudent remediation. In 2023, we encountered three incidents:

- A mobile lighting unit leaked oil during maintenance. Approximately 90 metric tons of contaminated soil were promptly excavated and treated off-site
- An airplane spillage of kerosene during taxiing led to the excavation and off-site remediation of 40 metric tons of soil. 25 m³ soil is still polluted and will be remediated as soon as possible
- A pump failure resulted in an oil-water mixture spill, leading to the excavation and off-site treatment of about 15 metric tons of affected soil

Runoff from runways and taxiways, similar to motorway usage, also contributes to soil contamination along verges, predominantly with PACs (polycyclic aromatic compounds (PACs) and metals. These contaminants remain superficial, posing minimal immediate health or environmental risks. Remediation is not effective as long as runoff and therefore contamination continues to take place.

→ Climate adaptation

The current pace of global warming suggests that we may see significant climate-related events in the future, including an increasing number of extreme weather events. Extreme climate events have already caused disruptions at airports worldwide. At Schiphol Group, we have introduced a range of measures – described in our Most Sustainable Airports roadmap – to mitigate climate change, such as becoming an energy-positive and circular airport. Nevertheless, we are aware that global warming has been accelerating in recent decades and cannot be stopped overnight. In addition to mitigation measures, we must also focus on climate adaptation, which means dealing with the impact of climate change and adapting our airport accordingly. For this reporting year, we do not see any financial reporting risks related to the climate change adaptation while drafting the financial statements 2023.



To combat future amounts of water and prevent flooding, a comprehensive water storage plan was developed, tailoring specific projects for each drainage area within the airport premises. This approach ensures dry conditions today as well as safeguards against future water-related challenges.

Climate Adaptation Strategy

In 2022, Schiphol conducted research into the effects of the changing climate on our airports, the outcome of which was our Climate Adaptation Strategy. This strategy, which focuses on extreme weather events, is in line with the latest scientific findings of the Royal Netherlands Meteorological Institute (KNMI) and the Intergovernmental Panel on Climate Change (IPCC). In October 2023, the KNMI published new climate scenarios. These findings were already incorporated into Schiphol's research in 2022 with the help of the KNMI. In 2023, we worked on translating the 2022 climate adaptation strategy to the business units.

We have all observed a shift in our climate patterns: summers are noticeably warmer and winters milder. As global temperatures rise, we are experiencing longer drought periods during summer. However, we are also witnessing more extreme rainfall events in both the summer and winter periods. This increase in precipitation is a direct result of the warmer air's enhanced capacity to hold water vapour, a consequence of ongoing global warming. Schiphol Group has been proactively implementing the measures detailed in the Climate Adaptation Strategy. These initiatives focus mainly on water management and heat mitigation.

In 2023, we developed a new set of asset and design requirements for projects dealing with climate adaptation, based on regional standards. These new requirements are now being incorporated into major projects such as the new baggage cellar and Pier C.

Water storage plan

To manage future water volumes and prevent flooding, a comprehensive water storage plan has been developed, with specific projects tailored to each drainage area within the airport site. This approach ensures dry conditions today and safeguards against future water-related challenges. We are focusing on increasing buffer capacity, increasing storage capacity, increasing natural infiltration areas and speeding up water run-off.

Improvements have been made to Schiphol's primary water models. The stormwater model and the surface water model have been seamlessly integrated into a single framework, improving the airport's ability to accurately predict outcomes during various weather events. Among the ongoing projects, the construction of Cargo Building 17 stands out as a significant effort, with a substantial water storage area being excavated. At Schiphol Centre, the completion of the drainage work on the Handelskade has increased rainwater capacity. With the renovation of the Zwanenburg Runway, the drainage systems were extended to meet our new standards for rainwater capacity.

Water management

Water management at Schiphol is largely controlled by Rijnland Water Authority, which manages the pumps and intakes to keep the polder dry or to allow freshwater in during periods of low water. The waterways are maintained by Schiphol Airport and, in cooperation with Rijnland Water Authority, we monitor the operation of the water system and take preventive and corrective measures when necessary.

Addressing heat-related problems

Higher temperatures and prolonged exposure to them can cause heat-related problems. Heat is a pressing climate risk for Schiphol Group airports, but unlike flooding, it is one with which we in the Netherlands have less experience. For this reason, the measures are mainly in the research phase.

We are currently assessing the need to modify the comfort requirements for hot days in the terminal buildings. Ongoing discussions with our main contractors are also focusing on airside flooring considerations. We are discussing the frequency of implementation of existing thermal protocols and assessing their impact on future scenarios.

In order to adapt to the warmer climate with extreme hot days, we have linked current labour laws and regulations to our 2023 Climate Adaptation Policy, resulting in a revision of the catalogue of occupational health and safety for workers at our airport.

➔ Noise

Noise disturbance from air traffic remained a key issue in our discussions with the local community in 2023. Schiphol adheres to the agreements in place to minimise the impact of our activities on local residents, such as keeping the number of annual aircraft movements (ATMs) below 500,000 in 2023 (of which 32,000 can take place between 23.00 and 07.00). Owing to the sustained impact of COVID-19, 430,842 ATMs were recorded in the 2023 operating year (compared to 497,303 in the pre-COVID-19 year 2019); 24,533 of these took place at night.

Reducing noise disturbance

Schiphol and Air Traffic Control the Netherlands (LVNL) are working on a noise-disturbance reduction programme called minderhinderschiphol.nl. The programme consists of 44 measures to reduce noise disturbance in the region surrounding the airport, which have been put together in consultation with local authorities and residents, as well as other stakeholder groups.



Noise disturbance due to air traffic remained a central topic in our discussions with the local community in 2023.

Three measures were implemented in 2023. These included the introduction of a ban on the noisiest aircraft, which provides a legal basis to ban aircraft with an effective perceived noise of -10 dB. Some examples of aircraft subtypes that can now be banned include subtypes of the Airbus A321, Airbus A300 Freighter and Boeing 767-200 Freighter.

Another measure is the combined implementation of RECAT-EU with Time-Based Separation. This implementation helps us to improve the tactical hourly capacity and operational resilience under all circumstances at Amsterdam Airport Schiphol, especially under strong headwind conditions. By maintaining a high tactical hourly capacity in this type of weather, relatively more aircraft can be handled from the noise preferential Polderbaan and Kaagbaan Runways, which cause relatively less inconvenience to the local population than the other runways.

During the year, we also completed two evaluations of measures. The curved night approach to the Zwanenburgbaan from the north to reduce the noise impact on the residents of Assendelft and the higher night approach to the Polderbaan. The combined evaluation showed that more than 75% of the traffic flew the new curved approach to the Zwanenburgbaan, which was significantly more than the expected 45%. This resulted in less noise being measured at the NOMOS measuring points in Assendelft and Castricum.

We will keep our community informed and actively involved in the development of the programme as we continue to research, implement and introduce new measures in the coming years.

Noise contours

In 2023, the New Environmental Standards and Enforcement System (NNHS) was tested. The NNHS includes rules on the use of preferred runways at Schiphol. It also limits the number of people who can be exposed to severe noise disturbance in communities around the airport and aims to keep affected residents within certain noise contours. The NNHS prescribes the 48 dB(A) and 58 dB(A) Lden noise contours using the ECAC Doc.29 noise

calculation method. However, the current regulations still require the older NRM method, the results of which are shown below.

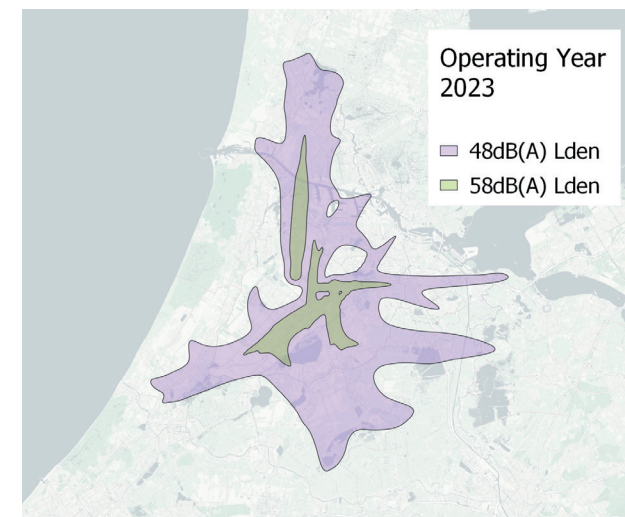
The figure 'Lden noise contours' depicts the contours for 2023 (between 1 November 2022 and 31 October 2023) as purple and green lines. The contours highlight the areas where the average noise exposure from aircraft is greater than 48 and 58 dB(a) respectively.

Local Community Contact Centre: A work in progress

Bewoners Aanspreekpunt Schiphol ('Local Community Contact Centre'; BAS) provides local residents with information on various topics related to the daily operation of Schiphol. The contact centre also registers noise nuisance reports and complaints from local residents. The knowledge gained from the BAS reports supports our ongoing efforts to reduce noise disturbance and improve the living environment around the airport. The website for Schiphol's noise reduction programme, minderhinderschiphol.nl, explains how BAS data is being used to develop and evaluate noise-reduction measures.

Behind the scenes, we continue to focus on increasing the capacity of BAS, but this remains a challenge in the tight labour market. In 2023, BAS presented a satisfaction survey for the first time and has taken up some of its recommendations. The

Lden noise contours



satisfaction survey will be repeated annually. One of the other improvements we are working on is transferring reports on flights to and from Schiphol made at the Rotterdam-The Hague Airport counter to Schiphol's reporting system and vice versa. The BAS website can be used to report (noise) disturbances. These reports are registered by BAS and forwarded to Schiphol, LVNL, the Ministry of I&W and municipalities in the region. These

Number and nature of reports to BAS

	Focus group ¹		Habitual complainants	
	2023	2022	2023	2022
Number of complainants	10,724	10,520	93	85
Number of complaints				
Specific reports ²	90,977	76,137	127,253	145,999
Period reports ²	96,980	88,336	17,456	17,438
General reports ²	12,003	9,387	3,911	3,704
Total number of reports	199,960	173,860	148,620	167,141

¹ The focus of BAS reports is on the focus group: complainants who submit a complaint between 1 and 500 times per year. Individuals who submit more than 500 complaints per year are referred to as habitual complainants. They are mentioned in overviews but omitted from analyses in order to avoid a distorted picture.

² Specific complaints are complaints about noise nuisance at a specific time, period complaints are complaints of noise nuisance during a specific period and general complaints are all the complaints not directly related to noise nuisance from air traffic, such as environmental policy.

parties use the data as input for the development of policies and measures to reduce disturbance. The disturbance reports also provide input for Schiphol's noise reduction programme 'Minder Hinder' and also serve as input for Schiphol Airport's plans to be quieter, cleaner and better and in balance with the environment. In particular, several of the measures in the 'eight-point plan': the night closure, the ban on noisy aircraft and the ban on private jets.

Rise in number of complaints

In 2023, the number of complaints (199,960) increased by 15% compared to 2022, while the number of complainants (10,724) increased by 1,9% (within the so-called focus group). The total number of flight movements from/to Amsterdam Airport Schiphol increased by 11% in 2023 compared to the previous year. For more extensive information and a detailed analysis regarding data, please visit bezoekbas.nl.

➔ Engaging with our communities

In April 2023, Schiphol Group made a strong commitment to our neighbours by introducing an eight-point plan to be quieter, cleaner and better. In our balanced approach response of 20 June 2023, we presented calculations using the ECAC Doc29 model, which show that measures such as night curfews, phasing out private jets and banning the noisiest aircraft would improve our neighbours' quality of life.

As part of our eight-point plan, we have also proposed an Environmental Fund. Schiphol will provide a total of 70 million euros (10 million euros per year), which will be used to improve the quality of life in the Schiphol Airport region. In 2023, we finalised details about the programme and governance of the fund. The Environmental Fund is expected to be operational in October 2024.

Engaging with our neighbours

Direct engagement with the community is an important responsibility for a major airport in a densely populated area. To rebuild the lack of trust our neighbours have in our ambitions, we need to create awareness and understanding of our vision and commitments. To enhance this engagement, we are continuously improving our communication channels, messages and information to be relevant and transparent. We regularly update our [website](#) for local residents and send out our monthly newsletter with information on various topics that affect our local residents, such as runway maintenance, noise disturbance measures and new operational procedures. Schiphol publishes a bi-weekly air traffic outlook, which contains forecasts for air traffic movements and runway use. In 2023, Schiphol organised its traditional Neighbour Days. Schiphol welcomed 4,000 neighbours for a unique behind-the-scenes look at our organisation and partners. Together with the Schiphol Aviation Community (LCS), we have developed a vision for cooperation with educational institutions. We provide them with information via our 'Jij en Schiphol' website and participate in all kinds of school projects.



Schiphol organized its traditional Neighbour Days. The airport welcomed 4000 neighbours who got a unique look behind the scenes of Schiphol and its partners.

To give residents more background information on runway maintenance, we have published a summary of the runway maintenance strategy on the website, in which we have sought an optimal balance between the impact on our residents, the aviation sector and the technical feasibility of the maintenance. In 2023, we carried out major maintenance on the Zwanenburgbaan Runway. We informed residents, journalists and other parties in advance about the work and its impact on the surrounding area. During the maintenance, we took a selected group of residents and journalists to the maintenance site to explain the work in more detail. Moreover, we had the opportunity to provide [De Stichting Hoogvliegers](#) with a unique runway drive. Looking forward we also worked on the planning for the maintenance of the Kaagbaan Runway in 2024 and started to prepare the communication campaign.

As ambassadors for the local community within our organisation, we discuss and develop measures to further reduce the impact on the surrounding area and set the agenda regarding the importance of reducing the negative impact on our surroundings.

Monitoring Schiphol's reputation

Research agency Motivaction provides regular insights into how Schiphol is perceived by local residents as well as the general public on issues such as communication, products, innovation, management and corporate social responsibility (CSR). In 2023, we observe a recovery in reputation scores showing clear evidence of our progress in addressing the problems of the previous year, such as the disruptions in operations, staff shortages, and working conditions at Schiphol. The reputation score went up from a 6.5 in 2022 to a 6.7 in 2023.

Schiphol Quality of Life Foundation

The Stichting Leefomgeving Schiphol ('Schiphol Quality of Life Foundation') oversees three main initiatives: 1) an improvement programme focused on area-specific projects, 2) a programme focused on individual measures, including those aimed at reducing noise-related disturbance, and 3) a funding programme focused on technology and innovation to improve the quality of life. Schiphol has made 20 million euros available to the

foundation, with funding also provided by the province of North Holland and the Ministry of Infrastructure and Water Management (Ministry of I&W).

In 2023, we helped approximately 50 people through the individual programmes. We also completed a number of large, area-specific projects, such as the Waterfront and the VVA site in Aalsmeer. These provide incentives to improve the quality of public space. We also made progress on innovative programmes funded by the Foundation, such as Fieldlab, an experiment exploring options for low-noise building, and DeNoize, a pilot project for new insulation technology.



The Schiphol Quality of Life Foundation completed a number of large, area-specific projects, such as the Waterfront in Aalsmeer.

The Foundation is in its final phase and will transition into a new Environmental Fund in 2024. As part of our eight-point plan, we will invest 10 million euros in this fund every year for the next seven years.

For more information, please visit stichtingleefomgeving.nl.

The Schiphol Fund

The Schiphol Fund promotes sports activities. Four times a year, it donates to public, non-profit sports associations in the area surrounding Schiphol Airport for facilities and equipment to encourage more exercise. In 2023, the Schiphol Fund received 375,000 euros, of which 297,269 euros was donated to 68 initiatives. The Schiphol Fund will have 400,000 euros at its disposal in 2024. If you would like to know more about the Schiphol Fund, please visit [our website](#).

Engaging with stakeholders

Schiphol engages with political stakeholders at a local, national and international level on a wide range of topics. In addition, we actively consult and cooperate with the Ministry of I&W, the Bestuurlijke Regie Schiphol (BRS, 'Schiphol Administrative Directorate', a partnership of 56 municipalities and 4 provinces in the Schiphol region), the Maatschappelijke Raad Schiphol (MRS, 'Schiphol Social Council'), air traffic control (LVNL) and the aviation sector.

Although Schiphol is not a formal member of the MRS, we have provided the MRS members with information in a number of meetings, for example on flight movement forecasts, runway maintenance and our eight-point plan. Both MRS and BRS were informed about the maintenance strategy and the major maintenance of the Kaagbaan Runway in 2024.

The year 2023 was a challenging year for the community and for the aviation sector. At the beginning of the year, the government adopted an Experimental Ruling, which is a necessary step to create a legal basis for noise enforcement policy and to improve the legal position for residents. The Ruling sets new noise limits and caps the total amount of air transport movements (ATMs) per year at 460,000. However, in November 2023, the government indefinitely suspended the Experimental Ruling. Schiphol is disappointed with this decision, as local residents are again getting the short end of the stick. This makes the night closure of Schiphol even more important, not to mention the other measures in our eight-point plan, such as the ban on private flights and the ban on the noisiest aircraft.



Four times a year, the Schiphol Fund donates to public, non-profit sports associations in the area surrounding Schiphol for facilities and equipment to encourage more exercise.

Due to the suspended Experimental Ruling, Schiphol had to re-establish the capacity for the summer season via an addendum on the previously issued capacity declaration. In determining this addendum, Schiphol took into account the capacity at LVNL, Royal Netherlands Marechaussee and Customs. Schiphol then held various talks with airlines. The outcome is that the airport is planning to provide a capacity for 293.000 flights in the summer season, on the condition that peak times are relieved. This means that in 2024, there is room for 483.000 flights at Schiphol.

Schiphol Group actively engages with local councils, aldermen and other regional stakeholders. Together with LVNL, we organised a successful knowledge session for the BRS and their political representatives. The session was attended by 50 people. The CEOs of Schiphol and LVNL also attended a meeting in Uithoorn to address the concerns of our neighbours regarding the maintenance of the Kaagbaan Runway.

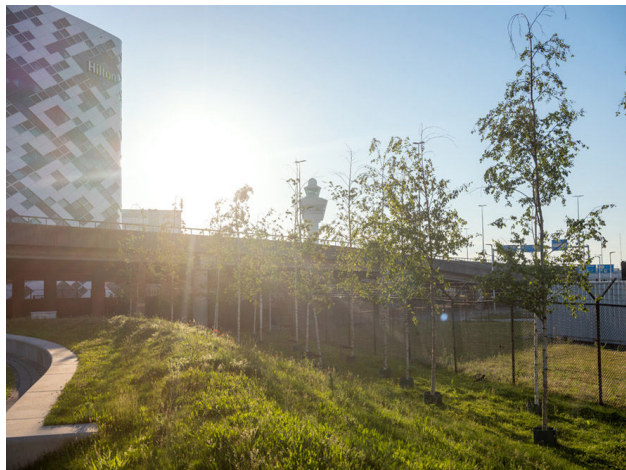
In the run-up to the early general election on 22 November, Schiphol engaged with the programme committees of the political parties and political and influential stakeholders to gain their support for our agenda on issues such as the night curfew, Lelystad Airport and the ban on private jets. Several election manifestos support our commitments.

At the European level, we are working closely with our partners and ACI Europe. Next year's European Parliament elections will take place in June, and preparations are already underway. In the European context, we are particularly active on issues such as the European entry/exit system, expanding the development and production of sustainable aviation fuels, slot reform and carbon leakage.

Biodiversity

In 2023, Schiphol Airport created a dedicated biodiversity policy that captures the importance of biodiversity to the airport and its stakeholders. The policy aims to help promote, maintain and preserve biological diversity, which refers to the variety of life on Earth at all levels, from genes to ecosystems. Going forward, our employees and third parties will be able to use the policy to embed biodiversity in projects taking place at the airport site. A key initiative will involve adjusting our grass-mowing strategy and increasing our use of pollinator mixes.

A further aim is to promote biodiverse buildings by recognising their multifaceted benefits. Green architecture enhances urban ecosystems, offering habitats for diverse flora and fauna and contributing to local biodiversity conservation. In addition,



In 2023 we have given biodiversity an impulse in our organisation by composing a biodiversity policy that captures the importance of biodiversity on Schiphol Airport.

features such as green roofs and walls help mitigate the urban heat island effect, reducing surface temperatures and energy consumption while also supporting air purification. Beyond environmental advantages, biodiverse buildings provide natural spaces that are shown to boost people's well-being and mental health.

Embracing biodiversity in building practices aligns with sustainability goals, making urban spaces more resilient and conducive to healthier living. To facilitate this, Schiphol has created a summary of different initiatives to align designers and architects with Schiphol Airport's vision for biodiverse buildings.

Measuring environmental impact during the procurement process is another priority. By integrating considerations for biodiversity and adhering to eco-friendly certifications such as EcoVadis, Schiphol can strategically manage risks associated with environmental impact and resource use. This approach aligns with aviation industry regulations and underscores our commitment to responsible sourcing practices.

➔ Societal value

Schiphol Airport is a key contributor to the Netherlands' identity as a trading country. It is also a key contributor to the nation's success on an international level. Its extensive network and modern infrastructure make it a vital gateway to Europe and an indispensable hub for international commerce. Indeed, Schiphol is much more than an airport: it is a comprehensive ecosystem, supporting a wide range of activities and businesses that extend beyond its runways.

AirPort City Schiphol

Schiphol Airport is an excellent example of an AirportCity: a leading, efficient airport that operates 24/7, providing essential services to businesses and visitors alike. This non-stop operation has an impact on the Amsterdam region, attracting international companies and institutions, thereby fuelling economic growth and job creation. The concept of airport city, encompassing the



Our important economic contribution includes our role in supporting a wide range of jobs, from high-skilled positions to those requiring fewer qualifications.

airport, airlines and the surrounding metropolitan region, highlights the integrated nature of its operations. This ensemble of interconnected businesses and activities not only facilitates the flow of people, goods and knowledge but also drives innovation and cultural exchange.

The regional airports within Schiphol Group, including Eindhoven Airport and Maastricht Airport, complement the main airport's services. These airports cater to regional business and leisure travel, supporting the concept of selective growth and focusing on non-mainport destinations. This strategic approach helps distribute air traffic, contributing to the overall efficiency and sustainability of the Dutch aviation sector.

Air freight

Schiphol Airport also plays an important role in air freight. The combination of passenger and cargo transport makes it a pivotal marketplace for logistics. Its strategic location and connectivity have attracted European headquarters and distribution centres, facilitating the development of local companies into international players. The types of goods transported via air freight from Schiphol Airport – ranging from perishable items to high-value electronics and pharmaceuticals – underscore the airport's importance in global trade.

Tourism

Tourism is another key area where we make an impact. Our airport's extensive network connects the Netherlands to major global cities, driving the growth of the tourism sector. Its role as a hub for transit and transfer passengers enhances its capacity to connect a multitude of destinations, crucial for maintaining a robust network. This, in turn, supports the Dutch economy, with tourism being a considerable source of employment and revenue.

Dynamic job market

Our important economic contribution includes our role in supporting a wide range of jobs. More than 1,300 employers are connected to the airport, with a combined employee base of approximately 71,000 people. Our airport's 24-hour operations therefore create a dynamic job market, attracting a diverse workforce and supporting various sectors, including logistics, retail, hospitality and more. In addition, our Quality of Work pillar aims to provide inspiring and attractive working conditions for Schiphol's employees, promoting health, safety, and positive labour relations.

Quality of Work

Royal Schiphol Group places a strong emphasis on the Quality of Work, acknowledging its role not only as a social responsibility but also as a response to significant labor market challenges. This commitment extends beyond Schiphol Group's direct employment, encompassing the entire value chain.

Schiphol Group, the managing entity of Schiphol Airport, a key hub for global travel, is undergoing a major transformation to enhance its operations and services. Building on insights from the Schiphol Social Agreement 2022, the leadership of Schiphol Group has increased its commitment by introducing a fourth pillar to its overarching Vision: the Quality of Work. This initiative aims to redefine the essence of work at Schiphol Airport for everyone involved, contributing to our goal of becoming the world's most sustainable and high-quality airport.

The year 2022 brought valuable lessons about the labour market's complexities and their effects on airport operations. Much of the airport's functionality depends on labour-intensive services, including security, cleaning and ground-handling. We discovered the importance of balancing labour market needs with the operational requirements of Schiphol Airport. Dealing with the changing nature of the labour market added further complexity to managing Schiphol's operations.

Schiphol Group recognises its social responsibility, not just as an employer but also as a client and operator of the airport. At the core of this responsibility is ensuring a work environment at Schiphol that is not only productive, but also safe, healthy and appealing. We aim to restore Schiphol's magic, creating a place where people not only earn fair wages but also enjoy a harmonious work-life balance.

Moving into 2023, together with the unions and sector partners, the agreements of the Schiphol Social Agreement 2022 were executed. The labor market allowance of 1.40 euros per hour, applicable to positions related to security, cleaning, PRM, and private bus transport, was eventually planned until September 1, 2023. An additional 'object Schiphol allowance' of 2.50 euros per hour was secured for security staff, aiding in the recruitment of at least 1,000 extra security personnel in 2023.

Top performance indicator Quality of Work



Other provisions from the Social Agreement 2022 materialized in 2023, including the introduction of the License to Operate for ground-handling staff and the establishment of a social standard for working at Schiphol. These initiatives laid the foundation for the Quality of Work strategy, culminating in the 'Team Schiphol Check-In' document, outlining principles for quality of work in tenders.

In October 2023, Schiphol Group and unions reached a successive Social Agreement, comprising two parts: the temporary continuation and phasing out of the labor market allowance and the establishment of a joint Quality of Work agenda. The labor market allowance was extended until September 1, 2024, with a reduced allowance of 0.70 euros per worked hour from September to December 2024, after which it will be definitively ended. Schiphol Group agreed to support and automatically follow wage and payment rises in CLAs of suppliers as part of its commitment to labor market dynamics outlined in the new Social Agreement.



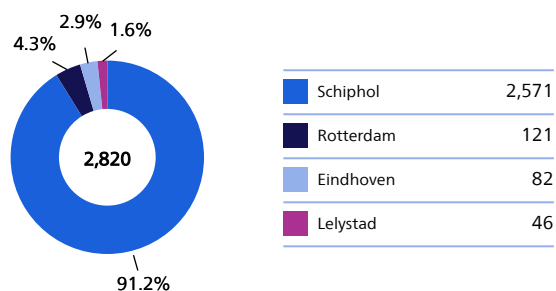
➔ Employment practices own workforce

In 2023, as in previous years, we want our employees to feel welcome, comfortable, valued, inspired and proud to work for Schiphol. Our employees at Schiphol Group have faced operational challenges, which has increased the need for better cooperation between departments. The tight labour market and reputational pressures presented recruitment hurdles, and the implementation of wage increases added another layer of adjustment to the employee experience.

In this section we highlight several key initiatives that have contributed to the continued development of Schiphol as a workplace where employees thrive and feel inspired.

Total workforce in 2023

(Per location, in % of total average FTEs of 2,664)



Employees in 2023

Numbers by location	Joined	Internal mobility	Left
Group	644	411	219
Schiphol	578	404	178
Rotterdam	32	0	24
Eindhoven	20	5	15
Lelystad	14	2	2

Improving the employee journey at Schiphol

Our 2023 Employee Net Promoter Score (eNPS) at Amsterdam Schiphol Airport shot up to 24 in 2023, a considerable leap from the previous year's score of 7 and exceeding our ambitious target of 20. This improvement reflects a positive energy that increases our pride in our organisation. Colleagues are increasingly recommending us as an employer, a sign of recovery and confirmation that we are on the right track.

In our Schiphol Survey 2023, we excelled in autonomy, employability, commitment, social security, sustainable employability and team leadership, scoring 7 or higher on all themes. While the first five themes exceeded the benchmarks, collaboration between departments still needs improvement. We are committed to taking action. The evolution of our employee survey over the past five years has led us to measure feedback

more often. Starting in Q1 2024, we will work together to collect valuable feedback more frequently, focusing on pulse measurements to improve collaboration and our working environment. The 'Schiphol as an employer' study in early 2023 responded to changes in perception following COVID-19. We identified areas for improvement, emphasising recognition, appreciation and personal attention to foster a positive working culture.

The success of the Employee Experience event, which addresses HR communication needs, reaffirms our commitment to regular, informative gatherings that promote transparency, engagement and collaboration across our organisation. We look forward with confidence to 2024, where we will continue to grow and thrive together in our quest to bring back the magic to Schiphol.

Transitioning to a hybrid and inspiring workplace

Schiphol Group's journey to a hybrid and inspiring workplace has been crucial in the post-COVID era. In 2022, when we welcomed back our employees, we implemented a series of measures to make this transition seamless. Due to the growth of the organisation, the structural new workplace concept is yet to be implemented. This upcoming milestone is an important step in



Our 2023 Employee Net Promoter Score (eNPS) at Amsterdam Schiphol Airport soared to 24, a considerable leap from the previous year's 7, surpassing our ambitious goal of 20.

our efforts to create a modern and dynamic working environment. At the same time, we were also committed to improving the working environment in 2023. SHG and Skyport will be the places where our employees will be accommodated. Both lots are yet to be realized, which is why it is a multi-year plan. But we already start with the housing concept. These efforts underline our ongoing commitment to cultivating a stimulating and progressive working environment within our organisation.

Addressing a challenging recruitment environment

Like other employers in the Netherlands, Schiphol Group has felt the effects of an increasingly tight labour market in a growing and more complex operation compared to the COVID-19 period. Consequently, there has been a sharp increase in the number of vacancies. This prompted us to professionalise our new strategic recruitment vision per department and as whole last year.

We have also made an effort to understand the data and results. To this end, a very detailed recruitment dashboard has been delivered in collaboration with IT, which provides insight into the entire recruitment funnel. As a result, we are able to monitor how successful we are at each step of our recruitment process. Finally, as part of our wider single system vision, we are currently

Introducing the Schiphol Career Hub

As an employer, we recognise the importance of continuous improvement to promote the happiness and well-being of our employees. This commitment is essential to ensure the future resilience and social responsibility of Schiphol Group as an organisation.

In 2023, we introduced the Schiphol Career Hub, an initiative aimed at providing comprehensive insight into career and development opportunities. Our aim is to empower everyone within our organisation and the industry as a whole. Recognising a real demand within our organisation to sustain the Career Hub, we are pleased to report 30 visitors in the first two months since its launch after the summer. Every Thursday the Career Hub is open and staffed with representatives from Recruitment, Learning & Development, Career Coaching and HR Advice.

In addition, the Career Hub organises (online) inspiration sessions on career opportunities and related topics on the first Thursday of every month. In this fast-changing, dynamic world, learning and development are more important than ever. Schiphol Group therefore wants to support all its employees in this in the best possible way.

implementing a new recruitment system, SAP SF. This new system should ensure that the recruitment process is simplified and the candidate process is improved. The main objective is to improve and shorten the candidate journey.

Together with the Schiphol Aviation Community (LCS), we have worked hard to increase the visibility of Schiphol Airport as an attractive place to work. Various job events were organised and the work and learning platform was further developed. In addition to vacancies, content was also developed and described

regarding the retention of current employees and development opportunities within the sector. Schiphol has also ensured, in cooperation with the five responsible security parties, that 1,250 new security officers have joined the sector. By joining forces, optimising processes and adopting a candidate-first approach, this great result has been achieved.

Celebrating fair compensation

In February 2023, Schiphol Group reached an agreement with the trade unions VPS, FNV and CNV Public Services on the continuation of the Collective Labour Agreement (CLA). The CLA covers the period from 1 April 2023 to 30 September 2024.

In financial terms, there was a significant shift in contractual wages, which increased by 8% from 1 April 2023 and by a further 3.25% from 1 January 2024. At the same time, we phased out the participation scheme from 2023, which was seamlessly integrated with the 8% salary increase. Payments for 2022 followed the usual schedule and were made in May 2023. The traditional year-end bonus was converted into a 13th month salary, escalating from 6.75% to 8.33%.

Another important agreement concerns the minimum hourly wage. From 1 April 2023, the minimum hourly wage for each pay grade was set at 14 euros, underlining our commitment to fair compensation. The decisions made in the agreement were reached in the context of challenging economic times and a tight labour market. Overall, these collective agreements reflect a balance between addressing the financial needs of employees and navigating the broader economic landscape. Schiphol Group's response to the challenges of the times underlines its commitment to fostering a positive and equitable work environment.

As we look ahead to the coming year, our focus is clear: developing strong leadership and preparing our organisation for meaningful conversations. We are on the cusp of an exciting period of growth and transformation. With the launch of our new performance management system and a company-wide leadership programme, we aim not only to support professional

development, but also to cultivate a culture where authentic conversations thrive. Together, we will build a resilient and agile organisation capable of meeting the challenges of the future.

➔ Diversity, equity and inclusion own workforce

Given Schiphol Group's important role in society, we acknowledge our responsibility to actively pursue a policy of diversity, equity and inclusion (DE&I). Recognising the profound impact of our actions on our employees, we are committed to creating an environment that guarantees equal treatment and opportunities for everyone.



Being yourself is the best start to any journey

Schiphol celebrates Coming Out Day

Schiphol
Welcome to Amsterdam Airport

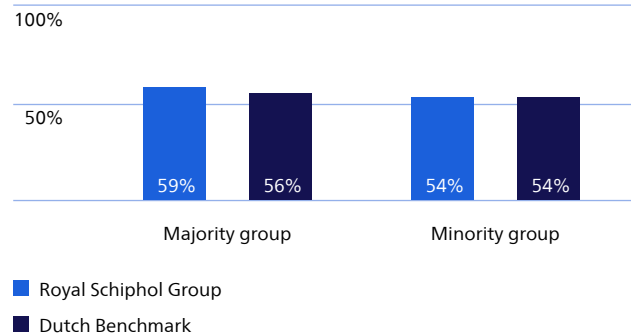
We are committed to creating an inclusive and supportive environment that embraces and empowers all individuals, regardless of background, age, race, gender, sexual preference or other (personal) preference.

To this end, we have made DE&I as part of our 'Destination'. As DE&I reflects both society and Schiphol Airport's customers, we believe that these are important prerequisites for operating as a successful organisation. In addition, DE&I are important steering points in the relationship with employees and other stakeholders, especially with regard to (personal) leadership. To achieve the above, we are continuously working to become an organisation where DE&I are self-evident to all employees, and an attractive workplace where all colleagues feel welcome and work together in diverse and inclusive teams. We are committed to creating an inclusive and supportive environment that embraces

and empowers all individuals, regardless of background, age, race, gender, sexual preference or other (personal) preference, which was confirmed this year with the start of our first full-time DE&I Business Partner.

In 2022, we measured the DE&I status of the organisation in collaboration with the Netherlands Inclusivity Monitor (NIM). Schiphol received the results in 2023. Overall, our employees rate Schiphol as a more inclusive organisation compared to the Dutch benchmark see graph below.

DE&I status 2023



Employees who feel different from other colleagues feel accepted within the organisation. It was noticeable that employees who work on a permanent basis and/or have a practical educational background and/or a migration background perceive our organisation’s inclusion less positively. As a result, we have identified follow-up actions. A first step has already been taken by updating the dress code policy for employees wearing Royal Schiphol Group branded clothing, which is now more inclusive and gender neutral.

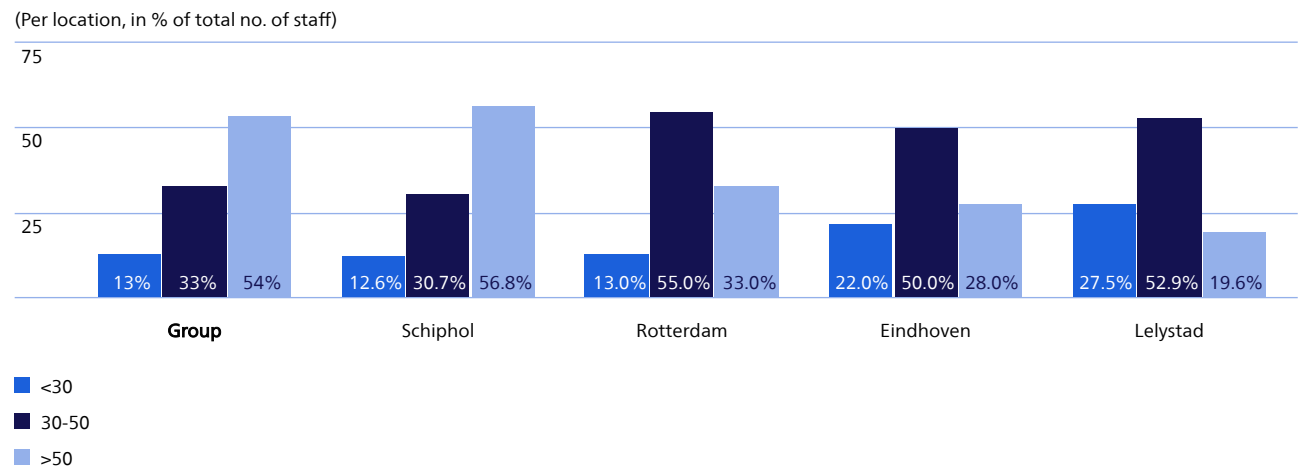
Other notable highlights during the year included the organisation of several events and DE&I talks to promote DE&I awareness among colleagues, including a traditional Iftar, a ‘DE&I movie afternoon’ for colleagues and their children, a Ketj Koti event to commemorate the abolition of slavery in the former Dutch colonies, the Amsterdam Pride Walk, VisAble made Visible

to celebrate the (in)visible differences of all our colleagues, the participation in the national Young Talent Award, a celebration to mark National Diversity Day and gatherings about ‘The 7 check marks’ and generational differences.

During National Diversity Day, the Schiphol DE&I games were launched. The DE&I games consist of three games: statements, 30 seconds and a quiz. The games are a fun and easy way to start a conversation with colleagues about DE&I. This conversation is important because we are committed to ensuring that everyone feels welcome at Schiphol Group and has access to equal opportunities.

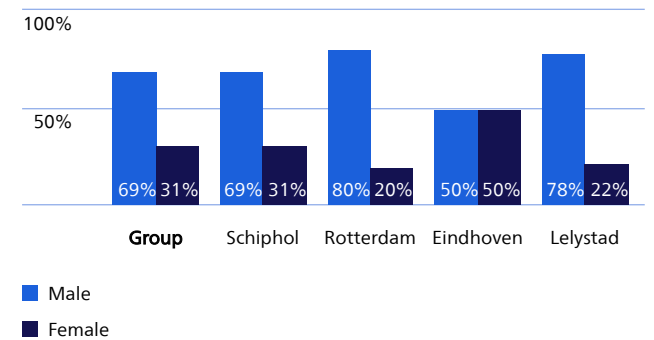
Externally, we continued to strengthen our relationship with other parties such as Workplace Pride and Emma at Work. Together with Workplace Pride, we signed the Amsterdam Declaration and once again participated in the Emma at Work mentoring programme. We also regularly communicated externally about DE&I at Schiphol Group. We also asked Abra to check our Schiphol app for iOS and Android for online accessibility. The results are positive: ours is one of the better performing apps tested by Abra. There is some room for improvement in terms of visibility and readability.

Age categories by headcount in 2023



Gender split in 2023

(Per location, in % of total no. of staff)



Looking ahead to 2024, the DE&I Business Partner, together with the DE&I Board, will continue to support improvements regarding DE&I within the organisation and increase awareness of DE&I. We will continue to follow up on the DE&I NIM measurement actions, improve the DE&I dashboard and organise more events and DE&I talks for our colleagues.

➔ Employment practices value chain

With the fourth pillar of our Vision, the Quality of Work, Schiphol Group is not only assuming social responsibility, but is also facing up to major challenges in the labour market. These responsibilities and challenges relate to the people who work at Schiphol, not only those employed by Schiphol Group, but also those who work for employers throughout the value chain.

In a complex ecosystem with a highly interdependent value chain consisting mainly of labour-intensive services, the quality of work is of fundamental importance. On the one hand, quality of work contributes to people's wellbeing through income security and a good work-life balance. On the other hand, quality of work leads to quality of service in the value chain of the airport operations.

Labour conditions

Together with the trade unions and our sector partners, we implemented the agreements in Schiphol Group's 'Social Agreement 2022' in 2023. Until 1 September 2023, employees in positions related to security, cleaning, PRM (Passengers with Reduced Mobility) and private bus transport (on the platform) were paid the labour market supplement of 1.40 euros per hour.



An important development in improving working conditions concerns minimizing the exposure to hazardous substances, like diesel of airplane motor emissions, of employees working at the platform.

For security staff, an additional 'object Schiphol allowance' of 2.50 euros per hour was agreed in an additional Social Agreement for Security (in October 2022) and implemented structurally in the sectoral collective labour agreement (CLA) for private security. Both allowances supported the successful centrally organised efforts of Schiphol Group's recruitment team to recruit at least 1,000 additional security staff in 2023 for the security companies, thus helping to solve the staff shortage in airport security.

Other provisions in the Social Agreement 2022 that were implemented in 2023 include the introduction and implementation of the license to operate for ground-handling staff and the development of a social standard for working at Schiphol Airport. The latter has resulted in a document with ambitions for the Quality of Work strategy and the translation of those ambitions into a basis of assumptions for a code of conduct for suppliers (of labour-intensive services), laid down in 'Team Schiphol Check-In'. These will then be the guiding principles for the quality of work for requirements and award criteria in tenders.

In October 2023, Schiphol Group and the unions concluded a follow-up Social Agreement. The new agreement consists of two parts: the temporary continuation and phasing out of the labour market allowance, and the establishment of a joint Quality of Work agenda.

The labour market allowance of 1.40 euros per hour worked will be paid until 1 September 2024, and from September until the end of December 2024 an allowance of 0.70 euros per hour worked will be paid. After that, the labour market allowance will be permanently discontinued. Schiphol and the trade unions have agreed that this kind of allowance, or other primary wage elements, belong at the collective bargaining tables of employers and trade unions in sectors or companies. For this reason, it was also agreed in the new Social Agreement that Schiphol Group, as a client, will automatically support and follow up wage and payment increases in the CLAs of its suppliers.

Working conditions

Schiphol Airport, as a workplace, faces vulnerabilities and challenges in ensuring safe and healthy working conditions. For this reason, Schiphol Group and its sector partners are undertaking various initiatives to improve working conditions at Schiphol Airport. Part of the Social Agreement was a plan to renovate all rest areas and sanitary facilities for employees working at our airport terminal, platforms and baggage halls. New designs for these facilities have been piloted and the first renovations have begun.

In addition to the improvement of working facilities, more fundamental working conditions were called into question. After on-site inspections, the Dutch Labour Inspectorate concluded that work in the baggage halls was too physically demanding, with too many suitcases being lifted by hand per employee. The ground-handling companies and Royal Schiphol Group drew up a joint plan to minimise the physical strain of baggage handling. Both Schiphol Group and the ground-handlers have complementary responsibilities as airport operators and employers. By the end of April 2024, every workstation in the baggage halls must be equipped with a lifting aid. Schiphol Group started ordering, purchasing and implementing various types of lifting aids in 2023. In the longer term, Schiphol



Schiphol Group and sector partners undertake several initiatives to improve the working conditions at Schiphol.

Group is investigating the possibility of fully automated baggage handling at the airport.

Another important development in improving working conditions concerns minimising the exposure of employees working on the platforms to hazardous substances, such as diesel or aircraft engine emissions. In this case too, the conclusions of inspections by the Dutch Labour Inspectorate have prompted industry partners to work together to find solutions to minimise exposure to hazardous substances. One of the solutions is to electrify all aircraft maintenance equipment on the platforms (see also 'Clean mobility'). Other measures include starting aircraft engines further away from the platform and stopping APUs earlier before they reach the platform (see also chapter 'Air pollution'). Various experiments will also be carried out, such as the wearing of face masks while working on the platform.

Job content

Sector partners and Royal Schiphol Group work together in the Schiphol Aviation Community (LCS) and with regional training centres to strengthen Schiphol Group's labour market as an attractive place to work. The main focus of the LCS is to develop, initiate and/or support initiatives to improve employability, development and education. For example, organising pilots for task rotation in cleaning jobs or talent sharing between different types of employers at Schiphol Airport or exploring the possibility of a pilot for a (multi-disciplinary, multi-purpose) 'labour pool'. The latter is part of the new Social Agreement. LCS also plays a coordinating role in the Aviation Inclusive programme, an initiative offering support to individuals who have difficulty accessing employment.

Moreover, LCS plays a coordinating role with regard to internships at the various companies at the airport. Part of the Social Agreement 2022 included establishing guidelines for internships at the airport, primarily aimed at secondary vocational education (MBO) students. In the renewed Social Agreement 2023, Royal Schiphol Group and the trade unions agreed to evaluate the internship guidelines and to set a minimum internship allowance of 350 euros per month.



In a complex ecosystem, with a highly interdependent value chain mainly consisting of labor-intensive services, quality of work is of fundamental importance.

Labour relations

In the highly interdependent Schiphol ecosystem, it is important to have stable labour relations and labour peace. For this reason, Royal Schiphol Group and the trade unions started a structural social dialogue in early 2023. The implementation of the agreements in the Social Agreements is being monitored by the social partners. In addition, the social dialogue serves as a process to set the agenda and plan collaborative initiatives aimed at enhancing work quality throughout the value chain. The renewal of the Social Agreement for 2023 (and beyond) was based on the social dialogue discussions.

The social dialogue structure will be extended to sub-sectors such as security. Security companies, security agents, trade unions, trade union members and Royal Schiphol Group participate in specific working groups on rosters and working conditions in security. A social dialogue will also be started for the airport cleaning services.

Safety at work

Schiphol Group works hard to ensure the well-being of our airport employees and all visitors to our facilities, and we regularly carry out risk assessments in the workplace. Work-related accidents that result in absences and are registered as Lost-Time Injury Frequency (LTIF) are calculated on the basis of the number of incidents per million hours worked. This allows us to compare our performance with other companies. While it is important to measure lost time, we believe that every accident is one too many. In 2023, Schiphol Airport (excluding the fire department) recorded an LTIF of 1.6 (2022: 1.2), while the LTIF score for the fire department was 7.7 (2022: 12.3). Both the LTIFs for Schiphol Airport and the fire department were below the previously set limits of 1 and 22 respectively. Over the past five years, the absolute number of lost-time incidents leading to injury at Schiphol Airport including the fire department fluctuated between 4 and 8, resulting in an average of 7 (2022: 6.4). The LTIF for construction work was 1.6 and for maintenance work 2.3. In 2023, there were 0 fatal incidents involving our own employees or contractors. To ensure that everyone can work safely at our airport, we have placed all important information online.

For more information refer to the [Safety first chapter](#).

Quality of Service

Royal Schiphol Group aims to provide its passengers and other customers with an unrivalled Quality of Service. By harnessing digital tools and processes and working closely with our partners to introduce innovative concepts and services, we seek to orchestrate a smooth and inspiring airport experience for all our visitors.

At Schiphol Group, our vision is to create the most sustainable and high-quality airports in the world. This vision is underpinned by our commitment to delivering a seamless and engaging passenger experience, supported by digitally-enabled and efficient airport operations. In response to the challenges of long security queues in 2022, we made decisive improvements in 2023, focusing on supporting and growing our operational workforce. Our strategic investment in people and technology has improved service standards. This was particularly evident during peak travel periods, such as the May and summer holidays, when we successfully met our service targets, with 93% of passengers passing through security in less than 10 minutes.

In 2023 we also announced a significant investment in our airport infrastructure and facilities. Between 2024 and 2027 we will be investing 3 billion euro into catching up on maintenance and upgrades. This demonstrates our commitment to improving the quality of our physical assets.

Our concept of quality of service extends beyond air travel. Our airports serve as dynamic hubs where people from all walks of life – travellers, business people, students and researchers – come together.

By stimulating connections between people, businesses and ideas from around the world, our real estate and commercial teams play a key role in enriching the local business ecosystem and knowledge economy. We provide our tenants with world-class workspaces that add value to their operations.

Through the use of technology and data analytics, Schiphol Airport continuously strives to improve the passenger experience. Smart maintenance initiatives provide valuable insights into asset performance and maintenance needs. In addition, our collaboration with the aviation chain, in particular through the Airport Operations Centre (APOC), enables comprehensive management of key aviation processes. This collaborative approach facilitates efficient knowledge and data sharing with our key aviation partners, ultimately benefiting our customers.

➔ Consumer and end-user experience

At Schiphol, we continuously monitor the satisfaction levels of our passengers and other customers as part of our efforts to maintain a high Quality of Service.

Passenger experience

Schiphol Group's ambition is to return to the top three in the Airport Service Quality (ASQ) benchmark (through which our quality perception levels are compared with the medium-to-large hub airports in Europe). We compare ourselves to seven other European hubs: Paris Charles de Gaulle (CDG), Copenhagen (CPH), London Heathrow (LHR), Madrid (MAD), Munich (MUC), Istanbul airport (IST) and Zurich (ZRH). In 2023, Schiphol remained in last place.

Top performance indicators Quality of Service



We measure the passenger experience at the key touchpoints of our passenger journey over time. In 2023, the willingness to recommend (Net Promoter Score; NPS) recovered from a decline in 2022 caused by staff shortages in security and third parties (KMAR, ground-handlers, retail staff and food and beverage outlets) combined with high passenger volumes resulting in long queues and waiting times. The NPS improved to +36 at the end of 2023 (moving average – on target). With this score, the NPS is back to its pre-COVID-19 level of late 2019. The improvement is due to better perceptions of waiting times at security (as a result of more available staff) and check-in, friendliness of staff, ease of making connections for transfer passengers and ambience. In 2023, passengers felt more welcome, in control and better informed than a year ago. Waiting times at passport control (both on arrival and departure) and baggage reclaim remain points of attention.

Improving the passenger experience

In 2023, we focused on making passengers feel welcome by introducing a (Schiphol-branded) hospitality team at departures, arrivals, airport piers and lounges. The core tasks of the hospitality specialists are to inform, guide and reassure passengers.



To ensure Quality of Service, we pay close attention to the evolving preferences of our airport visitors and other customers, and are constantly looking for new ways to engage and support those who use our services.

By implementing a trolley service at departures and in the long queues on the piers before arriving at passport control, we gave our passengers a warm welcome by distributing food and drinks. For arriving passengers, we provided complimentary coffee, snacks and refreshments to welcome and invigorate them.

We also piloted and rolled out our security check timeslot booking system at no cost to passengers and across all our departure security filters. Its successful implementation demonstrates our commitment to improving the passenger experience. With up to 22% of travellers having booked a slot on peak days since its introduction, and an overwhelming 98% of travellers expressing satisfaction, this initiative has clearly been a resounding success for both passengers and our operations, as it has also helped to divert around 7.5% of passengers away from our busiest times, directly improving demand in the security lanes.

We have also continued to develop the Self-Service Units (SSUs), a passenger information kiosk that allows users to access flight information, locate gates and other points of interest, and even initiate a video call or chat with an airport assistant. In 2023, we introduced several unique features such as personalised itineraries, move-to-mobile (where a user's session continues on their mobile by scanning a QR code) and continuous CSAT measurements to gather both quantitative and qualitative passenger feedback. Behind the scenes, we are able to orchestrate a continuous stream of feature delivery based on this feedback.

The SSUs are part of our larger Passenger Experience Platform concept, which is available from Schiphol to other airports as a comprehensive solution. Its purpose is to provide travellers with a holistic and personalised airport experience and retail recommendations that are aligned with their flight itinerary and tailored to their individual needs. The value of the platform lies not only in the improved traveller experience, but also in the new revenue opportunities that can be directly exploited by an airport operator.



The SSUs are part of our larger Passenger Experience Platform concept, which is available from Schiphol to other airports as a comprehensive solution.

Adding value for airport visitors

To ensure Quality of Service, we pay close attention to the evolving preferences of our airport visitors and other customers, and are constantly looking for new ways to engage and support those who use our services. In recent years we have introduced innovative retail and food and beverage concepts and implemented solutions for a more personalised, connected and technology-driven airport experience.

We are increasingly creating dedicated shopping experiences in our terminal, ranging from well-known Dutch brands to lavish luxury experiences. Schiphol welcomed several new shops and concepts. Airside, we introduced new store concepts with the Omega and Bruna brands. We also reached agreements with Louis Vuitton and Bulgari for store openings in 2024. In addition to the introduction of several new food and beverage concepts, this year saw the opening of the Bubbles Bar in Lounge 2, which combines luxury retail with gastronomy. On the landside, Rituals and Victoria Secrets reopened after renovations. In terms of food and beverage, the Dutch brand FEBO will be added to the current offering.

Schiphol starts construction of the largest car rental location in the Netherlands

In 2023, the construction of a new car rental location at Schiphol Airport began. We are transforming our former P4 car park into a new, future-proof car rental location with a total surface area of 40,000 m². The car rental service centre will be the largest car rental facility in the Netherlands, with space for around 2,500 vehicles.

The five largest car rental companies at Schiphol Airport will come together in five buildings under one roof, which will be covered by 17,000 m² of solar panels. The solar panels will generate a large amount of electricity, equivalent to the annual energy consumption of around 1,000 households. The new electrical infrastructure will allow more than 300 electric cars to be charged simultaneously.

With the electric facilities at the new car rental service centre, Schiphol Group is investing in the transition to electric mobility to and from the airport and encouraging car rental companies to switch to electric vehicles. This contributes to our goal of making transport to and from our airport as sustainable as possible. Construction is expected to be completed by the end of 2024.



With air traffic numbers at our airports increasing continuously in 2023, we are committed to investing in the passenger experience and ensuring safe, inspiring and comfortable journeys. We have made great strides in making operational data available to our passengers through digital channels and in the terminal. In this way, we increase transparency and reduce passenger stress.

Airline satisfaction

After a challenging year for our airlines, partners, passengers and ourselves, it was good to see that our summer operations were successful again in 2023. The many efforts and close cooperation between our airlines and partners were essential to accomplish these results. Data sharing and joint planning were essential steps in achieving this success. It required a lot of flexibility from all parties involved. It was encouraging to see that both airlines and partners were willing to contribute and be flexible in their approach.

The benefits achieved not only underline the success of our summer operations, but also provide valuable learning opportunities. The ability to learn and grow together from the lessons learned strengthens the partnership and confidence for 2024. The interdependence and the fact that working together pays off underlines the importance of a joint effort. We will continue this for 2024, working towards a strong and resilient partnership, working together as one Team Schiphol. We will focus particularly on maintaining and securing adequate resources at Schiphol Airport, which are essential for our airlines and partners to ensure smooth operations. Furthermore, we will continue to engage with airlines regarding their network plans and any potential capacity reductions.

Inspiring environment for tenants

Schiphol Real Estate (SRE) aims to create an inspiring work environment for our more than 450 tenants and 65,000 professionals; a place where people can connect, meet and work together. The traditional role of the office has changed. By offering high quality offices and a wide range of flexible working and meeting facilities, we meet the changing needs of our tenants. Our vibrant community of international standing makes



We are increasingly creating dedicated shopping experiences in our terminal, varying from recognizable Dutch brands to lavish luxury experiences.

Schiphol a place to meet, not just a place to work. We care about the well-being of everyone who works in our office buildings at Schiphol every day.

Our community platform SPOT gives our tenants a sense of connection and the opportunity to share experiences and knowledge. In 2023, we organised the first SPOT festival with and for our tenants. SPOT also promotes a healthy lifestyle by offering many sports and leisure activities.

Creating sustainable workspaces

We are constantly adapting and improving our leased facilities as part of our ambition to become a zero-waste, zero-emission organisation. We cannot do this alone, so we work closely with our tenants to become more sustainable. Working with our tenants, we have saved around 20% of gas consumption (compared to 2022), mainly by talking about behaviour and adjusting settings in our buildings.

In 2023, we undertook extensive engineering research that resulted in a final design for the centralised thermal energy storage system that will serve The Outlook and Avioport, as well as our headquarters, in the near future. The contractor has been appointed to build the facility and has commenced the

engineering process. The physical work is scheduled to take place in 2024 and is expected to be completed by the end of 2024.

Schiphol certifies commercial real estate according to BREEAM-NL In-Use, an environmental assessment method that enables property investors, owners, managers and tenants to determine and drive sustainable improvements in the operational performance of their buildings.

In 2023, our focus was on implementing the latest BREEAM-NL In-Use assessment framework for the certified buildings in our portfolio, as BREEAM standards are regularly upgraded. The World Trade Center (WTC) Schiphol Airport, our tallest office building at 56,000 m², achieved a BREEAM-NL In-Use rating of 'very good' in 2022 and achieved even more points in 2023 within this 'very good' rating. The Avioport and Transport buildings have a BREEAM-NL In-Use 'excellent' rating and have improved within this range. The new Cargo Building 17 will be built to BREEAM-NL Excellent standards and will be added to the BREEAM-NL In-Use portfolio.

Tenant satisfaction

SRE conducts an annual Tenant Satisfaction Survey to understand how satisfied our real estate customers are with their rental partnership and the service we deliver. In 2023, 77% of the respondents described our service as either 'good', 'very good' or 'excellent'.

In addition, SRE conducts an annual Tenant Employee Satisfaction Survey to understand how satisfied our tenants' employees are with their working environment (the building they work in and the surrounding area) at Schiphol. In 2023, 86% of the respondents described our buildings and surroundings as 'good', 'very good' or 'excellent'. This is very important to us as we want to provide an inspiring and healthy working environment for everyone who works at Schiphol.

➔ Business continuity

Schiphol has an internal 'calamity organisation' that incorporates training activities, scenarios and governance to be applied in the event of a major disruption or crisis. In 2023, our calamity organisation was activated on 10 occasions for a 'medium alert', where there was a real disruption. The Corporate Crisis Team met three times. The Veiligheidsregio Kennemerland ('Kennemerland Safety Region'; VRK) – a regional body that coordinates the deployment of police, firefighters, ambulances, municipal authorities and other parties in the event of an incident – was involved in a number of precautionary alarms that ultimately did not require an actual response. There were no air incidents requiring an emergency response.

Most of the situations where the calamity organisation was required involved problems with the baggage system, in total 4 out of 10. Another was storm Poly on 5 July and a third incident involved a power failure in Terminal 3. All the other four major disruptions were caused by 'co-makers', the links responsible for transport and handling in our airport's cargo chain. Problems in the systems of the Royal Netherlands Marechaussee, air traffic control, aircraft fuel supply and Dutch Railways (NS) also led to disruptions in our processes. The main focus in all these incidents was to ensure the safety of passengers and staff by regulating traffic and passenger flows.

Three quick scan evaluations were carried out in 2023. The first concerned the baggage disruption of 5 May, which resulted in some basic recommendations on baggage organisation. The second looked at the working and communication methods used during the storm. And the last assessed the causes of the power failure in Terminal 3 and made some recommendations for future emergency power tests.

Work continued on the systematic examination of business continuity risks throughout the service delivery chain. For each specific airport process, the resources used and the impact of relevant disruptions are identified and potential measures to further strengthen the reliability of these processes are identified.

In 2023, analyses were carried out on control and dispatch centres, including back-up facilities and contingency for critical IT systems, as well as various security devices.

Company emergency response

Between 1 January 2023 and 31 December 2023, the company emergency response organisation of the Airport Operations & Aviation Partnerships was deployed 3,792 times to respond to the first alarm in the terminal building. Of these, 3,469 were first aid calls and 323 were fire hazard calls. In 2023, we conducted several exercises to improve cooperation with the internal and external emergency services of the safety region Kennemerland.

➔ Cybersecurity

Throughout 2023, Schiphol continued to prioritise secure operations, with a particular focus on cybersecurity. Our Schiphol Cyber Security Centre (SCSC) remained vigilant, protecting our digital processes and sensitive data, while fostering a culture of resilience and awareness.

This year, we participated in ISIDOOR, a national cybersecurity exercise, together with KLM and LVNL. This resulted in an increase in the quality of cybersecurity, as measured by our level of participation and the results of the exercise.

Our anti-phishing campaign improved our technical defences and staff awareness, minimising the risks associated with phishing emails. We used innovative tools such as SafeLinks to improve our email security and strengthen our ability to deal with potential threats.

We also launched a comprehensive privacy and cybersecurity training initiative, further emphasising our commitment to cybersecurity. This company-wide programme, delivered in an engaging microlearning format, strengthened our employees' understanding and responsible handling of sensitive information.

In collaboration with KLM and LVNL, we further developed the ICWOS initiative, which enabled us to share critical information on cybersecurity threats and developments. Our joint red-teaming exercises proved invaluable in testing and strengthening our collective cybersecurity resilience. Collaboration led to an improved focus on real threats, fostered a cybersecurity aware culture, and strengthened resilience, underscoring our readiness for future cybersecurity challenges.

Innovation

As a part of Schiphol Group's strategic vision, we are committed to developing into a fully autonomous airport. This ambitious goal presents a unique set of challenges, which we recognise and are determined to address. Our drive stems from a deep-rooted belief in the transformative power of this initiative - not only for our organisation, but also for our valued passengers and stakeholders, as we pioneer unique solutions that are trendsetters in the industry.

Our journey towards this goal involves a comprehensive integration of technological advances. From installing complex networks across our many facilities and assets to ensure seamless data collection, to implementing robust firewall systems for enhanced security, our efforts are multifaceted. We are building our foundation on a state-of-the-art cloud infrastructure capable of processing the huge streams of data in real time. This not only improves our operational efficiency, but also strengthens our position as a data-driven organisation.

As many data sources as possible are critically analyzed to extract their value, enabling us to develop innovative solutions that enhance the passenger experience and drive sustainable growth. We are committed to using these technological advances to optimise our operations, deliver exceptional service and pave the way for a future that is in line with our core values of innovation and sustainability

Security process achievements

Our tireless efforts to improve security have not gone unnoticed. During the May holiday, 98% of departing passengers experienced a security wait of less than 10 minutes, a testament to the efficiency and effectiveness of our efforts to improve security operations over last year. This achievement is a clear indication of our commitment to providing a seamless and hassle-free experience for all travellers.

In anticipation of the expected capacity in 2023, we strategically increased the required human resources to cope with the high number of passengers expected. These efforts have been made possible by numerous improvements in the security process itself. Our initiative to streamline data collection for all airport-wide security assets provided valuable insights that allowed us to increase asset availability to ensure that all security personnel were adequately equipped to meet the expected demand. We also deployed state-of-the-art passenger scanners following the results of a comprehensive assessment. These allowed us to speed up the screening process for security staff and reduce false positive rates. Another notable example is the implementation of the Multiplex pilot programme, which allows security officers to evaluate CT scanner images from a lane other than where they are physically stationed, resulting in a net throughput increase of approximately 5%.

Digital innovation

The imminent launch of the Airport Operational Database (AODB) marks a milestone in our quest to streamline our information about airport operations. As a central repository for airport-wide data, the AODB will be a leap forward from our current system, CISS, ensuring that information is readily accessible and enabling improved operational efficiency for the foreseeable future. This development is a testament to our vision of a more agile and efficient data strategy for Schiphol.



Every source of data is critically analyzed to understand how we can best extract its value, enabling us to develop innovative solutions that enhance passenger experiences.

We have also embraced digital transformation by adding Security Operations and Aircraft Operations as user groups to the Schiphol Today mobile application. This innovative application now supports four key departments at the heart of our airport operations. Several operational processes have now been digitised, automated, innovated and accelerated. These include sharing operational briefings, gathering the latest operational insights, conducting inspections and registering incidents. These efforts have gone hand-in-hand with user feedback to ensure that these tailored improvements result in empowered, real-time knowledge to facilitate their 24/7 operational tasks.

Our continuous improvement of Wilbur, a platform that provides real-time insights into key indicators, has been instrumental in empowering the security companies that monitor our security lanes. The data provided by Wilbur enables these companies to manage operations more effectively and in real time, providing valuable and actionable feedback to agents in the field. The positive response from users is testament to Wilbur's success in achieving its goal.

➔ Airport capacity

Meeting the demands of airlines and passengers and providing a safe, sustainable, reliable and high-quality airport experience is an ever-increasing challenge. Royal Schiphol Group is undertaking an extensive investment programme to support our short, medium and long-term capacity needs, with several major projects underway or in preparation. Our capacity-related investments include the steps we are taking to improve the landside access road system at Schiphol Airport, as well as the construction of a new pier and the redevelopment of Lounge 1.

Master Plan

Schiphol Group is creating a new development framework, spatial development strategy and land use plan to guide future airport developments in line with our Vision 2050 and ambitions. The Master Plan aims to enable greater integration between infrastructure projects at Schiphol Airport and relevant regional developments, through specific developments such as the extension of the North-South metro line to Schiphol. The plan also aims to support sustainable aviation by defining the infrastructure needed to support the transition to quieter and cleaner aircraft operations.

Mid-Term Plan 2035

In 2023, the Schiphol Group updated its Mid-Term Plan (MTP) for the next decade and extended its outlook to 2040. The updated MTP, which is based on the Schiphol Group's strategy, focuses on regaining control, improving quality and robustness, and creating sufficient room for manoeuvre to enable the necessary renewal projects and major maintenance work to be carried out, such as the renewal of Pier C and the baggage system in Hall D. The MTP also aims to prepare Schiphol Airport to facilitate the renewal of the airline fleet with cleaner and quieter aircraft, as this will require more airside space and additional terminal, baggage and landside capacity (due to an increase in aircraft seating capacity).

The new MTP brings together current knowledge of trends and developments, long-term maintenance plans, quality ambitions, sustainability ambitions, improvements in working conditions and planned developments into a clear definition of the integral feasible capacity available. Based on demand scenarios, gaps are identified and asset, non-asset and digital solution directions are identified and tested for feasibility (operational, financial, etc.). The outcome of the MTP defines the development path for the 10-year time horizon and provides guidance for Schiphol Group's development projects, including spatial planning and (large) CAPEX projects.

Multi-Year Maintenance Programme

Proper maintenance of airport assets is essential to ensure their reliability and availability. Maintenance is determined annually based on the Multi Year Maintenance Programme (MYMP). From 2022, the MYMP has focused on improving the performance of the assets to support Schiphol Group's 'quieter, cleaner, better' ambition.

The interests of people, the environment and asset reliability (in that order) are considered when making decisions about maintenance projects. This provides a practical interpretation of concepts such as socially responsible and sustainable entrepreneurship.

Due to the current maintenance backlog at Schiphol Airport, we decided in 2022 to accelerate the MYMP with the aim of eliminating the backlog by 2032. This decision is already showing positive results. In 2023, the maintenance level at the airport was 120% higher than in 2022. Specific maintenance projects include repairs to walkways, security filters and baggage robots in the terminals, as well as maintenance of airside and landside roads. The recent increase in maintenance levels is partly due to the close cooperation between Schiphol Airport and the private market. By pooling expertise and resources at the right time, maintenance activities can be carried out more effectively and the quality of the assets optimised.

With the lessons learnt in 2023 and the resulting practical acceleration of the maintenance process, major steps have been taken to address the maintenance backlog and put us on track to meet our 2032 target. By continuing to invest in new technologies and innovative solutions, we expect to be able to maintain the airport's assets in a cost-effective and environmentally friendly manner, allowing us to continue to meet the increasing demands and expectations of passengers, airlines and other airport stakeholders.

The new Pier A and southern development

Schiphol Airport is building a new pier to accommodate large and medium-sized aircraft. This pier is necessary to meet future demand for new aircraft stands and gates. Additional stands can be added to the pier at a later stage.

In November 2021, due to ongoing delays and an unpredictable project outcome, we terminated the contract with the former contractors of the Pier A construction project, Ballast-Nedam and TAV (BN-TAV). We then appointed our framework contractors, Heijmans and Volker Infra, to carry out 'emergency works' to make the pier fully wind and weather resistant, but also to carry out structural reinforcements, air condition the building, resolve quality issues and complete the pier's aircraft stands to



The new Pier A is necessary to guarantee the future demand for new aircraft stands and gates, but also to create redundant capacity to be able to renew or refurbish existing piers.

resolve operational issues. The vast majority of these works were completed by the end of 2023.

Since 2023, BAM oversees the further completion of the detailed engineering and delivery of the construction-ready design. In October 2023, BAM and Schiphol signed an execution contract to finalise the construction of the pier, while BAM started the preparatory and pre-construction work.

Schiphol and BN-TAV are still in dispute. BN-TAV initiated formal proceedings in December 2023. Schiphol has received a writ of summons on 8 December 2023 and is preparing its counterclaim and statement of reply, which will be submitted ultimately on 5 June 2024. Reference is made to note 25 [Contingent assets and liabilities](#) for the status on the BN-TAV claims with regards to the construction of Pier A.

A further project in the pipeline remains the construction of a new terminal (Terminal South), which will help Schiphol to meet its sustainability goals and improve the passenger experience. In 2023, Schiphol made a high-level integral design, where both the baggage system and the construction of the basement (and all its electrical and mechanical installations) will be developed simultaneously. The design is developed by KLAIR (Kaan architects, Lamela, ABT and Ineco). In October 2023, we launched a tender for a contractor to assist with the final phase of the development, with the contract to be awarded in the second half of 2024. The selected contractor is also expected to carry out the construction of the basement and its installations. In 2024, Vanderlande Industries will also continue to design a new baggage system that will improve the working conditions for baggage handlers.

Redevelopment of Lounge 1

In early 2023, construction has begun on the redevelopment of Lounge 1 at Schiphol Airport. The project aims to improve the experience for passengers and employers, while opening up new commercial opportunities for Schiphol and helping to improve our operational and asset performance.

Led by ESAP, a consortium of construction companies SPIE and Equans, the renovation will be carried out in phases to ensure the lounge remains fully operational. The first phase of the redevelopment of Lounge 1 was completed by the end of 2023. This is the first step towards improving the retail experience for passengers in Lounge 1 and working conditions for KLM staff with new offices in the crew centre.

We expect to complete the Lounge 1 extension in 2024. This will open up the next phase of the project, the further redevelopment of the existing lounge, putting the Lounge 1 project on track for completion by the end of 2025.

Aircraft stands

In 2023, maintenance was carried out on numerous aircraft stands in the Pier G, Pier E and Pier D areas. The maintenance project included an element of electrification to support more sustainable airside operations. In addition, we initiated the expansion of the Sierra platform to replace cargo aircraft stands displaced by the expansion of the dual taxiway system.



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Taxiways and runways

The Zwanenburgbaan and surrounding taxiways underwent extensive maintenance in 2023 to ensure the reliability of the runway and to enable the installation of new LED lights. We also carried out extensive maintenance on the taxiways to ensure their reliability.

In 2024, we will carry out maintenance work on the Kaagbaan and Bravo taxiway. During the runway maintenance, related projects will be carried out as well, such as a new runway intersection, maintenance of the Kaagbaan tunnel and increasing the capacity of the electricity grid. These projects aim to improve the overall safety and reliability of airside operations.

Completion of dual taxiway system (Project Quebec)

In 2023, Schiphol Airport made further progress on a project that started in 2018 to convert Schiphol's Quebec taxiway into a dual taxiway system. Project Quebec aims to address two key issues: 1) making the process of directing taxiing aircraft more manageable for Air Traffic Control the Netherlands (LVNL), and 2) ensuring that aircraft no longer have to queue on the Quebec taxiway. These improvements will help to increase safety in line with the ambitions of the Schiphol Safety Roadmap, while at the same time improving the quality of service for airline customers and passengers.

Construction of Phase 1B of the project began in early 2023. Roads were removed and repositioned for the construction of the new security checkpoint 90, including the associated airside roads. Construction of the new taxiway system also began. In early 2024, work on Project Quebec will join the already scheduled maintenance of the Kaagbaan Runway to complete the associated infrastructure to reduce the impact on operations later in the project. The first phase of construction will be completed by the end of 2024. In 2025, the second phase will begin with the relocation of dnata to the new freight station, which will leave the existing freight station vacant and ready for sustainable demolition. These steps will create sufficient



Project Quebec aims to address two key issues: making the process of directing taxiing aircraft more manageable for Air Traffic Control the Netherlands (LVNL), and ensuring that aircraft no longer have to queue on the Quebec taxiway.

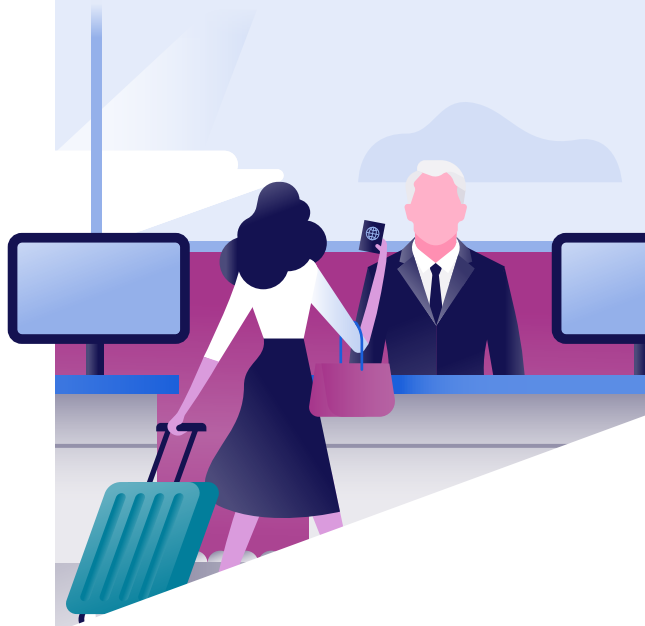
physical space for the construction of the double taxiway system, including new remote holdings.

Implementation of Phase 2 will then begin. This final phase of the project will relocate the current Quebec taxiway to make way for the expanded A-Platform, which will require a new layout to accommodate larger narrow-body aircraft, as well as aircraft docking on the south side of the new Pier A. Phase 2 is expected to be completed by 2027.

Project Quebec will continue to promote sustainability and circularity at every stage of the project. Parts of demolished buildings are being used in new structures, such as the new security checkpoint 90. For example, the steel structure of the new canopy is made from second-hand steel that was released during the demolition of the existing office building that previously stood on the site.

Safety first

Safety is Schiphol Group's number-one priority as an airport operator and one of two key enablers that support the four qualities of our Vision 2050. We invest in our safety and are working to develop a strong safety culture that unites Schiphol employees and partners in a common objective.



At Schiphol Group, we aim to provide safe, secure and responsible travel for everyone who visits and uses our airports each day. The airports in our Group face a range of day-to-day operational risks, while construction projects present further hazards to customers and staff. In 2023, we continued to make progress in improving safety around the airport site at Amsterdam Airport Schiphol.

To help us meet our objectives, we rely on high-quality safety processes, but we also depend on the support of our valued partners and stakeholders, as we work towards the same goal.

Schiphol Group also works with the Onderzoeksraad voor Veiligheid ('Dutch Safety Board'; OVV) as well as external regulators, and we play a central role in sector-wide safety initiatives such as the Integral Safety Management System (ISMS). As part of this integrated value chain approach, we cooperate closely on safety with airlines, ground-handlers and building contractors.

Top performance indicator Safety first



➔ Safety and security

We have a responsibility to safeguard the health of our passengers, employees and other visitors by carefully managing our facilities and processes. Security is fundamental for safe and efficient airport operations.

Safety

Safety is always top of mind at a busy airport, where we work with a wide range of partners 24/7 throughout the year. In other words, safety always comes first, whether at the office, on a construction site, in operations or during maintenance activities. In light of this, we set ourselves a clear target: zero safety incidents throughout the entire year. We keep close track of our safety levels and safety performance at our airports through the Net Safety Score (NSS). The NSS, which is one of our Top Performance Indicators (TPIs), monitors our ongoing safety performance by taking the percentage of days without serious incidents minus the days with serious incidents. In 2023, the NSS score was 96.2 (target value for 2023 was 95). We had 7 days with serious incidents compared to 5 days in 2022. These range from traffic incidents on the platform, to trips and falls of employees as well as passengers. A single fall resulting in injury can therefore significantly impact the Net Safety Score. Each serious incident is investigated either by Schiphol or other parties.

In addition to the NSS, we assess our performance on our top safety risks, which include bird strikes, runway incursions, fire safety risks, electrical safety risks and risks related to construction and maintenance. We do this by monitoring the number of occurrences and the functioning of risk-mitigating measures (key controls). Safety Performance is reported each quarter and discussed by Schiphol Airport's Safety Review Board.

In 2023, 3,883 (near) incidents and potentially dangerous situations were recorded in Schiphol Airport's Incident Learning System. The data in our safety database allows us to analyse incidents and trends and to investigate more serious incidents. We investigated 7 incidents during the year, an important starting point for us to learn and improve the safety of our processes.

Safety management

Our company safety management systems outline objectives, tasks, responsibilities, authorities and working agreements for managing health, safety and environmental risks at Schiphol Airport. All operational managers are responsible for effectively managing safety risks in their respective processes. The Safety Review Board formulates policies and goals to realise Schiphol Group's 'Safe performance' strategic objectives.

Safety and compliance

Schiphol Group's Safety Leadership Principles are based on our target of zero safety incidents and they require our leaders to set an example on safety and promote an open and just safety culture. Initiatives such as safety walks, safety moments and safety days are increasingly valued by our employees and other airport site workers, and are now seen as an everyday part of our work.

Compliance with HSE legislation

Schiphol Group has formed public-private partnerships relating to inspections and supervisory duties with the Human Environment and Transport Directorate (ILT) of the Ministry of I&W, Rijnland Water Authority, and the municipality of Haarlemmermeer. These agreements cover activities such as monitoring threats to aviation safety, inspecting the use of auxiliary power units (APUs), supervising Ground-handling activities and monitoring airside traffic safety. The mutual obligations of Schiphol Group and its partners are outlined through covenants: we scored a compliance percentage of 97.95% on ground-handling inspections, 96.62% on APU inspections and 86% on temporary obstacle inspections.

Under the Environmental Management Act, in 2023 Schiphol Group had to submit a complete Avoidance and Reduction

Program (VRP) for substances of very high concern (SHVC) to the Omgevingsdienst (Environment Agency before 1 December.

EASA compliance

Schiphol Group complies with EASA regulations by regularly undergoing internal and external audits. External audits are performed by the ILT under the 48-month oversight programme as stipulated in EU Regulation 139/2014.

Licence to Operate for ground-handling

On 1 January 2023, Schiphol Group's Licence to Operate (LtO) for ground-handling operations came into effect. The LtO comprises a set of requirements and minimum standards in the areas of safety, sustainability, and quality, in order to safeguard and enhance the quality of ground-handling. The LtO includes 16 requirements to which handlers adhere. Examples are the usages of lifting aids in the baggage area, a languages proficiency at airside and a minimum amount of self-inspections to assure a clean aircraft stand. Schiphol Group and its ground-handlers implemented a way of working according to the LtO in 2023, overseeing compliance through inspections and audits. The lessons learned have been incorporated into a renewed version of the LtO that came into effect in January 2024.

In 2023, we conducted audits of all six generic ground-handling companies. The audits focused on aspects such as the competence of workers using our assets. Since May 2023, we have also carried out 346 inspections on the use of lifting aids. While the usage has seen a slight increase, we are closely monitoring it until it reaches the desired level. If any of the 16 commitments are not met, ground-handlers may be required to formulate a Corrective Action Plan and conduct a root-cause analysis. In 2023, twelve of these plans were requested by Schiphol distributed among the various handlers. These plans result in measures taken by handlers, such as hiring additional staff, improving internal work processes to meet ISAGO standards, and/or adjusting agreements with employment agencies. There has been substantial engagement from handlers on this matter. Schiphol expects the LtO to support an upward trend in quality of ground handling at Amsterdam Airport Schiphol.

Safety Day

Schiphol organises a Safety Day each year to raise employees' awareness of the importance of safety at Schiphol and how they can contribute to a safer airport environment. Schiphol's ambition is to have zero safety incidents, which means that safety must always be top-of-mind for our colleagues and partners at all times.

Safety Day 2023 took place on 30 November, with the theme of 'traffic safety'. The day featured an extensive programme of lectures, exercises and demonstrations focused on traffic safety.



Safety of passengers and visitors

In 2023, Schiphol Airport reported 373 (2022: 331) incidents involving injuries to passengers and visitors that required attention from our in-house emergency response service.

Integral Safety Management System

Safety processes between aviation organisations at Schiphol Airport are managed and coordinated by the Integral Safety Management System (ISMS). This is a collaboration involving

Amsterdam Airport Schiphol (AAS), Air Traffic Control the Netherlands (LVNL), airlines based at Schiphol Airport and ground handlers. It also includes service partners, such as companies responsible for refuelling, catering and cleaning. The ISMS proposes and implements a series of safety improvement measures that collectively form the [Safety Improvement Roadmap Schiphol](#), a working document aligning all parties on shared goals.

The implementation of the Safety roadmap continued throughout 2023 as the ISMS partners implemented the following safety improvements:

- licence to operate;
- implementation of airside safety KPIs for ground-handlers;
- implementation of the Safe Ground-Handling programme;
- equipment pooling trial;
- action-based plan to improve lines of sight at airside on platforms and service roads;
- improving the process for checking the correct stopping position for docking aircraft (single point of failure);
- online pushback procedure.

In 2023, ISMS launched three safety campaigns: 1. New awareness topics as part of the campaign for pedestrians at airside, 2. 'Welcome to my world!', a campaign aimed at improving communications between ground air traffic controllers and pushback drivers, and 3. A 'safe summer' awareness campaign with a focus on work pressure at airside, where 100 posters were placed at key spots on airside and interactive sessions were held with workers from different organisations at Schiphol Airport.

The above measures were developed either by individual ISMS partners or sector-wide task-forces, and steered by the TOP Safety Action Group of the ISMS.

In addition, the following committees, safety teams and task-forces were active during 2023:

Ground Handling Safety Team

The Ground Handling Safety Team (GHST), consists of representatives from Amsterdam Airport Schiphol and the various ground-handling companies operating at the airport site. The team aims to minimise risks involving ground handling at Airside, such as the safe use of aircraft stands and service roads. In 2023, the GHST carried out a dedicated programme safe ground handling that included a set of ongoing actions to support a cultural change regarding safe behaviour and reduce risks related to ground-handling. Further actions agreed by the GHST in relation to the ISMS included introducing airside safety KPIs for ground-handling companies, supported by minimum performance targets. In 2023, a total of 78 incidents of aircraft being damaged occurred during ground-handling and 24 injuries due to traffic collisions occurred on the peripheral roads and aprons at Schiphol Airport.

Ground Movement Safety Team

The Ground Movement Safety Team (GMST) consists of representatives from Amsterdam Airport Schiphol and LVNL, as well as airlines and ground handling companies operating at the airport. The team works to prevent and reduce the severity of incidents in the manoeuvring area at Schiphol Airport involving moving aircraft on the aprons by identifying mitigation measures and solutions to identified problems. In 2023, the GMST and the training organisation supervised by LVNL initiated a joint awareness programme aimed at improving communication and trust between ground air traffic controllers and pushback drivers involved in the pushback process.

Runway Safety Team

The Runway Safety Team (RST) is tasked with monitoring and reducing runway risks, most notably runway excursions and runway incursions (defined by the International Civil Aviation Organization (ICAO) as the incorrect presence of an aircraft, vehicle or person on a surface designated for aircraft landings and take-offs). The RST monitors trends and conducts studies to identify locations where runway incursions are more likely. In 2023, 19 runway incursions occurred (2022: 20), of which 18 were classified as having no immediate safety consequences.

One incident was classified as a potential conflict but with enough time and distance to prevent a serious outcome. To further mitigate the risk of runway incursions, the RST continuously targets specific behavioural and infrastructural contributing factors.

Schiphol Bird Strike Committee

The Schiphol Bird Strike Committee (SBC) monitors and analyses bird strikes at Schiphol, as well as the presence and movements of birds, and develops preventative strategies. In 2021, Schiphol Airport developed a risk reduction action plan, and wildlife management actions are ongoing. In 2023, Amsterdam Airport Schiphol experienced 4.8 bird strikes per 10,000 air transport movements (2022: 8.1/10k), none of which resulted in a major incident. The reduction can be attributed to our active measures. Weather conditions were also a factor, as rain reduced the food available to some high-risk bird species.

Taskforce Runway Safety Improvement

In 2023, a temporary taskforce, Runway Safety Improvement (RSI) was set up to prepare for decision-making on specific measures to further reduce the runway incursion risk at Schiphol Airport. The taskforce RSI consists of representatives from LVNL, Amsterdam Airport Schiphol and the airlines.

Taskforce Sustainable Ground Movement

The Sustainable Ground Movement (SGM) taskforce is another temporary taskforce established in 2023. Its role is to analyse operational concepts for ground movement in order to reduce kerosene emissions from aircraft.

Taskforce pedestrian safety

In 2023, a temporary taskforce consisting of representatives from the ground-handling companies and Amsterdam Airport Schiphol defined risk reduction actions to improve the safety for pedestrians at airside. As a result of this taskforce, ISMS agreed upon two actions: provide routes through lounges and piers for employees working at airside and optimize pedestrian crossings at airside.

Security

Security is fundamental for safe and efficient airport operations. Schiphol Group works closely with the Royal Netherlands Marechaussee, Dutch Customs, the National Coordinator for Security and Counterterrorism, private security firms and other partners to drive compliance with relevant security laws and regulations in a customer-friendly, cost-efficient way.

Restoring confidence in our security operations

A key priority at Amsterdam Airport Schiphol in 2023 was to consolidate the measures taken to overcome the post-COVID staff shortage. With the airport's capacity restriction no longer in place since the second quarter of the year, our aim was to support unrestricted flight operations and restore confidence in Schiphol among passengers and employees. The holiday periods were an important test of the effectiveness of the measures taken. With each new holiday successfully passed, confidence in our security operations started to return, step by step.



Schiphol Airport's centralised recruitment campaign for security staff continued in 2023.

Pillars of improvement

Schiphol's efforts to re-establish the efficiency and predictability of the security process were organised along three pillars:

1. Manpower capacity

- Schiphol Airport's centralised recruitment campaign for security staff continued in 2023. Working closely with the security companies, we managed to onboard a total of 1983 new security officers, allowing us to meet (and in some cases exceed) the required number of working hours.
- Special attention was paid to achieving a balance between male and female security offers, to relieve female agents of continuous pat-down duties for female travellers. In 2023, the proportion of female agents at Schiphol Airport rose from 40% to 45%.
- Various incentives were offered to security officers to improve their overall quality of work. Examples included less variation in shift starting times, competitive pay and performance bonuses.
- Resting areas for security officers were upgraded to improve employee well-being.
- Due to the large influx of new security officers in 2023, we increased our focus on quality of work through specialised training programmes and bi-monthly meetings to monitor improvements.
- We re-opened the security checkpoint in Departure hall 1A, to serve as a backup during busy periods.

2. Productivity of the security process

- Additional screening capacity (through multiplexing of X-ray images).
- Creation of dashboards and integral weekly monitoring of security performance along different axes.
- Carrying out 'pressure tests' and process improvements to boost productivity.
- 'Get ready for security' communication campaign to better prepare passengers for security checks through online and on-site tips and instructions.
- These measures resulted in a waiting time of less than 10 minutes for 93% of passengers.

3. Availability of security assets

- Deployment of specialised asset maintenance personnel on standby.
- Preventive maintenance and software updates.
- Rapid deployment of better-performing screening equipment.
- These measures resulted in a high availability and reliability of security lanes nearing an average of 93%.
- Start of tender procedures and pilots for the replacement of assets such as screening equipment and security lanes in the coming years (2024-2026).

Security innovations

Schiphol is exploring a range of technological innovations to improve our security processes in terms of compliance, passenger friendliness, employee satisfaction and cost. We use state-of-the-art technology, such as CT and Security scanners. In addition, we are working with external experts to develop software solutions for our 3D cabin bag screening equipment that will support the work of airport security staff.

Cooperation with the Royal Netherlands Marechaussee

Schiphol's security department has focused on continued close cooperation with the Royal Netherlands Marechaussee to facilitate border processes and manage capacity challenges on their side. To this end, Schiphol improved signage and queue formation design in addition to the allocation of staff to guide passengers to self-service border check gates.

Implementing European Entry-Exit System

Schiphol Group is working with the Ministry of Justice and Security and Royal Netherlands Marechaussee to prepare for the introduction of the mandatory European Entry-Exit System (EES) legislation which will impact non-EU citizens entering the region. The implementation deadline has been moved from 2023 to November 2024. Schiphol is implementing measures to prepare, like installing registration kiosks and expanding its border filters.

Robust organisation

Ensuring a robust, future-proof organisation is a key enabler for Royal Schiphol Group as we work towards our Vision 2050. Schiphol's robustness stems from our strong financial base, high ethical standards and solid organisational framework.



At Schiphol Group, we regard financial stability as a key aspect of our strong organisational framework. Our prudent yet strategic financial approach, aimed in particular at maintaining solid credit ratings, has been instrumental in navigating through economic uncertainties such as those caused by COVID-19 and the operational challenges of 2022. The introduction of new airport charges for the period 2022-2024 was a crucial step in restoring our financial resilience. This step is essential for navigating potential future (economic) uncertainties as well as the need for continued investments in our airport infrastructure and process efficiencies. In 2023, we reinforced our commitment to this objective by announcing a multi-billion euro investment for the coming three years into infrastructure and facilities at our airports, in line with our comprehensive maintenance plan. With this we intend to improve the quality of our assets and strengthen our commercial and international operations. This sustainable investment strategy is key to ensuring financial stability.

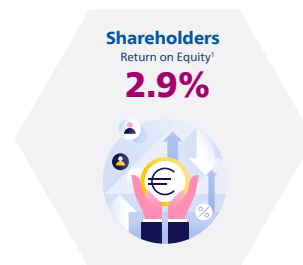
➔ Business ethics and corporate culture

Royal Schiphol Group employees are expected to act with the utmost integrity at all times. To ensure this, we have a robust compliance and integrity programme that closely monitors employee behaviour and seeks to prevent potential non-compliance and integrity risks. Each year, we prepare an Ethics Annual Plan, outlining new developments and preventive measures for that year, including the ongoing promotion of ethical behaviour and the evaluation of our culture.

To complement our internal integrity programme, RSG has started to develop a vision and strategy for a sector-wide ambition on integrity and social safety within the sector. This is part of RSG's corporate strategy as described in the Fast Forward programme, the eight-point-plan and 'people first' perspective, as well as the Quality of Work work-stream.

Schiphol Group adheres to the OECD guidelines for responsible business conduct for multinational organisations, where applicable. Schiphol is updating its human rights policy to the Responsible Business Policy, supported by human rights elements embedded in other existing company policies. With this new policy, we are developing a human rights due diligence process in line with the EU Taxonomy.

Top performance indicator Robust organisation



1 ROE inc. fair value changes and other one offs: 0.4%



As outlined in Schiphol Group's code of conduct, we want to ensure a strong and inclusive culture of integrity, where all colleagues conduct business responsibly and behave ethically at all times.

Acting responsibly in the workplace

As outlined in Schiphol Group's code of conduct, we want to ensure a strong and inclusive culture of integrity, where all colleagues conduct business responsibly and behave ethically at all times. Employees must refrain from unwanted behaviour, including discrimination, sexual harassment and bullying, and comply with relevant laws on competition, public procurement, data protection, fraud, anti-corruption and bribery. We continue to raise awareness of these important issues throughout our organisation.

Integrity as a central part of our organisation

The analysis of our annual employee survey ('My Schiphol Survey') in 2023 focused on several topics related to integrity, including 'Speak Up', the exemplary role of management, the inclusiveness of our culture and undesirable behaviour. The results show that Schiphol has taken positive steps to consolidate our robust integrity culture. To continue this progress, we invite Schiphol's management to play an active role in further strengthening our integrity culture, for example by facilitating sessions and addressing the integrity topics from the survey in their teams.

In addition, RSG promotes its integrity culture by continuously encouraging dialogue on integrity issues and open discussions on integrity by facilitating and offering interactive 'dilemma game' sessions, as well as general and topic-specific integrity training throughout the organisation (starting with the ethics part of the new employee on-boarding). These sessions highlight and promote RSG's culture of integrity and outline key topics such as RSG's Code of Conduct, reporting procedures, trusted persons, dialogue facilitation and our whistle-blower policy.

Integrity reports

Integrity reports are submitted to the Integrity Committee, which investigates and advises on the necessary response to (possible) incidents. The Committee reports to the Risk and Compliance Committee of the Executive Team on anonymised findings regarding incidents twice a year, and on an important Integrity topic once a year. The Committee also reports to the Supervisory Board's Audit and People Committee on an annual basis. The Executive Team and RSG external auditor are updated between two and four times a year, though the Executive Team is informed immediately in the event of a serious incident.

In 2023, 32 issues were reported to the Integrity Committee (2022: 29), none of which concerned bribery or corruption, or material fraud. There were 7 (of which 6 relate to the same issue) reported issues relating to discrimination on the basis of gender, race or ethnic origin, nationality, religion or belief, disability, age, sexual orientation or other forms of discrimination. Appropriate actions were taken.

In addition, there are no known incidents or complaints that have resulted in material fines, penalties or damages, nor are there any known human rights incidents involving RSG's employees that may have resulted in fines, penalties or damages.

Bribery and corruption

RSG incorporates anti-corruption and anti-bribery standards into its compliance policies, which are consistent with the UN Convention against Corruption and are designed to prevent and detect corrupt practices within our organisation. This includes, but is not limited to, an appropriate ethics and compliance programme and reporting mechanisms. RSG also encourages all employees to report any concerns regarding fraud, bribery and/or corruption through our established reporting channels and our Speak-Up tool.

➔ Supplier and procurement practices

In 2023, Schiphol actively worked on improving collaboration with its strategic suppliers to create a more balanced ecosystem where all parties work together at Schiphol to achieve a quieter, cleaner and better airport.

Since the beginning of the year, our suppliers and internal staff have been working hard to ensure a smooth May and summer period in serving the airlines, our passengers and handling their baggage. Measures have been taken to ensure the required service levels at times of increasing passenger numbers, especially at peak times, and in the face of significant labour shortages.

Maintaining quality of work and quality of service

Following the social agreement reached between Schiphol and the trade unions in 2022 to introduce better working conditions for airport staff, a key objective for Schiphol in 2023 was to sustain this agreement in both existing and new supplier collaborations. To achieve this, we developed an ambition statement for the new strategic pillar 'Quality of Work', containing explicit deliverables to achieve this strategy. We also enhanced our ambitions for 'Quality of Service', prioritising the passenger experience alongside our goals for service delivery to airlines.

New principles of cooperation

We have developed seven principles of cooperation for all parties working at Schiphol Airport to achieve our newly defined strategy. These principles guide us on how to work consistently and constructively with our partners, but also within our own organisation. With these new cooperation principles, we want to emphasise a number of important issues and create the conditions for creating a quieter, cleaner and better Schiphol Airport.

We call these principles Team Schiphol Check-in and they consist of the following points:

- We are one Team Schiphol, built on trust and long-term equal relationships
- We continuously improve our joint operations
- We provide high-quality service to our passengers
- We provide jobs with fair pay, a good work-life balance and ample development opportunities
- We do our utmost to achieve our environmental and social ambitions
- We do our utmost to create safe and healthy working conditions

Team Schiphol Check-in has been tested in a number of tenders where trade unions have been consulted to ensure that the impact on employees (in terms of working conditions and working environment) is in line with these principles.

Partner events

To understand the feasibility and impact of Team Schiphol Check-in, we discussed and finalised the new collaboration principles with our key suppliers. In September, we organised the 'Schiphol partner events' with our leadership team and our top 50 suppliers to share our ambitions in services and asset management. These events facilitated an open dialogue about the envisaged role of our partners in achieving our goals and the impact of the new cooperation principles. We agreed to hold annual dialogues on our strategic objectives and the development of our partnerships, to ensure effective communication and governance structures, and to hold regular meetings to define and develop our joint business plans. The first joint business plans were developed in 2023. We have set out concrete actions and deliverables in our 2024 strategic plans to achieve these ambitions.

Social dialogue

The knowledge and experience of our suppliers is important in jointly achieving responsible employment practices and implementing our Quality of Work ambition. Schiphol Group feels co-responsible for everyone who works for us. That is a major responsibility, as over 65,000 people from different employers work at Schiphol. All these people work together every day to create a quieter, cleaner and better Schiphol Airport. To make sense of this responsibility and how we can fulfil it effectively, we value the opinions and experiences of these people. In October and November, we organised a series of 'deep listening sessions' with a broad representation of supplier employees to understand how they experience their work at Schiphol Airport and what suggestions they have for improvement. In 2024 we will continue and deepen these sessions.

Outlook for 2024

In 2024, we will continue to engage with a broad group of people employed by Schiphol Airport and our suppliers. Our dialogues will ensure that we continue to actively work together to create a culture of greater equality, better communication and mutual understanding in line with Team Schiphol Check-in. Based on Check-in, concrete objectives for supplier cooperation will be jointly defined and implemented with the operational teams and together we aim for a high-quality service for travellers and a quieter, cleaner and better Schiphol Airport.

➔ Financial solidity

Royal Schiphol Group's financial policy seeks to ensure a solid financial position and good creditworthiness, represented by at least an 'A' rating from one or more reputable credit rating agencies. This policy is critical to maintaining the financial resilience needed to cope with unexpected events and to raise financing for necessary investments. Key elements in maintaining a good credit rating include transparency on impactful developments, structural profitability, collection of settlement income related to lost aviation revenues in previous years and maintaining a leverage profile within certain boundaries.

Creditworthiness

Strong creditworthiness is a prerequisite for safeguarding access to liquidity and the ability to finance and execute long-term investments in capacity, operations, safety and sustainability. Schiphol raises financing independently through capital markets and banks.

As a result of funding actions taken in 2020 and 2021, as well as the successful sale of the Groupe ADP shares, Schiphol has access to a sizeable liquidity position of 1.2 billion euros at the end of 2023 (when including investments in short-term deposits), which was reduced from 1.7 billion euros at the start of 2023 (partly) as a result of voluntary deleveraging efforts that took place in Q2 2023. In addition, Schiphol has access to committed credit facilities of 675 million euros which, together with the existing liquidity position, ensures sufficient access to liquidity to deal with potential adverse situations.

In 2022, the long-term credit ratings that are issued for Schiphol Group by both S&P Global Ratings as well as Moody's were both downgraded by one notch. This was largely attributable to the announcement by the Dutch government that it intends to reduce the annual number of flight movements. In August 2023, S&P announced a credit rating upgrade for RSG, changing the long-term credit rating to A flat. The upgrade was triggered by the expectation that RSG will deleverage faster than anticipated over 2023-2025. S&P also cited debt reduction efforts, including

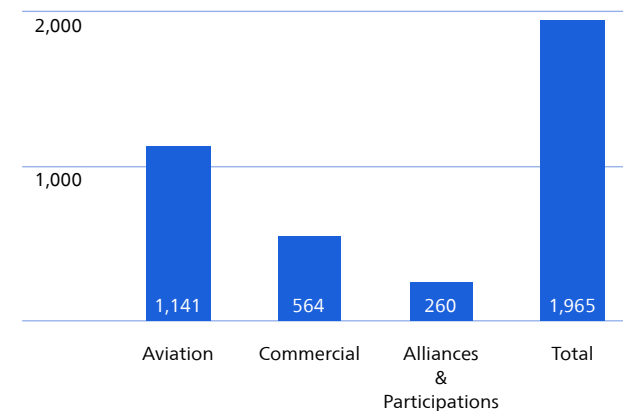
the voluntary €380 million notional debt repayment in May 2023. The rating by S&P was upgraded from 'A-' with a stable outlook to 'A' with a stable outlook. Following the upgrade, the rating at S&P is now at par with the rating of Moody's (A2 with a stable outlook) and compliant with Royal Schiphol Group's financial policy of maintaining at least an A flat credit rating.

Return

Generating a positive return in a structural way is required to independently raise financing and secure favourable access to capital markets. The return requirement applied by the Dutch State in its capacity as majority shareholder in Schiphol Group is set at a minimum return on equity of 5.6%. A return requirement serves as a further incentive to operate cost-efficiently and generate a higher result through unregulated non-aviation activities such as real estate, parking, airport retail concessions, and international investments and management contracts. Mainly as a result of the ongoing traffic recovery from COVID-19 as well as the increased cost level due to inflation, the Social Agreement, and other Quality of Work initiatives for which Schiphol receives no cost coverage via the airport charges as these were already set in 2021, the minimum return requirement was not reached.

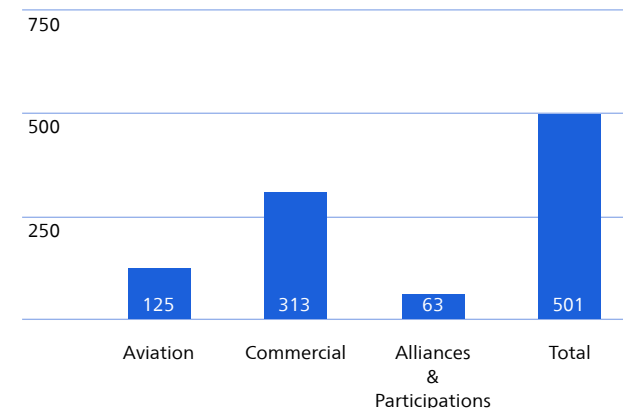
Revenue 2023

(EUR million)

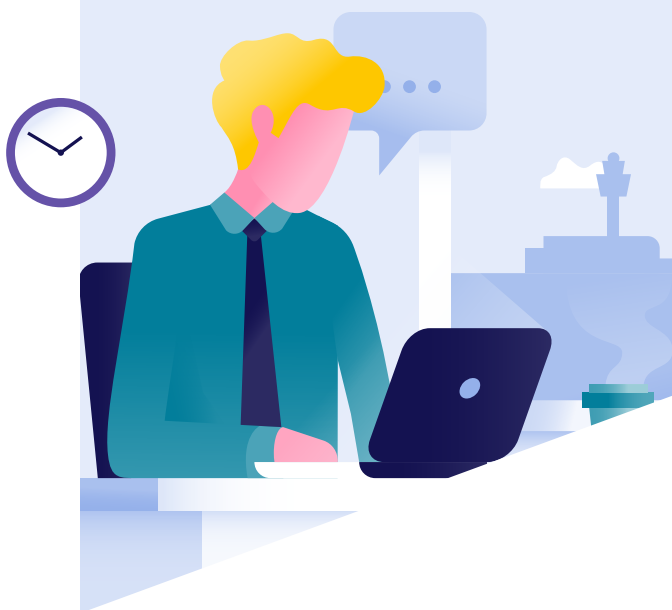


Underlying EBITDA 2023

(EUR million)



Schiphol Group 2023 marked a turnaround for passengers, employees and airport's future plans. The enhanced airport services played a crucial role in providing passengers with a positive travel experience, even though it led to a rise in operational costs.



Financial performance

The 2023 underlying net result of Schiphol Group increased with 129 million euros from a reported loss of 28 million euros in 2022 to 101 million euros positive result in 2023. The increase in revenue was mainly driven by an increase in passenger numbers and ATM's compared to 2022, a year which was still partly influenced by COVID-19 travel restrictions. Furthermore, the revenue increased as a result of a 12% increase of the airport charges at Amsterdam Airport Schiphol as of April 2023. The increase in revenue is partly offset by an increase in underlying operating expenses (mainly security costs, employee benefits and maintenance).

The adjustment from underlying result for the year to the result for the year is mainly a consequence of developments in the real estate market and results from financial assets and liabilities.

Market developments in the real estate sector further deteriorated, which led to a significant decrease in the fair value of Schiphol's real estate portfolio. The 2023 fair value loss from investment property amounted to 151 million euros compared with a fair value loss of 192 million euros in 2022. The fair value gains and losses relating to Schiphol's international investments in Brisbane and Hobart amounted to a fair value gain of 2 million euros, compared to a fair value gain of 20 million euros in 2022 due to favourable market conditions at that time.

The 2023 net result was one-off impacted by the execution of a cash tender offer on three of the outstanding EMTN notes resulting into a 380 million euros notional repayment against a cash settlement of 350 million euros, hence a financial gain of 30 million euros before tax. The 2022 net result was on the other hand impacted by a net fair value gain before tax of 61 million euros on the remeasurement of the shares in Group ADP (Assets held for sale) less the remeasurement result on the financial liability related to the Share buy back obligation.

The net result for the year attributable to shareholders amounted to 13 million euros in 2023 compared to negative net result of 86 million euros in 2022.

Revenue

Revenue increased strongly by 361 million euros (24%), rising from 1,491 million euros in 2022 to 1,852 million euros in 2023. Higher revenue was mainly driven by an increase in passenger numbers and ATMs and a 12% increase of the airport charges for Amsterdam Airport Schiphol as of April 2023. The total number of passengers using Schiphol Group's airports increased by 17% to 70.9 million (2022: 60.8 million). The overview of the various components of the revenue (excluding intercompany revenue) is as follows:

EUR million	2023	2022	%
Airport charges	1,158	901	28.5
Concessions	205	162	26.5
Rent and leases	194	193	0.5
Parking fees	150	125	20.0
Other	145	110	31.8
Total Revenue	1,852	1,491	24.2

Airport charges

Revenue from airport charges at Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport increased by 29% in 2023 to 1,158 million euros. This result was driven by an increase in the number of passengers, ATMs and an increase in airport charges at Amsterdam Airport Schiphol effective as of April 2023.

At Amsterdam Airport Schiphol, passenger numbers were up by 18% to 61.9 million (2022: 52.5 million), while the number of ATMs also increased by 11% to 441,969 (2022: 397,646). Cargo volumes decreased by 4% to 1.38 million tonnes compared to 1.44 million tonnes in 2022. Revenue from airport charges at Amsterdam Airport Schiphol increased by 251 million euros to 1,072 million euros (2022: 821 million euros).

Passenger numbers at Eindhoven Airport increased by 9% to 6.8 million in 2023 (2022: 6.3 million) and the number of ATMs increased by 5% to 39,996 (2022: 38,143). As a result, revenue from airport charges increased by 3% to 51 million euros in 2023 (2022: 49.5 million euros).

At Rotterdam The Hague Airport, the number of passengers in 2023 increased by 6% to 2.2 million (2022: 2.1 million), the number of ATMs increased by 419 to 16,191. Due to these positive developments the revenue from airport charges at Rotterdam The Hague Airport increased with 4.4 million euros to 34.4 million euros compared to 30 million euros in 2022.

Concessions

Revenue generated by Schiphol Group through concessions strongly increased by 27% to 205 million euros in 2023 (2022: 162 million euros) following an increase in passenger numbers at Amsterdam Airport Schiphol as well as our regional airports. Revenue from concessions is positively impacted by absence of COVID-19 restrictions in 2023. Contrary to 2022 all shops were open with full opening hours as of April 2023. The return of passengers with destination China and Hong Kong had a positive impact on the passenger mix resulting in a higher spend per passenger.

The average spend per passenger on retail airside at Amsterdam Airport Schiphol increased from 12.67 euros to 13.06 euros, food and beverage spending per departing passenger decreased from 6.17 euros to 6.12 euros. The improved operation at Amsterdam Airport Schiphol led to longer dwell time in which passengers visit stores or consume food and drinks.

Rent and leases

Revenue from rents and leases increased by 1% from 193 million euros in 2022 to 194 million euros in 2023. This increase is primarily caused by the increase as a result of indexation of lease contracts. The increase from indexation is for a major part offset by lower service charge revenue (relating to electricity and gas charges). The decrease in service charge related revenue had a limited impact on the EBITDA performance, as only the service costs for vacant space remain in income statement.

The average occupancy rate of Schiphol's total real estate portfolio in 2023 was 94.3%, which is in line with the average occupancy rate of 94.4% during the same period last year. The occupancy rate is generally lower, but the second line freight performance compensates for this effect.

Parking fees

Total parking revenue increased by 20% to 150 million euros in 2023 (2022: 125 million euros). Parking revenue at Amsterdam Airport Schiphol increased by 20 million euros to 123 million euros. This is attributable to an increase in the number of original destination passengers (approximately 12.1%) at Schiphol and a higher average transaction value. Staff parking increased with 8% due to more subscriptions and an average indexation of 3.5%. A similar development was seen at Eindhoven Airport and Rotterdam The Hague Airport.

Other

Revenue from other activities increased by 32% to 145 million euros, also due to the increase in passenger numbers. The increase is mainly driven by an increase in passengers with reduced mobility, more passengers making use of premium services as

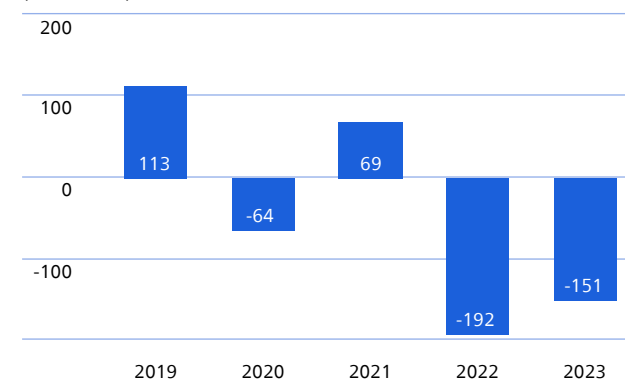
well as advertising (media) activities due to more passengers arriving and departing.

Other income and results from investment property

Due to the recent economic developments and the rising interest rates on the capital market, the market conditions for real estate were unfavourable, which contributed to a fair value loss of 151 million euros in 2023 (2022: loss of 192 million euros). The Net Initial Yield (NIY) rose substantially in the office market this past year, due to higher interest rates in the capital market and the lack of demand as a result of the changing environment. This led to a fair value loss of 90 million euros. The performance of the logistics real estate market is also unfavourable, but due to the remaining high demand for logistic real estate, the NIY increase was less compared to the office market, causing a fair value loss of 42 million euros. Fair value losses of 5 million euros were recognised on investment property under construction, due to rising yields and higher construction costs. For the land positions, fair value losses of 13 million euros were recognised due to unfavourable market developments for this segment.

Fair value gains and losses on the real estate portfolio

(EUR million)



Underlying operating expenses and depreciation, amortisation & impairment

The underlying operating expenses increased by 221 million euros in 2022 from 1,130 million euros to 1,351 million euros. This increase results from an increase in passenger numbers, increased operational expenses to ensure a stable and robust operation across the entire airport and increased inflation compared to 2022 reflected in our workforce cost and services purchased.

Costs of outsourced work and other external charges increased from 684 million euros to 773 million euros, mainly caused by increased operational costs due to higher traffic numbers and the recovery from the COVID-19 pandemic in operations. Increase was mainly driven by an increase of temporary personnel to support the airport operations for which central recruitment was done by Schiphol Group. Furthermore, external resources were hired to improve the operations process and additional IT costs were recognized for these improvements as well.

The costs of maintenance activities (included as part of costs of outsourced work and other external charges) increased by 18 million euros in 2023 to 166 million euros (2022: 148 million euros), mostly due to an increase in corrective maintenance (on the luggage and flight handling) as a result of an increase in passenger numbers.

The cost of employee benefits increased by 38 million euros in 2023 to 290 million euros compared with 2022 (252 million euros). This is mainly the result of an increase in the active workforce (and costs) of Schiphol. During 2023 no income from NOW government grants was reported (2022: 11 million euros).

Operating expenses

EUR million	2023	2022	%
Outsourcing and other external costs	773	684	13.0
Employee benefits	290	252	15.1
Security	288	194	48.5
Underlying operating expenses (excl. Depreciation, amortisation and impairment)	1,351	1,130	19.6
Depreciation, amortisation and impairment	344	331	3.9
Underlying operating expenses	1,695	1,461	16.0
<i>Adjustments for:</i>			
NOW government grants	-	11	
Impairment		-	
Total adjustments	-	11	
Operating expenses (excl. Depreciation, amortisation and impairment)	1,351	1,119	20.7
Operating expenses	1,695	1,451	16.8

Besides the impact of inflation on all the reported expenses categories the outsourcing and other external costs increased mainly as a result of increased maintenance levels of Schiphol airport.

The costs of security (included as part of the costs of outsourced work and other external charges) increased 94 million euros in 2023 (288 million euros compared with 194 million euros in 2022). The increase was mainly caused by increased passenger levels as well as the adjustments in the working schedules as an improvement to solve security staff shortages.

Depreciation, amortisation and impairment increased 13 million 2023 compared to 2022 due to new assets that were taken into operation in 2022 and 2021.

Underlying operating result

The underlying operating result improved in 2023, generating a positive result of 157 million euros compared to a positive result of 30 million euros in 2022.

The underlying operating result from Aviation improved by 86 million euros to a loss of 113 million euros in 2023 compared to a loss of 199 million euros reported in 2022. Although the number of passengers, ATM's and airport charges increased compared to 2022 it turned out that the increase could not completely offset the increased operational costs.

The underlying operating result of Schiphol Commercial increased in 2023, from 221 million euros to 242 million euros. This was the result of an increase in revenue in all areas, due to an increase in passenger numbers compared to 2022 and an overall improved service level to passengers.

The underlying operating result for Alliances & Participations increased by 20 million euros mainly due to an increase in revenue of the regional airports which is attributable to an increase in passenger numbers and ATM's.

Operating result

EUR million	2023	2022	%
Aviation	-113	-199	43.2
Schiphol Commercial	242	221	9.5
Alliances & Participations	28	8	>100
Underlying operating result	157	30	>100
<i>Adjustments for:</i>			
NOW government grants	-	11	
Other results from investment property	-151	-192	
Total adjustments	-151	-181	
Operating result	6	-151	>100

Financial income and expenses

The underlying net financial income and expense for 2023 amounts to 28 million euros and is in line with expectations given the debt portfolio and cash and cash equivalent position (2022: 78 million euros).

The adjustment on the underlying net financial expense was in 2023 positively impacted by 30 million euros as a result of a one off financial income following the cash tender offer on certain EMTN notes. The net financial expenses in 2022 were impacted by a fair value gain of 135 million euros on the remeasurement and loss on disposal of the asset held for sale (investment (shares) in ADP) and a financial expense resulting from the remeasurement of the financial liability - share buyback obligation of 74 million euros.

Share in results of associates and joint ventures

Share in results of associates and joint ventures

EUR million	2023	2022	%
Brisbane Airport Corporation Holdings	21	12	75.0
Hobart International Airport (TGHC)	-3	2	>100
Other results of associates	3	4	-25.0
Underlying result of associates and joint ventures	21	18	23.5
<i>Adjustments for:</i>			
Other results from investment property	2	20	
Impairment	-1	-10	
Tax impact	-	5	
Total adjustments	1	15	-93.3
Result of associates and joint ventures	22	33	-33.3

The underlying share in the results of associates and joint ventures increased by 3 million euros, leading to a positive result of 21 million euros in 2023 (2022: 18 million euros). The fluctuations in the share of the results of associates and joint ventures were mainly driven by an increase in the results of our international activities, in particular Brisbane airport. Following international and domestic border openings in Australia and a strong pent up demand, passenger numbers have been trending higher than anticipated. Although operational performance of Hobart Airport continues to be strong, net results are affected by fair value changes of their interest rate swap. Other results from investment properties comprise the net of fair value gain of both Brisbane airport and Hobart airport. An impairment loss of 1 million euros (2022: 10 million euros) was recognised on one of Schiphol's joint ventures.

Underlying corporate income tax

The underlying corporate income tax amounted to 40 million euros in 2023 compared with 11 million euros in 2022. This excludes the tax impact of the adjustments from underlying result to result with a total impact of 31 million euros for 2023 (52 million euros for 2022).

Underlying net result

As a result of the developments outlined above, the underlying 2023 net result increased by 129 million euros to 101 million euros from 28 million euros loss in 2022. The underlying return on equity amounted to 2.9% positive in 2023 (2022: 0.8% negative).

Net result

The adjustments, including the results of the investment property (mainly non-cash fair value gains) and several other one-off results, the net result attributable to shareholders for 2023 amounted to a result of 13 million euros (2022: negative result of 86 million euros). The return on equity amounted to 0.4% positive in 2023 (2022: 2.5% negative).

Other results from financial assets and financial liabilities

Net financial income and expenses decrease by 18 million euros to positive 2 million euros for 2023 (2022: 16 million euros negative). This is mostly due to the 2022 fair value gain of 135 million euros on our investment (shares) in Groupe ADP, as a result of the remeasurement in terms of IFRS 9 as well as the recognition of the loss on disposal of the shares. Also, as a result of the remeasurement of the share buyback obligation, financial expenses to the amount of 74 million euros were recognised in 2022. The share buyback obligation (financial liability) was settled in December 2022 with the acquisition of the treasury shares.

Tax impact

Corporate income tax amounted to 9 million euros expenses in 2023 compared to 58 million euros income in 2022. The 2022 tax calculations were impacted by the non taxable fair value gain of 135 million euros and finance costs of 74 million euros from the revaluation of the share buy-back obligation and the assets held for sale. For 2023, the effective tax rate was higher than the domestic income tax rate of 25.8%, mainly as a result of adjustments related to prior years. The effective tax rate for the 2023 financial year was 28.7% (2022: positive 42.9%).

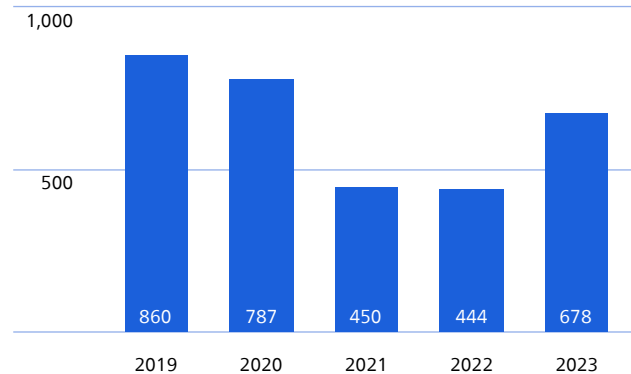
Investments

In 2023, Schiphol invested 678 million euros, an increase of 53% compared to 444 million euros in 2022. There are several reasons for this linked to operational feasibility (capacity issues aircraft stands) and manufacturability (limited capacity of terminal, fluctuating capacity and security capacity) and also caused by COVID-19's aftermath. The most significant investments in 2023 are:

- development of Pier A;
- execution of maintenance on runway 18C-36R (Zwanenburgbaan);
- redevelopment Terminal 1;
- development Hangar 17;
- execution of the multi-year maintenance plan.

Schiphol Group investments

(EUR million)



Movement in the consolidated statement of financial position

The balance sheet total as at 31 December 2023 amounted to 9,254 million euros. This figure decreased by 350 million euros compared with 31 December 2022 (9,604 million euros). Total equity decreased by 14 million euros to 3,433 million euros. The decrease is a combined effect of a positive result attributable to shareholders of 13 million euros and a negative change in other comprehensive income of 27 million euros, mainly due to translation differences. No dividends were paid during 2022 and no dividends are expected to be paid over 2023 but formal decision takes place in the General meeting of shareholders in April 2024.

Non-current assets increased by 139 million euros to 7,723 million euros as at 31 December 2023. The increase was mainly due to the increase of Assets under construction or development which increased by 297 million euros. Within investment property, recognised fair value losses of 151 million euros exceeded the 2023 capital expenditure and combined resulted in a decrease of 101 million euros in the balance.

Current assets decreased by 488 million euros compared to 2022, mainly caused by a decrease of long term deposits included in trade and other receivables and a decrease of cash and cash equivalents. The decrease of cash and cash equivalents is primarily a result of early repayment of certain EMTN notes following the cash tender offer and capital expenditures and financing of capital expenditures without attracting new borrowings. As at 31 December 2023, Schiphol Group held 785 million euros in cash and cash equivalents, of which 165 million euros in bank accounts, 286 million euros in bank deposits and 334 million euros in money market funds (2022 money market funds: 642 million euros). In addition an amount of 370 million euros was included in deposited with an initial maturity exceeding 3 months (2022: 680 million euros).

Current liabilities increased as a result of an increase in the short-term portion of borrowings and an increase in accruals and an increase in flight tax payable.

Cash flow developments

Cash flow from operating activities amounted to an inflow of 489 million euros in 2023 compared with an inflow of 353 million euros in 2022. This increase was a direct consequence of the recovery from COVID-19 on an operational level during 2023.

Total cash flow from investing activities amounted to an outflow of 349 million euros in 2023 compared with an inflow of 216 million euros in 2022. The outflow was mainly a result of higher investments in Property, Plant and Equipment and repayment. The inflow of 2022 was impacted by the disposal of the financial asset (shares of Groupe ADP), as well as taking into account a net outflow (investments) of deposits.

Net cash flow from operating and investing activities (free cash flow) amounted to an inflow of 140 million euros in 2023 compared with an inflow of 569 million euros in 2022.

Cash flow from financing activities amounted to 406 million euros negative (2022: 438 million euros outflow). The 2023 outflow was a result of the cash tender offer on three of its outstanding EMTN notes executed during the first half of the year, that resulted in a cash outflow of 350 million euros. In addition, Schiphol repaid the 25 million euros Namensschuldverschreibung, which matured during the first half of the year. The 2022 cash flow from financing activities was impacted by the acquisition of the treasury shares by 420 million euros. Schiphol Group did not attract additional debt in 2023 (2022: none).

Mainly as a consequence of the aforementioned developments in the operating result and the positive cash flow from investing activities, the net cash flow in 2023 amounted to an outflow of 266 million euros (2022: 131 million euros inflow). As a result, the net amount of cash balances, taking into account exchange and

translation differences, decreased from 1,051 million euros as at 31 December 2022 to 785 million euros as at 31 December 2023.

In addition to these cash balances, Royal Schiphol Group has access to 675 million euros in committed and 150 million euros in uncommitted undrawn bank facilities (2022: 675 million euros committed and 150 million euros uncommitted) and 370 million euros in short-term deposits.

Financing

The total amount of outstanding loans and lease liabilities decreased by 431 million euros in 2023 to 4,934 million euros (2022: 5,365 million euros). The decrease was mainly the result of the voluntary cash tender offer on Schiphol's outstanding EMTN Notes, which reduced the total gross debt notional by 380 million euros, and to a lesser extent the repayment of 25 million euros on a Namensschuldverschreibung and 9 million euros on loans from the European Investment Bank. At present, it is possible to raise funds of up to 5 billion euros under the EMTN Programme, of which 4,037 million euros has been issued.

In addition, Schiphol Group has an Euro Commercial Paper (ECP) programme with a current limit of 1 billion euros. Schiphol Group also has a number of committed undrawn facilities to the value of 675 million euros with BNP Paribas, ABN AMRO, ING, Natwest Markets, SMBC, Rabobank, BNG and EIB.

Ratios

The most important financing ratios set out in our financing policy are FFO/net debt, FFO/interest coverage ratios and net leverage ratios. Funds From Operations (FFO) relates to cash flow from operating activities adjusted for operating working capital. In 2023, FFO increased from 267 million euros negative to 446 million euros positive. The FFO/net debt ratio reached 11.8% positive at the end of 2023 compared with 7.4% positive at the end of 2022.

The FFO/interest coverage ratio in 2023 was 6.7x positive, an increase from the 4.5x negative recorded in 2022. In addition to these two ratios, the net leverage ratio (ratio of interest-bearing debt minus cash and cash equivalent divided by EBITDA) is applied. At the end of the 2023 financial year, Schiphol Group's net leverage ratio stood at 7.5x. The solvency ratio for the Group over 2023 was 37.1% (2022: 35.9%), which is above the required minimum of 30% per the covenants of the European Investment Bank.

Economic regulation

Aviation activities at Amsterdam Airport Schiphol and Eindhoven Airport are regulated; the other regional airports are not regulated. Schiphol Group's income is differentiated between regulated and non-regulated flows in what is known as a (hybrid) dual-till system. The amounts Schiphol Group can charge are restricted to the costs associated with primary airport operations including security and related infrastructure.

Under the current Aviation Act, which took effect on 1 July 2017, Schiphol Airport's charges are set every three years. The

first three-year charge period covered the years 2019-2021. The second three-year charge period 2022-2024 was subject to consultation in 2021.

The return on aviation assets, the regulatory asset base, has been capped at the regulated weighted average cost of capital (WACC) determined for the three-year period, on which the 10-year interest rate on Dutch government bonds has a considerable impact. This means Schiphol Group's return on aviation investments depends on the general development of the interest rate. For the 2019-2021 charge period, the regulated WACC was 2.71% (after tax); for 2022-2024, the regulated WACC is 3.21% (after tax).

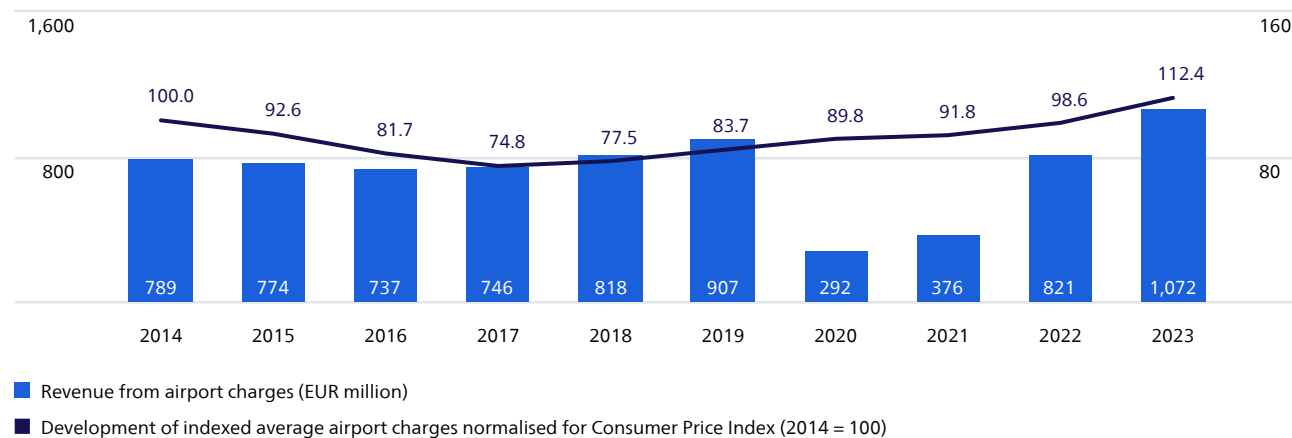
The fees we charge airlines for the use of Amsterdam Airport Schiphol are set after consultation with the airlines and subject to supervision by the Authority for Consumers and Markets (ACM) under the Dutch Aviation Act.

Airport charges 2022-2024

After consultation with the airlines, the charges for 2022-2024 were set on 29 October 2021, and came into effect on 1 April 2022. When setting its charges for 2022 until 2024, Schiphol

Development of airport charges Amsterdam Airport Schiphol

(EUR million)



Group balanced two different goals: maintaining its position as a high-value European hub airport and recovering its financial health. One key component for setting the charges for 2022 until 2024 was the settlements for 2020 and 2021. This has resulted in an average increase of charges of 9% in 2022, 12% in 2023 and 12% in 2024. In October 2022, the average increase of charges remained unchanged by incorporating the final settlement of 2021 (compared to the already incorporated outlook settlement of 2021). In October 2023, Schiphol adjusted the charges for 2024 as a result of the incorporation of the 2022 settlement. This has led to an average charge increase of 14.8% as of 1 April 2024.

Sustainability in the airport charges

For the 2022-2024 charge period, Schiphol Group took a next step to further stimulate the use of quieter aircraft. As NOx emissions are a pressing issue in the Netherlands and noise disturbance remains a major impediment to airport operations and prospects for future development, Schiphol adjusted its charge structure on 1 April 2022. To stimulate quieter and more fuel-efficient aircraft, Schiphol Airport has introduced a NOx charge per kg NOx emissions into its landing and take-off charges and updated its noise modulation.

Dutch aviation tax

Since 1 January 2021, all passengers at a Dutch airport are subject to aviation tax. In 2023 the aviation tax amounted to 26.43 euros per departing passenger and will increase as of 1 January 2024 to 29.05 euros per departing passenger. As demonstrated by the governments own research, Schiphol believes this aviation tax has a minimal impact in terms of reducing carbon emissions and that the revenue of this aviation tax should be used to promote innovation and sustainable development within the aviation sector.



The aviation business area is a central player in meeting the needs of passengers, airlines, handling agents, and logistics service providers. This business area is responsible for providing, up-keeping, and overseeing critical infrastructure and processes to guarantee a smooth, dependable, and enjoyable departure and arrival process for passengers, baggage, and cargo. Furthermore, Aviation takes the lead in coordinating safety and security across terminals, aprons, roads, airside zones, and buildings.

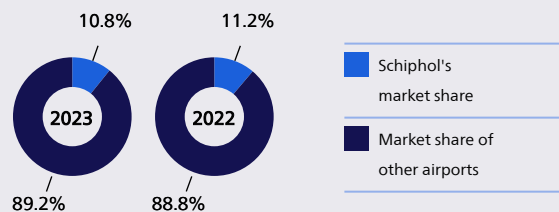
Aviation

EUR million	2023	2022	%
Total revenue	1,141	871	31.0
Operating expenses	1,016	846	20.2
Underlying EBITDA	125	25	>100
Depreciation	238	224	6.0
Underlying operating result	-113	-199	43.4
Average fixed assets	3,621	3,459	4.7

EUR million	Aviation			Security		
	2023	2022	%	2023	2022	%
Total revenue	761	580	31.2	380	291	30.6
Operating expenses	611	553	10.5	405	294	37.8
Underlying EBITDA	150	27	>100	-25	-2	<100
Depreciation	190	174	9.2	48	50	-4.0
Underlying operating result	-40	-146	72.6	-73	-53	-37.7

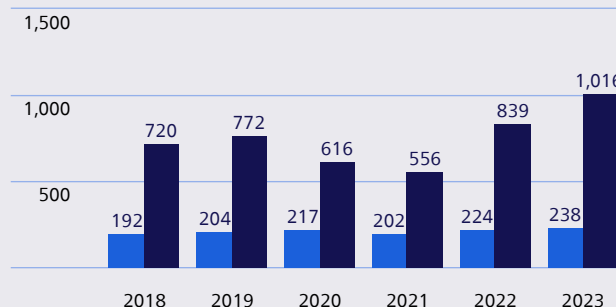
Schiphol's market share in passenger volume

in top-10 European airports



Aviation business area costs

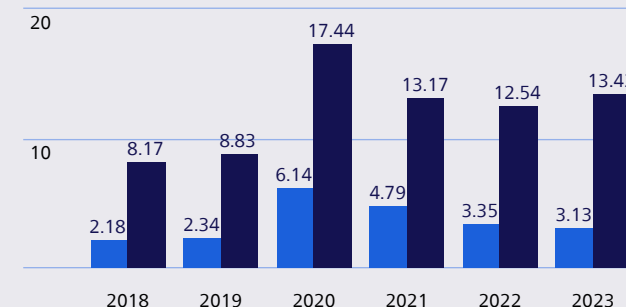
EUR million



■ Depreciation & amortisation
■ Operating expenses (excl. D&A)

Costs per WLU (Aviation)

EUR per WLU



■ Depreciation & amortisation per WLU
■ Operating expenses (excl. D&A) per WLU



Aviation (continued)

In 2023, the direct destinations from Schiphol totalled 305 in comparison to 313 in 2022. The IR rate for baggage handling (amount of baggage items delayed per departing 1,000 passengers) was 10.8 in 2023 (2022: 15.4). The punctuality of air transport movements for arrivals was 74.7% (2022: 74.9%) and for departures 58.9% (2022: 57.1%).

Underlying operating result

The COVID-19 pandemic up until Q1 2022 and the rapid recovery in traffic thereafter had a significant impact on operations within Aviation over 2022, but in 2023 as well. This also shows in the underlying operating result of Aviation, which in 2023 increased from a loss of 199 million euros in 2022 to a loss of 113 million euros in 2023. Revenue increased by 270 million euros, mainly due to a strong recovery of the number of passengers and air traffic movements (ATMs).

Underlying expenses increased by 170 million euros to 1,016 million euros due to a combination of factors, though mainly as a result of measures and incentives implemented by Schiphol Group to cope with the operational challenges that emerged at the start of the May holiday in 2022 as well as initiatives to improve Quality of Work for all people working for and at Schiphol. In addition, inflationary pressure also pushed up operational expenses significantly.

With a fixed regulatory WACC of 3.21% (after tax), the maximum allowed return on net assets is limited and does by far not cover the actual cost of capital for Schiphol Group.

Airport charges 2022-2024

In 2021 the charges were set for the years 2022-2024 with an increase of 9% in 2022 and an expected increase of 12% in both 2023 and 2024. A number of airlines and representative organisations have filed complaints about the charges, which were rejected by the regulator (Dutch Authority for Consumers & Markets). A few airlines subsequently appealed to the court (CBb: College van Beroep van Bedrijfsleven). The CBb is in the process of assessing these complaints. A ruling is expected early 2024.

In October 2022, Schiphol adjusted the airport charges for 2023 in accordance with the expected increase of 12%. In October 2023 Schiphol adjusted the airport charges for 2024 to an increase of 14.8%. Complaints have been submitted to the regulator about the adjusted increase in charges for 2024. The regulator is in the process of assessing these complaints. Schiphol expects the regulator to make a decision before 1 April 2024.

Operational performance in 2023

Also in 2023, Schiphol still was confronted with the industry-wide effects of the COVID-19 pandemic and rapid recovery of demand for air travel after the pandemic ended. Shortage of staff, both within Schiphol as well as with various sector partners, resulted in an inability to accommodate the full recovery of passenger numbers in the beginning of 2023. To ensure that operations during the first weeks of the summer season, including the May holidays, would be able to cope with the increasing number of passengers, several measures were taken to limit the number of local departing passengers in the morning hours. After mid-May, there were no more restrictions and airlines had the ability to operate up to the maximum capacity of Amsterdam Airport Schiphol, whereby Schiphol managed to run a stable operation for the remainder of the year.

As of 2022, Schiphol launched numerous initiatives to reduce the staff shortages within the entire Schiphol ecosystem. Many of these initiatives continued in 2023. Next to financial incentives to improve labor conditions, Schiphol also continues to invest in 'Quality of Work' in order to make working conditions at Schiphol more attractive. As an example, the social accord as it was agreed-upon in 2022, was extended in 2023. Furthermore, Schiphol continued to invest in resting and sanitary areas for people working at Schiphol and also invests in various solutions to reduce the physical strain for people working in the baggage halls.

These measures continue to result in a significant increase of costs for Aviation. Driven by the regulatory context, Schiphol Group has limited manoeuvrability to offset these additional costs via the airport charges, which therefore drives a lower net result for Aviation.



The commercial business area actively contributes in creating value for both customers and Schiphol Group as a whole. This involves shaping a unique and dynamic marketplace for work and travel, and the efforts are driven by three dedicated department teams: Parking & Mobility Services, Commercial Terminal Services (encompassing Retail, Food and Beverages, Financial Services, Terminal Real Estate, Privium, VIP, and Media) and Commercial Real Estate.

Schiphol Commercial

EUR million	2023	2022	%
Total revenue	564	492	14.6
Other income and results from investment property	-2	-	-
Operating expenses	249	204	22.1
Underlying EBITDA	313	288	8.7
Depreciation	71	67	6.0
Underlying operating result	242	221	9.5
Average fixed assets	2,758	2,864	-3.7

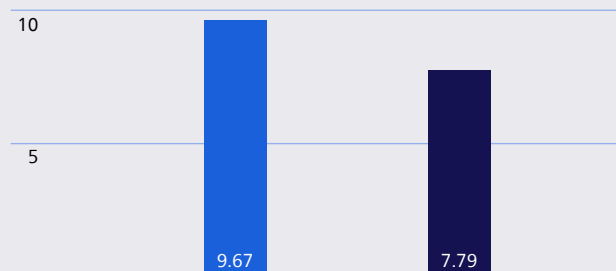
(in EUR 1.000)	Concessions		Parking & Mobility Services		Commercial Real Estate		Rental Terminal		Other	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total revenue	186	148	127	107	151	152	59	55	39	30
Operating expenses	50	37	56	47	66	65	45	36	32	19
Underlying EBITDA	136	111	71	60	85	87	14	20	7	10
Depreciation	18	17	20	20	9	6	20	19	4	5
Underlying operating result	118	94	51	40	76	81	-6	1	3	5

Spend per departing passenger at Schiphol (in EUR)

	2023	2022
Airside retail	13.06	12.67
Airside catering	6.12	6.17
Total	19.18	18.84

Public parking revenue

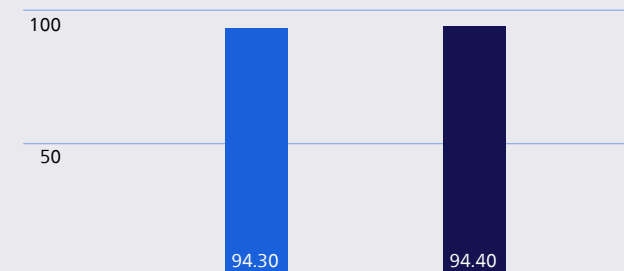
(EUR per arriving passenger OD/NL)



■ 2023
■ 2022

Real estate average physical occupancy rate

(in %)



■ 2023
■ 2022



Schiphol Commercial (continued)

Underlying operating result

In 2023, the underlying operating result for Commercial increased by 21 million euros to 242 million euros due to the recovery in passenger numbers (an increase of 17%). Revenue from concessions was positively impacted by the number of shops that were open. As a result of the COVID-19 lock down in 2021, many shops were closed for a period of time. This extended into January 2022. The opening hours of the shops were impacted by the lack of staff due to labour shortages in the market.

The average spend per passenger on retail airside at Amsterdam Airport Schiphol increased from 12.67 euros to 13.06 euros, food and beverage spending per departing passenger decreased from 6.17 euros to 6.12 euros. The improved operation at Schiphol airport led to longer dwell time in which passengers visit stores or consume food and drinks.

Media revenue increased by 3 million euros (23%) compared to 2022, resulting in a net revenue of 16 million euros. Revenue recovered as passenger numbers increased and the types of passengers changed in comparison with 2022. With different customer journeys it is an interesting place for brands to communicate with the right target group.

The underlying operating result of Premium Services, consisting of Privium and the VIP service, further increased from 16 million euros to 24 million euros. The number of VIP passengers making use of the VIP service remained stable around 29.000 guests, whilst the number of Privium members grew significantly, from 69.000 to 90,500 members by the end of the year. These services are in high demand since the operational challenges in previous years.

The offices and lounges in the terminal are managed as operational assets, meaning they are mostly rented to companies with activities directly linked to Schiphol's airport processes. With

an occupancy of 89% (2022: 90%) and a footprint of 104,000 sqm, the terminal offices contributed 59 million euros to Schiphol Commercial's total rental income in 2023. The occupancy rate decreased slightly by 1%, as a result of renovations related to Skyport.

Our passengers remain the central focus of everything we do, and we aim to make their stay at the airport a safe and pleasant one. We keep our eyes open for new forms of mobility and digital innovations to enhance the customer experience. One of the highlights in 2023 was the opening of the new Bubbles Seafood & Wine Bar in Lounge 2. This is one of the milestones to improve the quality of this lounge. Over the coming years Schiphol will continue to improve the quality of this lounge by introducing several leading luxury (fashion) brands.

The underlying operating result of Parking & Mobility Services increased, from a profit of 40 million euros in 2022 to a profit of 51 million euros in 2023. This mainly relates to public parking revenues and was largely driven by an increase in OD passenger numbers (12.1%) and a higher average transaction value. Staff parking experienced an increase of 8% as an average of index of 3.5% was applied and the number of subscriptions by customers increased.

The underlying operating result from Commercial Real Estate decreased by 5 million euros in 2023 to 76 million euros.

Fair value losses amounting to 151 million euros in 2023 were recognised in comparison with a fair value loss of 192 million euros recorded in 2022. Rising interest rates on the capital markets and lack of demand caused yields to increase on the real estate market. In line with this development, the fair value of Schiphol's real estate portfolio decreased. Due to strong tenant retention, the occupancy rate decreased to 94.3% in 2023 compared with 94.4% in 2022.

Commercial real estate - Offices

CRE achieved an average occupancy of 89% in 2023 (2022: 89%) for the office portfolio, which has a total footprint of 224,000 sqm. Due to the high indexation, the topline increase for the office portfolio was 5.4 million euros.

Commercial real estate - Logistics

Schiphol's logistics real estate portfolio consists of first- and second-tier warehouses. In 2023, the average occupancy rate across the logistics portfolio was consistently high at 99% (2022: 99%), with a total footprint of 274,000 sqm. The logistics portfolio contributes 36 million euros to Schiphol's topline income.

Commercial real estate - Land

CRE also owns a significant portfolio of land that is not used for aeronautical purposes. This land is managed and leased to third parties, generating total revenues of 36.4 million euros on an annual basis.



The Alliances & Participations business area primarily focuses on overseeing regional airports and advancing international business endeavours. These regional airports play a crucial role in linking their regions with the broader global network. Simultaneously, our international efforts are committed to sharing operational knowledge and expertise with locations such as New York JFK, Brisbane, Hobart, and Aruba.

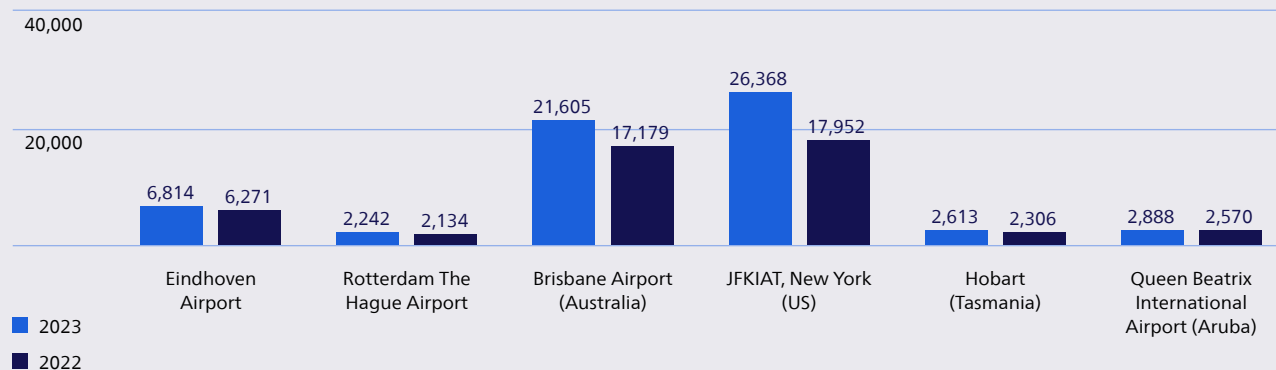
Alliances & Participations

EUR million	2023	2022	%
Total revenue	260	237	9.7
Other income and results from investment property	2	-	-
Operating expenses	199	189	5.3
Underlying EBITDA	63	48	31.3
Depreciation	35	40	-12.5
Underlying operating result	28	8	>100
Share in result of associates, including interest income	28	22	27.3
Average fixed assets	948	927	2.3

EUR million	Regional airports		International airports		Other activities		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	142	128	17	13	101	97	260	237
Operating result	8	5	9	-	11	3	28	8
Share in result of associates	-	-	17	13	-	-	19	13
Finance income	-	-	9	8	-	-	9	8
Underlying total result	8	5	35	21	11	3	56	29
Average asset base	323	326	505	499	120	101	948	927

Number of passengers

(x 1,000)





Alliances & Participations (continued)

The total underlying result for Alliances & Participations amounted to a profit of 28 million euros in 2023 compared with a profit of 8 million euros in 2022. The increase is mostly attributable to an increase in revenue of the domestic airports and lower expenses by Schiphol Telematics and Utilities.

Regional airports

In 2023, Eindhoven Airport's operating result increased by 0.5 million euros, leading to a profit of 26.1 million euros (2022: profit of 25.6 million euros). This was due to a 9% increase in the number of passengers.

Rotterdam The Hague Airport's operating result also increased, by 3.4 million euros, resulting in a profit of 4.4 million euros (2022: profit of 1.0 million euros) amid a 6% increase in passenger numbers.

Lelystad Airport's operating loss increased by 1.4 million euros, leading to a loss of 10.1 million euros compared with 2022 (2022: loss of 8.7 million euros loss).

International airports

Brisbane Airport's contribution to Schiphol's financial results decreased to 26 million euros in 2023 (2022: 36 million euros). JFK's contribution to Schiphol's financial results increased to 9 million euros (2022: 6 million euros). Hobart Airport's contribution to the result decreased to 1 million euros from a 10 million euro positive result in 2022.

Other activities

The other participations segment consists primarily of Schiphol Telematics, which provides telecommunication services to the airport and neighbouring locations, and Utilities, which generates revenue by supplying electricity and gas as well as water. In 2023, Schiphol Telematics' operating result was 14 million euros. The operating result for Schiphol Utilities amounted to 8 million euros.

Total result of regional airports

(EUR million)

	2023	2022
Eindhoven Airport	26	26
Rotterdam Airport	4	1
Lelystad Airport	-10	-9
Allocation of overhead	-11	-10
Total result	9	8

Total result of international airports

(EUR million)

	2023	2022
Brisbane Airport	26	36
JFKIAT, New York	9	6
Hobart International Airport	1	10
Allocation of overhead	-	-6
Total result	36	46

Total result of other activities

(EUR million)

	2023	2022
Schiphol Telematics	14	8
Utility services	1	1
Allocation of overhead	-2	-5
Total result	13	4

Our regional airports

Eindhoven Airport



	2023	2022	Change
Number of passengers	6.8	6.3	8%
Direct destinations	84	87	-3
Air transport movements	39,996	38,143	5%
TPI Sustainability (reduction in CO ₂ e emissions compared with 2019)	0.94	0.83	0.11
TPI Net safety score	99.5%	98.4%	1.1%
TPI On-time performance	67%	55%	12
TPI Net promoter score	44.3	23.4	20.9
TPI Employee promoter score	31	11	20
LTIF	0	0	0
Runway incursion	17	7	10
Bird strikes per 10,000 flight movements	8.4	11.8	-3.4
Percentage of operational waste separated	33%	32%	1

From many perspectives, Eindhoven Airport can look back on a strong year. The recovery, which began to become well visible in the second quarter of 2022, has continued. In 2023, passenger numbers saw an increase from 6.3 million to 6.8 million, slightly higher than the last record year of 2019 (6.7 million). Despite the

large influx, there were no queues, and passenger satisfaction has never been higher.

Even with this growing interest in air travel, one of Eindhoven Airport's top priority is always not to increase pressure on the surrounding area and environment. The number of total aircraft movements reached 41,496 in 2023, of which 39,996 commercial flight movements, remains within the maximum number agreed in 2019 (41,500). The increase in passenger numbers is partly explained by the airlines' high occupancy rate: 89 percent (2022: 86 percent).

Accelerating sustainability

Thanks in part to its healthy financial position, the second-largest airport in the Netherlands can make an emphatic commitment to further sustainability, which is one of the reasons Eindhoven Airport decided in 2023 to sharpen and accelerate its ambitions in this field. The airport had previously committed itself to the goal of reducing noise by 30 percent by 2030 at the latest (compared to the year 2019), and that still stands. However, a new goal has been added: by that year, CO₂e emissions must also be reduced by 30 percent. Eindhoven Airport is convinced that this is achievable, without compromising the airport's importance to the Brainport region.

A five-point plan, presented on 7 November 2023, shapes the ambitions. Eindhoven Airport is going to bid farewell to General Aviation, the private business aircrafts. These small planes will no longer be allowed as of 2026, because these jets cause relatively high noise pollution and CO₂e emissions per passenger and aren't always used for business purposes only. No other flights will replace them; the maximum number of flights will drop from 41,500 to 40,500.

Quieter and cleaner

Another important point in the plan is fleet renewal. Airlines will only be able to fly to Eindhoven Airport with the latest generation of aircraft, such as the quieter and cleaner Airbus A320neo and

the Boeing 737 MAX, by 2030. With this, the airport is aiming for a large-scale renewal in the next six years. In terms of noise, there will also be additional focus on departure routes: Eindhoven Airport wants to make departure procedures with the least noise pollution standard as soon as possible. Regarding fuel, airlines are urged to make adjustments: they are encouraged to blend more sustainable fuel. Because this Sustainable Aviation Fuel (SAF) is much more expensive than regular kerosene, participating airlines will receive a financial contribution. In 2024, Eindhoven Airport will set aside half a million euros for this purpose.

Eindhoven Airport also continues to strive for further sustainability in its own operations. And that has not gone unnoticed: in December 2023, the airport received the highest certificate in the field of CO₂e reduction, the brand new and highest Level 5 certification from the Airport Carbon Accreditation (ACA). Since 2012, Eindhoven Airport has been CO₂e neutral for its own operations. Eindhoven Airport runs entirely on green electricity (wind energy from windmills in the Netherlands) and green gas.

Cooperation with partners

Cooperation with partner companies at Eindhoven Airport received an extra boost in 2023. The trigger was the personnel shortage in 2022, which led to long queues at security checks, among other things. With united efforts, a recruitment day was organized on the airport grounds, during which interested parties could learn about a variety of professions. Following the success of this campaign, the partners decided to join forces in more areas and jointly brand and develop the airport as a 'Great place to work'. Plans have already been developed for joint education and training, among other initiatives.

Getting ready for the future

Eindhoven Airport anticipates further development, obviously within the limits agreed with the local community and partners. This does require adjustments. Already the terminal, which was originally calculated for up to 5 million passengers per year, is too

small for the numbers of passengers we serve. The lack of space is especially noticeable in the arrivals hall and the Non-Schengen departure area. The much-needed expansion of the terminal has been delayed, in part because environmental permits are delayed. Preparatory work should start in 2024, with actual construction in 2025. Completion is scheduled for 2027.

Read more at www.eindhovenairport.nl

Rotterdam The Hague Airport



In 2023, the first normal year after COVID-19, the aircraft movements were well spread over the year, all the operational processes functioned well and the passenger satisfaction was high.

To accommodate people waiting for arriving passengers, RTHA opened a new coffee corner in the spring, Kiosk16, on landside, located close to Arrivals.

In the summer Rotterdam The Hague Airport (RTHA) launched a new logo and visual identity. The (digital) world has changed a lot since the creation of the old logo and the visual assets no longer fitted within these developments. Besides that, RTHA's strategy and positioning have been refined and the new designs are a better representation of that.

	2023	2022	Change
Number of passengers	2.2	2.1	5%
Direct destinations	54	57	-3
Air transport movements	16,191	15,772	3%
TPI Sustainability (reduction in CO ₂ e emissions compared with 2019)	0.13	0.14	-0.01
TPI On-time performance	66.6%	68.3%	-1.73
TPI Net promoter score	55	49.3	5.7
TPI Employee promoter score	16	27.1	-11.1
Net safety score	3.1	3.4	-0.3
LTIF	0	16.30	-16.30
Runway incursion	8	16	-8
Bird strikes per 10,000 flight movements	4.8	4	0.8
Percentage of operational waste separated	-1	46.70%	-0.47

¹ Data for 2023 not available, we are working on getting the data available for 2024

In the third quarter of 2023 CTSN took over as the new security partner. After a lengthy and complex transition process, CTSN had a successful start on the 1st of October.

At the end of the year RTHA proudly received ACA (Airport Carbon Accreditation) Level 5; the highest available recognition for the efforts made in making airports more sustainable. RTHA received the award for reducing the CO₂ emissions for its own activities by more than 90% and making continuous efforts to reduce emissions throughout the aviation sector. RTHA was one of ten airports worldwide to receive the certificate from Airports Council International (ACI).

Passenger numbers and aircraft movements

In 2023, 2,2 million passengers travelled to and from RTHA, which is an increase of 5% compared to 2022 and 6% more than in 2019. In 2023 there were 16.191 commercial aircraft movements, which is 3% more than in 2022 and 3% less than 2019. On average, the load factor on board of the planes was higher in 2023 compared to previous years.

Passengers travelled to 54 different destinations, in 2022 there were 57 and in 2019 48 destinations.

Discovery of PFAS at fire brigade training site

In September RTHA commissioned an external consultancy company to execute soil research at the fire brigade training site. This research has shown that there are increased concentrations of PFAS in the soil, groundwater and ditches around the training site. Further research is needed to understand the cause, extent and risks of the contamination. This research will start in January 2024. RTHA used to extinguish fires during past incidents and exercises with a legally prescribed PFAS-containing extinguishing agent. Since 2020, thanks to an adjustment in EASA legislation and regulations, PFAS-containing extinguishing agents are no longer used in incidents at RTHA. Since 2005, the fire brigade has only used water during firefighting exercises at the airport.

Innovation and sustainability

RTHA signed a new contract with waste processing company Renewi and data-driven tech company Seenons to help reach the goal to become a zero waste airport in 2030 and towards full circularity in 2050. Thanks to the use of advanced data, residual streams will be separated and processed using innovative methods to ensure reuse and recycling and reduce emissions from waste incineration.

RTHA continues to work towards a zero emission airport for ground activities in 2030 and has invested in more electric ground vehicles and equipment. For the ground service equipment that is not yet electric, the fossil free HVO100 fuel is used, which has up to 90% less carbon emissions compared to fossil diesel.

In December Rotterdam The Hague Innovation Airport (RHIA) launched a new proposition. After four years of successful collaboration, the next phase will focus on a community-driven approach, private leadership and public support. A new Executive Board has been announced which includes Transavia, Shell, TU Delft, Netherlands Aerospace Centre (NLR) and Rotterdam The Hague Airport.

RTHA has further developed its role as innovation partner with the main focus to contribute to CO₂ neutral aviation per 2050. The airport invests in all 3 methods of sustainable aviation: SAF, hydrogen and battery- electric.

SAF

Shell and RTHA signed a long-term agreement to blend sustainable aviation fuel on all aircraft fuelled at the airport, starting in 2024. On top of the European blending mandate of 6%, the airport will accelerate its efforts by setting itself a minimum additional target of 8% to meet the more ambitious goal of the Dutch aviation sector of 14% by 2030. Using sustainable aviation fuel (SAF) is among the few measures currently available to reduce fossil carbon emissions from international aviation.

Hydrogen

A liquid hydrogen storage facility is currently being developed to store hydrogen powered aviation in the future. Besides this, RTHA continued hydrogen projects with Zeroavia, Conscious Aerospace and Aerodelft. In 2023 we started collaborating with Hamburg Airport, a hydrogen like-minded airport on creating a hydrogen corridor with the aim of realizing a demonstration flight in 2026.

Battery-electric

An electric charging facility has been installed at the airport, which is used to charge the first electric aircraft, the Velis Electro from manufacturer Pipistrel. The charging facility was realized at one of the flight schools at RTHA and enables all pilots at the flight school to get experience with electric flying. To stimulate electric flying, RTHA will not charge landing fees for all electric flights until 2025.

The airport fire brigade has had training on how to cope with new energy carriers like battery and hydrogen.

Read more at www.rotterdamthehagueairport.nl

Lelystad Airport



	2023	2022	Change
Air transport movements ¹	75,168	83,514	-10.0%
TPI Sustainability (reduction in CO ₂ e emissions compared with 2019)	0.04	0.03	0.01
TPI Net safety score	99.5	97.4	2.1
TPI Employee promoter score	11	-38	49

¹ Only general aviation (GA), business aviation (BA) is reported

Past, present and future

Lelystad Airport, currently a hub for general aviation (GA), business aviation (BA) and helicopter traffic, celebrated its 50th year of operations in 2023.

Under the 2008 Alders Agreement, Lelystad Airport is designated as an overflow airport for Schiphol, catering specifically to non-mainport traffic with a capacity of up to 45,000 commercial air transport movements (ATMs) a year. The plan initially aimed for Lelystad Airport to commence this role in 2018.

The opening of Lelystad Airport for commercial air traffic has been postponed several times. On 24 June 2022, the political decision on the opening was postponed by two years to 2024, and it hinged on Lelystad Airport fulfilling two requirements: (1) It must obtain a nature permit and (2) a solution must be

found for the flight altitude of aircraft approaching the airport over a distance of 30 kilometres near Lemelerveld. Regarding the first requirement, Lelystad Airport expects to acquire the nature permit in the first half of 2024. Regarding the second requirement, in December 2023, Air Traffic Control Netherlands (LVNL) sent a letter to the Ministry of Infrastructure and Water Management (I&W), stating that closing sector 3 (a low flight path) is an appropriate measure (precondition 2). If Lelystad Airport obtains the nature permit, it will comply with the two requirements set by the Minister of Infrastructure and Water Management.

Lelystad Airport could make an important contribution to fulfilling Schiphol Group's ambition to cause less hindrance to its surroundings, as described in the eight-points of the Quieter, Cleaner, Better plan. One of the options is to move night flights from Schiphol to daytime flights at Lelystad Airport.

Lelystad Airport is ready for commercial aviation. All necessary infrastructure work was completed in 2019, including the installation of air traffic control services by Air Traffic Control Netherlands (LVNL) and the Air Force Command (CLSK). The Lelystad Airport organisation and its business partners are fully committed and ready for take-off.

In 2023, Lelystad Airport registered over 75,000 ATMs of GA and BA traffic, a decrease of 10% in comparison with 2022, caused by periods of bad weather and the higher price of fuels, for example. In anticipation of the opening of the airport to commercial traffic, all notifications of noise disturbance can be submitted to a digital counter ('Meldpunt Lelystad Airport'). These notifications are followed up by reports that are discussed with local residents and municipalities and NGOs.

Sustainability and community engagement

Lelystad Airport has been designed as a sustainable airport and has been awarded 'Gold' category LEED certification. Sustainable construction methods were used to build the new terminal and to widen and lengthen the runway. The latter project resulted in a savings of 500 tonnes of carbon emissions. Together with

17 aviation and mobility partners, Lelystad Airport is promoting the introduction of electric regional aviation in a collaboration called 'Power Up'. The Power Up partners from different countries are committed to supporting a new proposition for efficient, low-carbon and convenient travel to and from regional airports. They are pooling their knowledge of passenger and airport processes and different electric aircraft technologies. By the end of 2023, all airside vehicles will be fully electric, and where sustainable solutions are not yet available, HVO100 will be used as fuel. HVO100 is a renewable and fossil-free fuel produced from biomass. Its use will result in near-zero carbon emissions. Lelystad Airport will be equipped with two charging stations for electric aircraft to support the development of electric aviation.

With local organisations such as the province of Flevoland, the municipality of Lelystad, the Lelystadse Boer and Lelystad Airport Business Park, the airport is exploring opportunities and addressing bottlenecks in renewable energy, climate action, health, hydrogen applications, ecology and the economy. In 2023, this cooperation has resulted in several initiatives, such as the provision of Lelystad Airport's electricity connection to the public bus company EBS for charging electric buses and the Flevoland Hydrogen Valley platform, which aims to develop the hydrogen economy in Flevoland.

Social responsibility is an important part of the development of Lelystad Airport. Lelystad Airport works with various non-profit organisations and community groups to address social and environmental issues. We strive to have a positive impact on society and employee engagement, while at the same time contributing to our sustainable development goals. By working together, we aim to make a meaningful difference and create a more inclusive and responsible approach to business.

Promoting local sustainable employment is one of Lelystad Airport's core values. The airport aims to recruit at least 30% of its workforce from within a 30-kilometre radius. Additional job opportunities will arise when Lelystad Airport opens for commercial air traffic. Lelystad Airport also works together with Stichting Campus Amsterdam Lelystad Airport (SCALA) and the

regional training centre, ROC of Amsterdam, to offer training initiatives for students and trainees, as well as work placements at the airport with its partner companies.

Read more at www.lelystadairport.nl

Maastricht Aachen Airport



On 1 September 2023 Royal Schiphol Group acquired a 40% stake in Maastricht Aachen Airport. Which is the second largest cargo airport of the Netherlands with 63.331 tonnes of cargo and 228.660 passengers handled in 2023.

With the decision by the regional government in December 2022 to continue to invest in the airport and the introduction of the Royal Schiphol Group as a new shareholder the airport focused in 2023 on implementation of its strategy towards a transitioning in an environmentally aware airport (een 'omgevingsbewuste luchthaven').

The full renovation of the runway at the airport and the associated 8 weeks closure of the airport in May and June 2023 were a key event in 2023. This project marks the start of an extensive program to resolve the maintenance backlog and the transition of the airport in line with its strategy.

Maastricht Aachen Airport has submitted, and is awaiting approval for, all documentation to increase from level 2 to level 3+ 'neutrality' in the ACI Airport Carbon Accreditation program and is working hard on reaching its ambition to be net zero emission by 2030. The extensive collaboration with the other airports in the Royal Schiphol Group and regional partners provides invaluable insights and best practices as well as technical expertise to reach this goal and become a better and high quality airport

Read more at www.maa.nl.

Our international activities

The year 2023 marked a turning point for Royal Schiphol Group's international participations. Not only did traffic continue to recover, but at several airports it exceeded the pre-pandemic levels of 2019. Each airport in our Group is actively engaged in comprehensive capital expenditure (CAPEX) programmes, furthering our commitment to develop into more sustainable, high-quality airports.

A core element of our 'Group of Airports' strategy is the exchange of knowledge and expertise between the airports, promoting mutual learning and creating synergies. A notable milestone in 2023 was the first 'Schiphol Academy' training week, which brought together a diverse group of experts from our airport network to enhance internal knowledge sharing. This initiative, together with our Knowledge Network and Secondment Programmes, is the cornerstone of our collaborative approach.

Our diversified international portfolio made a positive contribution and demonstrated its value to the Group. Further growth and diversification of our Group remains an important focus for the coming years.

Participations of Royal Schiphol Group 2023

Airport	Passenger numbers 2023	Change compared to 2022	Our role
Brisbane Airport, Australia	21.6 million	+ 26%	Shareholding of 19.61%
JFK Terminal 4, New York, USA	26.4 million	+ 47 %	Management contract
Hobart International Airport, Australia	2.6 million	+ 13 %	Shareholding of 35%
Queen Beatrix International Airport, Aruba	2.9 million	+12 %	Strategic partnership

Brisbane Airport



A total of 21.6 million passengers travelled through Brisbane Airport (BNE) in 2023, an increase of 26% on 2022 and 90% of pre-COVID-19 traffic. International traffic saw a strong recovery, driven by new routes and support from Queensland's Attracting Aviation Investment Fund (AAIF), a joint airport and government initiative to bring tourists and jobs back to Queensland's visitor economy.

Brisbane Airport's positive workplace environment was recognised at the 2023 Australian Business Awards and the Australian HR Awards, where the airport was named Employer of Choice.

Brisbane Airport is committed to achieving net-zero emissions (Scope 1 and 2) by 2025 (amongst other activities) through the supply of renewable energy from wind and solar projects. In 2023, Brisbane Airport became the first Australian airport to be awarded Level 4 Airport Carbon Accreditation by Airports Council International (ACI), recognising Brisbane Airport's long-term carbon management strategy to achieve absolute emissions reductions and evidence of forging meaningful partnerships to reduce the emissions of airport partners.

Exciting times lie ahead for the airport. Queensland's population is expected to grow by 16% between now and 2032, and BNE's annual passenger numbers will increase by 10 million in the lead up to the Brisbane 2032 Olympic and Paralympic Games. Over the next decade, the company will invest more than 5 billion Australian dollars through its Future BNE long-term capital plan. The project includes upgrades, expansions and developments that will increase capacity, meet international safety standards, support essential services, improve the passenger experience, enhance sustainability, make Brisbane Airport the best airport to use and unlock commercial opportunities. Most excitingly, Future BNE includes the opening of the first phase of a new third passenger terminal.

Read more at www.bne.com.au

JFKIAT (JFK Terminal 4, John F. Kennedy Airport, New York)



JFK International Air Terminal LLC (JFKIAT), an affiliate of Royal Schiphol Group, has operated Terminal 4 at John F. Kennedy International Airport since 1997. The total number of passengers passing through Terminal 4 in 2023 was almost 26.4 million, compared with 22 million in 2019. In January 2023, Terminal 2 at JFK Airport was closed, and all flights of its anchor tenant Delta Air Lines, Inc. were consolidated into Terminal 4.

In 2023, JFKIAT revised its corporate strategy to align with the changing landscape of the aviation industry following the significant impact of COVID-19. This includes a more considered approach to decisions regarding in-house versus outsourced operations, an increased focus on certain strategic issues such as sustainability, and a dedicated effort to enhance the recognition and value of our employees.

Throughout the year, JFKIAT focused on building a strong community that is proud to work at T4. In Q2, another 4Excellence Rewards and Recognition Breakfast was held to recognise employees who go the extra mile, with a record-breaking group of 263 nominations from colleagues and passengers. As part of its Diversity, Equity, Inclusion and Belonging (DEIB) efforts, the operator partnered with the LGBTQ Network, marched in the Queens Pride Parade and hosted its first Juneteenth celebration. As a result of these efforts, JFKIAT was recognised on the Crain's New York Business Top 100 Best Places to Work list for the fourth consecutive year.

The operator received the 2023 Greenest Airport Terminal Award. JFKIAT is a notable leader in sustainability and hosted several initiatives to contribute to this important goal, including a pop-up thrift shop, an exhibit of sustainability-themed artwork created by Virgil I. Grissom Middle School students and a volunteer day at the Jamaica Bay Wildlife Refuge.

JFKIAT continued its transformation and renovation plans with the introduction of self-service technology in the departure lounges and the renovation of its restrooms and locker rooms. Throughout 2024, the terminal operator will focus on redeveloping its commercial programme and concessions, which are expected to be completed in 2026.

Read more at www.jfkairport.com or listen to the podcast: T4 Talks, via your favourite podcast listening platform (Apple Podcasts, Spotify, Amazon Music or the web).

Hobart International Airport



Hobart Airport is the largest airport on the island of Tasmania and the ninth-largest in Australia, handling 2.6 million passengers in 2023. As the major gateway to an island state, Hobart Airport is a key economic driver for Tasmania.

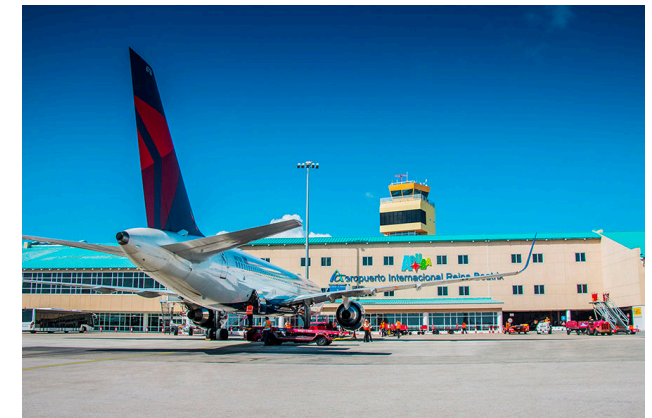
In 2023, Hobart Airport's implementation of its people strategy over the past three years resulted in an engagement score of 94% in its annual staff survey and a Best Workplace Award from the survey provider. The airport also developed its first Reflect Reconciliation Action Plan for engagement with the Indigenous people of Tasmania and has begun work to upgrade to an Innovate Reconciliation Action Plan.

Hobart Airport maintained its net-zero emissions goal and moved from level 2 to level 3+ 'neutrality' in the Airport Carbon Accreditation programme. It increased its score from 90% to 95% in its third year of participation in the Global Real Estate Sustainability Benchmark.

The airport began work on a 200 million Australian dollar (121.9 million euros) upgrade of its passenger terminal. When completed in 2026, the upgrade will increase capacity from 1.5 million to 4.5 million passengers per year (expected to be reached in 2035). It will provide a significantly enhanced passenger experience with more retail, food and beverage options featuring a range of local Tasmanian products.

Read more at hobartairport.com.au

Aruba Airport (Queen Beatrix International Airport)



Aruba Airport, managed and operated by Aruba Airport Authority N.V. (AAA), has a strategic collaboration with Royal Schiphol Group. This partnership enables Schiphol Group to nominate the airport's CEO, deliver technical support, and share knowledge and best practice.

The year 2023 culminated in AAA's growth, with an increase of 12% compared to the previous year, and a remarkable recovery of 114% of its 2019 passenger traffic. The airport's outlook is promising, with passenger numbers expected to grow by 4% in 2024 compared to 2023, marking a second consecutive year of full recovery.

The ambitious terminal expansion project, known as Gateway 2030, is progressing steadily and on schedule. Construction of the first phase of the project is well underway and is scheduled for completion by the end of 2024. In addition, the new state-of-the-art baggage handling system is on track for commissioning in the first quarter of 2025. The start of the second phase of the project, scheduled for the second half of 2024, will see the expansion of the terminal facilities with the introduction of new lounge areas and contact gate stands.

In 2023, Aruba Airport will continue to implement its corporate strategy, emphasising collaborative efforts to make a significant impact. Throughout 2024, AAA will embark on a transformation towards a more sustainable and inclusive airport business model, fostering higher levels of commercial excellence and customer satisfaction. A key element of this strategy is the continued deployment of advanced passenger processing technologies, including additional e-gates, new and improved security screening equipment and additional processing capacity, initiatives that will begin in 2023 and continue into 2024.

In the coming year, Aruba Airport will also work towards achieving the short- and medium-term goals outlined in the Joint Strategic Plan, developed in collaboration with the Dutch Caribbean Cooperation of Airports. This plan aims to improve inter-island connectivity, making it more accessible, efficient and sustainable within the region.

Read more at www.airportaruba.com

Other international activities

Schiphol has been supporting St. Maarten Princess Juliana International Airport since 2019 in the reconstruction and transition of the airport after Hurricane Irma. In November 2023, the new departure area became operational ahead of the busy year-end period.

Royal Schiphol Group also has strategic partnerships with Incheon International Airport (Seoul) and Beijing Capital Airports Holding Company (CAH), focusing on knowledge exchange in areas such as innovation, capital investment programmes and operational excellence. Schiphol also has property interests in Milan Malpensa Airport in Italy and Hong Kong Airport.



Governance

Dánica Hooi, project manager Lounge 1:

‘Over the coming years we are going to be renovating Lounge 1. We are making the lounge bigger so that travellers have more space. The interior will have a warm and natural look, and we’re upgrading the retail and catering concepts. The result: a more relaxing and enjoyable start to your journey.’

The Supervisory Board supervises and advises the Management Board in setting and achieving the strategic objectives of Schiphol Group, maintaining values to contribute to sustainable long-term value creation, complying with applicable laws and regulations and managing internal business control systems and report processes of Schiphol Group.

Report of the Supervisory Board

Annual Report

The annual report is prepared by Schiphol Group's Management Board. KPMG Accountants N.V. audits the financial statements and has issued an unqualified audit opinion. The Supervisory Board's Audit Committee has discussed the financial statements extensively with the Chief Financial Officer (CFO), his team and the external auditor. Subsequently, the Supervisory Board discussed the annual report with the Management Board in the presence of the external auditor. Based on these and other discussions, the Supervisory Board has determined that the annual report meets all relevant regulations and fulfils all governance and transparency requirements, and that it provides a fair and comprehensive picture of the results, risks and events subject to the Supervisory Board's supervision.

Given the financial results and resulting ratios, the higher cost base and incurred cost leakage in combination with considerable investment obligations in the years ahead, it will be proposed not to pay out dividend in 2024 (over 2023).

The financial statements will be submitted to the General Meeting of Shareholders for adoption on 9 April 2024. The Supervisory Board proposes that the Management Board will be granted discharge in respect of the management carried out, that the Supervisory Board will be granted discharge for the supervision exercised and that the financial statements will be adopted.

A. Supervision

The year 2023 marks the turn around for passengers, employees, and the future plans of the airport. Passengers had a good travel experience again. Moreover, Schiphol Group intensified its commitment to initiatives aimed at elevating working conditions at the airport and enhancing the overall quality of life for the local environment.

Schiphol Group aims to keep this upbeat momentum and acknowledges the need for continued improvements by introducing Schiphol Fast Forward programme, including seven workstreams focusing on further improving key aspects of the airport: operating model, asset quality, passenger satisfaction, quality of work, operational alignment, leadership and the 'eight-point plan'. The Schiphol Fast Forward programme aims to accelerate the execution in relation to the most important issues in this respect, enhance internal and external collaboration within the Schiphol ecosystem towards shared objectives and bring focus to the organisation. The recommendations following from the research done by PwC into the operational situation of 2022 are an integral part of the workstreams.

Last year, the Dutch Cabinet announced its plan to impose a capacity reduction for Amsterdam Airport Schiphol in order to reduce noise hindrance in the environment of the airport. The plan consists of three tracks. The first track is an immediate reduction in ATM to 460,000 based on the Experimental Decree (*Experimenteerregeling*), which was due to enter into force on 31 March 2024. As of November 2024, the Dutch Cabinet aims to further reduce ATM to 452,500 as part of the second track. The European Balanced Approach procedure is currently being followed to enable this. The third and last track, encompasses



a reassessment of regulations regarding noise hindrance and emissions. The announcement of the capacity reduction has led to uncertainties within the ecosystem at the airport and was followed by several law suits between the government and airlines. Schiphol Group continues a constructive dialogue with its partners and the government on how to contribute to a substantial reduction of noise hindrance and environmental impact on the local environment. For Schiphol Group, clarity for the aviation sector is imperative. Therefore, in April, Schiphol Group presented its initiatives to become quieter, cleaner and better by means of its 'eight-point plan'. The plan aims to give the local environment, employees and the aviation industry a clear perspective and include amongst other things a night curfew, a ban on private jets and clear limits on CO₂e and noise. Schiphol Group is actively working on the realization of the plan, being part of the Schiphol Fast Forward programme. Schiphol Group has also included several of the initiatives in its response in the Balanced Approach procedure related to the measures announced by the Dutch Cabinet, which was presented to the Minister of Infrastructure & Water Management in June. Schiphol Group is disappointed by the announcement of the Ministry of Infrastructure & Water Management in November 2023 regarding the suspension of the Experimental Decree, which enabled the capacity reduction to 460,000 ATMs as of 2024. This is a serious setback for the local residents and creates more uncertainty within the sector.

Schiphol Group made important progress regarding innovation and project execution during the year. The redevelopment of Lounge 1 is progressing according to budget and planning, while the Dual Taxiway System project experiences some delay but with limited consequences. Furthermore, Schiphol Group invested in the renovation of resting areas and sanitary locations for employees working at the airport, the further roll-out of lifting aids in the baggage basement and the renovation of the fire brigade stations. In terms of innovation and sustainability, Schiphol Group opened its own concrete recycling facility, is taking measures to replace all diesel-powered equipment on airside and accelerates its work in relation to ultra-fine particles.

The Supervisory Board will continue to urge the Management Board to accelerate projects in relation to sustainability.

Mid 2023, the Supervisory Board requested Schiphol Group to conduct research into the maintenance backlog of the airport with the aim to understand how the backlog was created, what Schiphol Group can learn from it and what should be done to prevent it in the future. Foundation Crisislab was hired for this. The research has shown several causes for the creation of the backlog. Schiphol Group will follow this up with measures on the short, medium and long term. The Supervisory Board supports the outcome and will regularly challenge the Management Board regarding the follow-up.

Main points of attention

Operational recovery

In 2022, Schiphol Group experienced severe operational issues with long queues at Amsterdam Airport Schiphol due to staff shortages, especially at security companies. The issues had a strong negative impact on the passenger experience, airline operations and overall reputation of the airport.

In 2023, remarkable progress and improvements were realized in this respect. Performance during the May and summer holidays was in line with expectations, only with occasional disruptions primarily at the arrival process and the turnaround process. The departure process demonstrated significant improvements compared to last year, which was the result of implementing standard control measures and effective collaboration amongst the stakeholders. These accomplishments underscore commitment of Schiphol Group to ensuring well-managed operations.

Nevertheless, several improvement opportunities have been identified, which are part of the Schiphol Fast Forward programme and will be implemented going forward.

In October, the social agreement was renewed. Agreement was reached on pay supplement and structural improvements in relation to quality of work.

Sustainability and working conditions

Schiphol Group takes a leading role in sustainability within the aviation industry, supporting more sustainable aviation by including incentives in aviation charges, providing airlines with a subsidy for Sustainable Aviation Fuels (SAF) and lobbying for structural sustainability improvements for the industry both within the Netherlands and Europe. Furthermore, the 'eight-point plan' contains important initiatives in relation to the acceleration of becoming more sustainable.

The Supervisory Board acknowledges the significant strides achieved in 2023 concerning this matter, recognizing the commendable efforts of the organisation. The Supervisory Board remains confident in the organisation's commitment to ongoing improvement and anticipates the continued dedication and achievements in the future, but realises that a lot of work still needs to be done. Schiphol Group has developed a 'Most sustainable airports 2030' roadmap that contains all required actions in the coming years to become zero emissions and zero-waste airports in 2030 (Scope 1 and 2) and net-zero-carbon aviation in 2050 (Scope 3). Two important recognitions were received in 2023: the SBTi accreditation and the Airports Council International ACA (Airports Carbon Accredited) level 5 certificate. Schiphol Group has obtained SBTi validation for scope 1, 2 and 3 targets. The ACI accreditation relates to the highest level for airport sustainability, meaning a CO₂e emissions reduction of own operations in 2022 by 90% or more compared to 2010. It has been awarded to Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport. The three Schiphol Group airports are among the first ten airports worldwide to reach this level. The Safety, Sustainability and Stakeholders Committee closely monitors the progress made in the execution of the Most sustainable airports 2030 roadmap.

Working conditions remain an important part of sustainability. The people at Amsterdam Airport Schiphol deserve proper working conditions and decent wages. The Supervisory Board recognises that improvements have been made in 2023, but that further improvements need to be realised in 2024. The Supervisory Board therefore considers it is important that this topic remains an integral part of the Schiphol Fast Forward programme.

As of 1 January 2024, Schiphol Group is subject to the Corporate Sustainability Reporting Directive (CSRD). In 2023, the company worked hard to ensure compliance. Schiphol Group developed a roadmap to become 'CSRD ready', linked to the company's strategy. The Audit Committee tracked progress throughout the year and some Supervisory Board members have been involved on a more structural basis as well.

The Supervisory Board encourages Schiphol Group to continue taking a leading position in the field of sustainability and to accelerate improvements in relation to working conditions.

Mid Term Plan

The Mid Term Plan 2035 was discussed with the Capital Programme, Operations & Investments Committee and the Supervisory Board on several occasions during 2023. The Mid Term Plan sets out the major developments required over the next ten years in terms of capacity, quality and safety, such as the completion of Pier A, the completion of the Dual Taxiway system and the new baggage basement. The Supervisory Board provided its advice on the key issues and adaptability of the plans in relation to the financial position and important external developments, such as sustainability. It is expected that the plan will be finalized in the first months of 2024.

Development of the Group

In November 2023, the Minister of Infrastructure & Water Management announced the suspension of the Experimental Decree. Schiphol Group took the Experimental Decree into account for its capacity declaration for the summer season of 2024, leading to a maximum of 460,000 flights in the full operating year, but has published an addendum to the capacity declaration leading to a maximum of 483,000 flights following the suspension. As part of Schiphol Group's 'eight-point plan', a list of aircraft types that are no longer welcome at Amsterdam Airport Schiphol has been included in the capacity declaration.

Despite the decision to suspend the Experimental Decree, the Ministry of Infrastructure & Water Management will remain working on the Balanced Approach procedure that needs to be followed as a consequence of the decision to reduce the ATMs at Amsterdam Airport Schiphol. Schiphol Group shared its views regarding the Balanced Approach with the Ministry. Unfortunately, not all suggestions by Schiphol Group have been included by the Ministry, such as a night curfew and a ban on private jets. The Supervisory Board hopes that these measures will still be realised in the near future.

A strategic collaboration between Maastricht Aachen Airport (MAA) and Schiphol Group commenced. On 8 June 2023, the province of Limburg and Schiphol Group signed the collaboration agreement, resulting in Schiphol Group acquiring a 40% stake in MAA and the province of Limburg keeping a 60% stake. With the collaboration, MAA will be able to focus on the development of a sustainable and future-proof airport, with electric flying as one of the main priorities. In addition, the parties are committing to a far-reaching exchange of knowledge in the areas of real estate and commerce.

Nature permits

After years of hard work, Schiphol Group received its nature permit ('Wnb-vergunning') for Amsterdam Airport Schiphol from the Minister for Nature and Nitrogen Policy. Although the permit is still subject to appeal, receiving the permit is a significant step for Schiphol Group, as it confirms compliance with relevant laws and regulations. It furthermore demonstrates that Schiphol Group operates in line with the requirements of the Nature Conservation Act. In addition, the permit enables the government to introduce new policies for the airport, such as an Airport Traffic Decree containing a new approach with environmental and noise limits for the aviation industry.

The regional airports within Schiphol Group have also submitted an application for a nature permit, the viewpoint procedure has been completed and the procedure is now in a concluding phase where questions from the competent authority are being answered.

Strategic projects

Schiphol projects

The Supervisory Board, specifically the Capital Programme, Operations and Investments Committee, has been regularly updated on ongoing projects. In April and November, the shareholders were updated on the major projects as well, in the presence of several Supervisory Board members.

Pier A

In 2023, together with new contractor BAM, Schiphol Group focused on the preparatory works for the finalization of Pier A. It is expected that the completion works will start in Q2 of 2024. The Capital Programme, Operations and Investments Committee is closely involved and will continue to be in 2024. In addition, in the dispute with BN-TAV – the former contractor whose contract was terminated due to ongoing delays and an unpredictable project outcome - formal proceedings have been initiated in December 2023 by BN-TAV. Schiphol Group is preparing its statement of defence and counterclaim, which will be submitted ultimately on 5 June 2024. This process is closely monitored by the Supervisory Board.

Reference is made to note 25 [Contingent assets and liabilities](#) for the status on the BN-TAV claims with regards to the construction of Pier A.

Lounge 1

The redevelopment of Lounge 1 is well on its way. The project is a crucial junction for all passengers moving to and from several piers at the airport. In addition, it enables transfer passengers to move from Schengen to Non-Schengen areas. The redevelopment of Lounge 1 aims to solve pressing capacity issues and ensure operational continuity. Furthermore, the project aims to bring Lounge 1 back to desired levels of sustainable and reliable technical performance and commercial revenue.

Dual taxiway system

Schiphol Group is currently working on phase 1B of the project, which aims to bolster Schiphol's remote holding capacity. Delivery of phase 1B is slightly delayed. Final delivery of phase 2 of the project in 2026 is not expected to be impacted.

Entry-Exit System

The European Entry-Exit System (EES) is a mandatory new EU-wide border management system, which will help to prevent irregular migration and protect the security of European citizens. The project will have an impact on the passenger journey for non-EU citizens. The implementation of EES has been delayed several times, with a new formal date set on 1 November 2024. In December 2023, the Supervisory Board approved the investment proposal for phase 2 of the implementation of EES to ensure readiness on time. Given the complexity of the project and the potential consequences for passengers, the Capital Programme, Operations and Investments Committee is closely involved.

Southern Developments

The developments in relation to the Southern area of the airport will solve current bottlenecks in baggage and terminal capacity, meet future peak capacity demand, improve the quality perception and increase commercial revenues. The expected future capacity requirements are likely still valid in case of an annual ATM cap of 440,000, driven by enduring peak patterns, upgauging of aircraft and an increasing share of original destination passengers. In October 2023, the tender for the design phase of the baggage basement was published. A decision regarding the terminal still needs to be made.

Projects that have been approved by the Supervisory Board

Based on the Supervisory Board Rules, investment and divestment decisions with a value exceeding 25 million euros require Supervisory Board approval. In addition to phase 2 of the Entry-Exit System, six other project proposals were approved by the Supervisory Board in 2023:

- *Renovation of resting areas and non-passenger sanitary* relates to an improvement of the resting areas and sanitary locations for employees working at the airport. The project aims to improve the working conditions. The project will be finalized by the end of 2024.
- *Car rental service centre*: Schiphol Group will construct a new car rental location at Schiphol, which offers the opportunity to rent electric vehicles. It will be the largest car rental company facility in the Netherlands, accommodating 2,500 vehicles.
- *Renovation of Fire Brigade Stations* relates to an improvement of working and living conditions for the fire brigade of Schiphol Group.
- *Sierra 1*: to improve safety on airside, a new runway crossing will be delivered, mitigating the safety risk of runway crossings identified by the Dutch Safety Board (OVV).
- *Lifting aids*: to improve working conditions for baggage handlers, Schiphol Group ensures that all workplaces will be equipped with a lifting aid by executing this project.
- *Upgrade grid capacity*: in order to secure sufficient electricity capacity in the coming years, Schiphol Group will invest in increasing its grid capacity.

Other topics

Contact with the Works Council

Several members of the Supervisory Board, especially the members of the People Committee and the members nominated by the Works Council, attended meetings with the Works Council. These meetings were considered to be of great value and a positive experience for both sides. The respective Supervisory Board members report back to the full Supervisory Board and, if necessary, to the Executive Team on these meetings.

No conflicting interest

There were no transactions in 2023 involving conflicts of interest on the part of Management Board members, Supervisory Board members, shareholders or the external auditor that were of material significance to Schiphol Group and/or relevant parties.

B. Quality Assurance

Members

At year-end 2023, the Supervisory Board had three female and four male members. The Supervisory Board is currently aiming to include another member and searching for a successor of a Supervisory Board member whose second term ended in April. The Management Board had two male members at year-end 2023; the Executive Team had two female and four male members. Schiphol Group runs a development and leadership programme to ensure that both everyone can advance into senior management and executive positions. Schiphol Group aims to achieve a balanced composition of the various bodies in terms of gender, cultural background, age, sexual orientation, psychical abilities, experience and professional background. For further

personal details on each member of the Supervisory Board, please see the section 'Corporate Governance' of this annual report.

In making new appointments, the Supervisory Board aims to ensure the complementary expertise of its members, particularly in relation to the fields of knowledge that are relevant to Schiphol Group. The fields of knowledge are listed in the Supervisory Board Profile (Schedule 2 to the Supervisory Board Rules). The overview below indicates the fields of knowledge represented by each Supervisory Board member.

All members of the Supervisory Board are independent within the meaning of best practice provision 2.1.8 of the Corporate Governance Code.

Mr Collier has the Irish nationality. The other members have the Dutch nationality.

Since April 2020, Mr Bert van der Els has been appointed as advisor to the Supervisory Board and the Capital Programme, Operations & Investments Committee on the basis of a consultancy agreement with similar compensation as the Supervisory Board members, focusing on construction and maintenance projects and related matters.

Permanent education

As part of the permanent education programme, various topics were discussed with the Supervisory Board to provide its members with greater insight into issues relevant to Schiphol Group. These issues include, among other things, ultra-fine particles, commercial initiatives, ESG and risk management within Schiphol Group. Supervisory Board members also regularly participated in site visits to stay on top of operational, asset, security and safety-related matters.

Distribution of fields of knowledge among the members of the Supervisory Board

	J.W. Winter ¹ (Chair)	S.G. Brummelhuis	D. Collier ¹	H.C. Figeé	E. van Galen ¹	R.J. van de Kraats (Vice)	M.C. van der Laan
Year of birth and nationality	1963, Dutch	1965, Dutch	1955, Irish	1972, Dutch	1961, Dutch	1960, Dutch	1968, Dutch
First appointed in	2022	2018	2018	2023	2021	2015	2023

Fields of knowledge

1. Aviation business			•		•		
2. Commercial		•	•	•	•	•	
3. Finance/Accountancy/Risk Management		•	•	•		•	
4. International experience	•	•	•	•	•	•	
5. Digitisation	•	•				•	
6. Government and stakeholders Schiphol	•		•		•		•
7. Corporate governance	•	•	•	•	•	•	•
8. Human Resource Management	•				•	•	
9. Corporate responsibility	•	•	•	•	•	•	•
10. Project management			•	•			•

¹ CEO experience

C. Other matters

Appointments and reappointments

Executive Team

As of February, the Management Board and Supervisory Board agreed to change the management structure for more effective leadership. The Management Board has been embedded into a broader Executive Team that is responsible for managing the company, bringing the core decision making closer to the operational reality of Schiphol. The Executive Team currently consists of the CEO, CFO, the Executive Director Human Resources, the Executive Director Schiphol Commercial, the Executive Director Schiphol Infrastructure and the Executive Director Schiphol Operations. The CEO and CFO remained the only statutory directors of the Schiphol Group and therefore formally form the Management Board of Schiphol Group. The Supervisory Board has welcomed the improvements in the collaboration and execution of decisions following from this change in structure. The Management Board will, embedded in the Executive Team, be extended to three or four members after the new CEO will have commenced on June 1, 2024.

Management Board members

In July, it was decided by the Supervisory Board to extend the appointment of Ruud Sondag as President and interim-CEO for four more months until 29 February 2024 the latest. The Supervisory Board believed that it was in the interest of all employees and stakeholders to extend the interim period given the effective choices made, providing Schiphol Group with a clear agenda for the future.

In November, the Supervisory Board announced that Pieter van Oord will be appointed as President and CEO for a first term of four year per 1 June 2024. The Supervisory Board is impressed with Mr Van Oord's experience in operational organisations, knowledge on asset management, capabilities and focus on accelerating sustainability, which will help Schiphol Group the coming years with the challenges the company is facing.

Between 1 March and 31 May 2024, Robert Carsouw (Executive Vice-President and Chief Financial Officer) will act as interim CEO.

Per 1 February 2023, the Supervisory Board terminated the employment agreement of Executive Vice-President and Chief Operations Officer Hanne Buis due to a difference of opinion, which the Management Board and Supervisory Board have jointly and intensively tried to bridge.

Supervisory Board members

At the General Meeting of Shareholders on 11 April 2023, Mr Figeë and Ms Van der Laan were appointed as Supervisory Board members for a first term of four years. Mr Figeë has broad financial experience, including in relation to capital markets, strategy and business operations. Ms Van der Laan has broad experience within the Dutch political area as well as with sustainability within the energy sector. The expertise and experience that Mr Figeë will bring, especially in the financial, reporting and control work field and that Ms Van der Laan will bring in the field of relevant stakeholders and the government, will help the Supervisory and the Management Board in achieving the ambitions for the coming years and deal with the challenges Schiphol Group is facing.

At the General Meeting of Shareholders on 11 April 2023, Mr Van der Kraats was reappointed as Supervisory Board member for a third term of one year to ensure a careful handover of the role of Chair of the Audit Committee to Mr Figeë.

Mr Olsson's second term expired at the General Meeting on 11 April 2023. The Supervisory Board thanks Mr Olsson for his valuable and significant contribution to Schiphol Group, especially as Chair of the People Committee.

The composition of the committees changed in 2023, as shown in the table.

Composition of the Supervisory Board committees

	J.W. Winter (Chair)	S.G. Brummelhuis	D. Collier	H.C. Figeë	E. van Galen	R.J. van de Kraats (Vice)	M.C. van der Laan
Supervisory Board	•	•	•	•	•	•	•
Audit Committee			•	•	•	•(c)	
People Committee	•	•(c)				•	•
Capital Programme, Operations & Investments Committee		•	•(c)	•			
Safety, Sustainability & Stakeholders Committee	•				•(c)		•

Attendance in 2023

Attendance	J.W. Winter (Chair)	S.G. Brummelhuis	D. Collier	H.C. Figeë	E.van Galen	R.J. van de Kraats (Vice)	A.B.M. Olsson	M.C. van der Laan
Supervisory Board	10 of 10	10 of 10	10 of 10	5 of 5 and 1 time as observer	10 of 10	7 of 10	4 of 5	5 of 5 and 1 time as observer
Audit Committee	n/a	n/a	3 of 3	2 of 2	3 of 3	3 of 3	n/a	n/a
Capital Programme, Operations & Investments Committee	n/a	12 of 13	13 of 13	4 of 5	n/a	n/a	4 of 4	n/a
People Committee	13 of 13	13 of 13	n/a	n/a	n/a	7 of 9 and 2 times as observer	4 of 4	9 of 9
Safety, Sustainability & Stakeholders Committee	4 of 4	2 of 2	n/a	n/a	4 of 4	n/a	1 of 1	3 of 3

Meetings

The Supervisory Board met on nine formal occasions in 2023. The Executive Team (including the Management Board) members attended all of those meetings. Prior to the regular meetings, the Supervisory Board held private consultations. The various committees held 33 formal meetings in total in the course of 2023. Please see the schedules below for a full overview of the number of meetings per committee and the attendance of Supervisory Board members.

In addition to these meetings, the Chair and the other members of the Supervisory Board discussed issues with the Executive Team on numerous occasions. Various members of the Supervisory Board also had contact on a number of occasions with the senior management of Schiphol Group and with stakeholders both within and outside Schiphol Group, including the shareholders.

Meetings of the Supervisory Board committees

Audit Committee

The Audit Committee held three meetings in 2023. The committee spoke with the Chief Financial Officer (CFO), the Director Finance and the internal and external auditors on a number of topics including the annual financial statements, the annual report (and quality thereof), the interim figures and the associated press releases, the external auditor’s audit plan and management letter, liquidity and solvency, inflation and the weaknesses in the related tariff system, other sources of income, (airline and passenger) claims and integrity reporting, internal controls, progress and outcomes with respect to the internal audit annual plan and the follow-up on audit findings. The committee furthermore prepared the Supervisory Board’s decision-making on the Budget and Funding Plan 2024. The internal audit plan for the forthcoming year was endorsed. The committee continued to pay extra attention to enterprise risk management at both the half-year and full-year points in 2023. A deeper discussion took place in relation to controls within the Schiphol Commercial business area. Also this year, the committee has paid specific attention to ESG reporting, given the importance of the topic. ESG is a recurring topic in the Audit Committee meetings.

Prior to every Audit Committee meeting, the Chair of the Committee held a separate discussion with the CFO, controller, external auditor (KPMG Accountants N.V.) and the internal auditor as preparation for each committee meeting. After every meeting, the Audit Committee had private consultations with the external auditor, which were not attended by the Executive Team and senior management.

Meetings	Number ¹
Supervisory Board	10
Additional Supervisory Board meeting without Management Board members attending	4 ²
Audit Committee	3
Capital Programme, Operations & Investments Committee	13
People Committee	13
Safety, Sustainability & Stakeholders Committee	4
Total	43

¹ These numbers only include formal meetings.

² Prior to every regular Supervisory Board meeting, the Supervisory Board convenes for one hour without the presence of the Management Board members.

In accordance with auditing rules, Schiphol Group has appointed a new external auditor as of financial year 2024. Per proposal of the Supervisory Board, the shareholders appointed Ernst & Young Accountants LLP as the new auditor of Schiphol Group per financial year 2024 for a maximum period of ten years.

Capital Programme, Operations & Investments Committee

The Capital Programme, Operations and Investments Committee advises the Supervisory Board on approval of preliminary investment decisions of all asset-related projects. The committee held monthly meetings and met thirteen times in 2023. The main focus of the committee has been the maintenance backlog Schiphol Group is facing and the progress realised in relation to the major projects, specifically Pier A and the Entry-Exit System. The committee was updated every quarter on the status and progress of the major projects. The committee was consulted in relation to one major, upcoming project: the Southern Developments. An extensive discussion regarding the Mid Term Plan took place as well. In addition, the committee was informed about the strategic asset management and commercial developments and opportunities. In 2023, the committee reviewed, challenged and consequently advised in favour of all submitted preliminary investment decisions.

People Committee

The People Committee held thirteen meetings in 2023 and many more informal meetings relating to the search for a permanent Chief Executive Officer (CEO) and the succession of the Supervisory Board. Other topics discussed in the People Committee were the renewal of the social agreement, the My Schiphol Survey results (in relation to the Employee Promotor Score), Talent & Succession management, the newly introduced Leadership Team of Schiphol Group and the 2024 objectives.

Safety, Sustainability & Stakeholders Committee

The Safety, Sustainability and Stakeholders Committee met four times in 2023. Much attention was paid to safety in a broader sense. The committee discussed the health, safety and environmental reports and progress in relation to Integral Safety Management System, and it also reviewed safety in 2022. The committee specially focused on fire safety and the ongoing trajectories with the Netherlands Labour Authority. All serious incidents were discussed with the committee and follow-up actions were taken. The committee was updated on the progress made in relation to the Roadmap Most Sustainable Airports, including target tracking and the sustainability plans for 2024. The committee also discussed the outcome of the Social Cost Benefit Analysis that was performed and monitored progress on the Most sustainable airports 2030 roadmap. The committee keeps encouraging Schiphol Group to remain a front runner on sustainability within the aviation industry and accelerate projects and initiatives where possible. The application for the nature permits was discussed extensively in each committee meeting. The committee is satisfied that the permit has now been granted for Amsterdam Airport Schiphol.

Word of thanks

The Supervisory Board is wished to extend its sincere appreciation to the Executive Team for the achievements of the past year. We firmly believe that the Executive Team has made significant steps in enhancing the quality of the airport, both operationally and in terms of working conditions.

Our gratitude also goes out to all employees for their invaluable contributions to the positive transformations realized. It is through their unwavering commitment and collaborative efforts that these improvements have been possible. Their continued support is fundamental to the success of Schiphol Group.

Schiphol, 15 February 2024

The Supervisory Board
 Jaap Winter, Chair
 Robert Jan van de Kraats, Vice Chair
 Simone Brummelhuis
 Declan Collier
 Chris Figee
 Elfrieke van Galen
 Medy van der Laan

Supervisory Board



Mr J. Winter
(1963, Dutch nationality)

Chair

First appointed in 2022
First term expires in 2026

- Partner at Phyleon leadership & governance
- Chairman of the Supervisory Board at Erasmus Universiteit Rotterdam
- Board member ASR Nederland Continuity Foundation
- Former Chairman of the Board at the Van Gogh Museum
- Former Chairman of Executive Board at Vrije Universiteit Amsterdam
- Former Chairman of the Board at ADORE foundation



Mr R.J. van de Kraats
(1960, Dutch nationality)

Vice-Chair

First appointed in 2015
Third term expires in 2024

- Non-Executive Chairman at Customs Support Group since 1 July 2023
- Director Randstad Beheer
- Vice-Chairman Supervisory Board at the Goldschmeding Foundation
- Non-executive Director of OCI N.V.
- Former non-Executive Chairman of TMF Group
- Until 1 July 2023 Member of the Advisory Board at Suitsupply B.V.
- Former CFO and Vice-Chair of the Executive Board at Randstad N.V.



Ms S.G. Brummelhuis
(1965, Dutch nationality)

First appointed in 2018
Second term expires in 2026

- Managing Director at Borski Fund
- Member of the Supervisory Board at Rabo Amsterdam
- Board of Advice Augeo
- Board of Advice Inne
- Former Member of the Supervisory Board at Mediahuis Nederland



Mr D. Collier
(1955, Irish nationality)

First appointed in 2018
Second term expires in 2026

- Chair at TCR International NV
- Chair H.M. Office at Rail & Road
- Chair at Belfast City Airport
- Senior Advisor Oaktree Infrastructure Fund (OTIF)
- Former Chief Executive Officer of Dublin Airport Authority and London City Airport
- Former Chair at Aer Rianta International (ARI)
- Former Chair of European and World Board at Airports Council International
- Former Council Member at the Confederation of British Industry
- Former Board Director at London First
- Former Non-executive Director at Allied Irish Banks (AIB) Group



Mr H.C. Figeo

(1972, Dutch nationality)

First appointed in 2023
First term expires in 2027

- CFO at KPN
- Member of the Supervisory Board at UNICEF Nederland
- Member of the Economic Board at Zuid Holland
- Member of the Board at Vereniging Effecten Uitgevende Ondernemingen (VEUO)
- Former member of the Supervisory Board at Azerion



Ms E. van Galen

(1961, Dutch nationality)

First appointed in 2021
First term expires in 2025

- Partner at TheRockGroup
- Chair of the Supervisory Board at GVB
- Member of the Supervisory Board at Meerlanden NV
- Non-executive Board member at SEKEM
- Member of the Supervisory Board at Triodos fondsen
- Board member of Stichting Bergplaats at Lippe Biesterveld
- Former Member of the Supervisory Board at Holding Maatschappij Zuid-Holland
- Former Senior Vice President Corporate Social Responsibility at KLM
- Former CEO KLM Cityhopper & KLM UK Ltd
- Former Vice President KLM Cargo customer services



Ms M.C. van der Laan

(1968, Dutch nationality)

First appointed in 2023
First term expires in 2027

- Chair of the Nederlandse Vereniging van Banken (NVB)
- Chair of the Nationaal Luister Onderzoek (NLO)
- Chair of the Foundation Berenschot Beheer
- Member of the Objections Committee of the Dutch Public Broadcaster
- Chair of the International Architecture Biennale Rotterdam (IABR)

Executive Team



Executive Team - Statutory directors



Mr. L.M. Sondag

(1962, Dutch nationality)

Member of the Management Board and CEO

Since 1 November 2022

Term expires on 29 February 2024

- Co-Chair of the Schiphol Security and Public Safety Platform
- Member Supervisory Board Stichting Bevordering kwaliteit leefomgeving Schipholregio
- Non-Executive Board Member Faerch A/S and Faerch Group Holding A/S (01-04-2023 – present)
- Non-Executive Member of the Audit Committee Faerch A/S (01-04-2023 – present)
- Non-Exec Board Member, Eteck Energie bedrijven (2021 – present)
- Member Advisory Board, Scelta Mushrooms (2013 – present)
- Member Advisory Board, Vos Logistics (2018 – present)
- Senior Advisor to Board of Management ENECO/ Mitsubishi (2020 – present)

Responsibilities

- Airport Operations & Aviation Partnerships¹
- Schiphol Infrastructure¹
- Corporate Affairs²
- Corporate Legal²
- Human Resources²
- Safety & Environment¹
- Security¹
- Strategy & Airport Planning³
- Regional airports¹



Mr R.J. Carsouw

(1970, Dutch nationality)

Member of the Management Board and CFO

Since 1 April 2021

First term expires on 31 March 2025

- Non-executive member of the Board of Directors of Brisbane Airport Corporation PTY Ltd⁴

Responsibilities

- Finance²
- IT & Data¹
- Procurement & Contracting²
- Risk & Audit²
- Schiphol Commercial¹
- Schiphol International¹

¹⁾ Governance structure: Operate.

²⁾ Governance structure: Support.

³⁾ Governance structure: Plan & innovate.

⁴⁾ Any remuneration earned by Executive Team (ET) members in relation to (Supervisory) Board positions in Group companies is received by the Company and not by individual ET Members.

Executive team - Non-statutory directors



Mr S. Hahn
(1982, Dutch nationality)

Member of the Executive Team And Executive Director Schiphol Infrastructure

Since 1 February 2023

- Board Member Nginfra
- Steering committee member Opdrachtgeversforum i/d Bouw

Responsibility

- Airport Program Development
- Schiphol Infrastructure
- Project realization (CAPEX)



Mr A. Reijnhart
(1971, Dutch nationality)

Member of the Executive Team and Executive Director Schiphol Commercial

Since 1 February 2023

- Member of Supervisory Board of Eindhoven Schiphol
- Chairman of Stichting Coosje Wijzenbeek

Responsibility

- Schiphol Commercial



Mrs E.J. Valk
(1982, Dutch nationality)

Member of the Executive Team and Executive Director Human Resources

Since 1 February 2023

- Board Member Luchtvaart Community Schiphol

Responsibility

- Human Resources



Mrs P.F.E. Vitalis
(1975, Dutch nationality)

Member of the Executive Team and Executive Director Airport Operations & Aviation Partnerships

Since 1 February 2023

- Board Member Stichting Valk
- Board Member Nederland Distributieland (NDL)
- Board Member Nederlandse Vereniging van Luchthavens (NVL)

Responsibility

- Airport Operations & Aviation Partnerships

Corporate Governance

Royal Schiphol Group N.V., also acting as Luchthaven Schiphol and Schiphol Group, is a public limited liability company with a two-tier board system ('structuurregime') and three shareholders: the State of the Netherlands, the municipality of Amsterdam and the municipality of Rotterdam.

General

Schiphol Group's corporate governance structure is based on Dutch law, the Dutch Corporate Governance Code, its articles of association and several internal regulations. The Group has been applying the Dutch Corporate Governance Code since 2004 based on the 'comply or explain' principle. Schiphol has updated its policies in line with the new version of the Corporate Governance Code 2022. Schiphol's internal regulations include the Management Board Rules and the Supervisory Board Rules, including charters regarding the Supervisory Board's permanent committees and regulations regarding conflicts of interest and the reporting of misconduct.

All documents referred to in this paragraph are published on www.schiphol.nl under Royal Schiphol Group, on the Investor Relations page.

Management Board and Executive Team

As of 1 February 2023, the governance structure of Schiphol Group has changed. The Management Board has been integrated in the Executive Team and consists of six members: a President and Chief Executive Officer (CEO), an Executive Vice-President and Chief Financial Officer (CFO), an Executive Director Airport Operations & Aviation Partnerships, an Executive Director Schiphol Infrastructure, an Executive Director Schiphol Commercial and an Executive Director Human Resources. The new leadership structure allows for more direct and integrated control of the Group's key operational responsibilities. The broad composition of the Executive Team strengthens the business operations and ensures a better implementation of the strategic agenda. The members of the Group Executive Team are jointly responsible for the management of Schiphol Group and for general affairs within Schiphol Group and its Group companies.

The CEO and CFO are the statutory directors. Each statutory director has assumed responsibility for a specific portfolio approved by the Supervisory Board.

On 1 February 2023, the Supervisory Board terminated the employment agreement of Executive Vice-President and Chief Operations Officer Hanne Buis due to a difference of opinion concerning the operational management of the airport. Despite joint efforts, the differences could not be bridged. The position remains vacant.

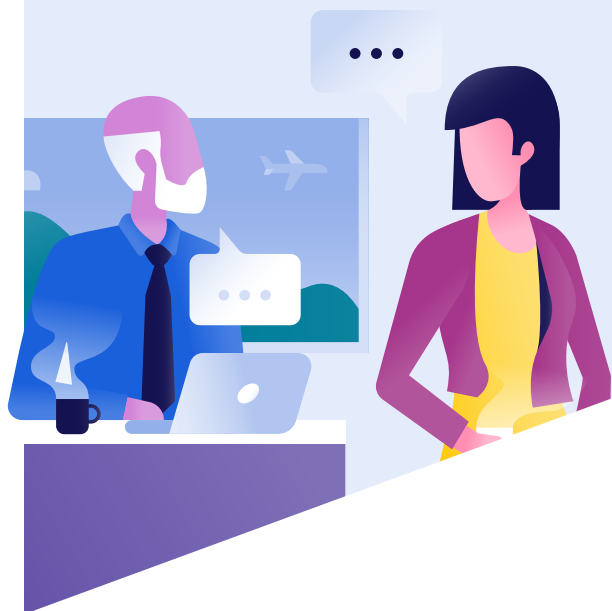
The appointment of Mr Sondag as interim CEO has been extended until 29 February 2024. In November 2023, it was announced that Mr Van Oord would be appointed as permanent CEO with effect from 1 June 2024 for an initial term of four years. For the period from 1 March 2024 to 31 May 2024, Mr Carsouw (CFO) will be appointed interim CEO.

Supervisory Board

The Supervisory Board is responsible for supervising the management and general affairs of Schiphol Group. In addition, the Supervisory Board supports the Executive Team with advice. The Supervisory Board consists of at least five, and at most eight, members and meets at least four times a year.

The Supervisory Board has four permanent committees:

1. The Audit Committee prepares and discusses the Supervisory Board's decision-making on Group financing, the internal risk management and control systems, as well as on integrity reporting, claims and the quality of the financial and non-financial reporting.
2. The Capital Programme, Operations & Investments Committee prepares and discusses matters relating to the Supervisory Board's decision to approve investment



decisions (as stated in the articles of association and internal regulations). The committee is closely involved in major projects (including Pier A, the expansion of the Quebec taxiway, Southern Development and the Redevelopment of Lounge 1) as well as the (general) operational and commercial developments at the airport.

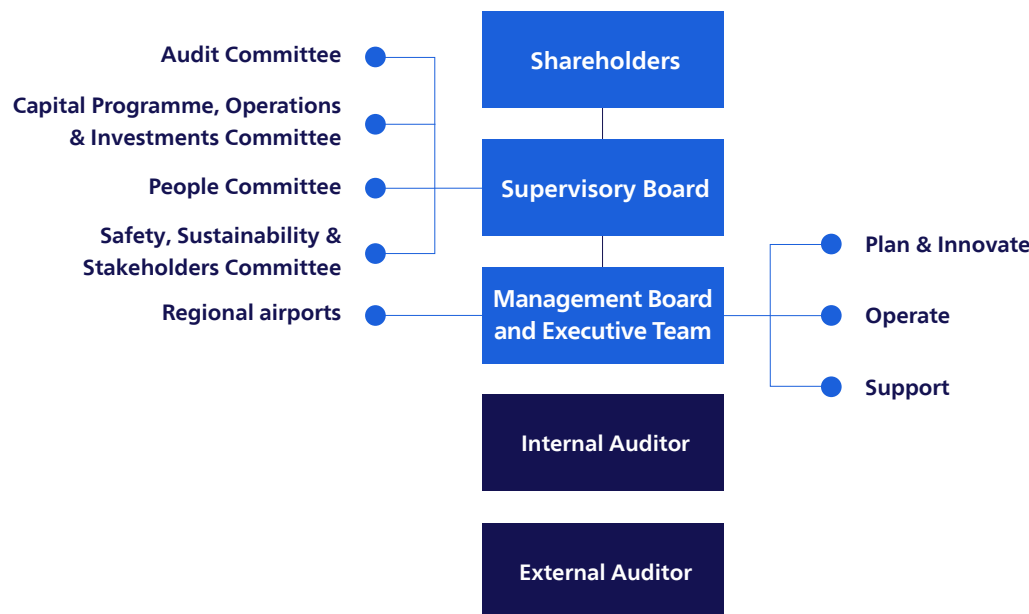
3. The People Committee prepares and discusses the Supervisory Board's decision-making on nominations, appointments and remuneration. The committee also engages in topics relating to diversity and inclusion as well as succession planning, Schiphol Group's culture (including integrity) and employee-related matters.
4. The Safety, Sustainability and Stakeholders Committee prepares and discusses the Supervisory Board's decisions on safety, sustainability and stakeholder-related matters. ESG is another important topic discussed and dealt with in this committee as well.

The committees meet independently and carry out preparatory work as governed by the charters, which are part of the Supervisory Board rules. The committees report on the outcome of their meetings in a Supervisory Board meeting. The Supervisory Board as a whole makes decisions based on these reports. The Supervisory Board Rules, including the Committee charters, are published on www.schiphol.nl.

Shareholders

The share buyback obligation (financial liability) resulting from the termination of the HubLink industrial cooperation agreement between Groupe ADP and Schiphol Group was settled in December 2022 with the acquisition of the treasury shares, the shares of which Schiphol Group still had on its balance by year-end 2023.

Corporate Governance structure Royal Schiphol Group N.V.



Diversity Policy

Schiphol Group has a Diversity Policy for the Supervisory Board, Management Board and senior management. The policy includes targets for both gender and cultural diversity.

Schiphol Group has an important societal role and therefore a responsibility to actively pursue diversity and inclusion (DE&I, Diversity, Equity & Inclusion). To this end, Schiphol Group has included DE&I in its Destination, as this Destination embodies the intrinsic values of the organisation. As DE&I reflect both society and Schiphol Group's customers, Schiphol Group believes that these are important preconditions for operating as a successful organisation. Moreover, DE&I are important steering points in the relationship with employees and other stakeholders, especially in terms of (personal) leadership.

Results of the policy

The following specific diversity objectives have been identified to increase diversity within the Supervisory Board, Management Board and senior management:

- Maintain gender diversity on the Supervisory Board so at least 30% of the Supervisory Board consists of women and at least 30% consists of men. At year-end, the Supervisory Board of Schiphol Group consisted of three female (43%) and four male (57%) members. Schiphol Group therefore complies with this objective.
- the gender diversity within the Management Board so that at least 30% of the Management Board consists of women and at least 30% consists of men. At year-end, the Management Board of Schiphol Group consisted of zero female (0%) and two male (100%) members. Schiphol Group therefore does not comply with this objective. Schiphol Group believes that gender-diverse management is important for the organisation. At year-end, the Executive Team of Schiphol

- Group consisted of two female (33%) and four male (67%) members, which is in line with the policy.
- Maintain the gender diversity within senior management so that at least 30% of senior management consists of women and at least 30% consists of men. At year-end, senior management consisted of six female (35%) and eleven male (65%) members. Schiphol Group therefore complies with this objective.
 - Increase the cultural diversity of the Supervisory Board, the Management Board and senior management so that by 2025, at least 15% of the Supervisory Board, the Management Board and senior management combined consists of a combination of international and bi-cultural members. At year-end, the Supervisory Board, Management Board and senior management consisted of three members that either have an international (two) or bi-cultural (one) background (12%). Schiphol Group therefore does not comply with this objective and shall continue striving for greater cultural diversity.
 - Schiphol Group pursues rejuvenation in the appointment of members of the Supervisory Board, Management Board and senior management. Schiphol Group always takes rejuvenation into consideration in appointments and succession-planning.

The Diversity Policy is published on www.schiphol.nl, under Royal Schiphol Group, on the Investor Relations page.

Securities transactions

Although the shares of Schiphol Group are not listed on a stock exchange, the company has rules regarding inside information, holding securities and securities transactions, as the company has issued bonds under the EMTN programme, which are listed on Euronext Amsterdam.

Members of the Executive Team and Supervisory Board must refrain from buying and selling these bonds.

The (Deputy) Company Secretary is the central officer referred to in the rules on inside information, holding of securities and securities transactions. The Market Abuse Regulation Committee monitors compliance with the legislation.

The Insider Dealing Policy is published on www.schiphol.nl, under Royal Schiphol Group, on the Investor Relations page.

Sustainability

Governance

The President and CEO of Schiphol Group is primarily responsible for sustainability. The Management Board defines the sustainability vision and policy and is for that purpose assisted by the Supervisory Board's Safety, Sustainability & Stakeholders Committee in this task. The sustainability programme manager is part of Schiphol Group's Strategy and Airport Planning department, which reports directly to the President and CEO to enable Schiphol Group to effectively integrate sustainability throughout the Group and to ensure its impact on strategy.

The achievement of sustainability targets is one of the elements of the remuneration policy for the Management Board. The Executive Director Airport Operations & Aviation Partnerships acts as the airport manager and, in this capacity, is responsible for ensuring compliance with relevant legislation, in particular relating to safety and the environment. Such legislation is often airport-specific. Our ambition is to create the world's

most sustainable, high-quality airports, and our sustainability strategy focuses on the following areas: Energy positive, Circular economy, Sustainable aviation and Communities. We collaborate with partners on these themes, and senior management of the departments that have the most impact regularly discuss these themes to ensure the fulfilment of sustainability ambitions that transcend the individual departments. Workshops regarding sustainability are regularly scheduled throughout the Group to create awareness.

We aim to operate zero-emissions and zero-waste airports by 2030 and circular and energy-positive airports by 2050. The Management Board discusses sustainability developments in general and progress on the roadmap towards achieving our 2030 goals. Sustainability is a fixed component of Schiphol Group's investment strategy. As a matter of principle, sustainability is, to the greatest extent possible, a selection criterion in Schiphol Group's tender processes.

The 'Materiality Analysis' chapter of this annual report describes the way Schiphol Group has determined its material topics for 2023 by means of impacts, risks, and opportunities. Schiphol Group's statutory directors are ultimately responsible for managing the material topics and therewith managing the impacts, risks, and opportunities. They do so by – amongst other things – ensuring that the material topics are on the agenda of the formal Executive Team meetings regularly, having broad discussions and deep dive sessions with business experts regarding the material topics and discussing them during the bilateral meetings with relevant directors as well. The latter is important since the statutory directors delegated managing the material topics to (executive) directors in the organisation. Sustainability plays a pivotal role in all decision-making, realizing that it always remains a balancing act between various aspects. [The Supervisory Board](#) supervises and advises the statutory and executive directors in managing the material topics. Please refer to the Supervisory Board and Management Board Rules [on our website](#) for further details.

Safety and environmental risk control

Schiphol Group implements its objectives, tasks, responsibilities, authorisations and working agreements regarding safety control and environmental risks through safety management systems. The safety manager is accountable for the development and maintenance of the safety management system. All system-related improvements are included in the annual health, safety and environmental (HSE) plan.

Safety is a line responsibility: all operational managers are responsible for effectively managing safety risks in their respective processes. Schiphol's HSE organisation is responsible for providing the operational departments with the necessary support to identify and manage safety risks, and it must ensure suitable systems, procedures and methodologies are in place.

The Executive Director Airport Operations & Aviation Partnerships and relevant senior management are represented in the Safety Review Board (SRB). The SRB monitors the airport's progress on its safety goals and performance and monitors compliance with all HSE regulations, including European Aviation Safety Agency (EASA) requirements.

Safety is a chain responsibility at Schiphol. Our sector partners work together within the Integral Safety Management System (ISMS) framework to identify, monitor, analyse and mitigate safety risks that affect more than one industry party.

Compliance with legislation

Line managers are responsible for compliance with HSE legislation and regulation and must organise a supervisory system to monitor this. The HSE organisation independently assesses whether the line supervision has been adequately organised and functions as intended.

Complying with European aviation safety rules requires continuous attention. The EASA compliance monitoring manager monitors and coordinates EASA compliance via the Compliance Monitoring Group.

Schiphol also has a public-private partnership with four government bodies in safety and environmental legislation inspections and supervisory tasks: Human Environment and Transport Directorate, Rijnland Water Authority, the Omgevingsdienst Noordzeekanaalgebied (North Sea Canal Environment Agency) and the Royal Netherlands Marechaussee. This covers activities such as inspecting the use of auxiliary power units (APUs), supervising ground-handling activities and monitoring airside traffic safety.

ACM Commitments

The five-year limitation period for the commitments offered by Schiphol Group and KLM to the Authority for Consumers and Markets (ACM) to prevent competition risks ended in February 2023. In recent years, Schiphol Group devoted a great deal of attention to this topic via its compliance programme on competition law. Although the commitments ended, Schiphol Group will continue with its general compliance programme on competition law, of which the nature of risks related to discussions with airlines, including KLM, will be an integral part.

Table responsibilities material topics¹

Material topic	Statutory responsibility	Challenges	Information included in
Network of destinations	CEO	<ul style="list-style-type: none"> - 440K ATM decision by cabinet - Balanced approach - Competition from other airports 	Network of destinations
Accessibility	CEO	<ul style="list-style-type: none"> - Improve accessibility by road and rail - Extension of N/S metro line - Execution of landside central programme 	Accessibility
Energy-positive airports	CEO	<ul style="list-style-type: none"> - Development to become zero-emissions airports by 2030 - Electrification of airside 	Energy-positive airports
Climate adaptation	CEO	<ul style="list-style-type: none"> - Climate change resilience - Strengthen support for sustainable development 	Climate adaptation
Sustainable aviation	CEO	<ul style="list-style-type: none"> - Initiatives in the chain promoting innovation and sustainability - Development of SAF, including incentives - Passenger transport to and from the airport 	Sustainable aviation
Air pollution	CEO	<ul style="list-style-type: none"> - Emission of fine- and ultrafine-particles - Nature permit 	Air pollution
Water pollution	CEO	<ul style="list-style-type: none"> - Polluted runoff from pavement and surface due to airport operations 	Water pollution
Soil pollution	CEO	<ul style="list-style-type: none"> - PFAS 	Soil pollution
Circularity	CEO	<ul style="list-style-type: none"> - Development towards fully circular 2050 - Development into zero-waste airports by 2030 	Circularity
Noise	CEO	<ul style="list-style-type: none"> - Improved balance between community and airport - 'Eight-point plan' 	Noise
Engaging with our communities	CEO	<ul style="list-style-type: none"> - Establish living environment fund 	Engaging with our communities
Societal value	CEO	<ul style="list-style-type: none"> - Societal cost-benefit analysis 	Societal value
Employment practices own workforce	CEO	<ul style="list-style-type: none"> - Tight labour market - Labour conditions and circumstances - Employee pride in organisation - Responsible Business Policy 	Employment practices own workforce
Diversity, equity and inclusion own workforce	CEO	<ul style="list-style-type: none"> - Perceived inclusivity climate in organisation - Discrimination 	Diversity, equity and inclusion own workforce
Employment practices value chain	CEO	<ul style="list-style-type: none"> - Tight labour market - Labour conditions and circumstances - Operating model - Responsible Business Policy 	Employment practices value chain
Consumer and end-user experience	CEO/CFO	<ul style="list-style-type: none"> - Quality perception of the airport of airlines, passengers and tenants 	Consumer and end-user experience
Business continuity	CEO	<ul style="list-style-type: none"> - Maintenance backlog - Complexity of the airport ecosystem - Involvement other sector parties 	Business continuity
Cyber security	CFO	<ul style="list-style-type: none"> - Efficient and safe business operations 	Cyber security

Material topic	Statutory responsibility	Challenges	Information included in
Airport capacity	CEO	<ul style="list-style-type: none"> - Delivery of CAPEX portfolio - Maintain operations during construction - Opening of Lelystad Airport 	Airport capacity
Safety and security	CEO	<ul style="list-style-type: none"> - Operational staff shortages leading to queues - Development of safety culture - Doubling of taxiway Quebec - Entry-Exit System 	Safety and security
Business ethics and corporate culture	CEO/CFO	<ul style="list-style-type: none"> - Compliance and promotion of integrity, also sector-wide 	Business ethics and corporate culture
Supplier and procurement practices	CFO	<ul style="list-style-type: none"> - Operating model - Contracting practices based on collaboration - Implementation of Check-In document (new supplier code) 	Supplier and procurement practices
Financial solidity	CFO	<ul style="list-style-type: none"> - Pressure on financial ratios and credit ratings - Airport charges system 	Financial solidity

¹ This overview is not exhaustive.

Remuneration

This remuneration report sets out the remuneration policy for the Schiphol Group Management Board and Supervisory Board.

Directors' remuneration

The members of the Management Board of Royal Schiphol Group N.V. are appointed by the Supervisory Board for a term of four years. They are eligible for reappointment for a four-year term.

In 2023, the Management Board comprised the following persons:

	Position	Term	Term ends on
Ruud Sondag	CEO	Second	29 February 2024 ¹
Robert Carsouw	CFO	First	31 March 2025
Hanne Buis	COO	First	31 January 2023 ²

¹ The original appointment was until 31 October 2023. The Supervisory Board's decision of 10 July 2023 extended the appointment to 29 February 2024.

² The term of the original appointment was until 31 May 2024, but the Supervisory Board terminated the contract per 1 February 2023.

At the end of 2023, the Management Board comprised of Mr Sondag and Mr Carsouw. Mr Sondag is employed as CEO on an interim basis. Mr Sondag and Mr Carsouw have a fixed-term employment contract with Royal Schiphol Group N.V.

Early 2023, the Supervisory Board decided to terminate the employment contract with Ms. Buis as a result of a difference of opinion that has arisen about the operational management of the airport. Ms. Buis was released of her duties as of 1 February 2023.

The Supervisory Board decided to extend Mr Sondag's interim period, which ended on 30 October 2023, until ultimately 29 February 2024.

General

Schiphol's remuneration policy primarily aims to offer remuneration at a level that will attract and retain qualified and capable board members (including those from within the organisation). The remuneration policy is also intended to promote the achievement of Schiphol's objectives, as adopted each year by the Supervisory Board, based (in part) on the approved Business Plan. In addition to the financial objectives, Schiphol Group has formulated strategic and public objectives as reflected in various 'Top Performance Indicators' and 'major deliverables', including sustainability related objectives.

The remuneration policy meets the best-practice provisions on remuneration defined in the Dutch Corporate Governance Code. Since the majority of the shares in Royal Schiphol Group N.V. is held by the State of the Netherlands, Schiphol's remuneration policy falls within the scope of the Nota Deelnemingenbeleid Rijksoverheid 2022 ('2022 state participations policy'), including the July 2017 remuneration policy principles. The state participations policy and the remuneration policy principles apply strict standards, for instance on variable remuneration.



Remuneration package structure

A summary of the employment arrangements and the amounts constituting the total remuneration of each Management Board member in 2023 are provided below.

Fixed salary

Based on the current remuneration policy, the CEO's fixed salary amounts to 458,021 euros in total¹. This amount includes an indexation of 3.25% per 1 January 2023, equal to the value of the collective labour agreement increase for alle Schiphol employees in 2022. With regard to the other Management Board members, the maximum fixed salary is 85% of the CEO's. The salaries, in 2023, were as follows:

	Position	Total fixed salary (EUR)
Ruud Sondag	CEO	458,021
Robert Carsouw	CFO	389,318
Hanne Buis ¹	COO	227,102

¹ Until 31 July 2023, including the notice period of 6 months.

Variable remuneration

General

According to the remuneration policy, the maximum variable remuneration amounts to 20% of the total fixed salary. The Supervisory Board determines the level of the variable remuneration which depends on the extent to which the annually defined targets have been achieved. Those targets are both qualitative in nature (maximum of 14%) and related to the financial results achieved (maximum of 6%). The qualitative targets include targets in the area of sustainable long term value creation. The variable remuneration is subject to a clawback clause. Therefore the Supervisory Board has the option to adjust variable pay retrospectively in certain cases.

Variable remuneration 2022

In accordance with the conditions set in relation to the NOW regulation, no variable remuneration was awarded over 2022 to the Management Board. Furthermore, both the Management and the Supervisory Board were of the opinion that the operational performance in 2022 did not allow for a variable remuneration.

Pension arrangements

Schiphol Group's pension plan, which is an average earnings scheme, is administered by Algemeen Burgerlijk Pensioenfonds (ABP). The premium due consists of an employer's share and an employee's share. The pension base used to calculate the premium is made up of fixed and variable pay (STI).

Effective 1 January 2015, no pension is accrued for tax purposes for the portion of the pensionable income in excess of 128,810 euros². In conformity with general practice in the Netherlands, Schiphol has decided to compensate the employees concerned (including the Management Board members) for this reduced pension accrual.

Other benefits

The fringe benefits consist of appropriate expense allowances, a company car or lease payment (including the possible use of a driver) and allowances for telephone costs or a telephone. The company has also taken out personal accident insurance and directors' and officers' liability insurance on behalf of the Management Board members. No loans, advances or guarantees have been or will be granted to members of the Management Board. Acceptance of ancillary positions requires the explicit approval of the Supervisory Board.

Remuneration ratios

The median gross total remuneration, including the variable remuneration and pension costs, for all Schiphol employees (excluding the CEO) amounted to 91,854 euros in 2023 (2022: 88,730 euros).

This amount compared with the total fixed salary (as no variable remuneration was paid in 2023), pension costs and pension allowance received by the CEO in 2023, totaling 552,945 euros (2022: 551,680 euros), equates to a remuneration ratio of 1:6.0 (2022: 1:6.2). The pay ratio does differ compared to previous years: in 2021 the pay ratio was 1:6.2, in 2020 1:7.0, in 2019 1:7.2 and in 2018 1:7.4. During the previous years, the pay ratios decreased.

An important explanation for the decrease is that the Management Board did not receive any variable remuneration over the period 2020 until 2023. Also, the indexation for the board members in 2023 was based on the value of the collective labour agreement increase in 2022. The increase for the collective labour agreement in 2023 consisted of a higher percentage compared to 2022. Moreover, since 2021, the pension costs have been added to the ratio calculation. The latter effect is not large because it was also added to the gross total remuneration for all Schiphol employees (excluding the CEO).

Lastly, since 2022, the median gross total remuneration for all employees (excluding the CEO) is calculated based on the actual median work hours a week: 36 (the remuneration of the CEO is based on 40 hours a week). Based on the assumption that all employees work 40 hours a week, the pay ratios for 2022 and 2023 would have been even lower.

Gender pay ratios are described in the corporate governance section.

¹ Fixed gross annual salary, including holiday allowance.

² The maximum amount for tax purposes, applicable in 2023.

Management Board Remuneration for 2023

The [performance](#) on the qualitative targets, determined this year on the basis of eight top performance indicators and eleven 'major deliverables', has been assessed by the People Committee and the Supervisory Board and is a weighted mix between the results achieved on both aspects. The Supervisory Board concluded that the overall performance of the company and the Management Board improved significantly compared to last year. The degree of recovery after a number of exceptional years is impressive. Management has shown very positive results in terms of, amongst others, operational performance, social and environmental sustainability and the quality of work at the airport. Given the beforementioned, the Supervisory Board used its discretionary authority, in line with the remuneration policy. The Supervisory Board has therefore determined that the variable remuneration amounts to 15%.

The total remuneration received by Management Board members in 2023 is specified in the [Remuneration for Management Board members](#) section of the financial statements.

The 2024 Management Agenda, consisting of eight TPIs and thirteen 'major deliverables' mainly in relation to the Schiphol Fast Forward programme, has been adopted by the Supervisory Board.

Supervisory Board Remuneration

General

An indexation of 3.25% of the remuneration for members of the Supervisory Board is effective per 1 January 2023. At the same date, remuneration for committee members was indexed accordingly. All members of the Supervisory Board receive an indexed expense allowance of 1,696.88 euros per year. Members of a Supervisory Board committee are entitled to an additional fee. Each member of the Audit Committee receives 6,701.76 euros per annum, and each member of one of the other committees is entitled to 5,584.80 euros per annum.

The actual remuneration for Supervisory Board members in 2023 was as follows:

Remuneration component	Amount (EUR)
Chair of the Supervisory Board	40,769
Members of the Supervisory Board	26,807
Audit Committee members	6,702
Committee members	5,585

Remuneration of the Supervisory Board for 2023

Information on the remuneration of the Supervisory Board for 2023 can be found under ['Related parties' in the notes to the consolidated financial statements](#).

Schiphol, 15 February 2024

Risk management

Risk Management and Internal Control form an integral part of managing our business. Schiphol, with its vital role in Dutch infrastructure to connect the Netherlands in a safe, secure and financially robust manner, faces a broad range of strategic, operational, financial and compliance risks.



Schiphol's approach to enterprise risk management

Our company plays a vital role in the Dutch infrastructure to connect the Netherlands in a safe, secure and financially sound manner. For this role, Schiphol has defined its ambition, value model and objectives. A wide range of strategic, operational, financial and compliance risks could potentially prevent us from achieving these objectives and ambitions.

The objective of risk management is to ensure that we have sufficient control over our risks by continuously evaluating the risks and opportunities.

Our definition of risk management is 'a systematic process to identify, assess, manage and control potential events or situations to provide assurance on the achievement of our objectives and top performance indicators (TPI's)'.

We have an obligation to our stakeholders to manage these risks appropriately and demonstrably to, amongst others, maintain our license to operate, comply with the Dutch Corporate Governance Code and inform our stakeholders through our annual report. Risk management and internal control therefore form an integral part of the management of our business.

Risk management is carried out throughout our organisation, including our partners, and at all levels. Enterprise Risk Management (ERM) has a Schiphol group-wide focus on our key risks and is aligned with Operational Risk Management (ORM). ORM is defined as risk management at business unit level, with a more detailed focus on specific operational requirements and laws and regulations.

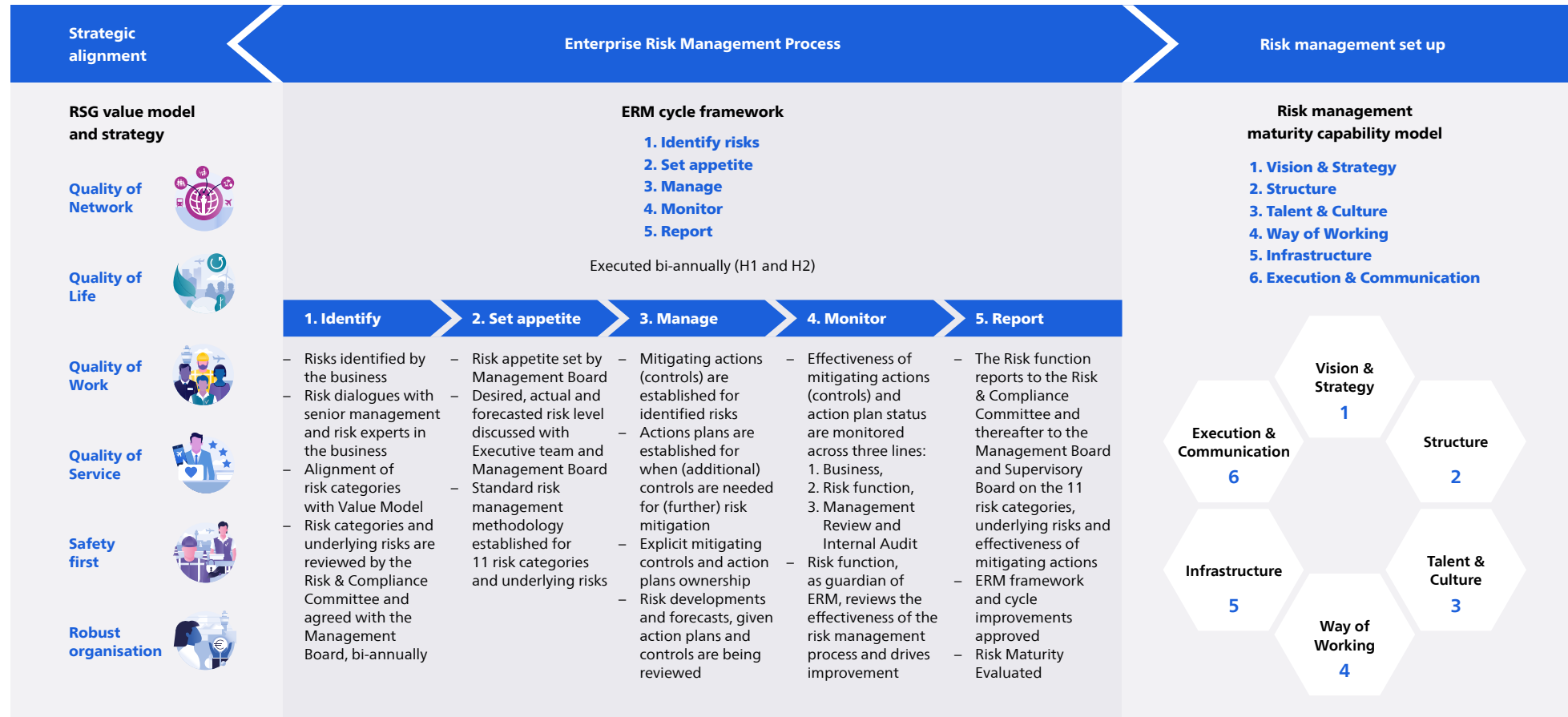
At Schiphol, we manage our risks at three levels, in line with COSO best practice: the first level, which owns the risks and controls within the business operations, operates controls to mitigate operational risks and defines actions to improve processes and mitigate risks; the second level – the risk function -, which facilitates, supports and challenges the first level in identifying, monitoring and mitigating risks; and the third level, our internal audit, which provides independent and objective assurance and advice to (senior) management on the adequacy and effectiveness of governance and risk management.

Our risk appetite describes the extent to which we accept risk in the pursuit of our objectives. Given Schiphol's vital role in the Dutch infrastructure, we have a very low to moderate risk appetite.

Our ERM approach has three distinct elements:

- Strategic alignment: alignment with the value model of Schiphol, strategic objectives and top performance indicators. Our development and progress on values, objectives and (top) performance indicators in 2023 are explained in the section '[Our results](#)' of this annual report.
- The ERM process: completion of the ERM cycle (risk identification, set appetite, manage, monitor and report). The ERM (net) results are described in the following paragraphs of Schiphol's risk profile, including the rating of the 11 risk categories.
- Risk management set-up: We follow a generally accepted risk management maturity capability model where Schiphol strives to achieve a mature risk management set-up that enables us to achieve our objectives.

Enterprise Risk Management approach



Risk profile

The risk profile provides context to the level of risk exposure, our risk environment and highlights the main areas of risk that Schiphol currently faces.

Our risk exposure has decreased slightly compared to 2022. Several risks still exceed our risk appetite and the outlook for 2024 does not appear to change significantly, although many measures are in place to keep our risks at the same level. Schiphol Group is exposed to a number of strategic, operational, financial and compliance risks. In the risk assessment, a number of other key risks appear more prominent.

Social and Political Debate' increases the risks to our connectivity ambitions

The risks in our network quality are reduced mainly due to better connectivity compared to other airports. However, there is uncertainty about how this will develop in the coming years. Political uncertainty and the uncertainty of government policy (yet to be formed) increase the risk. Among other things, decisions on the number of permitted aircraft movements, which are also driven by (geo)political constraints, have an impact on our operations.

Better balance will be required between quality of life in the surrounding area and the airport

Schiphol published an eight-point plan called Quieter, Cleaner, Better to restore the balance between quality of life in the surrounding area and Schiphol Airport, in particular in relation to noise. Schiphol cares about quality of life and has strong sustainability ambitions and is working on implementing the Most Sustainable Airports Roadmap. In the second quarter of 2023, we concluded that our CO₂e targets are below the current targets of the Duurzame Luchtvaart Tafel (DLT). In addition, it is important that the issue is sufficiently on the agenda, both internally and with external partners, especially in view of the realization of our increased investment project portfolio.

Fast forward to address the operational issues from 2022

Schiphol launched the Fast Forward programme to improve the labor conditions and attractiveness in the whole sector and to change our operating model enabling to work more closely and integrally with our partners. This enables Schiphol to get more insight into its supply chain constraints and resolve issues jointly. While issues have been adequately addressed and resolved in 2023, Schiphol will going forward strengthen their operational risk management and drive better (internal) control over the operations in the coming years to avoid similar operational issues.

Attractiveness of Schiphol improved

Schiphol has also regained its attractiveness for airlines and passengers as the operational challenges for 2022 have been resolved. Vigilance will be required to maintain sufficient staff for all operational airport services, including the shared responsibility of partners. New commercial strategies have been developed to further improve the attractiveness of Schiphol, including the upgrading of lounges, parking facilities and retail shops, but attractiveness is also expected to be impacted in the short term as the significant asset maintenance and lounge improvement projects may disrupt the passengers journey. The 'Consumer and end user experience' paragraph in the [Quality of Service](#) chapter outlines the initiatives which has and will further improve the airport service and our passenger attractiveness score.

Working conditions are being addressed

In 2023, the focus was on improving the quality of work, including improving working conditions and improving our employment practices. After the operational challenges in 2022, the main focus was on improving the security process together with our partners. Some issues, such as the impact of emissions and working conditions in baggage basements, remain at risk and are being addressed through action plans. The details of our action plans for further improvements can be found in the 'quality of work' paragraph in 'our results' section.

State of assets may impact passenger experience

The majority of our risk levels for business continuity and IT & data risks, including cyber, remain at the same level due to provided efforts. While we are investing significantly in our airport infrastructure we still have a maintenance backlog which currently pose a foreclosed risk towards our quality of service objectives. In the [Airport capacity paragraph](#) in 'Our Results' you can read how Schiphol is investing to improve the state of the assets. A calamity organisation is in place to respond quickly to an event minimizing the impact on the passenger experience.

Increased airport charges to improve efficiency, adaptability and resilience

To improve our efficiency, adaptability and resilience, a major effort is being made to improve our assets over the coming years, putting pressure and more risk on the delivery of the project portfolio. The major investment programme doubles our capital expenditure. In addition, our operating costs are increasing due to inflation, to provide better working conditions, to become more sustainable and to resolve short-term operational issues and to increase headcount to ensure project delivery. These increases have an impact on future airport charges and put pressure on the airline consultation process.

Operating model Schiphol is under revision

Our operating model is under revision since 2023 to address and resolve the issues we experienced in 2022 by securing better our supply chain in terms of availability of people, suppliers (capacity) and materials, improving our quality of work and improving our airport services. 2024 will be an interim year where a new CEO will come on board, the Dutch government is being (re)formed, political and social debates around Schiphol find new agreements and new airport changes for the three years to come are being discussed with the airlines and set by our regulator. In this interim year we will focus on risks surrounding our 'infrastructure', our 'people' while ensuring 'regulatory compliance'.

The board of Schiphol has made the following risk appetite statements guiding our (risk) management decisions:

1. We recognize the need to strike a balance between our socio-economic role (low risk appetite) and our commercial ambitions (moderate risk appetite).
2. Our primary focus is to ensure the continuity of our business in a safe and secure manner, whatever the circumstances. Risks that threaten this continuity should therefore be minimised, resulting in a very low risk appetite.
3. Maintaining our minimum single 'A' credit rating (S&P) is key, which includes ensuring a sound financial position, transparency and reliability of our financial reporting. Our financial and reporting errors risk is therefore low..
4. We strive to comply with all applicable laws and regulations, focusing on those necessary for the continuity of our aviation activities and business requirements, such as EASA, health and safety, security, environmental, competition, tendering, sanctions, privacy and information security laws.

Financial resilience

Schiphol remains a financially healthy and robust company which is important for attracting talent, working with partners to build a quality airport and having access to good financing facilities, thus continuing to create value for the Netherlands. Financial resilience remains required to ensure sufficient cash flow and costs coverage during large and long-lasting disruptions, from e.g. pandemics and war, are adequately covered through our financing facilities, airport charges, settlements and agreements with the airlines. Settlement income from prior years in future airport charges in accordance with the regulatory regime is a key component for building up our financial resilience. More details on our organisational robustness can be found in the 'Our results' section including more details on the financial solidity of our company.

Financial disclaimer

Due to the nature of our activities, Schiphol Group is exposed to a variety of financial risks, including market risk, counterparty risk and liquidity risk. A credit rating downgrade could negatively affect our access to the financial markets and/or the interest rates on future debt instruments. The financial risk management programme focuses on the unpredictability of the financial markets and minimising any adverse impact this may have on our financial results. Schiphol Group uses derivative financial instruments to hedge certain risks. Financial risk management is carried out by the central treasury department (Finance) and is

part of the approved policy of the Management Board. In addition to the establishment of written guidelines for financial risk management, the Management Board determines the policy for certain key areas, such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investment of temporary liquidity surpluses.

Concluding

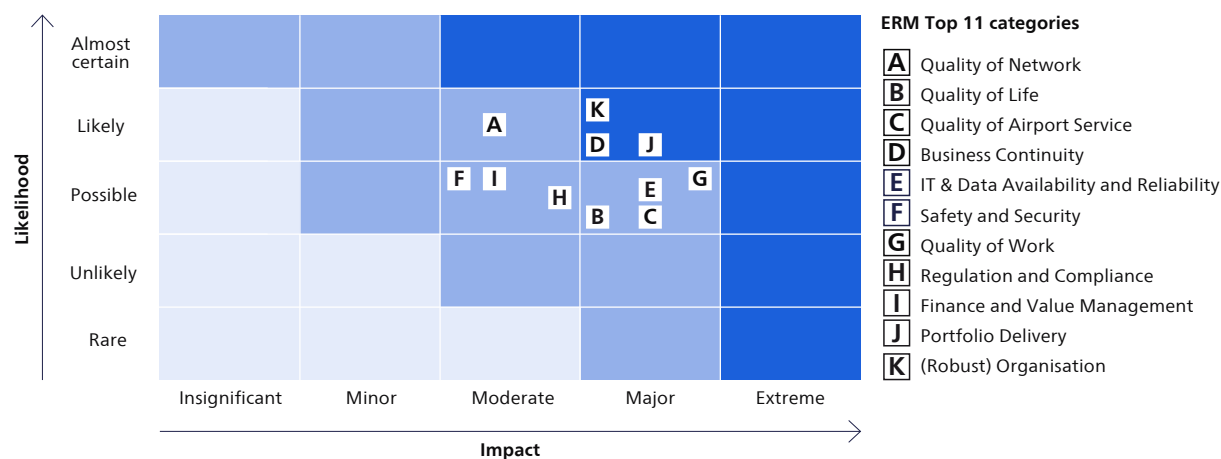
In conclusion Schiphol's risk profile has slightly decreased due to many improvement actions compared to 2022, predominately

outlined in 'Our results' section. However looking forward the risk profile is not expected to significantly change in 2024 as risks continue to emerge, political decision making is volatile and mitigating actions take time to materialize. The focus in 2024 will be on monitoring our risks related to infrastructure, employment and compliance in support of a quieter, cleaner and better airport.

Top risks

Our enterprise risk register is reviewed twice a year with the involvement of the business, including senior management, with the aim of verifying and updating the risks to ensure the register reflects the most recent and emerging risks. The identified risks are grouped into risk categories. Each category is assessed, and the results are shown in the risk matrix (impact and likelihood). The potential impact is measured either financially (for example, more than 25 million euros in EBITDA) or non-financially (for example, reputational impact). The position indicates the residual risk reflecting the effectiveness of mitigating actions. Residual risks are evaluated by senior management and discussed with the Management Board.

Schiphol's risk heat map 2023






Risk categories, developments and mitigation

The outcome of the 2023 risk assessment has led to the following principal 11 risk categories depicted in our risk heatmap on the previous page and detailed out below.

Heatmap	Risk category	Risk relates to	Risk trend vs. 2022	Risk development in 2023	Mitigation	TPI link	More information
A.	Quality of Network	Structural airline industry changes, uncertain demand, competing airports, government policy setting on ATM's and slot allocation mechanism		Schiphol still has good connectivity in comparison to other major European airports. However, the allowable ATMs is an ongoing discussion topic which gives pressure to the connectivity as it remains uncertain how our network will develop the upcoming years.	Advocating for the importance to accelerate the revision of the EU Slot Regulation and new rules with clear limits for noise and CO ₂ e emissions (8-point plan). Active engagement with the government to find solutions that harmonise our network's integrity with environmental stewardship.	ICA destinations	Learn how one of Schiphol Group's priorities is to always maintain its superior network standard in our Quality of network paragraph under 'Our results'.
B.	Quality of Life	Ambition and progress on sustainability of airport and aviation (Greenhouse gasses/UFP/ Waste/Nitrogen/ Noise) impacting the license to operate		Royal Schiphol Group has strong sustainability ambitions and works on executing the Roadmap Most Sustainable Airports. The goal is to achieve a zero emission and zero-waste airport by 2030. A 'better and balanced' plan was created to reduce the CO ₂ e emission and the 8 point plan Quieter, Cleaner Better was published to improve the quality of life at Schiphol. In 2023 Schiphol, Eindhoven Airport and Rotterdam The Hague Airport have achieved to reach the highest level of the Airport Carbon Accreditation-program.	Coming years Schiphol focusses on 1) Getting CSRD ready; 2) Improve awareness and knowledge and (3) embed the ambitions and strategy in the Schiphol organisation.	CO ₂ e emissions Local resident reputation score	Read how Schiphol Group aims to operate the world's most sustainable Airports in our Quality of Life paragraph under 'Our results'.
C.	Quality of Airport Service	Airport quality of service including the attractiveness and capacity to accommodate all airlines and passengers during peak times		Political discussions about the shrinkage, increased cost, and process times due to legislation/working conditions improvements have an impact on the airport services and its attractiveness. 2023 show improved service levels with smooth operations during the holiday seasons.	Several projects have been initiated to improve the quality of services of Schiphol including overhaul of the train stations, the retail shops, the plaza, parking facilities and the lounges.	On-time performance Net promoter score	Understand how Schiphol is committed to deliver a seamless and engaging passenger experience in the Quality of Service paragraph under 'Our results'.
D.	Business Continuity	Disruption of critical business processes or functions due to loss of key facilities, assets, utilities, IT infrastructure or key suppliers and services		Ramping up the capacity, including our sector partner, has been a challenge due to the tight labour market. The security employee problem is resolved. However, parts of the process is not controllable by Schiphol due to dependency on third parties (Airlines/ Ground handlers/ KMar./ LVNL), that must deal with staff shortages and the impact of regulation that has an impact on occupational health and safety conditions.	The AirPort Operations Centre (APOC) is further intensifying the cooperation and exchange of data with chain- and sector partners. To reduce future technical asset failure, the Portfolio Planning for 2024-2026 has a focus on asset replacements (47%) in the multi-year maintenance plan (MJOP 2024-2026) and beyond.	On-time performance Net promoter score	Read how Schiphol has an internal calamity organisation that incorporates training activities, scenarios and governance to be applied in the event of a major disruption or crisis in the paragraph Business Continuity in Airport Service under 'Our results'.

Heatmap	Risk category	Risk relates to	Risk trend vs. 2022	Risk development in 2023	Mitigation	TPI link	More information
E.	IT & Data reliability & availability	IT failure or IT abuse (cyber) with negative business outcome on critical business processes		Schiphol is continuously exposed to cyber attacks however due to existing mitigations and failover mechanisms the impact is generally limited. We foresee more risk going forward due to the large (asset) maintenance program.	Improvement paths are ongoing with an increased steering and strategy 2024+ focus on improving the basics. This will contribute to better control of risks.	On-Time Performance Net Promoter Score	Read more on how Schiphol Cyber Security Centre (SCSC) remained vigilant, protecting the digital processes and sensitive data, while fostering a culture of resilience and awareness under the Cybersecurity paragraph in Airport Service under 'Our results'.
F.	Safety and Security	Serious safety and security incidents causing casualties, injuries or damage		Safety and Security is fundamental for safe and efficient airport operations. No major incidents occurred in 2023 and our Net Safety score was above our target of 95.	We work closely with the KMAR, Dutch Customs, private security firms, airlines and other partners to drive compliance with relevant security laws and regulations in a customer-friendly, cost-efficient way.	Net Safety Score	Read further on how Schiphol Group aims to provide safe, secure and responsible travel for everyone who visits and uses our airports each day under the Safety First paragraph in the 'Our results' section.
G.	Quality of Work	Offer people good work and attractive working conditions, ensuring healthy, safe and pleasant working environment		Many actions have been executed to improve our position as a preferred place to work and the circumstances under which the work is done including improving the employee journey and welfare. Part of this is covered in the extension and renewal of the social agreement and our total plan with the sector for physical labour. Furthermore, we recovered in number of people where the greatest scarcity was evident (security). Last but not least our employee net promotor score increased to 24.	The recent renewal of the social agreement, is expected to have a risk mitigating effect due to its formalizing impact on working conditions. A Schiphol Group, including sector wide, online and offline, employer branding campaign has gone live in December 2023. In addition actions have been taken by investing in- and setting in motion the first batch of baggage handling support devices.	Employee Promoter Score	Read more on how Schiphol aims to redefine the essence of work at Schiphol Airport for everyone involved, contributing to our goal of becoming the world's most sustainable and high-quality airport in the Quality of Work paragraph under 'Our results'.
H.	Regulation & Compliance	Non-compliance with internal and external codes and/or laws and regulations		We achieved to get our nature permit and are certain we can fulfil the requirements but political uncertainties and legal procedures from interest groups could increase the risk for 2024. The compliance with the environmental requirements remains an area of focus. Not only because complying with applicable laws and regulations is our highest priority but also because the external supervisor continues to pay a lot of attention to this subject.	Schiphol is currently implementing a new HSE framework and organisation to manage this risk. Furthermore we are implementing several monitoring mechanism to control the nature permit requirements and noise limits. Schiphol has also started to develop a sector wide ambition on integrity and social safety. Our Fast Forward programme, our eight-point plan and the 'people first' approach foster the ethical behavior of our employees and partners.	Reputation Score	To learn more on how a compliance and integrity programme has been designed to monitor and manage compliance and integrity risks in the paragraph Robust organisation under 'Our results'.

Heatmap	Risk category	Risk relates to	Risk trend vs. 2022	Risk development in 2023	Mitigation	TPI link	More information
I.	Finance & Value Management	Low return on equity, credit rating downgrade(s), lack of liquidity and access to capital markets, CAPEX project selection, material financial reporting errors and fraud		The return on our equity for 2023 is below the anticipated target largely due to lower pax numbers. Schiphol however remains a financially healthy and secure company with a positive return and good credit rating (A/A-1).	New airport charges, strong cost discipline and new commercial initiatives will help to keep this risks at par for 2024..	Return on Equity	Read more about the financial solidity and our financial performance in 2023 in the Robust Organisation and Financial Performance paragraphs in 'Our results'.
J.	Portfolio delivery	Portfolio Delivery and Project Execution fail to deliver value on time, within budget and with required quality		The topmost challenge is the realisation of a large and complex project portfolio, increasingly focusing on maintenance and replacement of existing assets. Given the attention for environmental issues, a widening future focus (beyond Nitrogen) of this risk is expected. Construction and project resources, especially specialists, remain scarce, both for contractors as well as own staff resources.	A robust and realistic portfolio planning is currently concluded for the tactical 2024 portfolio and in Q1 2024 for the tactical 2025 strategic portfolio 2026 – 2028. By monitoring the Portfolio 2023-2026 realisation more intensely, early insights in constraints and their solutions are obtained for current and future improvement of the portfolio delivery.	All TPIs	Read more on how Schiphol is undertaking an extensive investment programme to support our short, medium and long-term capacity needs, with several major projects underway or in preparation in the Airport capacity paragraph under Quality of Service in the 'Our results' section.
K.	Organisation	Adapt and improve as an organisation		Our operating model is under revision, addressing the problems for the short term, the newly appointed CEO will further drive the organisation for the longer term towards new revised goals. A series of 'deep listening sessions' with a broad set of supplier employees took place in 2023 to understand how they experience their work at Schiphol Airport and what suggestions they have for improvement.	In 2024, Schiphol aims to transition to a robust and improved supplier management model within the sector build on trust and long-term, equal relationships to deliver higher 'Quality of Work and Service' across the airport.	All TPIs	Read further on how Schiphol actively worked on improving collaboration with its strategic suppliers to create a more balanced ecosystem where all parties work together at Schiphol to achieve a quieter, cleaner and better airport in the Robust Organisation paragraph under 'Our Results'.

Statement of the Management Board

We seek to minimize the likelihood of errors, wrong decisions and the impact of surprises due to unforeseen circumstances. However, we cannot exclude the possibility of being exposed to risks that we are currently unaware of, or which may not have been considered important thus far.

No risk management or internal control system can provide an absolute safeguard against failure to achieve corporate objectives, nor fully prevent any possible loss, fraud or breach of rules and regulations. Furthermore, as an airport, Schiphol is susceptible to adverse weather conditions and other natural phenomena; we cannot prevent or influence these. However, we can ensure that the consequences remain as limited as possible. In light of the above, we believe that the risk management and internal control systems provide a reasonable degree of assurance concerning financial reporting risks and that the financial reporting does not contain any material misstatements.

The Management Board declares, considering the above, that, to the best of its knowledge:

- The financial statements provide a true and fair view of the financial assets, liabilities, financial position and profits of Schiphol Group, as well as the combined consolidated enterprises;
- The financial statements have legitimately been prepared on a going concern basis for Schiphol Group, given its strong financial position;
- The annual report describes the material risks and uncertainties that are relevant to the assessment of the continuity of Schiphol Group for a period of 12 months following the publication of the report;
- The annual report provides a true and fair view of the situation on the balance sheet date and of developments over the course of the financial year; and
- The principal risks facing Schiphol Group are described in this annual report.



Socio-economic accountability

Sonja Hoffman, service owner Landside and responsible for bicycle policy:

‘Schiphol encourages employees to travel by bicycle more often. And it’s working. Thanks to more cycle paths at and around Schiphol, an attractive bicycle allowance and improved bike facilities at the airport, more and more employees are swapping cars for bicycles.’

Reporting guidelines

In order to disclose relevant information regarding our non-financial performance, RSG draws from international reporting guidelines and best practices regarding non-financial information. We elaborate on the elements of the European Directive regarding non-financial information in section [Disclosure on EU Non-Financial Reporting Directive](#) in this report, and we report with reference to the (GRI) Standards of the Global Reporting Initiative. The [GRI Content Index](#) pinpoints information in this report regarding the indicators that are relevant to our business operations. The GRI sector supplement for airports has also been applied. Furthermore, our annual reporting is inspired by the [International Integrated Reporting Council framework](#) as can be seen in our [Value creation model](#) as well as other elements of our reporting.

With the Corporate Sustainability Reporting Directive (CSRD) coming into effect as of 2024, RSG has taken significant steps towards compliance with this reporting framework. Due to the interoperability between CSRD and GRI we have taken the opportunity to extend our reporting in this year's annual report already with metrics resulting from the CSRD. This will provide a baseline and comparability in upcoming years of reporting under CSRD. As such, our non-financial disclosures is based on GRI, IIRC, SDG and draws inspiration from CSRD. For detailed reference, please consult the [GRI Content Index](#) for the highlighted connections between these reporting frameworks.

Annual reports of state shareholdings are required to participate in the Transparency Benchmark, which is a benchmark study commissioned by the Ministry of Economic Affairs and Climate Policy. RSG has been participating in the benchmark since 2006 and our 2018 annual report won the prize for the most transparent annual report. Next to that, previous year's annual report was shortlisted by *Ducth Financieel Dagblad* for the *Henri Sijthoff award*, in the category non-listed organisations.

Reporting method

RSG has the ambition to create the most sustainable and high-quality airports in the world. Our financial, operational, and social performance are consolidated in one annual report. Aligned with our Vision 2050, structured around our Key Qualities—Quality of Network, Quality of Life, Quality of Work and Quality of Service—and underpinned by Safety and a Robust organisation, our annual report and associated data follow this framework. Our eight Top Performance Indicators (TPIs) are directly connected to Vision 2050.

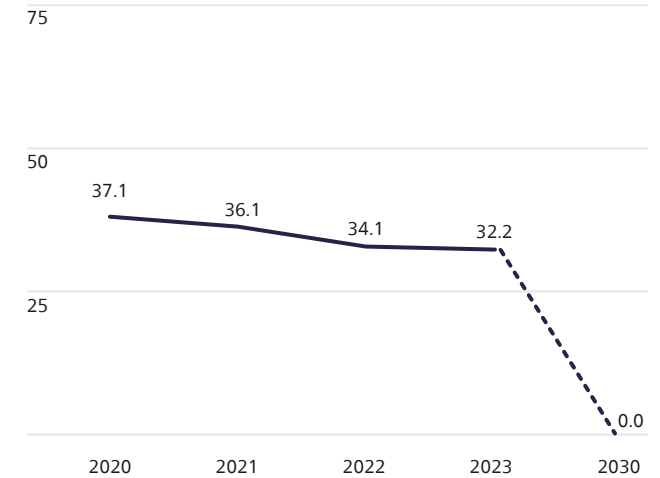
This report's [Corporate Governance](#) section outlines our sustainability governance structure. Our sustainability ambitions and goals for 2023 remain consistent, as detailed in the [Quality of Life](#) section, illustrating our roadmap toward achieving sustainability targets by 2030. Further information is accessible online at schiphol.nl and schiphol.nl/sustainability.

Amsterdam Airport Schiphol accounts for the majority of Royal Schiphol Group's activities. Hence, we have aligned definitions and reporting processes among Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport, and Lelystad Airport to enhance comparability, clarifying any differences in this report. To enhance measurability, we've maintained differences in definitions only where necessary to enhance understanding of the specific operation. While the data in the annual report is systematically collected and verified for reliability, RSG acknowledges that certain information may be assumption-based. Where definitions defer from the overall definition or where assumptions are made, we have disclosed this is done.

Regarding CO₂e emissions reporting, emission factors may change yearly. We typically restate previous years' figures for CO₂e emissions for gas and fuels, aiming to achieve zero emissions in these categories by 2030. Refer to the [Energy-positive](#)

Towards zero emissions 2030 Amsterdam Airport Schiphol

Realised emissions in CO₂e in kilo tonnes for fuel airside and natural gas



[airports](#) section for detailed information on Schiphol's 2023 CO₂e emissions.

RSG's independent external accountant signs the auditors report and provides limited assurance on selected socio-economic information and the allocation of the proceeds of our green bonds as presented in this report. Comments or questions regarding the 2023 annual report can be directed by email to investor_relations@schiphol.nl.

Scope

In the 2023 annual report, we report on the [results](#) achieved in relation to the material topics as outlined in the [materiality matrix](#). This helps us clarify the impact and relevance of the disclosed information to readers. In 2023, we performed the materiality assessment with an updated approach in line with CSRD requirements, as described in [Materiality analysis](#). The topics in the [materiality matrix](#) relate to Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport. Our general approach is to include all entities that are fully consolidated in the financial statements in the socio-economic disclosures; however in particular instances we

diverge from this approach; were this occurs, we have stated so. In 2023, no new material (dis)investments occurred that were had an impact on our socio-economic reporting.

In this report, we use the names 'Royal Schiphol Group', 'Schiphol Group' or 'the Group' when referring to the entire group, and Schiphol when referring only to (our activities at) the Schiphol location. We have a majority stake in our Regional airports and a reference to the group also includes them; the exception of Maastricht-Aachen Airport, where we have a minority stake. Our international activities and participations pursue their own initiatives, which are geared towards their local environment but are consistent with RSG's vision. All topics included in the [materiality matrix](#) are relevant to our airports and other parties in the [value chain](#). This annual report includes information on material topics over which Royal Schiphol Group has full control. The performance reported in these areas also concerns our partners in the value chain where relevant and stated.

CSRD readiness

This annual report still falls under NFRD (Non-Financial Reporting Directive) and therefore RSG applies GRI as a reporting standard for our non-financials. Nonetheless, RSG is making efforts to become CSRD ready by annual report 2024.

In this annual report we have already used the Double Materiality concept for our reporting, resulting in a few existing material topics being split into multiple topics and two new material topics. We have described the process for this year and are reperforming this exercise again in 2024, including an external validation. Next to that, the definitions of our material topics have been finetuned to fit more closely to the CSRD definitions.

We have already placed significant effort to introduce additional metrics related to "carbon emissions" and our "own workforce" in this annual report. The definitions of these metrics are CSRD already compliant. More extensive disclosure in the Governance section related to ESG-responsibilities of the Board have been included and the reporting on EU Taxonomy eligibility now extended to 6 environmental objectives. EU Taxonomy alignment is still reported as 0% due to outstanding Minimum Safeguards in place and lack of (evidence for) meeting technical screening criteria.

In the upcoming year, RSG teams are placing significant efforts to close the remaining gaps towards CSRD reporting. This includes embedding the necessary process controls for obtaining limited assurance on full sustainability reporting, creating policy documentation for external publication and making the missing metrics available.

Stakeholders

We maintain a regular dialogue with our stakeholders to understand their needs and interests. The nature and frequency of these communications are diverse, as are the material aspects covered in our discussions. The stakeholder groups are based on our five main stakeholders as identified in our [Vision 2050](#) and our [materiality analysis](#). The table below lists more details on our consultations with our stakeholders. This overview is not exhaustive. The results achieved for each material topics are included in the [Results](#) chapter.






Stakeholder	Matters discussed
Airlines	<ul style="list-style-type: none"> Facilitating safe and responsible travel, and connectivity Sustainable development of the aviation sector On-time performance Operational challenges Follow-up on government decision to reduce ATMs at Schiphol Re-establish the capacity for the summer season 2024
Passengers	<ul style="list-style-type: none"> Facilitating safe and responsible travel Efforts to improve traveller journey incl. get ready for security campaign, time slot security, wellness concept Hollisteq, improve wayfinding, smart maintenance, new car rental service, hospitality teams
Local residents	<ul style="list-style-type: none"> Improvement of Quality of Life Noise and hindrance reduction Government decision to reduce ATMs at Schiphol BAS Employment, education and training Runway maintenance
Sector partners	<ul style="list-style-type: none"> Facilitating safe and responsible travel Licence to operate Quieter, cleaner, better: Schiphol Airport's eight point plan ISMS to strengthen safe operations in conjunction with all chain partners Ambition and progress on sustainability of airport and aviation impacting the licence to operate Quality of work
Government bodies	<ul style="list-style-type: none"> Safe and responsible travel Quieter, cleaner, better: Schiphol Airport's eight point plan Quality of work Sustainability Follow-up on decision to reduce ATM's at Schiphol Nitrogen emissions and depositions Noise and hindrance reduction LVB 1 EES Infrastructure (Airrail, North/South metroline) Slots directive General Elections 2023
Financial stakeholders	<ul style="list-style-type: none"> Cost control Monitoring the creditworthiness of the Group International activities Capex outlook Sustainable development of Schiphol beyond 2023
Business partners	<ul style="list-style-type: none"> Facilitating safe and responsible travel Airside electric charging Circular construction practices Safe working campaigns for main contractors Personalised offering
Employees	<ul style="list-style-type: none"> Quality of work Improving employee journey Facilitating safe and responsible travel Labour conditions and relations Schiphol career hub Collective labour agreement Diversity, equity and inclusion
Network and special interest organisations	<ul style="list-style-type: none"> Collaboration and knowledge sharing Prevention of wildlife trafficking Net-zero-carbon aviation Sustainable commuter and travel policy Schiphol Group Joint lobby sustainable aviation Infrastructure (Airrail, North-South metroline)
Knowledge institutions	<ul style="list-style-type: none"> Research noise disturbance Research into sustainable aviation fuels Research into a new way of working in Schiphol's baggage halls





The UN Sustainable Development Goals

Introduced in 2015 by the United Nations, the UN Sustainable Development Goals (SDGs) relate to the 17 most important challenges facing the world towards 2030. RSG identified nine

goals to actively support and contribute to over the following two decades. Behind the 17 goals are 169 key performance indicators (KPIs). To make our SDG approach clearer and more transparent, we publish the relevant KPIs for RSG in the Annual Report. Please

refer to initiatives and the material topics described in the SDG table for details of how we are working to contribute to the goals and to continuously improve as an organisation.

SDG	Contribution to SDG targets	Results and initiatives	Material topics
SDG 5 	Gender equality 5.C Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	<ul style="list-style-type: none"> - Diversity and Inclusion ambition - 31% female employees - Diversity, Equity and Inclusion dimensions (work groups) - DE&I measurement - DE&I conscious recruitment strategy - Diversity, Equity and Inclusion Board 	Diversity, equity and inclusion own workforce
SDG 7 	Affordable and clean energy 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	<ul style="list-style-type: none"> - Schiphol Group operates on 100% renewable wind energy - Eindhoven Airport, Rotterdam The Hague Airport and Lelystad Airport all operate on 100% green gas - ACA Level 5 for Schiphol, Rotterdam The Hague Airport and Eindhoven airport 	Energy-positive airports Sustainable aviation
SDG 8 	Decent work and economic growth 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.8 Protect labour rights and promote safe and secure working environments for all workers	<ul style="list-style-type: none"> - Number of persons employed at Schiphol site and direct surroundings: 71,000 - E-NPS: 24 - LTIF: 1.6 - (International) Alliances and participations - Aviation Community Schiphol - The Safety Leadership principles - Human rights policy 	Employment practices own workforce Employment practices in value chain Safety and security Business ethics and corporate culture
SDG 9 	Industrial innovation and infrastructure 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes	<ul style="list-style-type: none"> - Passenger and cargo volumes by mode of transport: 71 million passengers and 1.38 million tonnes of cargo - Energy efficiency level: 4% - Member of Mobility alliance - Member of MASH coalition (e.g. North-South metro line extension) - A-Pier is on track for LEED Gold - Cargo Building 17 is on track for BREEAM Excellent 	Accessibility Energy-positive airports Sustainable aviation Resource use (inflows, outflows) Societal value
SDG 11 	Sustainable cities and communities 11.6 By 2030, reduce the adverse per-capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	<ul style="list-style-type: none"> - Annual mean levels of fine particulate matter (PM10): The Schiphol site met all governmental requirements, which are based on the EU directive 2008/50/EG, for this category during the 2023 operating year (well below the European annual mean limit of 40µg/m³) - Electrification of vehicles towards zero emissions (Roadmap Zero Emissions Airside) - Sustainable taxiing roadmap - Schiphol Quality of Life Foundation - Minder Hinder Schiphol - NotiFly - 8 Punten Plan 	Energy-positive airports Sustainable aviation Noise Air pollution Engaging with our communities Waste

SDG	Contribution to SDG targets	Results and initiatives	Material topics
SDG 12	 <p>Responsible consumption and production 12.2 By 2030, achieve sustainable management and efficient use of natural resources 12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products</p>	<ul style="list-style-type: none"> - Separation rate: 46.5% - Circular economy strategy - Leader of TULIPS consortium, including workpackage 6: Circular airports - Zero waste dashboard - New partnership with Renewi 	Circularity
SDG 13	 <p>Climate Action 13.2 Integrate climate change measures into national policies, strategies and planning</p>	<ul style="list-style-type: none"> - Energy-positive strategy - 40,000 tonnes of SAF delivered at Schiphol - Achieving SBTi validation for Amsterdam Airport Schiphol - Invest in and research into sustainable aviation fuels, e.g. biokerosene factory in Delfzijl and Synthetic Kerosene research at Rotterdam The Hague Airport - Sustainability is integrated into airport charges - Leader of TULIPS consortium - Co-initiator of net-zero carbon 2050 resolution ACI Europe Agreement Dutch Sustainable Aviation - Rotterdam The Hague Airport hydrogen projects - Eindhoven Airport aims for 30% reduction of CO₂e emitted from departing aircraft by 2030 (compared to baseyear 2019) 	Energy-positive airports Climate adaptation Sustainable aviation
SDG 15	 <p>Life on land 15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products</p>	<ul style="list-style-type: none"> - Chair of the Airports Council International (ACI) Wildlife Trafficking Taskforce - Policy on Human and Wildlife Trafficking - Wildlife Hazard Management 	See: Wildlife trafficking under Sustainable Aviation
SDG 16	 <p>Peace, justice and strong institutions 16.5 Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> - Reported integrity issues: 32 - Code of Conduct - Human rights policy 	Sustainable aviation Business ethics and corporate culture Supplier and procurement practices

GRI Content Index

GRI guidelines for sustainability reporting

Royal Schiphol Group has reported with reference to the 2021 GRI Standards for the period 1-1-2023 till 31-12-2023

Ref. GRI	Description	Chapter	External assurance section	Information and reference
2-1	Organisational details	Financial Statements Our company Corporate governance	Yes No No	Location of headquarters: Evert van de Beekstraat 202, 1118 CP Schiphol
2-2	Entities included in the organizations's sustainability reporting	Financial Statements Socio-economic accountability	Yes Yes	
2-3	Reporting period, frequency and contact point	Socio-economic accountability	Yes	Reporting period: 01-01-2023 - 31-12-2023 Reporting cycle: Annual Contact point: investor_relations@schiphol.nl
2-4	Re-statements of information	Socio-economic accountability	Yes	Restatement of information is done where relevant by using footnotes
2-5	External assurance	Assurance report	Yes	
2-6	Activities, value chain and other business relationships	Our company About us and our Why Passenger and airline journey Socio-economic accountability	No No No Yes	
2-7	Employees	Employment practices	Yes	<p>Total FTE's Royal Schiphol Group: 2,820</p> <p>Total FTEs per Entity Amsterdam Airport Schiphol: 2,571 Lelystad Airport: 46 Eindhoven Airport: 82 Rotterdam The Hague Airport: 121</p> <p>The total FTE per entity are reported on as an average over the entire reporting period.</p> <p>Total employees split by gender Fulltime Total:2833.2 Male:2035.7 Female:797.5 Parttime Total:209.8 Male: 90.19 Female:119.61</p> <p>The total split by gender is reported on in FTE, and represents the numbers at the end of the reporting period for RSG. There have been no significant fluctuations in the number of employees during the reporting period.</p>
2-8	Workers who are not employees		No	This topic is not included in the reporting of FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
2-9	Governance structure and composition ¹	Governance	No	
2-10	Nomination and selection of the highest governance body	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/
2-11	Chair of the highest governance body	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/

Ref. GRI	Description	Chapter	External assurance section	Information and reference
2-12	Role of the highest governance body in overseeing the management of impacts ²	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/
2-13	Delegation of responsibility for managing impacts	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/
2-14	Role of the highest governance body in sustainability reporting	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/
2-15	Conflicts of interest	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/ Also note that among other matters, the Royal Schiphol Group Code of Conduct contains the internal reporting regulations for misconduct and fraud (the Whistle-blower Regulations).
2-16	Communication of critical concerns	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/ Also note that among other matters, the Royal Schiphol Group Code of Conduct contains the internal reporting regulations for misconduct and fraud (the Whistle-blower Regulations).
2-17	Collective knowledge of the highest governance body	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/
2-18	Evaluation of the performance of the highest governance body	Governance	No	More detailed information can be found on our website in e.g. our Articles of Association, the Supervisory Board Regulations and the Management Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/
2-19	Remuneration policies	Corporate governance Remuneration	No	
2-20	Process to determine remuneration	Corporate governance Remuneration	No	
2-21	Annual total compensation ratio	Corporate governance Remuneration	No	
2-22	Statement on sustainable development strategy	Corporate governance Message from the CEO	No	Also refer to our website https://www.schiphol.nl/en/schiphol-group/page/road-to-the-most-sustainable-airports/
2-23	Policy commitments	Risk management Business ethics and corporate culture	No Yes	More information on specific policies can be found on our website e.g. : <ul style="list-style-type: none"> – Integrity policies such as the Code of Conduct, Supplier Code and Human Rights Policy. See https://www.schiphol.nl/en/schiphol-group/page/code-of-conduct-integrity-guidelines-compliance-and-supplier-code/ – Climate agreements, such as the Smart and Sustainable action plan for Dutch aviation and other international agreements. See https://www.schiphol.nl/en/schiphol-group/page/climate-agreements/ – Policy on human and wildlife trafficking. See https://www.schiphol.nl/en/schiphol-group/page/tackling-illegal-trade-in-people-plants-and-wildlife/

Ref. GRI	Description	Chapter	External assurance section	Information and reference
2-24	Embedding policy commitments	Quality of Life Business ethics and corporate culture	Yes Yes	Also refer to our Sustaining your world roadmap. See https://www.schiphol.nl/en/schiphol-group/page/road-to-the-most-sustainable-airports/
2-25	Processes to remediate negative impacts	Engaging with our communities Business ethics and corporate culture	Yes Yes	Also refer to our website for different grievance mechanisms: <ul style="list-style-type: none"> - https://www.schiphol.nl/en/schiphol-group/page/code-of-conduct-integrity-guidelines-compliance-and-supplier-code/ - https://www.schiphol.nl/en/contact-schiphol/ - https://bezoekbas.nl/ - https://www.schiphol.nl/en/page/privacy-and-cookies/
2-26	Mechanisms for seeking advice and raising concerns ³	Business ethics and corporate culture	Yes	Note that among other matters, the Royal Schiphol Group Code of Conduct contains the internal reporting regulations for misconduct and fraud (the Whistle-blower Regulations). Also refer to our website for different grievance mechanisms: <ul style="list-style-type: none"> - https://www.schiphol.nl/en/schiphol-group/page/code-of-conduct-integrity-guidelines-compliance-and-supplier-code/ - https://www.schiphol.nl/en/contact-schiphol/ - https://bezoekbas.nl/ - https://www.schiphol.nl/en/page/privacy-and-cookies/
2-27	Compliance with laws and regulations	Business ethics and corporate culture Corporate Governance	Yes No	This topic is not included in the reporting of FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
2-28	Membership associations	Supervisory Board Executive team Socio-economic accountability	No No Yes	Industry association Airports Council International, World economic Forum.
2-29	Approach to stakeholder engagement	Material topics 2023 Socio-economic accountability	Yes Yes	In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
2-30	Collective bargaining agreements		No	92.2 % of employees covered by CLAs for Amsterdam Airport Schiphol. For employees with above CLA contracts, the CLA is used as reference for the working conditions. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24, to include our regional airports.
3-1	Process to determine material topics	Material topics 2023 Socio-economic accountability	Yes Yes	
3-2	List of material topics ⁴	Material topics 2023 Socio-economic accountability	Yes Yes	For elaboration on the impacts, goals, actions and progress of the material topics, please refer to the consecutive chapters in the Our results section of the annual report.
3-3	Management of material topics	Material topics Corporate Governance Socio-economic accountability	Yes No Yes	Schiphol Group consciously weighs the quality of network, quality of life, quality of service and quality of work. Our results show how we shoulder our responsibilities and seek to strike a balance between the positive and negative effects of our operations.

Ref. GRI	Description	Chapter	External assurance section	Information and reference
Material topics				
Network of destinations				
1 ⁵	Number of passengers handled over the course of one year, categorised according to international and domestic flights and OD and transfer passengers, including transit-direct passengers	Network of destinations	Yes	Amsterdam Airport Schiphol excl. transit-direct Passengers: 61,887,628 European: 43,339,518 Intercontinental: 18,548,110 OD passengers (total): 39,431,773 European OD: 29,689,136 OD Intercontinental: 9,742,637 Transfer (total): 22,455,853 European transfer: 13,650,382 Intercontinental transfer: 8,805,471 Transit-direct passengers: 3,916
AO2	Number of air transport movements over the course of one year, categorised into day and night-time flights, and commercial, non-commercial and cargo flights	Network of destinations	Yes	Amsterdam Airport Schiphol Air transport movements (cargo and passenger): 441,969 Cargo flights (commercial): 15,969 Passenger flights (commercial): 426,000 General aviation (non-commercial): 22,758 Night-time flights (commercial): 16,551
AO3	Cargo volume	Network of destinations	Yes	Amsterdam Airport Schiphol: 1,378,041,974 kg
	Number of ICA destinations	TPI performance 2023	Yes	
Accessibility				
	Accessibility	Accessibility	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Energy positive airports				
302-1	Energy consumption within the organisation	Energy-positive airports	Yes	In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
		Schiphol Group full value chain emissions	No	
302-4	Reduction of energy consumption	Energy-positive airports	Yes	
305-1	Greenhouse gas emissions - Scope 1 ⁶	Energy-positive airports	Yes	
		TPI performance 2023	Yes	
		Schiphol Group full value chain emissions	No	
305-2	Greenhouse gas emissions - Scope 2	Energy-positive airports	Yes	
		TPI performance 2023	Yes	
		Schiphol Group full value chain emissions	No	
305-3	Greenhouse gas emissions - Scope 3	Energy-positive airports	Yes	
		TPI performance 2023	Yes	
		Schiphol Group full value chain emissions	No	
305-5	Reduction of greenhouse gas emissions	Energy-positive airports	Yes	
		TPI performance 2023	Yes	
		Schiphol Group full value chain emissions	No	
Sustainable aviation				
	Sustainable aviation fuel contribution	Sustainable aviation	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.

Ref. GRI	Description	Chapter	External assurance section	Information and reference
Climate adaptation				
	Climate adaptation	Climate adaptation	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Air pollution				
	Air pollution	Air pollution	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
	Air quality composition	Air pollution SDG table	Yes Yes	Air quality at Schiphol is continuously monitored by the government; the province of North Holland has three air quality meters in the vicinity of the airport and publishes its measurements online.
Water pollution				
	Water pollution	Water pollution	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Soil pollution				
	Soil pollution	Soil pollution	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Circularity				
	Circularity	Circularity	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
306-1	Waste generation and significant waste-related impacts	Circularity Quality of life	Yes Yes	For infrastructure, we focus on circular design and the reuse of materials. Training of staff, materials hubs and material passports are key enablers. For operational processes, we minimise, separate and upcycle everyday catering, office and aircraft residuals. We focus on better separation, while phasing out selected single-use products. Furthermore, in preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
306-2	Management of significant waste-related impacts	Circularity Quality of life	Yes Yes	For infrastructure, we focus on circular design and the reuse of materials. Training of staff, materials hubs and material passports are key enablers. For operational processes, we minimise, separate and upcycle everyday catering, office and aircraft residuals. We focus on better separation, while phasing out selected single-use products. Waste data is obtained from our contractors and monitored internally through periodic reporting. Furthermore, our supplier code includes the stipulation for our suppliers to actively contribute to our sustainability goals. Furthermore, in preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
306-4	Waste diverted from disposal	Circularity Quality of life	Yes Yes	We aim for the high-value recycling of residual flows, which yields economic residual value. Separated residual flows account for a total volume in tonnes. Other information is not material. Specific other (e.g. project related) results are reported in Waste. Furthermore, in preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
AO6	Aircraft and pavement de-icing/anti-icing fluid used and treated by m3 and/or tonnes	Circularity	Yes	

Ref. GRI	Description	Chapter	External assurance section	Information and reference
Noise				
AO5	Ambient air quality levels according to pollutant concentrations in microgram per m3 or parts per million (ppm) by regulatory regime	Energy-positive airports SDG table	Yes Yes	
AO7	Number of people living in noise-affected areas	Noise	Yes	
Engaging with our communities				
413-1	Operations with local community engagement, impact assessments, and development programs	Engaging with our communities	Yes	
413-2	Operational activities with a significant (potentially) negative impact on the local environment	Engaging with our communities	Yes	The area around the airport is especially likely to experience noise disturbance See also: www.bezoekbas.nl
AO8	(Estimated) number of people to be voluntarily or involuntarily relocated in connection with the development or expansion of an airport	Engaging with our communities	Yes	Expansion of the airport in 2023 did not require any relocations of local residents.
	Reputation Score	TPI performance 2023	Yes	
Societal value				
	Societal value	Societal value	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Employment practices own workforce				
401-1	Number of new employees and staff turnover	Employment practices own workforce	Yes	In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
403-9	Work-related ill-health	Safety and security	Yes	Number of cases of recordable work-related ill health: Amsterdam Airport Schiphol : 42 Rotterdam The Hague Airport: 0 Eindhoven Airport: 0 Lelystad Airport: 0
	Employee promoter score	TPI performance 2023	Yes	
Diversity, equity & inclusion in own workforce				
	Diversity, equity & inclusion	Diversity, equity & inclusion in own workforce	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Employment practices in value chain				
	Employment practices in value chain	Employment practices in value chain	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Consumer and end-user experience				
	Net Promoter Score	Consumer and end-user experience TPI performance 2023	Yes Yes	
Business continuity				
	Business continuity	Business continuity	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.

Ref. GRI	Description	Chapter	External assurance section	Information and reference
Cybersecurity				
	Cybersecurity	Cybersecurity	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Airport capacity				
	On-time performance	TPI performance 2023	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Safety and security				
AO9	Number of animals involved in wildlife strikes per 10,000 air transport movements	Safety Our regional airports	Yes Yes	Bird strikes are deemed material and are reported on.
403-10	Work-related injuries	Safety Our regional airports	Yes Yes	Lost Time Injury Frequency and absenteeism are deemed material and are reported on.
	Net Safety Score	TPI performance 2023	Yes	
	Security	Security	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Business ethics and corporate culture				
201-2	Financial implications and other risks and opportunities due to climate change	Risk Management Quality of life	No Yes	
201-4	Financial assistance received from government ⁷	Financial statements	Yes	
	Number of issues reported to the integrity committee	Business ethics and corporate culture	Yes	
Supplier and procurement practices				
	Supplier and procurement practices	Supplier and procurement practices	Yes	This topic is qualitatively reported on for FY23. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY24.
Financial solidity				
201-1	Direct economic values ⁷	Financial Statements	Yes	
203-1	Development and impact of infrastructure investments and services provided primarily for public benefit	Airport capacity Accessibility	Yes Yes	We invested 678 million euros in 2023. A substantial portion of this is invested in improving, maintaining and optimally deploying the airport-related infrastructure. The long-term investments contribute to the quality, accessibility and development of the airport.
203-2	Insight into and description of significant indirect economic consequences, including their scale	About us and our Why Financial solidity Financial performance	Yes No No	
	ROE	TPI performance 2023	Yes	

1 GRI 2-9 relates to the WEF topic Quality of governing body

2 GRI 2-12 relates to the WEF topic Governing purpose

3 GRI 2-26 relates to the WEF topic Risk and opportunity oversight

4 GRI 3-2 relates to the WEF topic Stakeholder engagement

5 GRI A01-A09 are derived from the GRI Airport Operators Sector Supplement (2013)

6 GRI 305-1 relates to the WEF topic Climate change

7 GRI 201-1, 201-4, and, 401-1 relate to the WEF topic Employment and wealth generation

Non-Financial Information disclosure

Topic	Subtopic	Section reference
Business model		About us and our why
Relevant environmental matters	Policies pursued	Quality of life Energy positive airports Sustainable aviation Circularity Noise Engaging with our communities
	Outcome of policies	Quality of life Energy positive airports Sustainable aviation Circularity Noise Engaging with our communities
	Principal associated risks and mitigation	Risk Management
	Key performance indicators	Quality of life Energy positive airports Sustainable aviation Circularity Noise Engaging with our communities
Relevant social and personnel matters	Policies pursued	Quality of life Noise Engaging with our communities Safety Robust organisation Employment practices own workforce
	Outcome of policies	Quality of life Noise Engaging with our communities Safety Robust organisation Employment practices own workforce
	Principal associated risks and mitigation	Risk Management
	Key performance indicators	Quality of life Noise Engaging with our communities Safety Robust organisation Employment practices own workforce

Topic	Subtopic	Section reference
Relevant human rights matters	Policies pursued	Business ethics and corporate culture
	Outcome of policies	Business ethics and corporate culture
	Principal associated risks and mitigation	Risk Management
	Key performance indicators	Business ethics and corporate culture
Relevant anti-corruption and anti-bribery matters	Policies pursued	Business ethics and corporate culture
	Outcome of policies	Business ethics and corporate culture
	Principal associated risks and mitigation	Risk Management
	Key performance indicators	Business ethics and corporate culture

EU Taxonomy disclosure FY 2023

The EU Taxonomy mandates RSG to provide transparency on the environmentally sustainable nature of its economic activities. The European Regulation does so by classifying economic activities into (non-)environmentally sustainable activities for three KPI's: turnover, CAPEX and OPEX. Within these metrics economic activities are classified as eligible economic activities and aligned economic activities. RSG has been reporting on EU Taxonomy eligibility since FY 2021 for two environmental objectives: *Climate Change Adaptation (CCA)* and *Climate Change Mitigation (CCM)*. As of June 2023, the European Union has released technical screening criteria for additional economic activities for four other environmental objectives: *Sustainable use and protection of water and marine resources*, *Transition to a circular economy*, *Pollution prevention and control*, and *Protection and restoration of biodiversity and ecosystems*. Next to that, technical screening criteria for additional economic activities and amendments to the existing economic activities have been released for the *Climate objectives*.

With the increased potential scope of economic activities, significant effort has been placed this year in a more granular analysis of the economic activities for our CAPEX KPI. Next to the analysis at a more granular level, the Environmental Delegated Act has been taken into account for the eligibility assessment of economic activities under the other four environmental objectives.

For FY 2023, RSG has been unable to fully implement the Minimum Safeguards needed to claim alignment; as such the TSC and DNSH criteria have not been evaluated for any of the eligible economic activities. RSG has put a working group in place to ensure the Minimum Safeguards are put in place for the next reporting year, while starting conversation with value chain partners to discuss collaboration on data availability to adequately report on alignment next year.

A big milestone for RSG in putting the Minimum Safeguards in place will be the implementation of the Responsible Business Policy in 2024, that leverages a due diligence process as outlined by the OECD Guidelines for Multinational Enterprises and UNGP for Business and Human Rights.

RSG interprets an economic activity to be eligible when the activity is described by the European Union (EU) Taxonomy's Delegated Acts and Amendments, whether or not the technical screening criteria (TSC), Do No Significant Harm (DNSH) criteria and Minimum Safeguards criteria are met. An economic activity is deemed aligned when all the previous three criteria are met; hence the percentage "aligned" turnover, CAPEX and OPEX can be seen as environmentally sustainable activities. Nonetheless, the EU Taxonomy is a reporting regulation in development where economic activities and underlying criteria are being added and adjusted. Therefore the percentages of eligibility and alignment do not give a full reflection of RSG's sustainability efforts, but need to be interpreted within the context of the EU Taxonomy.

Basis for preparation

RSG will report on all three KPI's mandatory under EU Taxonomy: turnover, CAPEX and OPEX. RSG's reporting scope is in line with the reporting scope of the financial statements and thus includes our Regional Airports. The Capital Expenditure used for calculating the CAPEX KPI can be reconciled with our [Capital Expenditure in Segment Information](#), while the turnover used for the calculation of the turnover KPI can be reconciled with our [Consolidated Income Statement](#). The EU Taxonomy uses a significantly more narrow definition for OPEX than the OPEX definition that RSG applies in the financial statements, and therefore can not be reconciled.

The Operation Expenditure used for calculating the OPEX KPI is defined as all direct non-capitalised costs including supporting expenses that are not in CAPEX (relating to R&D, building renovation measures, short-term lease, maintenance and repair and day-to-day servicing of assets). RSG uses the predefined reporting template in table form for all three KPI's. In the next section we highlight RSG's most significant categories.

Eligibility

Contrary to our eligibility reporting of FY 2022, most economic activities that RSG deems eligible are related to our *Airport infrastructure (6.17)* rather than *Construction and real estate activities (7)*. This is mostly due to the reclassification of our significant levels of investments in our airport infrastructure. In this year's reporting we additionally identified economic activities related to *Water supply, sewerage, waste management and remediation activities (2)* as well as *Manufacturing (3)*. Due to the granularity of analysis we avoided the risk of double-counting turnover or CAPEX of economic activities.

The figures presented in this chapter only provide one view of observing RSG's wider sustainability efforts; the classification system of the EU Taxonomy provides only specific lense through which RSG's activities can be measured and is not exhaustive. Although significant steps have been made to perform a more granular analysis, data availability remains a challenge when disclosing information on eligible activities. Through next year's efforts with our value chain partners, the implementation of the CSRD, and the adjustment of internal reporting processes, we aim to improve our reporting.

Alignment

As RSG does not meet the Minimum Safeguards criteria yet, 0% alignment is reported on all KPI's. Not having implemented the Minimum Safeguards yet does not lead to any legal consequences, as the EU Taxonomy is a reporting regulation. Recognizing the importance of the Minimum Safeguards RSG has formed a working group that has been tasked to put the Minimum Safeguards in place and implement a Responsible Business Policy. It is critical for RSG to respect and maintain high awareness for human rights and good business conduct to achieve the ambition to be the world's most sustainable and high-quality airport. Moreover, it is in line with RSG's core values. The aim is to have the Minimum Safeguards in place in time for reporting on EU Taxonomy alignment in FY 2024.

Our role as an airport operator

RSG's ambition to be the most sustainable airport in the world. Our core business results in a significant potential for sustainable economic activities in the following EU Taxonomy activities.

Maintenance of roads and motorways (3.4)

One of the new economic activities provided under the *Transition to a circular economy* objective is defined as: "Maintenance of streets, roads and motorways, other vehicular and pedestrian ways, surface work on streets, roads, highways, bridges, tunnels, aerodrome runways, taxiways and aprons, defined as all actions undertaken to maintain and restore the serviceability and level of service of roads". Our investments in upgrading our airport's runways are important input to this category.

Low carbon airport infrastructure (6.17)

Annex I and II related to the *Climate objectives* provide us with the following definition: "Construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO₂ operation of aircraft or the airport's own operations, and for provision of fixed electrical ground power and preconditioned air to stationary aircraft as well as infrastructure dedicated to

transshipment with rail and water transport." RSG qualifies an economic activity within this category as eligible when it is fundamental to the core business - our airport's own operations: investments in our gates and terminals, security facilities, and cargo facilities. The construction of these buildings are in line with the sustainability and energy-efficiency standards set out in our strategy for energy-positive airports. Commercial facilities (e.g. retail stores) have been qualified in the infrastructure category (7) of economic activities.

Air transport ground handling operations (6.20)

This economic activity is included for the first time, following the amendment of Annex I relating to the *Climate change mitigation* objective: "Manufacture, repair, maintenance, overhaul, retrofitting, design, repurposing and upgrade, purchase, financing, renting, leasing and operation of equipment and service activities incidental to air transportation (ground handling), including ground services activities at airports and cargo handling, including loading and unloading of goods from aircraft." RSG has deemed economic activities eligible under this category when related to ground handling operations like our baggage claim center and related facilities (e.g. the lifting aids).

Our role as a developer of commercial infrastructure

Next to RSG's core role as an airport operator, RSG has a role in developing the infrastructure and real estate that contributes to operating the airports. The following economic activities are a result of this role.

Demolition and wrecking of buildings and other structures (3.3)

The construction, redevelopment or upgrade of our infrastructure often results in demolition activities in the start of projects. Economic activities related to "the demolition and wrecking of buildings, roads and runways, .." are therefore deemed eligible.

Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation (3.20)

Given the impact RSG has on the electricity net in the area, RSG also invests heavily in the expansion and strengthening of the electricity in the area. All activities following from this involvement have been qualified as eligible activities: on the one hand the investments done by RSG in the electricity net, on the other hand the turnover resulting from this.

Construction, extension and operation of water collection, treatment and supply systems (5.1)

Providing the investments in infrastructure and airport infrastructure, investments in water systems like drainage and sewer is key. Hence we have qualified investments in such systems as eligible under this category.

Constuction of new buildings (7.1)

Significant part of RSG's economic activities are related to this category, defined as "Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realise the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis." This is mainly related due to the narrow definition of the 6.17 (Low carbon airport infrastructure) and 6.20 (Air transport ground handling operations) categories. RSG's economic activities related to the development of commercial buildings, parking and retail facilities are covered under this category. Next to that, RSG classifies peripheral construction not directly related to our airport infrastructure under this category (e.g. fire station).

Acquisition and ownership of buildings (7.7)

RSG mainly applies this category for the ownership of buildings by applying the definition: "Buying real estate and exercising ownership of that real estate." Hence, rent and leases of commercial real estate and our terminals (e.g. retail stores) are considered as eligible under this category.

Turnover

The EU Taxonomy definition of the eligible turnover KPI concerns the net turnover derived from products or services (including intangibles) associated with Taxonomy-eligible economic activities, divided by the total net turnover.

The majority of Taxonomy-eligible turnover can be attributed to rental revenue from our real estate portfolio in line with economic activity *Acquisition and ownership of buildings* (7.7). The remaining part relates to revenue generated by electric charging points on the airport premises, in line with economic activity *Infrastructure enabling low-carbon road transport and public transport* (6.15). RSG has also evaluated its interpretation of economic activity *Low carbon airport infrastructure* (6.17) and has concluded that - given the energy efficiency of the terminals - revenues resulting from VIP and Premium services can be considered eligible as well. For the eligible turnover we have analyzed the actual amounts only.

With a constant evolution of the EU Taxonomy, RSG encourages the European Commission to have a further look at the air transportation sector. RSG's turnover is partially based on the airport charges to airlines and have a sustainability component included. We promote the use of quieter and cleaner aircraft because using the noisiest and most polluting planes can cost airlines five times as much as the quieter, cleaner ones. RSG believes this contribution could become more evident with a further development in the EU Taxonomy standard.

Turnover

	Absolute turnover	Proportion of turnover
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	€ 185,744,741	10.0%

CAPEX

The EU Taxonomy defines the eligible CAPEX KPI as Taxonomy-eligible CAPEX, divided by all additions to tangible and intangible assets during the financial year before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes.

In our analysis of eligible CAPEX we have used actual amounts for IT costs and Pier A - which constitutes our largest CAPEX project, while leveraging budgeted amounts for the other CAPEX investments. The budgeted amounts were analyzed for eligible economic activities, for which we determined the percentages of the total budget. These budget percentages were multiplied by the actuals in this fiscal year. Although this is a proxy, we see no risk in misstatements of eligibility percentages over these investment as only a few of these investments run over multiple years.

The largest part of Taxonomy-eligible CAPEX can be attributed to the construction of Pier A and Pier C and Cargo Buildings 8 and 17 for Amsterdam Schiphol and investments in terminal, cargo buildings and construction at Eindhoven Airport and Rotterdam/The Hague Airport. Next to that, we have included investments in parking facilities, EV charging and taxiways as eligible investments. The introduction of economic activity *Air transport ground handling operations* (6.20) has led to a broadening of eligible activities with our investments in the baggage facilities, lifting aids and security facilities.

CAPEX

	Absolute CAPEX	Proportion of CAPEX
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	€ 540,765,139	79.8%

OPEX

The EU Taxonomy uses a significantly more narrow definition for OPEX than IFRS OPEX definition that is applied in the financial statements: only roughly 10% of our IFRS OPEX classifies as EU Taxonomy OPEX. For reporting year 2023, RSG has analyzed the composition of the OPEX and concluded that the only potential eligible economic OPEX activities sit in the Maintenance & Repairs category. This only represents 1% of RSG's total operating expenses and are consequently deemed not material to be disclosed for EU Taxonomy purposes. Moreover, a review of last year's OPEX eligibility disclosure shows a consistent insignificant percentage eligibility (less than 1%). The conclusion to use the OPEX exemption is in line with Disclosure Delegated Act 2021/2178 paragraph 1.1.3.2.

OPEX

	Absolute OPEX	Proportion of OPEX
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	€ -	0.0%

CAPEX

Economic Activities	2023			Substantial Contribution							Criteria DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1) or eligible (A.2) CAPEX 2022	Category enabling activity	Category transitional activity
	Code	CAPEX	Proportion of CAPEX 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum Safeguards	%			

A. Taxonomy Eligible Activities

A.1. Environmentally sustainable activities (Taxonomy-aligned)

CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	0%		
Of which Enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	0%	E	
Of which Transitional		0	0.0%	0.0%							N	N	N	N	N	N	0%		T

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

Remediation of contaminated sites and areas	PPC 2.4	9,690,310	1.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								N/A		
Demolition and wrecking of buildings and other structure	CE 3.3	3,503,936	0.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Maintenance of roads and motorways	CE 3.4	111,009,014	16.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								N/A		
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable	CCM 3.20	12,193,924	1.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Transmission and distribution of electricity	CCM 4.9	1,916,950	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
District heating/cooling distribution	CCM 4.15	1,717,712	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	10,709,086	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	1,605,983	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	0	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Infrastructure enabling road transport and public transport	CCM 6.15	10,604,950	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3%		
Low carbon airport infrastructure	CCM 6.17	264,194,946	39.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Air transport ground handling operations	CCM 6.20	49,103,207	7.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		
Construction of new buildings	CCM 7.1	1,549,807	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11.4%		
Renovation of existing buildings	CCM 7.2	21,554,579	3.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								N/A		



Assurance report of the independent auditor

To: the General Meeting and the Supervisory Board of Royal Schiphol Group N.V.

Report on the review of the socio-economic reporting included in the Annual Report 2023

Our conclusion

We have reviewed the socio-economic reporting of Royal Schiphol Group N.V. (hereafter: 'Schiphol' or 'the Company') for the year ended 31 December 2023 (hereafter: socio-economic reporting) included in the Annual Report 2023 of Royal Schiphol Group N.V. (hereafter: the Annual Report). A review is aimed at obtaining a limited level of assurance.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the socio-economic reporting included in the Annual Report does not present fairly, in all material respects:

- the policy with regard to sustainability matters; and
- the business operations, events and achievements in that area in 2023.

in accordance with the reporting criteria as included in the section 'Reporting Criteria' of our report.

The socio-economic reporting consists of the section 'Materiality analysis' in the chapter 'About us and our Why', the sections 'Our performance in 2023', 'Quality of Network', 'Quality of Life', 'Quality of Work', 'Quality of Service', 'Safety first', 'Robust organisation' (paragraphs 'Business ethics and corporate culture' and 'Supplier and procurement practices'), and 'Financial performance' (paragraph 'Our regional airports') in the chapter 'Our Results' and the chapter 'Socio-economic accountability' (excluding the sections 'EU Taxonomy disclosure FY 2023', 'Schiphol Group full value chain emissions', and 'Green Bond Progress Report'). The socio-economic reporting is disclosed in the Annual Report

Basis for our conclusion

We have performed our review of the socio-economic reporting in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports), which is a specified Dutch Standard that is based on

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the International Standard on Assurance Engagements (ISAE) 3000 'Assurance engagements other than audits or reviews of historical financial information'. This engagement is aimed to obtain limited assurance.

Our responsibilities under this standard are further described in the section 'Auditor's responsibilities' of our report.

We are independent of Schiphol 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 for Professional Accountants).

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

Reporting Criteria

The socio-economic reporting needs to be read and understood together with the reporting criteria. Schiphol is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The criteria applied for the preparation of the socio-economic reporting are prepared with reference to the Global Reporting Initiative Sustainability Reporting Standards (GRI) and in accordance with the applied supplemental reporting criteria as disclosed in the section 'Socio-economic accountability' of the Annual Report.

The comparability of sustainability information between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.



Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the socio-economic reporting. When evaluating our materiality levels, we considered quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the company. We agreed with the Supervisory Board that misstatements which are identified during the review and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.

Limitations to the scope of our review

The socio-economic reporting includes prospective information such as ambitions, strategy, plans, expectations and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the assumptions and achievability of this prospective information in the socio-economic reporting.

References to external sources or websites in the socio-economic reporting are not part of the socio-economic reporting as reviewed by us. Therefore, we do not provide assurance on this information.

The Management Board and Supervisory Board's Responsibilities

The Management Board of Schiphol is responsible for the preparation of the socio-economic reporting in accordance with the criteria as included in the section 'Reporting Criteria' section of our report, including the identification of stakeholders and the definition of material matters. The Management Board is also responsible for selecting and applying the criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, considering applicable law and regulations related to reporting. The choices made by the Management Board regarding the scope of the socio-economic reporting and the reporting policy are summarized in the section 'Socio-economic accountability' of the Annual Report.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the socio-economic reporting that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, among other things, responsible for overseeing Schiphol's reporting process.

Auditor's responsibilities

Our responsibility is to plan and perform our review 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, and are less in extent, compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality management including

documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria applied, their consistent application and related disclosures in the socio-economic reporting. This includes the evaluation of the results of stakeholder dialogue and the plausibility of estimates made by the Management Board;
- Obtaining an understanding of the reporting process for the socio-economic reporting, including obtaining a general understanding of the internal control environment, process and information systems relevant to our review, but not for the purpose of expressing a conclusion on the effectiveness of the company's internal control;
- Identifying areas of the socio-economic reporting where a material misstatement, whether due to fraud or error, are most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. These procedures included, amongst others:
 - Interviewing management and relevant staff at a corporate level responsible for the socio-economic strategy, policy and results;
 - Interviewing staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data in the socio-economic reporting;
 - Obtaining assurance information that the socio-economic reporting reconciles 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 socio-economic reporting with the information in the Annual report which is not included in the scope of our review
- Evaluating the presentation, structure and content of the socio-economic reporting;
- Considering whether the socio-economic reporting, including the sustainability matters and disclosures, is clearly and adequately disclosed in accordance with reporting criteria.
- Considering the overall presentation and balanced content of the socio-economic reporting



We communicate with The Management Board and the Supervisory Board regarding, among other matters, the planned scope and timing of the review and any significant findings that we identify during our review.

The Hague, 15 February 2024

KPMG Accountants N.V.

R.R.J. Smeets RA

Green Bond Progress Report

About this report

Royal Schiphol Group's Why is 'Connecting your world'. Our ambition is to create the world's most sustainable, high-quality airports. To lead by example, we work to drive sustainability across our operations. By 2030 we aim to operate zero-emission and zero-waste airports. As part of this strategy, we issued our first green bond in 2018 with a value of 500,000,000 euros, to invest in green buildings and clean transportation at our airports. Schiphol was the first European airport, and among the first airports worldwide, to issue a green bond. In 2020, we issued two additional green bonds, with a value of 500,000,000 and 750,000,000 respectively. Our sustainable finance efforts highlight our sustainability ambitions.

This document comprises our 2023 Green Bond Progress Report, in which we shed light on the allocation of the green bond proceeds and the impact achieved. We have defined a portfolio of 'eligible assets', comprising the following asset categories for our green bonds: green buildings and clean transportation.

Green buildings as at 31 December 2023	#
Number of buildings with A label	31
Number of buildings with B label ¹	2
Number of buildings with BREEAM (Very Good, Excellent or Outstanding) certificate	7
Number of buildings with LEED Gold certificate ²	2

¹ Eligible under the Green Bond Framework (2018) and the Green Finance Framework (2020) as this concerns refurbished buildings with at least two steps improvement in energy label up to at least EPBD label B.

² Concerns buildings that are currently under construction or not fully operational.

Clean transportation as at 31 December 2023	#
Number of Electric buses airside	51
Number of charging stations	1227

Green bond details

Issuer | Royal Schiphol Group N.V.
 Issue date | 5 November 2018
 Currency | EUR
 Tenor | 12 years
 Issued amount | 500,000,000
 ISIN | XS1900101046

Issuer | Royal Schiphol Group N.V.
 Issue date | 6 April 2020
 Currency | EUR
 Tenor | 9 years
 Issued amount | 750,000,000
 ISIN | XS2153459123

Issuer | Royal Schiphol Group N.V.
 Issue date | 8 September 2020
 Currency | EUR
 Tenor | 12 years
 Issued amount | 500,000,000
 ISIN | XS2227050379

Green bond allocation reporting¹

Portfolio date: 31 December 2023

Eligible Green Project Portfolio

Category	Amount (EUR) ¹
Green buildings	1,940,175,193
Clean transportation	19,055,361
Of which; Electric buses - airside	6,865,218
Of which; Other ²	12,190,143
Total eligible Green Project Portfolio	1,959,230,555

¹ Concerns the book value as per 31 December 2022 and is either the fair value (investment property) or cost price minus depreciation (operating assets).

² Comprises of charging stations for airside e-vehicles (other than airside e-buses), charging stations for landside e-vehicles (other than landside e-buses), energy infrastructure for the charging stations for landside e-buses and zero-emission equipment for ground-handling.

Percentage of Eligible Green Loan Portfolio Allocated (usage)	89%
Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio	112 %
Eligible Green Loan Portfolio – Unallocated	EUR 209,230,555
Current value of expected eligible green buildings (currently under construction) ¹	EUR 800,894,946

¹ Please note that our current buildings under construction will be categorised as green buildings upon completion.

Green funding

Instrument	Issuance date	Due date	Principal	Amount (EUR)
XS1900101046	5 November 2018	5 November 2030	EUR 500m	500,000,000
XS2153459123	6 April 2020	6 April 2029	EUR 750m	750,000,000
XS2227050379	8 September 2020	8 September 2032	EUR 500m	500,000,000
Total Green Funding				1,750,000,000

¹⁾ This section is within the scope of the KPMG assurance engagement.

Impact reporting¹

Green buildings

Category	Eligible portfolio (EUR)		Total annual energy savings (GJ)	Total annual electricity (kWh) avoidance	Total annual gas (m ³) avoidance	Total annual CO ₂ e (tonnes) avoidance	Total annual electricity production (kWh)
	b ²	Share of total financing c ³	d ⁴	e ⁴	f ⁴	g ⁴	h ⁴
Green buildings	1,959,230,555 ^{5,6}	99% ⁷	50,742	3,804,745	521,292	2,439	109,694

1 Category of eligible project.

2 Portfolio components eligible for Green Bond financing.

3 Share of the total portfolio cost that is Green Bond eligible.

4 See methodology and assumptions for definition.

5 Please note that our current buildings under construction, with a current book value of €598,301,209, will be categorised as green buildings upon completion.

6 Share of refinancing at bond issue was 100%, excluding the unallocated amount.

7 1% of the total financing applies to clean transportation, for which no specific impact indicator is currently available.

¹⁾ This section is not within the scope of the KPMG assurance engagement.

Methodology and assumptions

As described in our Green Bond Framework (2018) and Green Finance Framework (2020), which can be accessed through our [website](#), the following projects qualify as eligible projects;

Green buildings

Use of Proceeds: new or existing investments in, or expenditures on, properties which meet at least one of the following criteria:

1. New, existing or refurbished buildings which have received at least one of the following classifications:
 - a. LEED¹: Platinum, Gold
 - b. BREEAM²: Outstanding, Excellent, Very Good
 - c. EPBD³: A
 - d. Refurbished buildings with at least a two-step improvement in energy label up to at least EPBD label B.
2. Individual investments in green buildings to ensure environmental improvements such as renewable energy projects (e.g. solar panel installations), sustainable/circular furniture, energy-efficient lighting (such as LED), thermal energy storage systems, cool roofs and any other sustainability-oriented construction materials, waste diversion, collection and reduction, water and energy-saving technologies, and materials and improvements recognised by sustainable rating systems.

The above-mentioned criteria have been applied and, additionally, the following choices were made in the selection of eligible assets:

- The asset base as at 31 December 2023 was used.
- A conservative approach has been applied in determining the book value of the eligible asset base to ensure that only assets covered by the energy labels are included as assets.
- For buildings currently under construction, the current value on the balance sheet is provided under 'Current value of expected eligible green buildings'. This means that only the value of the part that was built as per 31 December 2023 is shown. This is the case for Pier A, Terminal Lelystad and Cargo Station 17.
- The aquifer thermal energy storages (ATES) are not separately included as they are often included in the value of buildings.
- No individual investments in green buildings have been included as eligible assets.

¹ LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system, which provides for a framework that can be used to create healthy, highly efficient and cost-saving green buildings.

² BREEAM (Building Research Establishment Environmental Assessment Method) is a leading sustainability assessment method for, among other things, infrastructure and buildings, whereby it assesses and certifies an asset's environmental, social and economic sustainability performance.

³ EPBD is the Energy Performance of Buildings Directive, which is a European directive to enforce the measurement of the energy performance of buildings.

Clean transportation

Use of Proceeds: new or existing investments in fixed electrical ground power and pre-conditioned air units, zero-emission equipment for remote handling, electric vehicles for passenger transportation at the airport premises, electric charging points for these vehicles, electric charging points for taxis and consumer cars, equipment for electric taxiing, investments to further improve access to public transportation and bio-kerosene facilities. Two categories have been identified: electric buses airside and other.

- **Electric buses airside:** This category comprises airside e-buses and related airside infrastructure, including charging stations. Note that the landside e-buses and landside charging stations for buses are owned by a third party and are therefore not included in the portfolio of eligible assets.
- **Other:** This category includes the following:
 - Airside e-vehicle charging stations (for ground-handling and other equipment, but not for airside e-buses)
 - Landside e-vehicle charging stations (mostly in consumer car parks, but not for landside e-buses). Please note that landside e-vehicle charging stations in Schiphol Real Estate buildings are capitalised as part of the building and included in its market value. As such, they are not part of this category.
 - Some infrastructure for landside e-bus charging stations (not the charging stations themselves) belongs to Schiphol Group and is included as an eligible asset under this category.
 - E-GPUs (zero-emission equipment for remote handling).
 - 400 Hz power supply equipment (zero emission equipment for handling at the gates).

The above-mentioned criteria have been applied and, additionally, the following choices were made in the selection of eligible assets:

- The asset base as at 31 December 2023 was used.
- The only e-vehicles owned by Schiphol are the airside e-buses. All other e-vehicles are leased and not included in the asset base.

Impact indicators

For the impact indicators total annual energy (GJ) savings, total annual electricity (kWh) avoidance and total annual gas (m³) avoidance, the following methodology and assumptions apply:

- The reported values concern 2023.
- The savings and avoidances reported are consistent with the methodology of the MYA 2017-2020 (Meerjarenaafspraken energie-efficiëntie) with the Netherlands Enterprise agency, a government agency which operates under the auspices of the Ministry of Economic Affairs and Climate Policy. Until 2020, Schiphol was required to report on the measures taken to improve energy efficiency and the associated savings and avoidances.
- For the CO₂e calculation of electricity (kWh) and gas (m³), the relevant emission factors from www.co2emissiefactoren.nl and the Dutch Government Gazette (*Staatscourant*), respectively, have been applied, which are retrieved once a year.
- A conservative approach has been adopted regarding the assumptions underlying the savings and avoidances of office buildings.



Assurance report of the independent auditor

To: the General Meeting and the Supervisory Board of Royal Schiphol Group N.V.

Report on the review of the Eligible Green Project Portfolio included in the Annual Report 2023

Our conclusion

We have reviewed the Eligible Green Project Portfolio of Royal Schiphol Group N.V. (hereafter 'Schiphol' or 'the Company') for the year ended 31 December 2023 (hereafter 'the Portfolio') included in the Annual Report 2023 of Royal Schiphol Group N.V. (hereafter: the Annual Report). The Portfolio is marked in the Annual Report with a footnote (1). A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the Portfolio is not prepared, in all material aspects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The Portfolio is included in the section 'Green Bond Progress Report (paragraph 'Green bond allocation reporting') in the chapter 'Socio-economic accountability' as disclosed in the Annual Report.

Basis for our conclusion

We performed our review on the Portfolio 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)). This engagement is aimed to obtain limited assurance. Our responsibilities under this standard are further described in the section 'Auditor's responsibilities' section of our report.

We are independent of Schiphol 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). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

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

Reporting Criteria

The Portfolio needs to be read and understood together with the reporting criteria. Schiphol is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the Portfolio are the 'Eligible investments per category' as described in the Schiphol Green Bond Framework (2018) and Schiphol Green Finance Framework (2020) as disclosed and further described in 'Methodology and assumptions' in the section 'Green Bond Progress Report' of the Annual Report.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the Annual Report and for the Portfolio as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative aspects as well as the relevance of information for both stakeholders and the company.

We agreed with the Supervisory Board that misstatements which are identified during the review and which in our view must be reported on quantitative or qualitative grounds, would be reported to them.



Limitations to the scope of our review

The Annual Report includes other information besides the Portfolio. Our review did not extend to this other information and this report does not provide assurance on the other information as included in the Annual Report.

Our conclusion is not modified in respect to these matters.

The Management Board and Supervisory Board’s Responsibilities

The Management Board is responsible for the preparation of the Portfolio in accordance with the reporting criteria as included in the section ‘Reporting Criteria’ of our report.

Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the Portfolio that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, among other things, responsible for overseeing Schiphol’s reporting process.

Auditor’s responsibilities

Our responsibility is to plan and perform our review 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. The procedures 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 substantially less than the assurance that is obtained had a reasonable assurance engagement been performed.

We apply the ‘Nadere Voorschriften Kwaliteitssystemen’ (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our review included among others:

- Evaluating the appropriateness of the reporting criteria applied, their consistent application and related disclosures in the Portfolio.
- Obtaining an understanding of the reporting processes for the Portfolio, including obtaining a general understanding of internal control relevant to our review, but not for purpose of expressing a conclusion on the effectiveness of Schiphol’s internal control;
- Identifying areas of the Portfolio where a material misstatement, whether due to fraud or error, is most likely to occur, designing and performing further assurance procedures

responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. The procedures included, amongst others:

- Interviewing relevant staff at Schiphol Finance Department and Schiphol Commercial responsible for the Green Bond management, reporting and providing and consolidating the Portfolio;
 - Obtaining assurance evidence that the Portfolio reconciles with underlying records of the company;
 - Reviewing, on a limited test basis, relevant internal and external documentation, based on limiting sampling, to determine whether the information in the Portfolio is plausible in line with the Reporting criteria
- Evaluating the consistency of the Portfolio with the information in the annual report which is not included in the scope of our review;
 - Evaluating the presentation, structure, and content of the Portfolio;
 - Considering whether the Portfolio as a whole, including the disclosures, is clearly and adequately disclosed in accordance with reporting criteria.

We communicate with the Management Board and the Supervisory Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

The Hague, 15 February 2024

KPMG Accountants N.V.

R.R.J. Smeets RA

Schiphol Group full value chain emissions

The table provides an overview of all CO₂e emissions related to the operations of Schiphol Group. Non-CO₂ emissions are not included in this footprint. Please note that this table is outside the assurance scope of KPMG. These figures are verified by Airport Carbon Accreditation (ACA) and are due to the availability of Scope 3 data always reported with a one-year delay.

CO₂e footprint Royal Schiphol Group^{1,2,3,4}

Consolidated CO₂e footprint including: Rotterdam The Hague Airport and Eindhoven Airport as of 2022

	2023 ⁵	2022	2021
Scope 1 GHG emissions			
Gas consumption	10,722	11,557	12,898
Vehicle fleet including lease cars	449	1,253	1,520
Fire brigade & other fuel consumptions (incl emergency power supply), De-icing chemicals for surface de-icing, Refrigerants, and Ureum	126	542	882
Gross location-based scope 1 GHG emissions (tCO₂e)	11,297	13,352	15,300
Green gas consumption		-1,919	-2,629
Scope 2 GHG emissions			
Gross location-based scope 2 GHG emissions (tCO ₂ e)	64,391	69,493	66,293
Gross market-based scope 2 GHG emissions (tCO ₂ e)	0	0	0

Please note that the table continues on the next page

	2023 ⁵	2022	2021
Significant Scope 3 GHG emissions			
Total gross indirect (scope 3) GHG emissions (tCO ₂ e)	One year delay ⁶	9,864,753	9,101,743
Category 1: Purchased goods and services (construction activities, projects and services)		44,395	2,989
Category 2: Capital goods (Purchased vehicles and maintenance infrastructure)		2,084	67
Category 3: Fuel and energy related activities (WTT fuels and energy)		12,763	480
Category 4: Upstream transportation and distribution		-	-
Category 5: Waste transport and generated in operations		3,106	1,592
Category 6: Business travel		582	86
Category 7: Employee Commuting		3,572	1,538
Category 8: Upstream leased assets		-	-
Category 9: Downstream transportation and distribution		-	-
Category 10: Processing of sold products		-	-
Category 11: Use of sold goods ⁷		9,698,998	9,015,770
Category 12: End-of-Life treatment of sold products		-	-
Category 13: Downstream leased assets (electricity and gas use third parties)		92,024	79,221
Category 14: Franchises		-	-
Category 15: Investments ⁸		7,230	-
Total GHG emissions Location based (tCO₂e)		9,947,598	9,183,336
Total GHG emissions Market based (tCO₂e)		9,876,186	9,114,414

1 CO₂e emissions are likely to reflect 1/3 of the climate impact of aviation. The non-CO₂ emissions are not quantified yet, because further reflection on how to best address non CO₂ climate impacts is required.

2 Calculations according to the GHG protocol

3 Emission factors based on CO₂emissiefactoren.nl and ACA Acert tool V7

4 Emission origins based on ACA Level 5

5 2023 emissions are not final yet, may change due to corrections on utilities

6 Total scope 3 data is reported with a one year delay

7 Use of sold goods consists of Aircraft cruise, LTO-cycle, APU, Vehicle fleet other parties, Commuter traffic employees other parties, De-icing chemicals for aircraft, Passenger transport to Schiphol and Truck traffic to Schiphol.

8 Brisbane Airport and Hobart Airport have been included in Scope 3 category 15

Energy consumption and mix¹

	2022
Fuel consumption from coal and coal products (MWh)	0
Fuel consumption from crude oil and petroleum products (MWh)	1,499
Fuel consumption from natural gas (MWh)	3,194
Fuel consumption from other fossil sources (MWh)	-
Consumption of purchased or acquired electricit, heat, steam, and cooling from fossil sources	71,230
Total fossil energy consumption (MWh)	75,923
Share of fossil sources in total energy consumption (%)	31%
Consumption from nuclear sources (MWh)	0
Share of consumption from nuclear sources in total energy consumption (%)	0
Fuel consumption for renewables sources, including biomass (MWh)	328
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	175,487
The consumption of self-generated non-fuel renewable energy (MWh)	2,595
Total renewable and low carbon energy consumption (MWh)	178,411
Share of renewable and low carbon sources in total energy consumption	69%
Total energy consumption (MWh)	254,334

¹ The energy consumption and mix is based on the scope 1 and 2 fuel and electricity consumption of RSG. The information provided in the table is in line with the CSRD E1. Together with our partners our goal is to stop the use of energy from fossil sources.



Financial Statements

Taco van Iersel, Manager Sustainability & Energy Management:

'With the new recycling facility for concrete rubble we have control over our own concrete flows. Here, we store concrete rubble and turn it into new concrete, which we then use in our construction projects. Everything stays on site, saving considerable transportation miles.'

Consolidated financial statements

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Consolidated statement of income for the year ended 31 December 2023

(in thousands of euros)	Note ¹	2023	2022
Revenue	1	1,851,973	1,490,591
Other results from investment property	2	-150,595	-191,632
Cost of outsourced work and other external costs	3	1,061,063	877,859
Employee benefits	4	290,290	241,616
Depreciation, amortisation and impairment	5	344,147	331,025
Total operating expenses		1,695,500	1,450,500
Operating result		5,878	-151,541
Financial income		88,624	149,872
Financial expenses		-86,297	-166,258
Financial income and expenses	26	2,327	-16,386
Share in result of associates and joint ventures	11	22,726	32,509
Result before tax		30,931	-135,418
Income tax expense	10	-8,873	58,124
Result for the year		22,058	-77,294
Attributable to:			
Non-controlling interests		9,352	8,962
Shareholders (net result)		12,706	-86,256
Basic earnings per share (in euros)		74²	-509
Diluted earnings per share (in euros)		74²	-509

¹ The notes are an integral part of these consolidated financial statements.

² Result attributable to shareholders / number of weighted-average shares

Consolidated statement of comprehensive income for the year ended 31 December 2023

(in thousands of euros)	Note ¹	2023	2022
Result for the year		22,058	-77,294
Foreign currency translation differences	18	-11,425	-817
Changes in fair value on hedge transactions	18	-6,922	26,223
Share of OCI of associates after taxes	11, 18	-4,230	21,528
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:		-22,577	46,934
Remeasurements of defined benefit liability	18	-4,088	5,409
Share of OCI of associates after taxes	11, 18	-	-
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:		-4,088	5,409
Other comprehensive income for the year		-26,665	52,343
Total comprehensive income for the year		-4,607	-24,951
Attributable to:			
Non-controlling interests		9,352	8,962
Shareholders (net result)		-13,959	-33,913

¹ The notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 December 2023

(in thousands of euros)	Note ¹	31 December 2023	31 December 2022
Assets			
Intangible assets	6	159,477	131,259
Assets used for operating activities	7	3,419,114	3,443,513
Assets under construction or development	8	1,602,756	1,305,383
Investment property	9	1,598,538	1,699,706
Deferred tax assets	10	325,162	329,595
Investments in associates and joint ventures	11	485,597	492,328
Loans to associates and joint ventures	12	113,141	136,159
Other non-current receivables	13	19,304	46,635
Non-current assets		7,723,089	7,584,578
Trade and other receivables	14	745,657	968,346
Current income tax receivables	10	755	-
Cash and cash equivalents	15	784,743	1,050,846
Current assets		1,531,155	2,019,192
Total assets		9,254,244	9,603,770

¹ The notes are an integral part of these consolidated financial statements.

(in thousands of euros)	Note ¹	31 December 2023	31 December 2022
Equity and liabilities			
Issued share capital	16	84,511	84,511
Share premium	16	362,811	362,811
Retained profits	17	3,429,676	3,416,970
Other reserves	18	-23,229	3,436
Treasury shares	16	-420,320	-420,320
Equity attributable to owners of the company		3,433,449	3,447,408
Non-controlling interests	19	65,086	58,478
Total equity		3,498,535	3,505,886
Borrowings	20	4,613,163	5,319,296
Employee benefits	21	44,827	41,451
Provisions	22	23,387	29,161
Deferred tax liabilities	10	13,362	13,739
Other non-current liabilities	23	99,213	103,363
Non-current liabilities		4,793,952	5,507,010
Borrowings	20	306,135	30,912
Current income tax liabilities	10	924	8,626
Provisions	22	15,222	19,924
Trade and other payables	24	639,475	531,412
Current liabilities		961,756	590,874
Total liabilities		5,755,709	6,097,884
Total equity and liabilities		9,254,244	9,603,770

¹ The notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2023

(in thousands of euros)	Note ¹	Attributable to shareholders					Non-controlling interests	Total
		Issued share capital	Share Premium	Retained profits	Other reserves	Treasury shares		
Balance at 1 January 2022		84,511	362,811	3,082,906	-48,907	-	49,516	3,530,837
Result for the year		-	-	-86,256	-	-	8,962	-77,294
Other comprehensive income for the year	18	-	-	-	52,343	-	-	52,343
Comprehensive income for the year		-	-	-86,256	52,343	-	8,962	-24,951
Acquisition of treasury shares	16	-	-	420,320	-	-420,320	-	-
Payments of dividends	17	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Balance at 31 December 2022		84,511	362,811	3,416,970	3,436	-420,320	58,478	3,505,886
Result for the year		-	-	12,706	-	-	9,352	22,058
Other comprehensive income for the year	18	-	-	-	-26,665	-	-	-26,665
Comprehensive income for the year		-	-	12,706	-26,665	-	9,352	-4,607
Acquisition of treasury shares	16	-	-	-	-	-	-	-
Payments of dividends	17	-	-	-	-	-	-2,744	-2,744
Other		-	-	-	-	-	-	-
Balance at 31 December 2023		84,511	362,811	3,429,676	-23,229	-420,320	65,086	3,498,535

¹ The notes are an integral part of these consolidated financial statements.

	Dividend for 2022, paid in 2023	Dividend for 2021, paid in 2022
Dividend attributable to shareholders (in euros)	-	-
Average number of shares in issue during the year	171,255¹	186,147
Dividend per share (in euros)	-	-

¹ The 14,892 treasury shares are deducted as they are not eligible for dividend distribution

Consolidated statement of cash flow for the year ended 31 December 2023

(in thousands of euros)	Note ¹	2023	2022	(in thousands of euros)	Note ¹	2023	2022
Result for the year		22,058	-77,294	Cash flow from investing activities			
Income tax expense recognised in profit or loss	10	8,873	-58,124	Payments for intangible assets	6	-51,950	-42,332
Share in result of associates and joint ventures	11	-22,726	-32,509	Payments for property, plant and equipment	8, 9	-624,470	-412,058
Financial income and expenses	26	-2,327	16,386	Proceeds on disposal of financial assets	16	-	1,032,260
		-16,180	-74,247	Purchased assets held for sale	14	-2,141	-9,467
				Acquisition of associates and joint ventures	11	-6,150	-8,528
Operating result		5,878	-151,541	Disposal of associates and joint ventures	11; 16	-	2,712
Adjustments for:				Dividends received on loans to associates and joint ventures	12	-	1,011
Depreciation and amortisation expenses	5	337,661	327,042	Repayment of loans to associates and joint ventures	12	25,111	13,573
Impairment loss	5	6,486	3,983	Other non-current receivables received	13	-	3,716
Result on disposal of investment property	2	-	-	Investments in deposits		-585,000	-1,485,026
Fair value changes of investment property	2	150,595	191,632	Proceeds from deposits		895,463	1,120,060
Other non-cash changes in other receivables and liabilities		472	-16,739	Cash flow from investing activities		-349,137	215,920
Change in employee benefits and other provisions		-5,178	2,504				
		490,036	508,422	Free cash flow		139,534	569,226
Operating result after adjustments		495,914	356,881	Cash flow from financing activities			
Movements in working capital		42,458	86,100	Repayment of borrowings	20	-383,999	-27,000
Cash flow from operations		538,372	442,981	Dividend paid by subsidiaries to third parties		-2,772	-
Cash flow from operating activities				Proceeds from other non-current liabilities		521	680
Income taxes paid		-15,854	-13,138	Payment of acquiring treasury shares (settling the Share buyback liability)	16	-	-420,320
Interest paid		-79,416	-80,242	Payment of lease liabilities		-894	-2,765
Interest received		26,777	1,809	Cash flows from collaterals		-18,430	11,400
Dividends received	11	18,792	1,896	Cash flow from financing activities		-405,574	-438,005
Cash flow from operating activities		488,671	353,306				
				Net cash flow		-266,040	131,221
				Cash and cash equivalents at the beginning of the year	15	1,050,846	919,760
				Net cash flow		-266,040	131,221
				Exchange and translation differences		-63	-135
				Cash and cash equivalents at the end of the year	15	784,743	1,050,846

¹ The notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

General information

Royal Schiphol Group N.V. is a public limited liability company with its registered seat and office in the municipality of Haarlemmermeer at Evert van de Beekstraat 202, 1118 CP, Schiphol, the Netherlands. Royal Schiphol Group N.V. trades under the name of Schiphol Group, Luchthaven Schiphol and Royal Schiphol Group N.V. Royal Schiphol Group N.V. is an airport company with an important socio-economic function. Airports in the Group create value for society and for the economy. 'Connecting your world' embodies 'the Why' of Royal Schiphol Group: 'Connecting your world' by orchestrating inspiring journeys and creating the world's most sustainable and high-quality airports. Our airports allow international trade, tourism and knowledge exchange to flourish by providing top-quality aviation infrastructure and air transport facilities for passengers and cargo.

The consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and also comply with the financial reporting requirements included in Section 362(9) of Part 9, Book 2 of the Dutch Civil Code. The consolidated financial statements have been prepared by the Management Board of the company and authorized by the Supervisory Board for issue on 15 February 2024, and will be submitted for adoption to the Annual General Meeting of Shareholders (AGM) on 9 April 2024. The consolidated financial statements will be filed with the AFM and at the Trade Register of the Chamber of Commerce in Amsterdam, the Netherlands within eight days of adoption by the 2023 AGM.

Accounting policies

Schiphol Group's material accounting policies on consolidation, measurement of assets and liabilities and determination of results are set out below and are applied consistently to all information presented. The financial statements have been prepared on a historical cost basis except for the following:

- certain financial assets and liabilities (including derivative financial instruments), certain classes of property, plant and equipment, and investment property - measured at fair value or revalued amount; and
- assets held for sale - measured at the lower of carrying amount and fair value less costs to sell

The financial statements have been prepared on the basis of the going concern assumption.

Going concern basis of accounting

Traffic continued to recover significantly from the COVID-19 pandemic during 2023, which had a positive impact on the operations and results of Schiphol Group. A net result of 22 million euros was recognised for the financial year ending 31 December 2023 (compared with a loss of 77 million euros for 2022).

Revenue increased significantly compared to 2022 due to an entire year of lifted (air) travel restrictions and reopening of border closures in most parts of the world. The result was a material increase in passenger numbers and, together with a circa 12% increase in aviation charges per April 2023, a material increase in revenue. The net result is mainly the result of increased revenues that were partly offset by the increased cost level due to inflation, the social Accord, and other Quality of Work initiatives for which Schiphol receives no cost coverage via the airport charges as these were already set in 2021.

Schiphol Group expects the strong recovery in passenger numbers from the COVID-19 pandemic to continue for the next 12 months. Full traffic recovery towards pre-pandemic levels remains however uncertain and is subject to potential operational constraints within the sector to cope with the strong pick-up in demand, and - in the medium term - the intention by the government to reduce the maximum number of flight movements at Amsterdam Airport Schiphol to 452.500.

Management has prepared a budget for 2024 together with a long-term financial forecast and has run several sensitivities on this forecast. The forecast and sensitivities take into account a continued traffic recovery towards the maximum number of ATMs (range between 440.000 and 483.000) in combination with the potential operational constraints within the sector to reach the maximum number of ATMs. The forecast also includes the repayments of loans and increased investments in capital expenditure.

Schiphol Group started 2023 with a significant liquidity position (including long and short term deposits and money market fund investments) of 1.731 million euros. The high amount of liquidity is the result of the debt issued in 2020 and 2021 to cope with the uncertainties of COVID-19. Also, in December 2022, Schiphol Group sold its 8% share in ADP and purchased 8% treasury shares, which led to a net cash-in of EUR 613 million euros. Although financial operational recovery continued during 2023, it was not enough to fund total capital expenditures during 2023. Together with the voluntary cash tender offer on Schiphol Group's outstanding EMTN Notes, this resulted in a 577 million reduction in liquidity (including long and short term deposits and money market fund investments) towards 1,155 million euros in total per 2023 year-end. Despite the reduction in liquidity during 2023, the position per year end 2023 is still considered as very strong. In

addition, Schiphol Group has access to 675 million of committed undrawn credit facilities with 8 different banks.

As a result, Schiphol Group evaluated its ability to continue as a going concern. Schiphol Group has sufficient liquidity and committed funding available to continue to finance the ongoing operational cash flows and the committed capital investments. From a solvency perspective, Schiphol Group will remain above the relevant threshold of 30%, as set out in the financing documentation.

Management therefore expects Schiphol Group to have adequate resources to continue its operations for at least the next 12 months and that the going concern basis of accounting remains appropriate.

Impairment of assets

An impairment assessment has been performed for the CGU's Amsterdam Airport Schiphol, Eindhoven Airport, Lelystad Airport, Rotterdam The Hague Airport and the investments in associates and joint ventures in terms of *IAS 36* Impairment of Assets. Solely an impairment loss on CGU Schiphol Airport Retail was recognised during 2023 and 2022.

Judgement is required in projecting future cash flows for the CGU's and investments. Critical assumptions relate to, among other things, projected passenger and ATM growth within the ranges defined in currently applicable legislation, development of the aviation charges for the new regulatory period (2025 – 2027) at Amsterdam Airport Schiphol, the settlement mechanism as included in the Aviation Act as disclosed in note 1 [Revenue](#), and capital expenditures. The estimate of value in use was determined by using a pre-tax discount rate in the range of 7%-10%.

New and amended standards that are mandatory with effect from 2023

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023:

- *IFRS 17*: Insurance Contracts
- Disclosure of Accounting Policies - Amendments to *IAS 1*: Presentation of Financial Statements and *IFRS Practice Statement 2*
- Definition of Accounting Estimates -Amendments to *IAS 8*: Accounting Policies, Changes in Accounting Estimates and Errors
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to *IAS 12*: Income Taxes
- International Tax Reform - OECD Pillar Two Rules resulting into narrow scope amendments to *IAS 12*: Income Taxes

At 30 June 2023 the IFRS Interpretations Committee took 7 agenda decisions relevant for the 2023 annual report but internally assessed to have no impact on the reporting of Schiphol Group.

Available for optional adoption / effective date deferred indefinitely:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to *IFRS 10*: Consolidated Financial Statements and *IAS 28*: Investments in Associates and Joint Ventures.

These standards have been determined to have no material impact on the financial reporting of Schiphol Group.

New standards and amended standards that are mandatory with effect from 2024 or later

Schiphol Group is currently examining the consequences of other new standards and interpretations and amendments on the existing standards listed below, which will be mandatory starting the 2024 financial year or later (as stated):

- Classification of Liabilities as Current or Non-Current- Amendments to *IAS 1* Presentation of Financial Statements
- Lease liability in a Sale and Leaseback- Amendments to *IFRS 16* Leases
- Supplier finance arrangements – Amendments to *IAS 7* Statement of Cash Flows and *IFRS 7* Financial Instruments – Disclosures
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to *IFRS 10* Consolidated Financial Statements and *IAS 28* Investments in Associates and Joint Ventures

Schiphol Group has not voluntarily applied in advance new or amended standards or interpretations that will not be mandatory until the 2024 financial year or later. These new and/or amended standards are not expected to have a significant impact on the consolidated financial statements.

Intangible assets

Intangible assets include goodwill, contract-related assets, software and nitrogen rights. Goodwill arising on the acquisition of subsidiaries is recognised under intangible assets. Goodwill arising on the acquisition of associates and joint ventures is recognised as part of the carrying amount of the associate and joint ventures, using the equity method. The initial carrying amount of goodwill is subsequently reduced by accumulated impairment losses. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is allocated to the relevant cash-generating unit (subsidiary, joint venture or associate) for the purpose of impairment testing.

Contract-related assets concern the interest in JFKIAT Member LLC acquired upon the acquisition of activities from third parties. These contracts are measured at fair value on the acquisition date and subsequently against the cost price thus determined less accumulated amortisation and

impairment. Contract-related assets are amortised on a straight-line basis over the remaining term of the arrangement.

Software includes software licences and software development. Software licenses that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Development expenditure on internally developed software is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. Capitalised software is amortised on a straight-line basis over its useful life.

Nitrogen rights represent the ammonia rights held by the Group to compensate a CO₂ emission-related activity. Nitrogen rights are initially measured at cost, a purchase price paid or the fair value of other consideration given. The nitrogen rights have indefinite useful life and are subsequently measured at cost less accumulated impairment losses.

See the note above and note 6 [Intangible assets](#) for a more detailed explanation.

Assets used for operating activities

Assets used for operating activities include runways, taxiways, aprons, car parks, roads, buildings, installations and other assets. These assets are measured at historical cost less grants received, straight-line depreciation and impairments. Historical cost includes directly attributable costs. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that Schiphol Group will derive future economic benefits from them and the amount can be measured reliably.

Assets used for operating activities, with the exception of land, are depreciated on a straight-line basis over the estimated useful life of the asset, which depends on its nature and components. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The net result on disposals is determined by comparing proceeds with carrying amount and is recognised in the income statement as other income.

The costs of day-to-day maintenance are recognised in the income statement, and the costs of planned major maintenance improving the existing assets are capitalised by using the component accounting method.

See note 7 [Assets used for operating activities](#) for a more detailed explanation.

Assets under construction or development

All capital expenditure is initially recognised as assets under construction or development, if it is probable that the group will derive future economic benefits from them and the amount can be measured reliably. There are three categories of assets under construction or development:

- (a) software under development presented under [Intangible assets](#);
- (b) assets under construction or development for operating activities presented under [Assets under construction or development](#);
- (c) assets under construction or development for investment property presented under [Investment property](#).

Software under development (category a) and Assets under construction or development for operating activities (category b) are measured at historical cost including:

- borrowing costs. This relates to interest payable to third parties on borrowings attributable to projects. Borrowing costs are only capitalised for projects with a duration of at least one year;
- time charged at cost to capital projects by Schiphol Group employees during the construction stage.

Software under development (category a) and Assets under construction or development for future operating activities (category b) are not amortised or depreciated. Impairment testing is performed as explained in the section 'Depreciation, amortisation and impairment'. When the assets are ready for use, they are transferred at historical cost less impairments to 'assets used for operating activities', which is also when the straight-line depreciation at the expense of the income statement commences.

Accounting policies for assets under construction or development for investment property (category c) are included under 'Investment property'.

Reference is made to notes 8 [Assets under construction or development](#) and 9 [Investment Property](#) for a more detailed numerical explanation.

Investment property

Investment property is measured at fair value. To prevent double counting, the fair value of investment property as presented in the statement of financial position, takes into account granted lease incentives. These incentives are recognised separately as assets on the statement of financial position under other non-current receivables (remaining term of more than one year) or trade and other receivables (remaining term of less than one year). Fair value gains and losses on investment property are recognised in the statement of income in the year in which they arise. Gains or losses on disposal of assets, i.e. differences between carrying amount and net selling price, are recognised in the income statement in the year the transaction is executed. Investment property is not depreciated.

Investment property under construction or development is measured at fair value provided that the fair value can be measured reliably. As long as this is not possible, the property is measured at historical cost. Any difference between fair value and historical cost is recognised in the income statement under 'Other income and results from investment property'. On completion, the property is transferred at fair value to 'Investment property'. Property purchased is initially measured at cost. Cost incurred after initial recognition is capitalised if it can be measured reliably and it is probable that future economic benefits will flow to Schiphol Group. Other expenditures are recognised immediately in the income statement.

All buildings in the portfolio are appraised twice a year by independent valuers (on 30 June and on 31 December). Land is appraised based on internal valuations and also by independent external valuers, this is in line with external guidelines. Each year, a different part of the land positions is appraised by independent external valuers. The market value of long-leased land is calculated by discounting the value of the future annual ground rents and the residual value under the contracts concerned (discounted cash flow 'DCF' method).

See note 9 [Investment property](#) for a more detailed explanation.

Depreciation, amortisation and impairment

Intangible assets and assets used for operating activities are amortised and depreciated on a straight-line basis according to the schedule below. Goodwill, investment property, assets under construction, nitrogen rights and land are not amortised or depreciated.

The book value of non-current assets is tested against the recoverable amount if there are indications of a potential impairment. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. The fair value less cost to sell is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs. Value in use is based on the present value of the estimated future cash flows from continuing use of an asset and from its disposal at the end of its useful life. This test is performed at cash-generating unit level,

Intangible assets

Contract-related assets	33 years
IT development	3-5 years
Software licences	3-5 years

Assets used for operating activities

Runways and taxiways	15-60 years
Aprons	30-60 years
Paved areas, roads, etc.:	
- Car parks	30 years
- Roads	30 years
- Tunnels and viaducts	40 years
- Drainage systems	40 years
Buildings	15-60 years
Installations	3-30 years
Other assets	5-20 years

whereas Aviation and Commercial (excluding the activities of Commercial Real Estate) are included in the separate cash-generating unit AAS. If the carrying amount exceeds the recoverable amount, the difference is recognised as an impairment loss in the statement of income and the carrying amount of the asset is reduced to the recoverable amount. Where applicable, the straight-line amortisation or depreciation over the remaining useful life of the asset concerned is adjusted accordingly. If circumstances indicate the need to reverse an impairment loss, the carrying amount of the asset is increased to the recoverable amount. Impairment losses on goodwill purchased on the acquisition of subsidiaries and joint ventures are not reversed. An annual impairment test is carried out to identify any changes or events that could lead to an impairment of the goodwill.

See note 5 [Depreciation, amortisation and impairment expenses](#) for a more detailed explanation.

Investments in subsidiaries, associates and joint arrangements

General

Where necessary, the accounting policies of subsidiaries, associates and joint ventures are adjusted to be in line with the Schiphol Group accounting policies.

See note 11 [Investments in associates and joint ventures](#) for a more detailed numerical explanation.

Subsidiaries

The financial information of Schiphol Group and its subsidiaries is included in the consolidated financial statements. Subsidiaries are companies that are controlled by Schiphol Group. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement

with the entity and is able to influence those returns through its control of the entity. The other shareholders' share in consolidated equity and results is presented in the statement of financial position as non-controlling interests (part of equity) and in the income statement as profit after income tax attributable to non-controlling interests. The results of subsidiaries acquired are consolidated from the date on which control commences. The financial information relating to subsidiaries that have been disposed continues to be included up to the date on which control ceases. In the event the company loses control of a subsidiary while retaining a financial interest, all assets and liabilities are de-consolidated and the remaining interest is initially recognised at fair value. The remaining difference is recognised in the income statement.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are recognised using the equity method, meaning that the investment is initially recognised at cost and subsequently adjusted for the company's post-acquisition share in the change in the associate's net assets. The carrying amount of these investments in associates and joint ventures includes goodwill recognised at acquisition. The company's share in the results of associates and joint ventures over which it has significant influence is recognised in the statement of income (share in results of associates and joint ventures). Cumulative movements in the net assets of associates and joint ventures are recognised in proportion to Schiphol Group's interest as investments in associates and joint ventures. The company ceases to recognise its share in the results of an associate and joint venture in the income statement and its share in the net asset value of that associate and joint venture immediately if this were to lead to the carrying amount of the investment becoming negative and if the company has not entered into any commitments or made payments on behalf of the associate and joint venture. Investments in associates and joint ventures are measured as other financial interests (at fair value with changes in fair value reported through the income statement) from the date on which the company ceases to have significant influence or control.

Joint arrangements

The financial data of entities that qualify as a joint arrangement are recognised as either joint ventures or joint operations, depending on the statutory and contractual rights and obligations of each individual investor. All existing contractual agreements qualify as joint ventures. Joint ventures are entities over which Schiphol Group and one or more other investors have joint control, and are accounted for using the equity method.

Acquisition of subsidiaries, associates and joint arrangements

An acquisition of a subsidiary, an associate or a joint arrangement is accounted for according to the purchase method, under which the cost of such an acquisition is the sum of the fair values of the assets and liabilities transferred by the acquirer on the acquisition date, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. For acquisitions of associates and joint ventures, this also includes the related transaction costs. The identifiable assets, liabilities and contingent liabilities acquired are initially measured at their fair value at the acquisition date. The excess of the cost of the acquisition over the company's interest in the net fair value of the acquired assets and liabilities is recognised as goodwill in the consolidated financial statements under intangible assets (in the case of subsidiaries) or as part of the carrying amount (in the case of associates and joint ventures). If the net fair value exceeds cost, the difference is recognised immediately in the income statement. Costs relating to an acquisition of a subsidiary are recognised directly in the income statement.

If the acquisition is achieved in stages and leads to having control in an entity, the acquisition date carrying value of the acquirer's previously held equity interest in the entity is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in the income statement.

When the Schiphol Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or other financial interest. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if it directly disposed the related assets or liabilities. This can result in amounts previously recognised in other comprehensive income being reclassified to profit or loss.

Eliminations

Transactions between the company and its subsidiaries, associates and joint arrangements are eliminated, in case of joint arrangements and associates in proportion to the company's interest in those entities, along with any unrealised gains and assets and liabilities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Financial assets

Schiphol Group classifies financial assets in the categories of amortised cost (loans to joint ventures and associates, trade receivables, cash and cash equivalents), financial assets at fair value through profit or loss and financial assets at fair value (derivative financial instruments). The classification is based on the business model and the cash flow characteristics of the financial asset.

Financial assets at fair value through profit or loss

The investment in shares of (listed) companies will be recognised at fair value through profit or loss (finance income and expense). Net gains and losses, including any interest or dividend income, are recognised from the investments of shares.

Derivative financial instruments

In line with the company's financial risk management, derivative financial instruments are used to hedge the risk of changes in future cash flows mainly connected with periodic interest payments and repayments of funding resulting from movements in market interest rates and exchange rates. The instruments used to hedge these risks are interest rate swaps and currency swaps. At inception of designated hedging relationships, the company documents the risk management objective and strategy for undertaking the hedge as well as the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Derivative financial instruments are measured at fair value. To the extent the hedging relationship is effective, fair value changes on derivative financial instruments are recognised in other comprehensive income and accumulated in the hedge reserve, which is part of equity (relating to the cash flow hedge) or it is recognised in the income statement as part of finance costs (fair value hedge). The non-effective part of fair value changes is recognised in the income statement. The cumulative amount recognised in the hedging transactions reserve is recycled to the income statement in the same period in which the hedged transaction is recognised in the income statement. In cash flow hedging relationships, only the change in fair value of the spot element of forward exchange contracts is designated as the hedging instrument. The change in fair value of the forward element is accounted for as a cost of hedging, while the related costs of hedging reserve is part of the hedging transactions reserve.

If a hedging instrument expires, is sold, terminated or exercised or ceases to satisfy the hedge accounting criteria, hedge accounting is discontinued prospectively. The fair value gains and losses accumulated up to that date continue to be carried in the hedging transactions reserve for as long as the initially hedged transaction is considered to be likely to occur, and are subsequently recognised in the statement of income simultaneously with the realisation of the hedged cash flow. If the initially hedged transaction is no longer expected to occur, the amounts accumulated in the hedging reserve and the costs of hedging reserve are immediately reclassified to the income statement.

When hedge accounting is not applied, the results are immediately recognised in the income statement.

See note 26 [Management of financial risks and financial instruments](#) for a more detailed explanation.

Loans to associates and joint ventures

The objective of loans to associates and joint ventures is to collect contractual repayments and interest. Loans to associates and joint ventures are initially measured at the fair value of the loans less attributable transaction costs, and subsequently measured at amortised cost, with differences between the redemption value and the carrying amount being amortised over the remaining term to maturity using the effective interest method.

See note 12 [Loans to associates and joint ventures](#) for a more detailed explanation.

Trade and other receivables

The objective of trade and other receivables is to collect contractual payments and interest. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairments based on the expected credit loss. In view of the generally short periods to maturity, the fair value and amortised cost of these items tend to be virtually identical to the face value.

See note 14 [Trade and other receivables](#) for a more detailed explanation.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, which is normally the nominal value. Cash and cash equivalents include all cash balances, deposits held at call at financial institutions, and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash. Liquid investments with an original maturity exceeding three months are excluded from cash and cash equivalents and reported under trade and other receivables. Bank overdrafts are included in the short-term payables.

See note 15 [Cash and cash equivalents](#) for a more detailed explanation.

Expected credit losses

Expected credit losses on loans to joint ventures and associates, deposits and cash and cash equivalents are measured on the basis of possible situations and developments that may lead to a counterparty defaulting within a period of 12 months. However, if a significant change has occurred in the credit risk, expected credit losses are based on possible situations and developments during the expected total lifetime of the receivable that may lead to the associate or bank defaulting.

A significant increase in the risk is deemed to have occurred if payment of repayment and/or interest is more than 30 days past due. The debtor is in default if payment is more than 90 days past due. Relevant information that is accessible without undue cost or effort is used to determine (twice a year) whether the credit risk has actually increased significantly and to measure expected credit losses. This includes both quantitative and qualitative information as well as historical and prospective information.

Schiphol Group opted to base its measurement of expected credit losses relating to trade receivables on all possible situations and developments that may lead to default of the debtor during the expected total lifetime of the receivable using the simplified approach based on the lifetime expected credit loss of the receivables. The provision amounts are derived from a provision matrix based on historical data on credit losses per business area. Additionally, the measurement of credit losses is based on information accessible without undue costs and effort about current developments and expectations with regard to the market and significant trading relationships. The provision covers 100% of the receivables owed by debtors that are in bankruptcy or have applied for a suspension of payments, as well as receivables older than one year.

Expected credit losses are reported in the income statement as part of depreciation, amortisation and impairment.

Inventories

Inventories are measured at the lower of cost and net realisable value. The lower net realisable value is determined by an individual assessment of the inventories. Cost includes the purchasing costs of the product. The cost of inventories is based on the first-in, first-out principle. The net realisable value is based on the expected selling price less selling costs to be incurred.

Assets and liabilities held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The sale is highly likely if, on the reporting date, management has committed to detailed sales plans, is actively looking for a buyer and has set a reasonable selling price and the sale is highly likely to occur within a year.

Such assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Once classified as held for sale, the non-current assets will no longer be amortised or depreciated.

Shareholders' equity

Issued share capital

The issued share capital is the amount paid up on the shares issued, up to their nominal value.

See note 16 [Issued share capital and share premium](#) for a more detailed explanation.

Share premium reserve

The share premium reserve is the amount paid up on the shares issued in excess of their nominal value.

Retained profits

Retained profits are the net results (i.e. that part of the result attributable to shareholders) accumulated in previous years minus distributed dividends.

See note 17 [Retained profits](#) for a more detailed numerical explanation.

Other reserves

Other reserves are the exchange differences reserve, the hedging transactions reserve, the share in other comprehensive income of associates reserve and the reserve for actuarial gains and losses.

The policies on the hedging transactions reserve and cost of hedging reserve are disclosed in 'derivative financial instruments'. The policies on the exchange differences reserve are disclosed under (c) in the policy on 'foreign currency'.

See note 18 [Other reserves](#) for a more detailed explanation.

Treasury shares

Where any group company purchases Schiphol Group's equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of Schiphol Group as treasury shares until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Schiphol Group. Shares held by Schiphol Group are disclosed as treasury shares and deducted from contributed equity. Any surplus or deficit on the sale of treasury shares will be accounted for as an adjustment to share premium or reserves, including retained earnings, or a combination thereof. See note 16 [Issued share capital and share premium](#) for a more detailed explanation.

Employee benefits

Schiphol Group identifies four categories of employee benefits:

- short-term employee benefits;
- post-employment benefits;
- other long-term employee benefits;
- termination benefits.

These categories are explained below, along with descriptions of the Schiphol Group employee benefits included in these categories.

Short-term employee benefits

Short-term employee benefits are benefits payable within a year after the reporting date in which the employee rendered the service. Within Schiphol Group, this category includes wages and salaries (including holiday pay) and fixed and variable allowances, social security contributions, paid sick leave, profit sharing and variable short-term remuneration. The costs of these employee benefits are recognised in the income statement when the service is rendered or the rights to benefits are accrued (e.g. holiday pay).

Post-employment benefits

These are employee benefits that are due after completion of employment. They include pensions and job-related early retirement benefits. Schiphol Group's pension plan is administered by Algemeen Burgerlijk Pensioenfonds (ABP). The pension plan is regarded as a group scheme involving more than one employer that qualifies as a defined-contribution plan because:

- the members bear the actuarial and investment risks practically in full;
- the affiliated employers have no supplementary obligation to make additional contributions in the event of a deficit at ABP, nor are they entitled to any surpluses in addition to paying the premium set by ABP;
- each year the premium is set by the ABP board on the basis of its own file data, with due regard for the prescribed parameters and requirements.

Accordingly, in measuring the obligations arising from the pension plan, Schiphol Group merely recognises the pension contributions payable as an expense in the income statement.

The obligation covering job-related early retirement benefits is calculated according to actuarial principles and accounted for using the method described in 1, 2 and 3 below. In these cases, a net asset or liability is recognised in the balance sheet, comprising:

1. the present value of the defined-benefit obligation at the reporting date, measured using the projected unit credit method, under which the present value of the pension obligation for each member is determined on the basis of the number of active years of service prior to the reporting date, the estimated salary level at the expected date of retirement and the market interest rate;

2. less any past service cost not yet recognised. If, owing to changes in the pension plans, the expected obligation based on future salary levels with respect to prior years of service (past service costs) increases, the amount of the increase is recognised in full in the period in which the rights are granted;
3. less the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

These are employee benefits which do not fall wholly due within a year of the end of the period in which the employees render the related service. At Schiphol Group, this includes, among others, supplementary disability benefits, long-service awards and sustainable employment budget.

The expected costs of supplementary disability benefits are recognised in full in the statement of income from the date on which an employee is declared partially unfit for work. The liabilities with respect to supplementary disability benefits, long-service awards and sustainable employment budget are measured at the present value of the obligation.

Termination benefits

These are employee benefits payable as a result of either a decision by Schiphol Group to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for such benefits. Benefits under the scheme supplementing the statutory amount of unemployment benefit are another example of termination benefits. The costs are recognised in full in the income statement as soon as such a decision is made. Termination benefits are recognised at the present value of the obligation.

See note 21 [Employee benefits](#) for a more detailed explanation.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured by discounting the expected future cash flows.

See note 22 [Provisions](#) for a more detailed explanation.

Leases

Schiphol Group as lessee

At inception of a contract, Schiphol Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In respect of leases right-of-use assets are recognised representing the right to use the underlying asset as well as lease liabilities representing the obligation to make lease payments. Schiphol Group does not apply the lessee accounting model to short-term leases (a term shorter than 12 months) and leases of low-value items (an individual value below 5,000 euros). Lease payments associated with short-term and low-value leases are recognised as an expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost being an amount equal to the lease liability, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurements of the lease liability. The right-of-use assets are presented in the same line as assets of the same nature owned by Schiphol Group. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset includes exercise of a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated until the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments. To determine the present value, the interest rate implicit in the lease is used. If that rate cannot be readily determined, the incremental borrowing rate is used. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest expense on the lease liability is accounted for on a separate line within financial expenses. A remeasurement of the lease liability (and similar adjustment to the book value of the right-of-use asset) can occur from a change in the lease term, a change in future lease payments or a change in the assessment of an option to purchase the underlying asset. Lease liabilities are presented in Other non-current and current liabilities in the statement of financial position.

Schiphol Group as lessor

Leases in which Schiphol Group acts as lessor are classified as either an operating lease or a finance lease. Assets where the company or one of its subsidiaries has beneficial ownership under a lease contract are classified as operating leases. The company, or a subsidiary, has beneficial ownership if substantially all the risks and rewards incidental to ownership are transferred to it. Leases where beneficial ownership of the asset remains with third parties are classified as finance leases. Whether a lease qualifies as a finance lease or an operating lease depends on the economic reality (substance of the transaction rather than the form of the contract).

Assets subject to a finance lease are presented in the balance sheet as a lease receivable and measured at the present value of the minimum lease payments receivable at the inception of the lease (the net investment in the lease). The interest rate implicit in the lease is used to measure the net investment in the lease. The lease payments receivable are apportioned between the finance income and the reduction of the outstanding receivable so as to present a constant periodic rate of return on the net investment in the lease.

Assets subject to an operating lease are recognised in the balance sheet and measured according to the type of asset. The lease payments receivable under such leases are recognised as income in equal instalments, allowing for lease incentives, in the income statement. In the case of prepaid ground rents, the prepaid amounts received are recorded as a lease liability in the balance sheet and recognised as income in the income statement on a straight-line basis over the lease term.

Financial liabilities

The company classifies financial liabilities in the categories of amortised cost (borrowings, trade payables and interest payable) and designated at fair value through profit and loss (borrowings).

Borrowings

This item relates to bonds, private placements and amounts owed to credit institutions. Borrowings are initially measured at fair value less attributable transaction costs, and subsequently measured at amortised cost, with differences between the redemption value and carrying amount being amortised over the remaining term to maturity using the effective interest method.

Borrowings expected to be repaid within a year of the reporting date are presented as current liabilities.

See note 20 [Borrowings](#) for a more detailed explanation.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost. In view of the generally short periods to maturity, the fair value and amortised cost of these items tend to be virtually identical to the nominal value.

Liabilities from municipal taxes such as certain types of property taxes are recognised at the obligating event.

See note 24 [Trade and other payables](#) for a more detailed explanation.

Revenue

Nearly all of Schiphol Group's activities comprise the provision of services. The Group recognises revenue when it transfers control over a service to the customer. Revenue is either measured based on the consideration consulted and set according to the Aviation Act (airport charges), specified in a contract with the customer (e.g. concessions, rent and leases) or based on rates published publicly (e.g. parking fees). Each of the charges and rates relates to distinct services and does not contain financing components.

Revenues from the handling of flights, aircraft, passengers and baggage and from the provision of parking space (reported as airport charges and parking fees) qualify as revenue from contracts with customers. The airport charges are recognised at a point in time and parking fees are recognised over time. Revenue from the granting of concessions and letting of investment property and retail space qualifies as revenue from leases and is recognised on a straight-line basis over the contract period.

Total revenue represents the income from the services provided less discounts and tax (VAT and excise duty). Revenue equals total revenue less the revenue from intra-group transactions.

As regards the main activities of Schiphol Group, revenue is recognised as follows:

Airport charges

Revenue from airport charges consists of passenger service charges, security service charges, aircraft-related fees and aircraft parking fees. Revenue is recognised at a point in time. Given this method of revenue recognition, there are no performance obligations with regard to the revenues from airport charges as at the balance sheet date. Airport charges are invoiced on a weekly basis and the standard contractual payment term is three weeks.

The activities of the Aviation business area (at Amsterdam Airport Schiphol) are regulated. This means that the process of setting the airport charge rates is subject to supervision by the Dutch Authority for Consumers and Markets (ACM) and that the aviation sector must be consulted as part of this process, which takes place every three years to set the tariffs for the next three-year period. When setting the aviation charges, the Aviation business area's profitability is capped at an average weighted cost of capital for regulated assets; both the asset base and the cost of capital must be determined in compliance with the Aviation Act.

In submitting its proposal, the operator provides the users with a report on quality indicators as stipulated in the Amsterdam Airport Schiphol Operation Decree. The charges for all of the airport activities should be transparent. This also applies to the revenue from operations that are directly associated with the aviation activities at the airport which are factored into the charges. For this purpose, the operator is required to keep separate accounts for the airport activities, including sub-accounts for the costs of security relating to passengers and their baggage and the revenue

generated by security charges. For the income and expenses of these activities, the operator has implemented an industry-standard allocation system that is proportionate and comprehensive.

Under the Aviation Act, Schiphol Group must settle surpluses and deficits from specified income and expenses with the industry. Settlement takes place after the respective financial year and preparation of the financial statements of the Aviation and Security reporting segments, in accordance with the Aviation Act and the applicable new airport charge rates. Surpluses and deficits eligible for settlement in the airport charge rates are not presented as assets and liabilities in the balance sheet.

The regional airports are not regulated up to a five million passenger limit. Eindhoven Airport reached this limit, as a consequence of which the tariffs of this airport are regulated as of 1 April 2019. As is the case for Amsterdam Airport Schiphol, the airport charges at Eindhoven Airport must be consulted with the airlines and must be transparent, reasonable and non-discriminatory. After setting the rates (in this case for one year in advance only), the airlines have the opportunity to object to the rates with the ACM. Unlike Amsterdam Airport Schiphol, Eindhoven Airport is not required to settle surpluses and deficits with the industry. No regulatory procedures apply to the setting of the airport charges of Rotterdam The Hague Airport and Lelystad Airport as passenger numbers at these airports are below the five million passenger limit.

Concessions

A concession grants the holder non-exclusive rights to operate and manage a commercial activity in a specific location designated by Schiphol Group. Concession income qualifies as variable lease payments, since it depends on predetermined percentage scales that are linked to the revenues of the concession holder. Concession income is recognised on a straight-line basis where the scales set are linked to the annual sales of the concession holder in the financial year. If the revenue period specified in a contract is different from Schiphol's financial year, an estimate of the expected revenue and scale will be made and recognised. In these instances, revenue is also recognised on a straight-line basis. Concessions are invoiced on a monthly basis and the standard contractual payment term is two weeks.

Rent and leases

Income from rent and leases relates to the letting of (investment) property and retail space, as in general, in addition to the concession agreement, a separate contract is entered into with concession holders in which a fixed rent is payable for the retail space rented by the concession holder. Income from rent and leases is recognised as revenue in the income statement on a straight-line basis over the contract term of the agreement. Rent and leases are invoiced in advance, mostly on a quarterly basis, and the standard contractual payment term is two weeks.

Rent holidays, discounts on rent and other lease incentives are recognised as an integral part of the gross rental revenues. Service charges relate to the costs of energy, concierges and maintenance

which may be charged to the tenant under the lease. The part of the service costs allocated to property investments which have not been let is recognised as an expense in the income statement.

Parking fees

Parking fees are recognised over time, in proportion to the service supplied at the reporting date. Parking revenues are for the most part collected immediately after the service has ended. A smaller part is collected at the moment the service is reserved ahead online. Revenues from business parking are invoiced on a monthly basis and the standard contractual payment term is two weeks. As a consequence of the above, with regard to the majority of revenues from parking fees, there are no performance obligations as at the balance sheet date.

Other activities

Revenue from other activities mainly consists of revenue from advertising, transport of electricity, gas and water, telecommunication services and other services and activities on behalf of third parties. Most of this revenue qualifies as revenue from contracts with customers and is recognised over time, in proportion to the service supplied at the reporting date.

See note 1 [Revenue](#) for a more detailed explanation.

Operating profits

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

Financial income and expenses

Interest income and expense is recognised over time on a basis that takes into account the effective yield on the loans granted or liabilities. Dividends are recognised when Schiphol Group's right to receive payment is established.

See note 26 [Management of financial risks and financial instruments](#) for a more detailed explanation.

Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relate to capital expenditure or expenses recognised.

When the grant relates to expenses, it is presented as part of profit or loss and deducted in reporting the related expense. See note 4 [Employee benefits expense](#). Investment grants, being government contributions to capital expenditure, are deducted directly from the carrying amount of the asset.

Income taxes

Income taxes comprise current tax payable or receivable and deferred tax. Income taxes are recognised in the income statement unless they relate to items credited or charged directly to equity or other comprehensive income, in which case the tax is charged or credited directly to equity or other comprehensive income as well.

Current tax payable or receivable

Current tax payable or receivable in respect of the reporting period is the tax that is expected to be paid on the taxable profit for the reporting period and adjustments to the tax payable or receivable for prior periods. The tax payable or receivable is computed on the basis of tax rates and laws enacted or substantially enacted at the reporting date. Income taxes include all taxes based on taxable profits and losses including non-deductible taxes payable by subsidiaries, associates or joint ventures. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amount of assets and liabilities according to tax legislation and the accounting policies used in preparing these financial statements. Deferred tax assets, including those arising from tax loss carry-forwards, are recognised if it is probable that there will be sufficient future taxable profits against which tax losses can be offset, allowing the assets to be utilised.

No deferred tax assets or liabilities are recognised for:

1. temporary differences resulting from transactions that do not qualify as a business combination and that affect neither the result for reporting purposes nor the result for tax purposes at the time of the transaction; and
2. temporary differences associated with investments in subsidiaries, associates, joint ventures and contract-related intangible assets to the extent that Schiphol Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Existing deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The carrying amounts of deferred tax assets and liabilities are calculated at the tax rates expected to be applicable to the period in which an asset is realised or a liability is settled, using the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and reflects

uncertainty related to income taxes, if any. Deferred tax assets and liabilities are netted if they relate to the same fiscal unity and the company at the head of this fiscal unity has a legally enforceable right to do so.

See note 10 [Income taxes](#) for a more detailed explanation.

Foreign currency

Functional currency and presentation currency

Since the primary economic environment of Schiphol Group is the Netherlands, the euro is both its functional currency and presentation currency. Financial information is presented in thousands of euros, except where otherwise stated.

Transactions, assets and liabilities

Transactions (capital expenditure, income and expenses) denominated in foreign currencies are accounted for at the exchange rate on the transaction date. Monetary assets and liabilities (receivables, payables and cash and cash equivalents) in foreign currencies are translated at the exchange rate on the reporting date. Exchange differences arising on translation and settlement of these items are recognised in the statement of income under financial income and expenses, with the exception of exchange differences on financial instruments in foreign currencies against which derivative financial instruments are held with the object of hedging exchange risks on future cash flows. Exchange differences on these financial instruments are recognised directly in comprehensive income provided the hedge is determined to be effective. The ineffective portion is recognised in the income statement under financial income and expenses.

Subsidiaries

Income and expenses denominated in foreign currencies are translated at the exchange rate on the transaction date, which in practice is usually approximated using an average exchange rate. Assets and liabilities are translated at the rate on the reporting date. Goodwill and changes in fair value arising on the acquisition of investments in associates are treated as assets and liabilities of the entity concerned and are similarly translated at the rate on the reporting date. Exchange differences arising on the translation of balance sheets and income statements of subsidiaries outside the euro zone are recognised directly in equity under the exchange differences reserve. On disposal of subsidiaries outside the euro zone, the accumulated translation differences initially recognised in the exchange differences reserve are recognised in the income statement as part of the result on disposal.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents within the cash flow statement consist of all cash balances, deposits held at call at financial institutions, and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash. Liquid investments with an original maturity exceeding three months are reported under trade and other receivables. Given the purpose of these investments (to finance capital expenditure in the short term), the movements in these investments are not reported as part of movement in working capital but as part of cash flow from investing activities.

Cash flows from short-term credit facilities are classified as cash flows from financing activities. Cash flows in foreign currencies are translated at an estimated average rate. Currency differences on cash and cash equivalents are separately disclosed. Income tax, interest received and interest paid, and dividends received are classified as cash flows from operating activities. Capitalised interest is presented consistently with interest cash flows that are not capitalised. Paid dividends are classified as cash flows from financing activities.

The acquisition of a group company or subsidiary is classified as a cash flow from investing activities for the part that was paid in cash. Available cash and cash equivalents within the acquired company or subsidiary are eliminated. This also applies in the case of the sale of a group company.

Non-cash transactions are not included in the cash flow statement. Payments of lease instalments under a financial lease contract are classified as cash flows from financing activities as regards the part relating to redemption and as cash flows from operating activities as regards the part relating to interest.

See the [Consolidated statement of cash flow for the year ended 31 December 2023](#) for a more detailed explanation.

Critical judgements and estimates

The assumptions and estimates made in the financial statements often concern expected future developments. Since the actual developments may deviate from the assumptions used, the actual outcomes may significantly differ from the current measurements of a number of items in the financial statements. As a result, the assumptions and estimates used may significantly influence Schiphol Group's equity and results. Assumptions and estimates used are tested periodically and adjusted where necessary. To a significant degree, these assumptions and estimates are based on past experience and on Schiphol Group's management's best estimate of specific circumstances which – in the management's view – apply in the given context. This section discusses the principal areas where the measurement of items is strongly influenced by the assumptions and estimates used.

Going concern assumption (forecasting)

Several assumptions and estimates were made by management in determining the forecasts and different scenarios to be able to conclude on the going concern assumption of Schiphol Group. Judgement is required in projecting the future cash flows, including the duration and continued impact of the restrictions on the expected levels of passenger numbers and air traffic movements. The assumptions of the estimates are included in more detail in the [Accounting Policies](#) for the going concern assumption.

Useful life, residual value and impairment of property, plant and equipment

The carrying value of property, plant and equipment is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the asset concerned, and residual values. The expected technical and useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset. These factors may also give rise to the need to recognise an impairment on assets. Estimates relate to, among other things, projected passenger and ATM recovery and growth within the ranges defined in currently applicable legislation, draft nature conservation permit and other traffic regulations and the settlement mechanism as included in the Aviation Act as disclosed in note 1 [Revenue](#).

The estimated useful life of an asset should be reassessed if changes in circumstances occur or new information becomes available regarding the remaining useful life. The depreciation period should be the same as the expected usage pattern of the asset. See note 5 [Depreciation, amortisation and impairment expense](#) for the impact of the change in useful life.

Determining the fair value of investment property and land positions

The fair value of buildings recognised under investment property is appraised twice a year by management through the deployment of independent external valuers. The fair value of land recognised under investment property is appraised primarily on the basis of internal valuations.

In addition each year a different part of the land positions is appraised by independent external valuers. The best evidence of fair value are current prices in an active market for similar investment property. In the absence of such information, Schiphol Group determines the amount within a range of reasonable fair value estimates. The underlying assumptions of these estimates are explained in more detail in the accounting policies on investment property and in note 9 [Investment property](#).

Impairment of goodwill and non-current assets

Goodwill is not amortised, but an annual impairment test is carried out to identify if there are any changes or events that could lead to an impairment of the goodwill. Other assets are tested in the case of any events or changes that call for an impairment test. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and explained in the [Accounting Policies](#) (Going concern basis of accounting) and note 11 [Investments in associates and joint ventures](#).

Capitalisation and allocation of costs to specific assets

All capital expenditures are initially recognised under assets under construction if they are expected to generate future economic benefits. A distinction is made between operating activities and investment property. Asset used for operating activities can be subdivided into the following categories:

- runways, taxiways and aprons;
- paved areas and roads;
- buildings;
- installations; and
- other non-current assets.

Taxes

When preparing the financial statements, Schiphol Group makes every effort to assess all relevant tax risks and process up-to-date tax position details in the financial statements to the best of its ability. Evolving insights, for example following final tax assessments for prior years, can result in additional tax burdens or benefits, and new tax risks may arise. In the valuation of deferred tax assets, particularly those concerning differences between the values of property, plant and equipment for reporting and tax purposes as well as unutilised tax losses in the financial statements, assumptions are made regarding the extent to which and the period within which such assets can be realised. This is done, for instance, on the basis of business plans. In addition, when preparing the financial statements assumptions are made regarding temporary and permanent differences between the values for reporting and tax purposes. The actual situation may deviate from the assumptions used to determine deferred tax positions, due for instance to diverging insights and changes in tax laws and regulations. See note 10 [Income taxes](#) for a more detailed explanation.

The management programme for these tax risks (also known as the 'tax control framework') is part of Schiphol Group's overall risk management programme. This programme serves to identify tax risks and monitor internal controls with the aim of mitigating the tax risks. Schiphol Group has also developed and implemented a tax planning framework. Tax risk management is facilitated by the central control department (Finance Operations) and is part of approved Management Board policy. This policy is based on Schiphol Group's aim to be a trustworthy taxpayer through the application of professional tax compliance procedures.

Provisions

Schiphol Group uses estimates and assumptions when determining the likelihood that an obligation per balance sheet date will lead to an outflow of resources. In addition to this, assumptions are applicable to the estimated amount of outflow of resources. For example, Schiphol recognised an environmental provision related to soil pollution for construction projects for which soil has been excavated. Schiphol has made an estimation of the expected expenditures related to the decontamination. For more detailed explanations, refer to note 22 [Provisions](#)

Claims and disputes

Schiphol Group is the subject of various claims and disputes, which are part of its business operations. Group management assesses the claims and court cases instituted against it on the basis of facts and seeks legal advice when required. Schiphol is also involved in disputes as a claimant. In both cases this involves subjective elements and projected outcomes. However, it is not possible to obtain certainty about the final outcome and any negotiations on claims and disputes. For a more detailed explanation, see note 25 [Contingent assets and liabilities](#).

Segment information

An operating segment is a clearly identifiable part of a company that engages in business activities with associated revenues, costs and operating results, and for which separate financial information is available that is regularly reviewed by the Management Board in order to assess the performance of the segment and make decisions about the resources to be allocated to it.

Schiphol Group identified fourteen operating segments, which have been combined into eight segments for reporting purposes in view of the size and characteristics of the operating segments. The eight segments for reporting purposes are grouped into three business areas: Aviation, Schiphol Commercial and Alliances & Participations. Information relating to alliances specifically associated with a particular business area is presented under the segments of that business area. The information relating to other alliances is presented under the reporting segments of the Alliances & Participations business area.

The Management Board and Corporate Treasury review liabilities and financial income and expenses at group level rather than segment level. The same rationale applies to income taxes, which are also reviewed and monitored at group level rather than at segment level. Transactions between the segments have been consistently conducted at arm's length over the years. Group overheads are allocated to the segments largely on the basis of their relative share in the direct costs of Schiphol Group. The system of allocations and settlements has been applied consistently over the past years.

Since Schiphol Group's current activities are concentrated almost entirely in the Netherlands (approximately 99% of consolidated revenue in 2023 (2022: 99%)), there is no geographical segmentation.

Aviation

The Aviation business area operates at Amsterdam Airport Schiphol and provides services and facilities to airlines, passengers and handling agents. It is subdivided into two segments: Aviation and Security. Aviation generates most of its revenue from airport charges (charges related to aircraft and passengers) and concession fees (paid by oil companies for the provision of aircraft refuelling services). The source of revenue for Security consists of airport charges (security-related charges).

Schiphol Commercial

The activities of the Schiphol Commercial business area consist of the core of all commercial services, such as consumer products, services and real estate activities. The major part of the activities is located at and around Amsterdam Airport Schiphol. The activities of Schiphol Commercial are split in the following segments: Concessions, Parking & Mobility, Commercial Real Estate, Terminal Real Estate and Other.

The segment Concessions consist of granting and managing concessions for shops, food and beverages, and service outlets (Concessions segment, generating variable revenue from concessions). Parking & Mobility Services is responsible for operating all car parks and generates revenue from parking charges. The majority of parking revenue comes from passengers and visitors to the airport directly (business to consumer), with a small part being generated online through parking space being reserved upfront. The Commercial Real Estate segment develops, manages, operates and invests in property at and around domestic and foreign airports. The majority of the portfolio, comprising both airport buildings and commercial properties, is located at and around Amsterdam Airport Schiphol. Sources of revenue include income from developing and leasing out land and buildings. The segment also makes a major contribution to the Schiphol Group results with other income from property (sales, fair value gains or losses on property, and granting land leases). Terminal Real Estate manages and rents out the offices and business class lounges at Schiphol to third parties. The Other segment include activities in advertisement and media space as well as premium services to passengers. Except for Premium Services and Parking, all revenue originates from services to other companies (business to business).

Alliances & Participations

The Alliances & Participations business area comprises the regional airports, international airports and other activities. Airport charges, concessions and parking charges are the main sources of revenue for the regional airports (Rotterdam The Hague, Eindhoven and Lelystad). The airports abroad (Brisbane Airport Corporation Holdings Ltd and Tasmanian Gateway Holdings Corporation Pty Ltd) and Maastricht Aachen Airport contribute to the group result through their results as accounted for in the share in results of associates and joint ventures and through the interest received on loans. The stake in JFKIAT Member LLC is recognised as a contract-related asset and contributes to the group result through management fees that are recognised as part of other revenue. The other activities mainly consist of Schiphol Telematics and Utilities. Schiphol Telematics provides telecommunication services at and around the airport. Utilities generates revenue from the transmission of electricity and gas and from the supply of water.

2023				
(in thousands of euros)	Aviation	Schiphol Commercial	Alliances & Participations	Total
Airport charges	1,071,744	-	85,990	1,157,734
Concessions	15,438	176,265	13,281	204,984
Rent and leases	314	220,086	6,592	226,992
Parking fees	-	123,000	30,085	153,085
Other activities	53,008	44,544	124,468	222,020
Total revenue	1,140,504	563,894	260,416	1,964,815
Intercompany revenue	-1,153	-35,938	-75,751	-112,842
Revenue	1,139,351	527,956	184,665	1,851,973
Other results from investment property	-	-152,313	1,718	-150,595
Impairment ¹	-1,966	-4,548	28	-6,486
Depreciation and amortisation	-235,148	-67,809	-34,704	-337,661
Operating result	-112,999	90,766	28,111	5,878
Share in results of associates and joint ventures ²	1,165	3,422	31,044	35,631
Total assets	4,694,950	3,389,319	1,169,975	9,254,244
Total non-current assets (excl. deferred tax)	3,753,137	2,709,489	935,301	7,397,927
Investments in associates and joint ventures	4,173	138,274	343,150	485,597
Capital expenditure ³	497,567	134,893	45,118	677,578

1 This amount excludes expected credit losses.

2 The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

3 Capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

2022 (in thousands of euros)	Aviation	Schiphol Commercial	Alliances & Participations	Total
Airport charges	821,309	-	80,164	901,473
Concessions	12,875	138,897	10,710	162,482
Rent and leases	258	215,475	6,211	221,944
Parking fees	-	102,960	24,643	127,603
Other activities	36,090	34,290	115,605	185,985
Total revenue	870,531	491,622	237,333	1,599,487
Intercompany revenue	-620	-32,195	-76,081	-108,896
Revenue	869,911	459,427	161,252	1,490,591
Other results from investment property	-	-192,501	869	-191,632
Impairment ¹	-1,587	-1,062	-1,335	-3,983
Depreciation and amortisation	-222,282	-66,155	-38,606	-327,043
Operating result	-191,936	29,121	11,275	-151,541
Share in results of associates and joint ventures ²	1,428	-6,771	46,180	40,837
Total assets	4,617,278	3,715,895	1,270,597	9,603,770
Total non-current assets (excl. deferred tax)	3,487,983	2,807,061	959,940	7,254,984
Investments in associates and joint ventures	3,009	135,987	353,332	492,328
Capital expenditure ³	245,890	151,575	46,247	443,713

¹ This amount excludes expected credit losses.

² The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

³ Capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

Aviation

(in thousands of euros)	Aviation		Security		Total
	2023	2022	2023	2022	2022
Airport charges	698,285	536,417	373,459	284,892	821,309
Concessions	15,438	12,875	-	-	12,875
Rent and leases	99	93	215	165	258
Other activities	46,982	30,244	6,026	5,846	36,090
Total revenue	760,804	579,628	379,700	290,903	870,531
Intercompany revenue	-928	-853	-225	232	-620
Revenue	759,876	578,775	379,475	291,136	869,911
Depreciation and amortisation	-187,839	-172,832	-47,309	-49,450	-222,282
Impairment ¹	-1,942	-1,384	-24	-203	-1,587
Operating result	-40,029	-140,320	-72,970	-51,617	-191,936
Share in results of associates and joint ventures ²	1,165	1,428	-	-	1,428
Total assets	4,133,559	4,032,983	561,391	584,294	4,617,278
Total non-current assets (excl. deferred tax)	3,304,350	3,046,596	448,787	441,387	3,487,983
Investments in associates and joint ventures	4,173	3,009	-	-	3,009
Capital expenditure ³	442,870	188,546	54,697	57,345	245,890

¹ This amount excludes expected credit losses.

² The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

³ Capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

Schiphol Commercial

(in thousands of euros)	Concessions		Parking & Mobility Services		Commercial Real Estate		Terminal Real Estate		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Concessions	166,296	129,960	8,847	8,036	1,122	901	-	-	-	-	176,265	138,897
Rent and leases	17,589	16,765	218	284	143,901	143,136	58,378	55,292	-	-1	220,086	215,475
Parking fees	-	-	116,571	97,264	6,429	5,696	-	-	-	-	123,000	102,960
Other activities	762	836	1,374	1,698	2,601	1,943	196	161	39,611	29,653	44,544	34,290
Total revenue	184,647	147,561	127,010	107,281	154,053	151,675	58,574	55,452	39,611	29,652	563,894	491,622
Intercompany revenue	-543	-453	-2,283	-2,042	-22,639	-19,787	-10,274	-9,226	-199	-686	-35,938	-32,195
Revenue	184,104	147,108	124,727	105,239	131,414	131,888	48,300	46,226	39,411	28,966	527,956	459,427
Other income and results from investment property	-	-	-	-	-152,313	-192,501	-	-	-	-	-152,313	-192,501
Depreciation and amortisation	-17,784	-17,019	-19,900	-19,486	-6,550	-5,962	-19,668	-19,007	-3,908	-4,681	-67,809	-66,155
Impairment ¹	-3	-215	-2	-171	-4,061	-336	18	-86	-499	-255	-4,548	-1,062
Operating result	116,910	94,700	51,226	40,462	-79,183	-111,715	-6,070	803	7,883	4,870	90,766	29,121
Share in results of associates and joint ventures ²	1,557	-9,520	-	-	1,865	2,748	-	-	-	-	3,422	-6,771
Total assets	301,581	296,112	377,272	378,765	2,265,868	2,591,788	410,566	412,854	34,033	36,376	3,389,319	3,715,895
Total non-current assets (excl. deferred tax)	241,091	223,689	301,599	286,127	1,811,379	1,957,888	328,214	311,878	27,206	27,479	2,709,489	2,807,061
Investments in associates and joint ventures	8,076	6,519	-	-	130,198	129,468	-	-	-	-	138,274	135,987
Capital expenditure ³	33,879	15,227	36,124	18,699	25,638	97,122	35,994	15,258	3,258	5,269	134,893	151,575

¹ This amount excludes expected credit losses.

² The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

³ Capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

Alliances & Participations

(in thousands of euros)	International airports		Domestic airports		Other activities ¹		Total	
	2023	2022	2023	2022	2023	2022	2022	
Airport charges	-	-	85,990	80,164	-	-	85,990	80,164
Concessions	-	-	13,281	10,710	-	-	13,281	10,710
Rent and leases	-	-	6,592	6,210	1	1	6,592	6,211
Parking fees	-	-	30,085	24,643	-	-	30,085	24,643
Other activities	16,612	12,715	6,959	6,183	100,897	96,707	124,468	115,605
Total revenue	16,612	12,715	142,906	127,911	100,898	96,707	260,416	237,333
Intercompany revenue	-3	-3	-674	-1,238	-75,074	-74,840	-75,751	-76,081
Revenue	16,609	12,712	142,232	126,673	25,824	21,867	184,665	161,252
Other results from investment property	-	-	1,718	869	-	-	1,718	869
Depreciation and amortisation	-1,424	-1,500	-21,594	-21,993	-11,686	-15,112	-34,704	-38,605
Impairment ²	-	-1	-40	-737	68	-596	28	-1,335
Operating result	9,419	-242	9,117	7,413	9,575	4,104	28,111	11,275
Share in results of associates and joint ventures ³	27,268	45,749	-	-	3,776	431	31,044	46,180
Total assets	607,032	694,985	400,924	430,185	162,020	145,427	1,169,975	1,270,597
Total non-current assets (excl. deferred tax)	485,273	525,005	320,506	324,970	129,522	109,964	935,301	959,940
Investments in associates and joint ventures	330,293	346,574	-	-	12,857	6,759	343,150	353,332
Capital expenditure ⁴	3,496	1,157	16,272	17,093	25,350	27,998	45,118	46,247

¹ The other activities include revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

² This amount excludes expected credit losses.

³ The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

⁴ Capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

Notes to the consolidated statement of income

1. Revenue

Schiphol Group has recovered significantly from the effects of the COVID-19 pandemic during 2023, which resulted in an increase in passenger numbers (17%) and ATMs (10%). This had a positive impact on revenue recognised on airport charges, spend per arriving/departing passenger resulting in higher concession revenues and parking fees. The breakdown of the revenue as discussed in the following sections include intercompany revenues that are eliminated upon consolidations.

Airport charges

Revenue from airport charges increased compared to 2022 as a result of increased activities, an increase of 12% of the Amsterdam Airport Schiphol airport charges and as of Q2 2022 no rebates were granted on airport charges. These rebates during Q1 2022 amounted to 2 million euros and included payment discounts for early settlement as well as a rebate on landing and take-off (LTO) charges.

(in thousands of euros)	2023	2022
Passenger service charges	493,440	380,484
Security service charges	405,356	311,893
Aircraft-related fees	225,114	182,846
Aircraft parking fees	7,469	6,969
Airline nitrogen fees	26,355	19,281
Total airport charges	1,157,734	901,473

The activities of the Aviation business area (at Amsterdam Airport Schiphol) are regulated. Under the Aviation Act, Royal Schiphol Group N.V. settles surplus or deficits from specified revenues and expenses with the industry. In accordance with IFRSs endorsed by the EU, surpluses and deficits, eligible for settlement in future airport charge rates, are not recognised as assets and liabilities in the statement of financial position. If the specified revenue exceeds the specified cost in a year the difference will become a surplus (owed to the sector). If the specified revenue is less than the specified costs it will result into a deficit (receivable from the sector). On a yearly basis a Regular Account is drafted including these specified income and expenses. The following table provides an overview of surpluses and deficits per financial year as well as the timing of the expected settlement in future airport charge rates.

	Surplus (+) or deficit (-/-)	Not included in charges	Included in charges before 1 April 2022	1 April 2022	1 April 2023	1 April 2024	1 April 2025	1 April 2026
2018	0.6	-	0.4	0.2	-	-	-	-
2019	-18.9	-	-6.3	-6.3	-6.3	-	-	-
2020	-528.5	-45.6	-	50.9	-184.3	-349.5	-	-
2021	-519.7	-	-	-	33.6	30.5	-315.7	-268.1
2022	-114.3	-21.7	-	-	-	-29.9	-30.9	-31.8
		-67.3	-5.9	44.8	-157.0	-348.9	-346.6	-299.9

In May 2023, the Regulatory Accounts 2022 was published, which included a deficit of 114.3 million. In October 2023, Schiphol adjusted the charges for 2024 by incorporating the effect of the 2022 settlement (as shown in the table above).

As a result of airlines views Schiphol adjusted the 2022 settlement as published in the Regulatory Accounts for a total amount of 21.7 million euros (shown in table as 'not included in charges'). This amount consists the following adjustments:

1. Adjustment flow management (1.1 million euros) in favour of the airlines.
2. Adjustment for the estimated effect of the terminal parameter (21.6 million euros) in favour of the airlines.
3. Withdrawing the costs that were presented under 'Exceptional and Unforeseen' (2.5 million euros) to the disadvantages of the airlines (NB: Schiphol reserves the right to include costs included in this category as settlements in future charges).
4. Corresponding effect of interest as a result of the three previous changes (1.5 million euros) in favour of the airlines.

After adjustments, the 2022 deficit (receivable) amounts to 92.6 million euros. The settlement is divided into 3 parts: a traffic and transport related part of 85.0 million euros receivable, a non-traffic and transport related part of 1.2 million euros receivable and an interest part of 6.4 million euros receivable.

The settlement 2022 is included in three equal parts to be incorporated in the charges 2024 - 2026. As a result, the final charges as of 1 April 2024 will increase on average with 14.8%.

The amount to be settled for 2023 is expected to be a deficit of around 105 - 115 million euros. The final settlement will be included and explained extensively in the Regulatory Accounts of 2023.

The 2023 Regulatory Accounts will be published on 31 May 2024 (at the latest). Thereafter, the settlement will be included in the consultation of the airport charges for the period running from 2025 till 2027.

As of 1 April 2023 the airport charges increased with 12% in line with the consultation. However, a number of airlines and representative organisations submitted complaints to the regulator in response to Schiphol's final setting of the 2023 airport charges. The regulator (Dutch Authority for Consumers & Markets) concluded in March 2023 that the airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act.

A number of airlines and representative organisations have submitted complaints to the regulator in response to Schiphol's final setting of airport charges 2022-2024. The regulator (Dutch Authority for Consumers & Markets) concluded in April 2022 that airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act. One complaint is partially justified, however, this does not justify the conclusion that charges and conditions would be contrary to rules laid down by or pursuant to the Aviation Act. A number of airlines disagree with the decision of the ACM (for both 2023 and 2022) and appealed to the CBB (College van Beroep voor het bedrijfsleven). The CBB is in the process of assessing the appeal.

The tariffs at Eindhoven Airport have been regulated since 1 April 2019. Contrary to Amsterdam Airport Schiphol, Eindhoven Airport is not required to settle surpluses and deficits with the industry. No regulatory procedures apply to Rotterdam The Hague Airport and Lelystad Airport.

Concessions

(in thousands of euros)	2023	2022
Shops Retail Airside	102,073	84,836
Food and beverage	46,683	37,598
Oil companies	14,052	11,581
Shops Plaza	4,795	8,079
Other	37,381	20,388
Total concessions	204,984	162,482

In 2023 Schiphol Group's sub reporting segment Concessions, which is part of the Schiphol Commercial reporting segment, had 101 effective concession contracts (2022: 105) for a range of commercial activities at Amsterdam Airport Schiphol.

The following table provides an overview of the undiscounted fixed lease payments for rent and concessions (excluding payments conditional on factors other than the passing of time, e.g. percentage of revenue and price indices) expected to be received from these contracts, based on the current expiration date of the contracts:

	2023	2024	2025	2026	2027	>2028
Fixed lease payments from current contracts (in thousands of euros)	12,198	8,435	6,358	5,694	3,198	1,317
Percentage of contracts that will expire	31%	17%	5%	20%	15%	11%

Revenue of 15 million euros from concessions included in the Aviation segment (12 million euros in 2022) and 9 million euros in the Parking segment (8 million euros in 2022) relates to concession agreements for the third-party supply of aviation fuel and car rental services at the airport respectively. Concession revenue received from Schiphol Airport Retail B.V. (an associate of Schiphol Group) is 26.9 million euros (2022: 20.6 million euros).

Rent and leases

(in thousands of euros)	2023	2022
Investment property: buildings	67,885	63,693
Operating property	62,232	57,109
Service charges	31,317	37,914
Investment property: land	32,639	34,308
Intercompany revenue	32,919	28,918
Total rent and leases	226,992	221,944

Average occupancy in the Real Estate segment amounted to 94.3% in 2023 (94.4% in 2022). The following table provides an overview of the years in which the current rent and lease contracts will expire for activities at Amsterdam Airport Schiphol and Rotterdam The Hague Airport, as well as the undiscounted fixed lease payments for rent (excluding payments conditional on factors other than the passing of time, e.g. degree of use in respect of service costs and price indices) expected to be received from these contracts until their expiry:

	2023	2024	2025	2026	>2027
Fixed lease payments from current contracts (in millions of euros)	157	120	91	71	57
Percentage of contracts that will expire	24%	19%	13%	9%	35%

Property management expenses divided into occupied and unoccupied buildings can be broken down as follows:

(in thousands of euros)	2023	2022
Occupied buildings	81,087	59,680
Unoccupied buildings	4,901	3,547
Total property management expenses	85,988	63,227

If buildings are partially leased, the property management expenses have been apportioned based on floor area.

Parking fees

(in thousands of euros)	2023	2022
Public parking revenues	95,125	76,629
Business parking	25,240	23,898
	120,365	100,528
Parking at other locations	30,055	24,675
Intercompany revenue	2,665	2,400
Total parking fees	153,085	127,603

Parking revenues at other locations relate to parking at the airports of Rotterdam The Hague, Eindhoven and Lelystad and are included in the Domestic Airports segment.

As part of the business parking fees and intercompany revenue, an amount of 6.4 million euros (2022: 5.7 million euros) is obtained from investment properties of the Commercial Real Estate business area. The income is related to the objects included in note 9. [Investment property](#).

Other activities

(in thousands of euros)	2023	2022
Advertising	15,678	13,149
Telecommunication services	16,133	14,817
JFK IAT related fees	11,014	7,293
Electricity, gas and water	8,888	6,968
Services and activities on behalf of third parties	5,223	3,685
Hotel activities	4,014	3,626
Premium services	23,998	12,530
Persons reduced mobility	38,690	11,634
Other operating income	21,125	34,705
Intercompany revenue	77,257	77,578
Total other activities	222,020	185,985

2. Other results from investment property

(in thousands of euros)	2023	2022
Gain/ (loss) on changes in fair value of buildings	-131,812	-144,137
Gain/ (loss) on changes in fair value of land	-13,487	-11,725
Gain/ (loss) on changes in fair value of assets under construction	-5,296	-35,770
Total fair value gains and losses	-150,595	-191,632
Total other revenues from investment property	-150,595	-191,632

Fair value gains and losses

Investment property is measured at fair value. The fair value of buildings recognised under investment property is appraised twice a year by independent external valuers commissioned by the Management Board. The fair value of land recognised under investment property is appraised primarily on the basis of internal valuations. In addition, each year a different part of the land positions is appraised by independent external valuers. Fair value gains and losses are recognised in the statement of income in the year in which they arise. The assumptions applied in determining the market value are explained in note 9 [Investment property](#).

Due to the recent economic developments and the rising interest rates on the capital market, the market conditions for real estate were unfavourable, which contributed to a fair value loss of 151 million euros in 2023 (2022: loss of 192 million euros). The Net Initial Yield (NIY) rose substantially in the office market past year, due to the rise in interest rates in the capital market and reduced demand due to the changing environment. This led to a fair value loss of 90 million euros. The performance of the logistics real estate market is also unfavourable, but due to the remaining high demand for logistic real estate the NIY increase was less compared to the office market, causing a fair value loss of 42 million euros. Fair value losses of 5 million euros were recognised on investment property under construction, due to rising yields and higher construction costs. For the land positions, fair value losses of 13 million euros were recognised due to unfavourable market developments for this segment.

3. Outsourcing and other external costs

(in thousands of euros)	2023	2022
Security	287,602	193,795
Subcontracted activities	143,774	112,938
Maintenance	166,157	147,589
Hired temporary staff	87,790	57,402
Cleaning	44,923	41,623
Advisory and audit fees	45,408	33,403
Insurance and government levies	31,471	31,936
Energy and water	36,313	39,523
Costs related to investments	28,538	1,876
Costs related to cloud applications	7,712	22,983
Commercial expenses	20,960	16,024
Outsourced work (IT, HR related an other)	96,803	86,810
Mobility cost	26,647	22,507
Other expenses (such as general expenses, rents and leasing)	36,965	69,451
Total cost of outsourced work and other external costs	1,061,063	877,859

Cost of outsourced work and other external costs increased as a result of increased due to the increased traffic numbers and the recovery from the COVID-19 pandemic in operations.

The subcontracted activities comprise a broad range of outsourced activities related to airport processes, such as the outsourcing of bus transport services, the services to people with reduced mobility and the lost and found process.

The expenses on configuration, customisation and development of the software, which do not create a resource controlled by Schiphol, are recognised as incurred expenses under the Cost related to cloud application line. The volume of software support and development projects increase compared to 2022, primarily driven by the external labour costs while less costs were incurred on general investment components of IT projects.

Auditor's fees

(in thousands of euros)	2023	2022
Audit of the financial statements	1,027	1,207
Other audit services	640	949
Total auditor's fees	1,667	2,156

The auditor's fees concern activities carried out at Schiphol Group and the consolidated group companies by the audit firm as referred to in Section 1(1) of the Dutch Audit Firms Supervision Act and represent the fees charged by the entire network of which the audit firm is part. The audit of the financial statements includes the consolidated financial statements and the audit of the entities that are part of the consolidation. The other audit services rendered by the auditor include the assurance report on socio-economic accountability, a review of interim financial information, an audit of financial statements for regulatory purposes, several agreed-upon procedures for regulatory purposes and NOW government grant audits and procedures for the EMTN prospectuses. The fees of KPMG Accountants N.V. amount to 1.6 million euros (2022: 2.1 million euros) while the fees for activities performed by other members of the KPMG network amount to 0.1 million euros (2022: 0.1 million euros).

4. Employee benefits expense

The average number of employees at Royal Schiphol Group N.V. and its subsidiaries on a full-time equivalent basis was 2,820 (2022: 2,487).

Schiphol Group applied for government grants (Noodmaatregel Overbrugging Werkgelegenheid, NOW) for a total amount of 206.7 million euros for the 2020, 2021 and 2022 financial years. These support grants were temporary governmental compensation for labour costs and are granted to companies that lost a substantial amount of income due to the pandemic. Schiphol complied with the following conditions for the 2020, 2021 and 2022 financial years regarding the NOW subsidies: no distribution of dividends, no buy back of shares (for the operating companies of Schiphol), no payment of bonuses to the Board and provision of training and development to personnel. Certain aspects regarding the decrease in revenue and personnel development costs relating to the government grants (NOW) are subject to an external audit and all audits have been finalised without significant adjustments.

The internal hours capitalised relate to time spent by employees in the realisation phases of investment projects. Other staff costs include training costs and travel expenses. The costs of post-retirement benefits, other long-term employee benefits and termination and unemployment benefits are explained in more detail in note 21 [Employee benefits](#). For an explanation of the

remuneration of Supervisory and Management Board members under Section 2:383c of the Dutch Civil Code, reference is made to the section entitled [Related party disclosures](#). In this section also the remuneration of Key Management personnel is included.

(in thousands of euros)	2023	2022
Short-term employee benefits	230,585	187,909
Post-retirement benefits	35,710	34,387
Other long-term employee benefits	3,930	3,426
Termination and unemployment benefits	1,967	2,150
Other staff costs	18,098	13,744
Total employee benefits	290,290	241,616

(in thousands of euros)	2023	2022
Salaries	231,986	199,150
Social charges	27,354	22,006
Internal hours capitalised	-28,755	-22,836
NOW government grants received	-	-10,411
Total short-term employee benefits	230,585	187,909

Pension charges (defined contribution plans)	34,784	33,689
Early retirement benefits	926	698
Total post-retirement benefits	35,710	34,387

Jubilee benefits	581	545
Other employee benefits	3,349	2,881
Total other long-term employee benefits	3,930	3,426

5. Depreciation, amortisation and impairment expenses

(in thousands of euros)	2023	2022
Contract-related assets	1,409	1,444
ICT development	14,213	12,541
Software licences	7,094	6,308
Intangible assets	22,716	20,293
Runways, taxiways and aprons	36,041	34,403
Paved areas and roads	24,443	20,040
Buildings	68,780	66,155
Installations	123,105	121,883
Other assets	51,824	57,685
Assets used for operating activities	304,193	300,166
Depreciation and amortisation in relation to disposals	10,752	6,584
Impairments related to financial assets	635	3,933
Impairments related to non-financial assets	5,851	50
Total depreciation, amortisation and impairments	344,147	331,025

Schiphol reports a disposal of 10.8 million euro, of which 9.6 million euro is a result of early retirement of particular assets replaced during the maintenance cycle. See note 6 [Intangible assets](#) for additional information on the amortisation of contract-related assets and note 7 [Assets used for operating activities](#) for information on the depreciation of assets. Information on impairments is provided in note 9 [Investment property](#) and note 26 [Management of financial risks and financial instruments](#) for more information on the impairments related to financial assets.

Notes to the consolidated statement of financial position

6. Intangible assets

(in thousands of euros)	Contract-related assets	ICT development	Software licences	Software under development	Nitrogen rights	Total
Carrying amount as at 1 January 2022	29,457	27,460	6,504	43,805	-	107,225
Movements in 2022						
Additions	-	-	-	34,870	-	34,870
Completions	-	31,675	2,050	-24,575	-	9,150
Acquisitions	-	-	-	-	7,461	7,461
Amortisation	-1,444	-12,541	-6,308	-	-	-20,293
Reclassification	-	-	107	-9,501	-	-9,394
Disposals	-	-15	-146	-	-	-161
Exchange differences	1,852	-	-	-	-	1,852
Other	-	-	-	549	-	549
Total movements in the year	408	19,119	-4,297	1,342	7,461	24,034
Analysis as at 31 December 2022						
Cost	40,462	99,809	38,497	45,148	7,461	231,376
Accumulated amortisation and impairment	-10,597	-53,230	-36,290	-	-	-100,117
Carrying amount as at 31 December 2022	29,865	46,579	2,207	45,148	7,461	131,259

Contract-related assets

Contract-related assets concern the interest in JFKIAT Member LLC acquired upon the acquisition of activities from third parties. The activities comprise the service concession arrangement between the Port Authority of New York and New Jersey (hereafter 'Port Authority') and JFKIAT LLC (a subsidiary of JFKIAT Member LLC). Under the arrangement, JFKIAT LLC provides airport terminal-, and retail management services in terminal 4 at JFK International Airport. It is established that, through the contractual provisions in the arrangement, the Port Authority has control over these activities. As a consequence, the interest in JFKIAT LLC is not consolidated, but reported as a contract-related asset.

The contract-related asset is amortised on a straight-line basis over the remaining term of the arrangement, being 19.5 years. Income realised under the arrangement is for the most part fixed

and reported under 'revenue from other activities'. Schiphol Group has no obligation to provide additional contributions. No indication of impairment was identified for the contract-related assets as Schiphol Group continued to receive the agreed fee during the 2023 financial year.

ICT development

The category ICT development comprises the capitalised internally developed ICT applications, while software licences comprise the externally acquired ICT applications.

Nitrogen rights

At the end of 2023, Schiphol Group held for an amount of 8.4 million euros (2022: 7.5 million euros), nitrogen rights to compensate for the nitrogen emission activities. The nitrogen rights are initially valued at cost and have an indefinite useful life. The recoverable amount exceeds the carrying amount.

(in thousands of euros)	Contract- related assets	ICT development	Software licences	Software under development	Nitrogen rights	Total
Carrying amount as at 31 December 2022	29,865	46,579	2,207	45,148	7,461	131,259
Movements in 2023						
Additions	-	-	-	52,217	892	53,109
Completions	-	8,797	7,847	-3,310	-	13,334
Amortisation	-1,409	-14,213	-7,094	-	-	-22,716
Impairment	-	-	-	-195	-	-195
Reclassification	-	-	230	-14,492	-	-14,262
Disposals	-	-452	-160	-	-	-612
Exchange differences	-874	-	-	-	-	-874
Other	-	-	480	-46	-	434
Total movements in the year	-2,283	-5,868	1,303	34,174	892	28,218
Analysis as at 31 December 2023						
Cost	39,588	96,383	41,668	79,321	8,353	265,313
Accumulated amortisation and impairment	-12,006	-56,109	-38,171	-	-	-106,286
Carrying amount as at 31 December 2023	27,582	40,274	3,497	79,321	8,353	159,027

7. Assets used for operating activities

(in thousands of euros)	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
Carrying amount as at 1 January 2022	517,853	593,687	1,117,229	956,051	313,469	3,498,289
Movements in 2022						
Completions	33,372	91,853	24,686	117,019	-42,672	224,256
Depreciation	-34,403	-20,040	-66,155	-121,840	-57,728	-300,166
Acquisitions	303	70	785	4,021	4,133	9,313
Disposals	-4,169	-	-389	-785	-362	-5,705
Reclassification	-21	-	17,443	-137	240	17,526
Total movements in the year	-4,918	71,883	-23,630	-1,722	-96,389	-54,776
Analysis as at 31 December 2022						
Cost	1,076,766	967,293	2,068,270	2,652,351	645,800	7,410,481
Accumulated depreciation and impairment	-563,831	-301,723	-974,671	-1,698,021	-428,721	-3,966,967
Carrying amount as at 31 December 2022	512,935	665,570	1,093,599	954,330	217,079	3,443,513
Carrying amount as at 1 January 2023	512,935	665,570	1,093,599	954,330	217,079	3,443,513
Movements in 2023						
Capital expenditure	-	-	-	-	116	116
Completions	78,144	28,737	30,653	106,938	49,919	294,391
Depreciation	-36,041	-24,443	-68,780	-123,105	-51,824	-304,193
Disposals	-2,572	-653	-1	-6,063	-927	-10,216
Other	0	-3,133	1,334	-245	-230	-2,274
Reclassification	-93	1,298	-1,468	598	-2,558	-2,223
Total movements in the year	39,438	1,806	-38,262	-21,877	-5,504	-24,399
Analysis as at 31 December 2023						
Cost	1,138,990	996,095	2,090,528	2,743,264	656,011	7,624,888
Accumulated depreciation and impairment	-586,615	-328,719	-1,035,190	-1,810,812	-444,436	-4,205,774
Carrying amount as at 31 December 2023	552,373	667,376	1,055,337	932,453	211,575	3,419,114

During the year, the following projects were (partly) completed:	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
Programme: Major maintenance on aprons, runways and taxiways	30,513	14,645	4,901	55,486	6,159	111,704
Programme: Airside Maintenance	23,712	7,391	-	29,829	-	60,933
Capital programme / A-Pier	15,201	245	8,415	1,063	-	24,924
Redevelopment Terminal 1	-	-	3,553	4,572	4,018	12,142
Eindhoven Airport	936	231	6,486	1,917	377	9,946
Upgrade Piers	-	-	3,993	525	2,960	7,478
PFOS	-	-7,072	-	-	13,800	6,728
Safety	-	4,470	134	1,138	945	6,687
Security-Screening	-	-	-	914	4,673	5,587
Maintenance Parking	-	3,347	1,477	611	-	5,435
Rotterdam Airport	-460	441	1,044	2,802	1,498	5,324
Security Surveillance	-	-	-	-	4,295	4,295
Sustainability	-	-	-	2,702	-	2,702
Storm Water Drainage	-	2,524	-	-	-	2,524
ST Fiber	306	1,835	-	-	-	2,141
Fleet management	-	-	-	339	1,799	2,138
Fire Safety	-	-	1,650	427	18	2,095
Capacity Management Fiber	-	-	-	1,643	-	1,643
Premium Services	-	-	969	123	295	1,387
Other	7,936	680	-1,969	2,847	9,082	18,577
Total completions during the year	78,144	28,737	30,653	106,938	49,919	294,391

In the course of 2022, 17.4 million euros of assets were reclassified from items of Investment property to the buildings used for operating activity due to the change of intended use to owner-occupied premises and land. Schiphol reports a disposal of 10.8 million euro, of which 9.6 million euro is a result of early retirement of particular assets replaced during the maintenance cycle.

Part of the assets used for operating activities as presented in the before concerns right-of-use assets. The movement in right-of-use assets during 2023 was as follows:

(in thousands of euros)	Buildings	Other assets	Right of use assets
Carrying amount as at 1 January 2023	1,791	12,958	14,749
Movements 2023			
Additions	-	5,754	5,754
Depreciation	-248	-6,102	-6,350
Derecognition	-	-74	-74
Total movements	-248	-422	-670
Carrying amount as at 31 December 2023	1,543	12,536	14,079

8. Assets under construction or development

(in thousands of euros)	Assets under construction for operating activities
Carrying amount as at 1 January 2022	1,183,541
Movements in 2022	
Capital expenditure	333,916
Capitalised construction period borrowing cost	8,140
Completed assets	-230,035
Acquisitions	1,146
Disposals	-717
Reclassification	9,501
Other	-109
Total movements in the year	121,842
Carrying amount as at 31 December 2022	1,305,383
Movements in 2023	
Capital expenditure	577,105
Capitalised construction period borrowing cost	9,985
Completed assets	-301,436
Impairment	-3,306
Reclassification	14,492
Other	533
Total movements in the year	297,373
Carrying amount as at 31 December 2023	1,602,756

The capitalisation of construction period interest is calculated by applying a percentage rate of 1.06% (2022: 1.06%). A total amount of 10.0 million euros was capitalised during the 2023 financial year relating to various construction projects (2022: 8.1 million euros).

At 31 December 2023, the total carrying amount of the Lelystad Airport assets amounted to 97 million euros (2022: 96 million euros). This includes all assets under the following categories: intangible assets, assets used for operating activities, assets under construction or development and investment property.

(in thousands of euros)	Assets under construction for operating activities
Capital expenditures relate to the following projects:	
Capital programme/ A-Pier	153,143
Programme: Major maintenance on Apons, Runways and taxiways	99,206
Programme: Airside Maintenance	57,076
Redevelopment Terminal 1	48,111
Southern Development Phase 1	16,587
Developments SouthEast	15,165
Dual Taxi System	14,627
PFOS	13,772
Baggage Lifting Aids	12,643
Resting Areas (RASCI)	11,154
Masterplan Power Grid	10,142
European Entry/Exit System	9,421
BP-S-Security-Screening	8,098
Digital DnA	8,029
Taxiway Sierra 1	7,555
Mid Term Plan (MTP)	6,281
Sustainability	5,655
Maintenance Parking	5,593
Other	74,847
Total capital expenditures in the year	577,105

Under the 2008 Alders Agreement, Lelystad Airport is intended to serve as an overflow airport for Schiphol for non-mainport traffic. The opening of Lelystad Airport has been postponed several times. On 24 June 2022, the political decision on the opening was postponed by two years to 2024, and it hinged on Lelystad Airport fulfilling two requirements: (1) It must obtain a nature permit and (2) a solution must be found for the flight altitude of aircraft approaching the airport over a distance of 30 kilometres near Lemelerveld. Regarding the first requirement, Lelystad Airport expects to acquire the nature permit in the first half of 2024. Regarding the second requirement, in December 2023, Air Traffic Control Netherlands (LVNL) sent a letter to the Ministry of Infrastructure and Water Management (I&W), stating that closing sector 3 (a low flight path) is an appropriate measure. If Lelystad Airport obtains the nature permit, it will comply with the two requirements set by the Minister of Infrastructure and Water Management. On this basis, no impairment is deemed necessary based on the current government decision to delay the opening.

The construction of the new pier A is in progress. The collaboration with the construction consortium Ballast-Nedam TAV ended in 2021. In 2022, Schiphol hired a new contractor to complete Pier A. Reference is made to note 25 [Contingent assets and liabilities](#) for the status on the BN-TAV claims with regards to the construction of Pier A.

In the coming years, substantial investments were planned to create capacity, quality and accessibility. As a result of the pandemic, the investment portfolio has been adjusted. This also includes the postponement of the construction of the new Schiphol terminal. Management is carefully assessing when to restart the project.

9. Investment property

Buildings and land

All building and land properties are measured at fair value. The fair value is based on the market value, being the estimated amount for which investment property can be traded on the valuation date between a buyer and a seller willing to do business in an objective, arm's length transaction. The calculation of the cash flows, which is a factor in determining the fair value at which investment property is stated in the balance sheet, takes into account the lease incentives granted. After all, the lease incentives are recognised separately as assets on the balance sheet under other non-current receivables: 9 million euros as at 31 December 2023 (2022: 11 million euros) and trade and other receivables 4 million euros as at 31 December 2023 (2022: 4 million euros).

As at 31 December 2023, 100% (2022: 100%) of the buildings and 17% (2022: 11.2%) of the land is appraised by independent external appraisers. The remaining fair value of land is based on internal valuations with reference to externally validated input variables.

Details of the result on property sales and fair value gains and losses on investment property can be found in note 2 [Other results from investment property](#).

All investment property classifies as a level 3 valuation. The Dutch Register of Real Estate Valuers (Nederlands Register Vastgoed Taxateurs (NRVT)), established in October 2015, is tasked with safeguarding and enhancing the quality of appraisers. The general conduct and professional rules and regulations of the NRVT are the new market standard appraisers have to comply with. That standard is based on IFRS and international valuation guidelines. All our external appraisers are NRVT members. The valuation method is described in more detail on the next page.

(in thousands of euros)	Buildings	Land	Assets under construction	Total
Carrying amount as at 1 January 2022	1,245,950	430,807	145,623	1,822,380
Movements in 2022				
Capitalised construction borrowing cost	-	-	74,927	74,927
Completed assets	14,619	39	-17,094	-2,436
Fair value gains and losses	-144,137	-11,725	-35,770	-191,632
Acquisitions	15,971	-	-	15,971
Reclassification	-7,600	-9,672	-1,547	-18,819
Other	-685	-	-	-685
Total movements in the year	-121,832	-21,358	20,516	-122,674
Carrying amount as at 31 December 2022	1,124,118	409,449	166,139	1,699,706
Movements in 2023				
Capital expenditure	672	-	46,692	47,364
Completed assets	10,625	3,770	-14,929	-534
Impairment	-	-	-2,565	-2,565
Fair value gains and losses	-131,812	-13,487	-5,296	-150,595
Deconsolidation	-158	-	-	-158
Other	2,953	-1,606	1,980	3,327
Reclassification	2,264	5,187	-5,458	1,993
Total movements in the year	-115,456	-6,136	20,424	-101,168
Carrying amount as at 31 December 2023	1,008,662	403,313	186,563	1,598,538
Measured at				
Cost model	-	-	45,602	45,602
Fair value model	1,008,662	403,313	140,961	1,552,936

Valuation method for buildings

The valuation method used is a combination of the net initial yield (NIY) method and the discounted cash flow (DCF) method. The NIY method uses a net market rent which is capitalised with an NIY and adjusted for all elements that differ from the market assumptions. The NIY is determined on the basis of comparable market transactions supplemented with market and object-specific knowledge. Deviating assumptions include contractual rent, vacancy information, deferred maintenance and rent holidays. The DCF method estimated net cash flows are discounted at a risk-adjusted discount rate, which includes specific object and location assumptions.

Investment property under construction

Assets under construction for the development of investment properties are measured at fair value if the value can be measured reliably. The investment property under construction includes land positions held for future investment property development or land with undetermined future use (operational or commercial development). Since the development plans are subject to annual changes, they are inadequate to determine the fair value on a continuing basis. For this reason, these land positions are measured in accordance with the cost model. No significant impairments were required for 2023 (2022: none).

	Average effective contractual rental income per m2		Average market rent per m2		Average net initial yield	
	2023	2022	2023	2022	2023	2022
Schiphol Centre						
Offices	305	303	272	277	6.6%	5.6%
Schiphol North and East						
Offices	141	150	147	153	7.8%	7.7%
Business premises	52	52	52	52	6.9%	7.0%
Schiphol Southeast						
Offices	138	138	140	140	10.3%	10.0%
Business premises	125	125	118	118	4.9%	4.4%
Schiphol South						
Business premises	115	117	97	97	6.5%	6.2%
Rotterdam The Hague Airport						
Offices	211	197	162	162	6.8%	7.6%
Business premises	106	104	90	90	5.8%	5.0%

Significant assumptions for buildings

The significant assumptions used in the valuation model comprise:

Buildings

	2023	2022
Inflation rate	2.00% - 2.22%	2.00% - 2.50%
Average market rent development	-1.55% - 5.48%	6.0% - 4.50%
Net initial yield	4.50% - 10.26%	3.30% - 10.0%

Relationship between significant unobservable input and fair value determination

The estimated fair value will increase (decrease) to the extent that the expected market rent growth is higher (lower), the periods of vacancy are shorter (longer), the occupancy rate is higher (lower), the rent holidays are shorter (longer) and the NIY is lower (higher) than assumed.

Valuation method for land

For land positions that generate revenue through ground rent, the valuation technique used is the DCF method. The estimated net cash flows are discounted with a risk-adjusted rate plus risk surcharges.

Land positions that are leased out for long periods and whose instalments are prepaid are measured at the prepaid instalment minus an annual redemption. The annual redemption is equal to the total instalment divided by the lease period plus the discounted value of the estimated instalment for the next lease period.

Significant assumptions used in the valuation model for land

The main assumptions used in the valuation of land are specified below:

Land

	2023	2022
Inflation rate	2.00% - 3.90%	2.09% - 2.18%
Discount rate	5.75% - 8.25%	4.85% - 7.90%

10. Income taxes

This note contains further details on all items in the financial statements with regard to income tax, being income tax recognised in the statement of income, deferred taxes recognised in the statement of financial position, current tax positions in the statement of financial position and income tax recognised in equity.

Reconciliation of effective tax rate

(in thousands of euros)	2023		2022	
Result before tax	30,931		-135,418	
Income tax calculated at the domestic tax rate	7,980	25.8%	-34,938	25.8%
Share in results of associates and joint ventures	-5,863	-19.0%	-8,387	6.2%
Share in results of associates in limited partnerships that are not independently taxable	470	1.5%	-750	0.6%
Changes in corporate income tax rate	-	0.0%	416	-0.3%
Participation exemption on results from financial asset and liability (Groupe ADP)	-	0.0%	-15,801	11.7%
Different tax rate for foreign subsidiaries / associates	545	1.8%	758	-0.6%
Recognition of previously unrecognised tax losses	-	0.0%	-460	0.3%
Non-deductible impairment on other transactions	-	0.0%	141	-0.1%
Tax results previous years	3,707	12.0%	-	0.0%
Other (includes non deductible expenses)	2,036	6.6%	897	-0.7%
Income tax expense in income statement (effective)	8,873	28.7%	-58,124	42.9%

The effective tax rate in 2023 was 28.7% (2022: positive 42.9%). There were no changes to the nominal income tax rate in 2023. The rate at which an important part of the deferred tax assets and liabilities will be settled is calculated at the current nominal rate of 25.8%. The application of the participation exemption to the results of associates increases the effective tax rate. As the assets and liabilities related to Groupe ADP were settled in 2022, the financial year 2023 does not show a decrease of the effective tax rate as a result of the application of the participation exemption on results from financial assets and liabilities related to Groupe ADP. No deferred tax asset is recognised for the unused tax losses incurred in Italy (2022: none).

As a result of finalising tax filings for the years up to and including 2021 the effects on the estimated positions for the prior year financial statements were included during 2023. As a consequence the

tax result of previous years decreased the effective tax rate. The amount included on the other line is mainly a result of non-deductible acquisition related costs that result in a permanent difference due to the participation exemption regulations.

Schiphol Group has recognised 148 million euros of assessed losses for 2022, 2021 and 2020 (after the set-off against the 2019 profit) financial years as a deferred tax asset in terms of IAS 12 Income Taxes. Management revised the estimates of future taxable profits as part of the scenario forecast and concluded that Schiphol Group will recover the deferred tax asset against future taxable profit.

OECD Pillar Two model rules

The group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the Netherlands, the jurisdiction in which the company is incorporated, and will come into effect from 1 January 2025. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 Income Taxes issued in May 2023.

Under the legislation, the group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. All entities within the group have an effective tax rate that exceeds 15%, except for one subsidiary that operates in jurisdiction Italy.

Royal Schiphol Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment indicates that, if the Pillar Two legislation would have applied in 2023, Royal Schiphol Group does not expect top-up tax to be due in relation to any of the countries where the company has been active in 2023 – being the Netherlands, Italy and USA – given the fact that in 2023 the statutory tax rates in each of these countries are higher than the 15% minimum rate and in 2023 the effective tax rates in each of these countries likely exceed 15% as well. In addition, if the effective tax rate in one of the countries would be below 15%, Royal Schiphol Group might still not be exposed to paying Pillar Two income taxes in relation to that jurisdiction. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 86 of IAS 12 Income Taxes.

For 2023, the average nominal tax rate of an entity operating in the Netherlands is 25.8%. The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. This assessment indicates for the Netherlands that the average effective tax rate based on accounting profit is 28.4% for the annual reporting period to 31 December 2023. The group might not be exposed to paying Pillar Two income taxes in relation to the Netherlands. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 86 of IAS 12 Income Taxes.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The group is currently engaged with tax specialists to assist it with applying the legislation.

Income tax in the statement of income

(in thousands of euros)	2023	2022
Current income tax		
Income tax current year	17,588	13,912
Income tax for prior years	-3,707	-
Total current income tax	13,881	13,912
Deferred income tax		
Origination and reversal of temporary differences	-10,868	-51,111
Changes in corporate income tax rate	-	416
Recognition of unutilised tax losses	5,860	-21,341
Total deferred income tax	-5,008	-72,036
Total income tax	8,873	-58,124

2023 - Reconciliation of effective tax rate per tax jurisdiction

(in thousands of euros)	The Netherlands		The United States		Italy		Total	
Profit before tax	20,949		9,500		482		30,931	
Income tax calculated at the nominal rate	5,405	25.8%	3,287	34.6%	135	27.9%	8,827	28.5%
Results of associates	-5,394	-25.7%	-	0.0%	-	0.0%	-5,394	-17.4%
Tax results from previous years	3,707	17.7%	-	0.0%	-	0.0%	3,707	12.0%
Other (includes non-deductible expenses)	2,238	10.7%	-370	-3.9%	-135	-27.9%	1,733	5.6%
Income tax expense in profit or loss (effective)	5,956	28.4%	2,917	30.7%	0	0.0%	8,873	28.7%

2022 - Reconciliation of effective tax rate per tax jurisdiction

(in thousands of euros)	The Netherlands		The United States		Italy		Total	
Profit before tax	-145,585		8,519		1,648		-135,418	
Income tax calculated at the nominal rate	-37,561	25.8%	2,939	34.5%	460	27.9%	-34,162	25.2%
Results of associates	-9,137	6.3%	-	0.0%	-	0.0%	-9,137	6.7%
Changes in corporate income tax rate	416	-0.3%	-	0.0%	-	0.0%	416	-0.3%
Participation exemption on results from financial asset and liability Groupe ADP	-15,801	10.9%	-	0.0%	-	0.0%	-15,801	11.7%
Recognition of previously unrecognised tax losses	-	0.0%	-	0.0%	-460	-27.9%	-460	0.3%
Change in recognised temporary differences	141	-0.1%	-	0.0%	-	0.0%	141	-0.1%
Other	877	-0.6%	-	0.0%	-	0.0%	877	-0.6%
Income tax expense in profit or loss (effective)	-61,064	41.9%	2,939	34.5%	-	0.0%	-58,124	42.9%

Deferred tax in the statement of financial position

The following main differences in valuation for tax and reporting purposes can be distinguished:

- Assets used for operating activities and assets under construction are measured at cost both for reporting purposes and for tax purposes. The balance sheet for tax purposes equates the cost with the market value as at 1 January 2002, whereas the balance sheet for reporting purposes equates the cost with the (lower) historical cost; On some of the assets used for operating activities fiscal and commercial depreciation are calculated with different depreciation terms.
- For tax purposes, the depreciation of both commercial buildings and operational buildings is limited to the so-called base value. The base value is 100% of the WOZ value (i.e. the value under the Valuation of Immovable Property Act);
- Property investments and derivative financial instruments are measured at fair value for reporting purposes and at cost for tax purposes;
- Property investments are depreciated for tax purposes (with a residual value of 25%) but not for reporting purposes;
- Borrowings in foreign currencies are measured at the closing rates on the balance sheet date for reporting purposes and at cost at the rate applicable at the time of borrowing for tax purposes;
- Interest expenses are not deductible in any year if the interest expense exceeds a defined threshold related to fiscal EBITDA. The non deductible interest expenses can be deducted in later fiscal years;
- The valuation of certain employee benefits provisions is different for tax purposes and reporting purposes because of differences in the actuarial assumptions applied;
- The valuation of the contractual interest in JFKIAT is different for tax purposes (measured at cost) and reporting purposes (revalued at the time of expansion);
- Long-term land leases received in advance are recorded as a lease liability for reporting purposes. For tax purposes, they are treated as a sale.
- Cloud based software is for reporting purposes included in the income statement when the cost are incurred. For tax purposes the amounts are capitalised and amortized on a straight-line basis. Cloud based software is included in the assets used for operating activities deferred tax position.
- Right-Of-Use assets with the corresponding liability are not recognised for tax purposes. For both the asset and the liability a deferred tax position is recognised and netted for reporting purposes.

Deferred tax assets and liabilities are recognised in the statement of financial position respect of all these differences.

Under IAS 12 Income Taxes, a deferred tax asset must be recognised if it is probable that sufficient taxable profit will be available against which the deductible temporary difference can be utilised. However, it is impossible to estimate the moment when the deferred tax assets relating to certain operating assets will be realised, because the difference in the values for reporting and tax purposes will be realised only in the event of a sale (resulting in a lower profit for tax purposes and a lower income tax liability), impairment (resulting in higher costs for tax purposes and a lower income

tax liability) or termination of the aviation activities (resulting in higher costs for tax purposes because compensation will only be obtained up to the carrying amount for reporting purposes). Schiphol Group is not authorised to sell the land for operating activities, forecasts of future cash flows do not suggest that impairment losses will be necessary and it is unlikely that the activities will be terminated.

Deferred tax assets and liabilities are netted if they relate to the same fiscal unity and the company at the head of this fiscal unity has a legally enforceable right to do so.

(in thousands of euros)	2023	2022
Deferred tax assets (fiscal unity)		
Assets used for operating activities	69,192	168,156
Assets under construction or development	-	55,600
Derivative financial instruments and borrowings	1,530	-2,256
Employee benefits	2,948	3,509
Investment property	75,301	-118,854
Contract related assets	-	1,677
Non-deductible interest ¹	26,493	41,335
Unutilised tax loss ¹	148,415	182,448
	323,879	331,615
Deferred tax assets (outside fiscal unity)		
Investment property	1,283	-2,020
Deferred tax liabilities (outside fiscal unity)		
Contract-related assets	-13,307	-13,739
Derivative financial instruments and borrowings	-55	-
	-13,362	-13,739
Total deferred tax	311,800	315,856
Non-current (settlement is not expected)	144,493	104,902
Non-current (expected to be recovered or settled after more than 1 year)	140,269	187,166
Current (expected to be recovered or settled within 1 year)	27,038	23,788
	311,800	315,856

¹ In order to provide more accurate information, the deferred tax asset on the non-deductible interest and the deferred tax asset for unutilised tax losses are being presented separately from the 2022 financial year.

The movements in deferred tax assets and deferred tax liabilities during the year were as follows:

(in thousands of euros)	Assets used for operating activities	Assets under construction or development	Investment property	Derivative financial instruments	Employee benefits	Contract-related assets	Non-deductible interest	Unutilised tax loss	Total
Carrying amount as at 1 January 2022	171,933	55,600	-171,637	6,483	5,004	-11,712	-	198,666	254,336
Movements in 2022									
Deferred tax recognised in the income statement	-	-	51,408	281	-	-350	1,148	20,193	72,680
Deferred tax recognised in equity	-	-	-	-9,020	-1,495	-	-	-	-10,515
Reclassification	-3,777	-	-645	-	-	-	40,188	-36,411	-645
Total movements in the year	-3,777	-	50,764	-8,739	-1,495	-350	41,336	-16,218	61,520
Carrying amount as at 31 December 2022	168,156	55,600	-120,874	-2,256	3,509	-12,062	41,336	182,448	315,856
Movements in 2023									
Deferred tax recognised in the income statement	-11,532	-	39,235	329	-561	-561	-16,041	-5,860	5,008
Deferred tax recognised in equity	-	-	-	-3,928	-	-	-	-	-3,928
Reclassification	-87,432	-55,600	158,224	12,097	-	-313	1,197	-28,173	0
Other movements	-	-	-	-4,767	-	-369	-	-	-5,136
Total movements in the year	-98,964	-55,600	197,459	3,731	-561	-1,243	-14,844	-34,033	-4,056
Carrying amount as at 31 December 2023	69,192	0	76,584	1,475	2,948	-13,306	26,492	148,415	311,800

Income tax recognised in equity

The tax effects of the movements in equity, via comprehensive income, are as follows:

(in thousands of euros)	Before tax	Deferred tax	After tax
Exchange differences	-11,425	-	-11,425
Changes in fair value on hedge transactions	-2,994	-3,928	-6,922
Remeasurements of defined benefit liability	-4,088	-	-4,088
Share in other comprehensive income of associates	-4,230	-	-4,230
Total unrealised 2023	-22,737	-3,928	-26,665
Exchange differences	-817	-	-817
Changes in fair value on hedge transactions	35,243	-9,020	26,223
Remeasurements of defined benefit liability	6,904	-1,495	5,409
Share in other comprehensive income of associates	21,528	-	21,528
Total unrealised 2022	62,858	-10,515	52,343

Current income tax positions

(in thousands of euros)	2023	2022
Income tax receivable		
Income tax in foreign jurisdictions	755	-
Total income tax receivable	755	-
Income tax liability		
Fiscal unity	-506	-4,658
Dutch subsidiaries outside the fiscal unity	-418	-570
Income tax in foreign jurisdictions	-	-3,398
Total income tax liability	-924	-8,626
Total income tax	-169	-8,626

The income tax liability is calculated on profit for fiscal purposes, allowing for permanent differences between the profit as calculated for reporting purposes and for tax purposes. The income tax liability on fair value gains and losses which are not processed immediately in the income tax return is recognised in deferred tax assets and liabilities. Final tax assessments have been imposed and settled for the tax years prior to 2020. Tax filings have been submitted up to and including 2021. The foreign income tax payable relates to local US and Australian taxes.

Differences between the income tax paid according to the cash flow statement and the income tax recognised in the statement of income concern additions to and withdrawals from deferred tax assets and liabilities, estimation differences between taxable amounts in provisional and final tax assessments and settlements in respect of previous years.

11. Investments in associates and joint ventures

(in thousands of euros)	2023	2022
Investments in associates	280,623	287,020
Investments in joint ventures	204,974	205,308

Carrying amount as at 31 December **485,597** **492,328**

Associates

(in thousands of euros)	2023	2022
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Carrying amount as at 1 January **287,020** **234,039**

Movements in 2023

Result for the year	21,827	33,491
Dividends	-17,762	-
Acquisitions	915	1,506
Impairment	-	-547
Share of OCI	-4,230	21,528
Exchange differences	-7,147	-2,997
Total movements in the year	-6,397	52,981

Carrying amount as at 31 December **280,623** **287,020**

No significant acquisitions, capital contributions or capital repayments were made by Schiphol Group in 2023 (2022: none).

Joint ventures

At 1 September 2023 Schiphol Group acquired 40% of the shares in NV Holding Businesspark Luchthaven Maastricht (holding company of Maastricht Aachen Airport). Total consideration paid amounted to 5.2 million euros consisting of the consideration paid for the shares, contribution to the environmental fund and directly attributable transaction costs. There were no material differences between the total consideration paid and the fair values estimated at acquisition date.

An impairment loss of 0.9 million euros was recognised in 2023 on one of Schiphol's joint ventures (2022: 10 million euros loss). The carrying amount of the investment in this joint venture was higher than the recoverable amount (value in use).

Joint ventures

(in thousands of euros)	2023	2022
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Carrying amount as at 1 January **205,308** **221,698**

Movements in 2023

Result for the year	1,766	9,068
Dividends	-1,030	-1,896
Acquisitions	5,235	-
Sales	-	-2,627
Changes in the consolidation	-	-10,466
Impairment	-867	-10,000
Capital contributions	-	45
Exchange differences	-3,745	-514
Other	-1,693	-
Total movements in the year	-334	-16,390

Carrying amount as at 31 December **204,974** **205,308**

A complete list of associates and joint ventures has been filed with the Amsterdam Chamber of Commerce. Schiphol Group is not directly liable for the obligations of associates.

Of the interests held by Schiphol Group in associates and joint ventures, only those in Brisbane Airports Corporation Holding Ltd and Tasmanian Gateway Holdings Corporation Pty Ltd can be regarded as material.

		2023	2022
Brisbane Airport Corporation Holdings Ltd (BACH)	Brisbane Australia	19.61%	19.61%
Tasmanian Gateway Holdings Corporation Pty Ltd (TGHC)	Hobart Australia	35%	35%

Schiphol Group has significant influence over BACH, even though its indirect interest is smaller than 20%. In BACH, this influence is expressed in the form of rights to appoint members of the Board of Directors, rights to block key strategic and financial decisions, and cooperative and exchange arrangements.

The 35% share in TGHC qualifies as a joint venture. Resolutions at Board meetings are decided by a simple majority, except for fundamental shareholder matters (e.g. in respect of shareholder rights, the constitution, shares or other securities, liquidation, appointment or removal of the auditor or

any independent directors) and certain other resolutions (e.g. on adoption of, amendment to or departure from the business plan, acquisitions, financing of the company, appointment of the CEO and important transactions that exceed the applicable threshold), which require a majority of 75%. Such a majority is only possible if the resolution has the unanimous consent of all shareholders.

The following page contains a breakdown of the assets and liabilities, as well as a reconciliation with the recognition in Schiphol Group's financial statements. The accounting policies applied are based on Schiphol Group's accounting policies, or figures have been adjusted where necessary.

The carrying amount of associates at 31 December 2023 includes 68 million euros (2022: 70 million euros) of goodwill relating to BACH. The carrying amount of the joint ventures at 31 December 2023 includes 121 million euros (2022: 125 million euros) of goodwill relating to TGHC. The amount of goodwill of both entities in Australian dollars has not changed but is subject to conversion to the reporting currency at each reporting date.

The share in the results of associates in 2023 includes a positive result of 21.2 million euros from BACH (2022: 30.1 million euros loss) and 2.6 million euros negative result from TGHC (2022: 7.6 million euros positive result), including the adjustments relating to the difference in the accounting policies in respect of the measurement of Property, Plant and Equipment (Assets used for operating activities).

The shares of both Brisbane Airports Corporation Holding Ltd and Tasmanian Gateway Holdings Corporation Pty Ltd are not listed on a stock exchange.

Several external sources of information indicate the possible existence of impairment, such as an increase in discount rates due to the increase in interest rates. Pursuant with IAS 36 Impairment of Assets and the Impairment Policy of Schiphol Group, all investments in subsidiaries, associates and joint arrangements have been assessed for possible impairments by Schiphol Group.

For the period ending 31 December 2023, it was concluded based on the assessments performed that no impairment is required for Hobart Airport and Brisbane Airport. The recoverable amount of each investment will exceed the invested capital. In line with the other CGUs, the impairment analyses for Hobart Airport and Brisbane Airport are based on the business plans and long-term forecasts provided by local Management.

International travel restrictions were eased in early 2022 in Australia, leading to an increase in international traffic at both airports. This upward trend continued in 2023.

When comparing Hobart Airport's performance with the business case used in the most recent impairment analysis, the performance in 2023 is slightly above expectations. The business plan and forecasts include the revised strategy, an updated terminal expansion programme, as well as new aeronautical and commercial forecasts. However, changes in the developments of the airport can result in an adjustment of the assumptions used in the analysis, which might result in an impairment of the investment. Management is reviewing the developments and possible impact on the business case in a timely manner.

Since Hobart Airport was acquired in 2019, the year before COVID-19 outbreak, the investment has not gained a large amount of headroom between the recoverable amount and carrying value since its acquisition. As a result, any future recoverable amount calculation, and potential impairment trigger, remain sensitive towards developments in interest rates and corresponding discount rates.

Brisbane Airport expects passenger volumes to recover to 2019 levels by 2024 (domestic) and 2025 (international). The fair value of Brisbane Airport has increased significantly since the time of the investment, and the airport has sufficient headroom in the impairment analysis. Therefore, the investment is not sensitive to potential impairments.

Associates and joint ventures

(in millions of euros)	Brisbane Airport ¹		TGHC ¹	
	2023	2022	2023	2022
Income statement				
Revenues	501	325	43	36
Operating expenses	-346	-97	-24	-26
Interest income and expenses	-107	-101	-11	2
Depreciation, amortisation and impairments	-98	-101	-9	-8
Income tax	-38	-26	-2	-4
Result from continuing operations	88	66	4	10
Other comprehensive income	6	132	5	-8
Financial position				
Fixed assets	4,114	4,254	403	402
Current assets	100	62	7	5
Cash and cash equivalents	95	51	8	15
Non-current liabilities	2,813	2,953	284	281
Current liabilities	304	252	100	115
Equity	1,192	1,163	33	25
Equity attributable to owners of the Company				
%-share	19.61%	19.61%	35%	35%
Group's share % of equity	234	228	12	9
Goodwill	76	70	121	125
Other adjustments	-91	-71	-22	-14
Carrying amount as at reporting date				
	219	227	111	119

¹ Based on the audited financial statements as at 30 June 2023

12. Loans to associates and joint ventures

(in thousands of euros)	2023	2022
Carrying amount as at 1 January	136,159	143,171
Movements		
Accrued interest	7,050	7,085
Amortisation	812	812
Dividend received	-	-1,011
Other exchange differences	-3,013	-546
Payments received	-25,111	-13,556
Other movements	-2,756	204
Total movements in the year	-23,018	-7,012
Carrying amount as at 31 December	113,141	136,159

The loans to associates and joint ventures relate to the Redeemable Preference Shares (RPS) held by Schiphol Group in BACH and Loan Notes in TGHC. The Loan notes held in TGHC are a mixture of interest-bearing and interest-free loan notes. The maturity date of the loan notes is 31 May 2030. The interest-bearing loan notes will accumulate and pay interest set at 50 basis points above the weighted average cost of senior debt for the TGHC Group.

The RPS for BACH carries entitlement to cumulative (accumulated) dividends. The maturity date of the RPS is 1 July 2031 and the annual dividend rate is 7.6% (2022: 7.6%).

Under the contractual terms, the RPS and loan notes are classified as a loan to an associate and joint venture and the dividends on these shares and interest on loan notes are treated as financial income. During 2022 and 2021, BACH did not distribute any dividends or interest due to the adverse effects of COVID-19 on the airport. In 2023, cash was received to settle the accrued dividend and interest amounts from previous years. Additionally, in 2023, interest amounting to 1.7 million euros was received from TGHC (2022: 1 million) and a capital repayment to the amount of 2.8 million euros (4.6 million Australian dollars) was received on the interest-free loan notes (2022: 12.8 million euros). For fiscal purposes the interest imputation on the interest-free loan notes is calculated at 3.2%.

RPS and loan notes are measured at amortised cost and, as there has been no significant change in credit risk, expected credit losses are determined on the basis of possible situations and developments that may lead to a counterparty defaulting within a period of 12 months. The change in expected credit losses is reported under costs of depreciation, amortisation and impairment.

Since September 2019, a natural hedge has existed between the currency risk relating to this long-term receivable and EMTN borrowings issued in 2019 denominated in AUD with related exchange differences being recognised in the income statement. The same applies to the loan notes held in TGHC which were acquired in October 2019.

The fair value of the loans to associates and joint ventures (including accumulated dividend) on 31 December 2023 amounts to 114.5 million euros (2022: 100.5 million euros) and the effective interest rate is 8.4% (2022: 8.37%) for the RPS for BACH and 5.2% (2022: 2.4%) for the Interest-bearing Loan Notes in TGHC. The fair value is estimated by discounting the future contractual cash flows at current market interest rates available to the borrower for similar financial instruments.

13. Other non-current receivables

(in thousands of euros)	2023	2022
Derivatives	7,423	32,716
Lease incentives	9,027	10,974
Prepayments on fixed assets	371	371
Purchased long leases	2,333	2,424
Loans to third parties	150	150
Total other non-current receivables	19,304	46,635

Lease incentives are cost of benefits which Schiphol Group granted tenants at the start of their lease. These are charged to the income statement over the term of the underlying contracts. The existence of lease incentives is taken into account in establishing the cash flows underlying the determination of the fair value of property.

Purchased long leases comprise rent instalments paid in advance by Schiphol Group with respect to land acquired on a long lease basis.

For information on derivatives, see note 26 [Management of financial risks and financial instruments](#).

14. Trade and other receivables

(in thousands of euros)	2023	2022
Cash deposits	370,000	680,000
Trade receivables	226,917	139,726
Value-added taxes	29,336	20,834
Accrued income	67,030	41,920
Prepaid expenses	25,555	24,827
Other loans to associates	1,998	2,001
Lease incentives	3,513	3,624
Assets held for sale	11,553	9,467
Other receivables	9,755	45,947
Total trade and other receivables	745,657	968,346

The balance in cash deposits amounting to 370 million euros as at 31 December 2023 (2022: 680 million euros) relates to deposits whose original maturity exceeds three months. The average interest rate on the deposits reported under trade and other receivables as at 31 December 2023 was 2.9% (2022: 1.8%).

The balance in trade receivables includes expected credit losses of 8 million euros (31 December 2022: 8 million euros). For a more detailed explanation, please refer to note 26 [Management of financial risks and financial instruments](#).

Other receivables include an amount of 4.0 million euros relating to the NOW government grants to be received (2022: 35.8 million euros). The final settlements for NOW 5 and 6 are not yet received. please refer to note 4 [Employee benefits expense](#) for additional information.

Assets held for sale represents the fair value less costs to sell of the property and plots of land located in the Netherlands with a total value of 11.6 million euros. The assets were acquired at the end of 2022 and the beginning of 2023 with the intention to sell. The properties were classified immediately as available for sale with no gain or loss recognised in the income statement on the transaction. The property is marketed at the market price determined by real estate brokers. The sale takes longer than expected and did not occur within 12 months as expected by the end of 2022. It is expected that the properties will be sold in present condition during the course of 2024. The current cost associated with the properties are covered by temporary short term rents from two of the properties.

15. Cash and cash equivalents

Cash and cash equivalents amounted to 785 million euros as at 31 December 2023 (31 December 2022: 1,051 million euros). This includes deposits with an original maturity of less than three months amounting to 286 million euros and money market investments amounting to 334 million euros. The average interest rate on the deposits reported under cash and cash equivalents as at 31 December 2023 was 3.2% (2022: 1.8%).

Cash deposits for the amount of 370 million euros as at 31 December 2023 (2022: 680 million euros) whose original maturity exceeds three months are classified as part of note [14 Trade and other receivables](#). The cash balance contains 5.5 million euros of bank guarantees provided. A bank guarantee amounting to 2.3 million euros relating to payment commitments in connection with the 'Storage in Underground Tanks' order has been granted to the province of North Holland. Additionally, a bank guarantee of 3.2 million euros has been granted to TenneT TSO B.V. for the connection to the 150kV-station Rozenburg-Zuid.

For a more detailed explanation on the credit risk, please refer to note [26 Management of financial risks and financial instruments](#).

16. Issued share capital and share premium

The authorised share capital as at 31 December 2023 is 142,960,968 euros divided into 300,000 class A shares and 14,892 class B shares, with a nominal value of 454 euros each. 171,255 of the class A shares and 14,892 of the class B shares have been issued.

The class A and class B shares carry the same rights, except for the right to amend the Articles of Association. An amendment to the Articles of Association can only be adopted at a General Meeting of Shareholders at which all the class A shares in issue are represented, by a majority of at least four/fifths of all the votes cast. The General Meeting of Shareholders may resolve to withdraw all the class B shares in issue by an absolute majority of the votes cast.

The shareholders' interests are as follows:

	(number)	(in thousands of euros)	(in %)
Shareholder:			
State of the Netherlands	129,880	58,966	69.77%
Municipality of Amsterdam	37,276	16,923	20.03%
Municipality of Rotterdam	4,099	1,861	2.20%
Total Class A shares	171,255	77,750	92%
Treasury shares (Class B shares)	14,892	6,761	8.00%
Total	186,147	84,511	100%

There were no changes in the issued share capital and the share premium in 2023.

The treasury shares consist of the 14,892 class B shares of Royal Schiphol Group N.V. that were bought, in December 2022, by Schiphol Group from Groupe ADP as a result of the expiration of the cooperation agreement and cross-shareholding of Schiphol Group with Groupe ADP for a total consideration of 420 million euros. Per IAS 32 Financial Instruments: *Presentation*, the treasury shares are deducted from Schiphol's equity until the shares are cancelled or reissued. Schiphol's AGM will determine what to do with the treasury shares.

17. Retained profits

No dividends are distributed for the financial years 2021 and 2022 (dividend for the financial year 2023 is subject to approval by the AGM).

18. Other reserves

(in thousands of euros)	Exchange differences reserve	Hedge reserve of associates	Share in OCI	Actuarial gains and losses	Total
Balance at 1 January 2022	9,978	-29,239	-20,688	-8,958	-48,907
Movements in 2022					
Exchange differences	-817	-	-	-	-817
Currency and interest hedge JPY loan payable					
Exchange differences on hedged borrowings	-	10,343	-	-	10,343
Deferred tax on fair value changes on hedged borrowings	-	-2,669	-	-	-2,669
Fair value movements on derivatives	-	15,178	-	-	15,178
Deferred tax on fair value movements on derivatives	-	-3,916	-	-	-3,916
Hedging of cash flow interest-rate risk					
Recycling cash flow hedges to profit and loss	-	9,722	-	-	9,722
Deferred tax on recycling cash flow hedges	-	-2,435	-	-	-2,435
Currency hedge AUD loan receivable					
Other comprehensive income associates	-	-	21,528	-	21,528
Actuarial gains and revaluations	-	-	-	6,904	6,904
Tax effect on actuarial results	-	-	-	-1,495	-1,495
Other					
Total movements in the year	-817	26,223	21,528	5,409	52,343
Balance at 31 December 2022	9,161	-3,016	840	-3,549	3,436

(in thousands of euros)	Exchange differences reserve	Hedge reserve of associates	Share in OCI	Actuarial gains and losses	Total
Balance at 31 December 2022	9,161	-3,016	840	-3,549	3,436
Movements in 2023					
Exchange differences	-11,425	-	-	-	-11,425
Currency and interest hedge JPY loan payable					
Exchange differences on hedged borrowings	-	14,004	-	-	14,004
Deferred tax on fair value changes on hedged borrowings	-	-3,613	-	-	-3,613
Fair value movements on derivatives	-	-25,292	-	-	-25,292
Deferred tax on fair value movements on derivatives	-	6,525	-	-	6,525
Other movements	-	-4,775	-	-	-4,775
Hedging of cash flow interest-rate risk					
Recycling cash flow hedges to profit and loss	-	8,294	-	-	8,294
Deferred tax on recycling cash flow hedges	-	-2,065	-	-	-2,065
Currency hedge AUD loan receivable					
Other comprehensive income associates	-	-	-4,230	-	-4,230
Equity movement associates	-	-	-	-	-
Actuarial gains and revaluations	-	-	-	-4,088	-4,088
Tax effect on actuarial results	-	-	-	-	-
Other					
Total movements in the year	-11,425	-6,922	-4,230	-4,088	-26,665
Balance at 31 December 2023	-2,264	-9,938	-3,390	-7,637	-23,229

Exchange differences reserve

The exchange differences reserve recognises exchange differences arising on the translation of the net investments in subsidiaries, joint ventures and associates outside the euro zone.

Hedge reserve

The hedge reserve recognises movements in the fair value of derivative financial instruments used in cash flow hedges, net of deferred tax assets and liabilities. It also includes the differences arising on the translation of loans at closing rates. In both cases, recognition in the hedging transactions reserve requires that the hedge is determined to be effective. In cash flow hedging relationships, only the change in fair value of the spot element of forward exchange contracts is designated as the hedging

instrument. The change in fair value of the forward element is accounted for as a cost of hedging and is part of the hedging transactions reserve.

Further information on the restrictions on the distribution of reserves can be found in note 29 [Shareholders' equity](#) in the company balance sheet. The tax effects of the movements in equity, via other comprehensive income, are explained in note 10 [Income taxes](#).

The following hedging instruments and relationships are recognised in the hedge reserve. If the hedging has an impact on the income statement, it is indicated in the table below.

(in thousands of euros)	Total 2023	Reclassification to profit or loss in next periods			
		< 1 year	> 1 year	> 1 and < 5 years	> 5 years
Forward Starting Rate Swap - refinancing 2013/2014	212	212	-	-	-
Lehman derivative - settlement 2008	4,240	291	3,949	1,163	2,786
Exchange difference on hedged JPY loan	6,259	-	6,259	-	6,259
CCIRS derivative hedge Yen loan	-5,508	-	-5,508	-	-5,508
Total	5,203	503	4,700	1,163	3,537

(in thousands of euros)	Total 2022	Reclassification to profit or loss in next periods			
		< 1 year	> 1 year	> 1 and < 5 years	> 5 years
Forward Starting Rate Swap - refinancing 2013/2014	6,108	6,108	-	-	-
Lehman derivative - settlement 2008	4,531	291	4,240	1,163	3,077
Exchange difference on hedged JPY loan	16,650	-	16,650	-	16,650
CCIRS derivative hedge JPY loan	-24,273	-	24,273	-	-24,273
Total	3,017	6,399	45,163	1,163	-4,546

19. Non-controlling interests

Non-controlling interests on 31 December 2023 represent the shares of third parties in the net assets of group company Eindhoven Airport N.V. (31 December 2022: Eindhoven Airport N.V.). An abridged balance sheet for this company is presented under [Related party disclosures](#).

20. Borrowings

(in thousands of euros)	Carrying amount		Fair value		Year of maturity	Interest rate
	2023	2022	2023	2022		
EMTN programme	4,013,428	4,409,335	3,635,599	3,706,521	2025-2038	1.12%-3.08%
European Investment Bank	610,642	621,500	599,922	585,289	2024-2031	0.12%-4.14%
KfW IPEX-bank	289,860	289,805	270,304	254,188	2024-2028	0.18%-2.08%
Namensschuldverschreibung	-	24,997	-	26,061	2023	5.07%
Other borrowings	5,368	4,570	-	-		
Total	4,919,298	5,350,208	4,505,824	4,572,059		

(in thousands of euros)	Currency	Face value	Carrying amount		Fair value		Year of maturity	Interest rate
			2023	2022	2023	2022		
XS1900101046	EUR	500,000	495,284	494,575	452,200	412,695	2030	1.5%
XS1301052202	EUR	317,000	317,871	402,125	309,308	373,376	2026	2.0%
XS0378569247	JPY	20,000,000	128,277	142,270	140,579	117,394	2038	3.16%
XS2069329451	AUD	255,000	157,731	162,663	131,559	147,041	2034	2.89%
XS1437013870	EUR	150,000	149,905	149,884	136,070	126,309	2028	1.12%
XS2019889778	AUD	70,000	43,134	44,469	36,762	40,833	2034	3.09%
XS0983151282	EUR	40,000	39,987	39,981	39,713	38,630	2025	3.08%
XS0997565436	EUR	30,000	29,985	29,979	29,341	28,688	2025	2.94%
XS2019891915	AUD	30,000	18,496	19,066	17,481	17,972	2027	2.40%
XS2153459123	EUR	750,000	747,238	746,817	713,618	668,070	2029	2.0%
XS2227050023	EUR	523,000	520,406	696,143	477,177	593,383	2027	0.38%
XS2227050379	EUR	500,000	495,802	495,316	415,820	369,185	2032	0.88%
XS2333391303	EUR	180,000	177,713	295,340	172,206	274,167	2025	0.0%
XS2333391485	EUR	700,000	691,600	690,708	563,766	498,778	2033	0.75%
EMTN programme			4,013,428	4,409,335	3,635,599	3,706,521		

The fair value is estimated by discounting the future contractual cash flows at current market interest rates available to the borrower for similar financial instruments. To calculate the value of loans that are actively traded in a public market, the quoted prices are used.

Schiphol Group has a Euro Medium Term Note (EMTN) Programme. Under the programme Schiphol Group can raise funds of up to 5.0 billion euros as required, provided the prospectus is updated annually. The prospectus was updated in May 2023. The covenants of the EMTN programme provision that a 'change of control' in combination with a 'downgrade below investment grade' triggers early redemption. There was no obligation to do so in 2023. As at 31 December 2023, borrowings under the programme totalled 4,013 million euros (31 December 2022: 4,409 million euros), of which 1,750 million euros (2022: 1,750 million euros) specifically relate to green bonds.

In May and June 2023, Schiphol Group executed a liability management exercise by way of a Cash Tender Offer on its outstanding 2025, 2026 and 2027 EUR Notes, which resulted in the repayment and cancellation of a total notional amount of 380 million euro.

Schiphol Group has a number of facility agreements with the European Investment Bank ("EIB") for a total original amount of 900 million euros, of which a part has been repaid. As per 31 December 2023, 610.6 million euros is outstanding. Schiphol Group repaid 9 million euros in 2023. No additional facilities were drawn. Schiphol Group could be obliged to redeem the loans early if (in addition to the usual circumstances) other loans are repaid early or the book value of equity declines below 30% of total assets. Additional security will be demanded if the credit rating drops to BBB or lower (S&P) or to Baa2 or lower (Moody's). The loan agreement also contains a 'change of control' clause.

Schiphol Group has three loan agreements with KfW IPEX-Bank for a total outstanding amount of 290 million euros with a weighted average maturity of three years. No new facilities were entered into during 2023.

Borrowings under the EMTN programme, the ECP programme, the EIB facilities and the KfW facilities are not subordinated to other liabilities. Schiphol Group has access to 675 million euros in committed and 150 million euros uncommitted undrawn bank facilities.

Eindhoven Airport has loan facilities in place for a total of 110 million euros to finance the future capital expenditure and manage working capital swings. At 31 December 2023, no funding was drawn under these facilities. The covenants are met as at 31 December 2023.

Of the total loans, an amount of 128.3 million euros has been drawn in Japanese yen (JPY 20 billion). In line with the financial risk management policy, a fixed EUR/JPY cross-currency swap has been contracted to hedge the changes in cash flows of the JPY denominated loan. The hedge transaction corresponds to all relevant characteristics of the critical terms of the respective loan, such as maturity, timing, amounts and frequency of cash flows. The hedge is accounted for as cash flow hedge and was fully effective.

Schiphol Group has put in place an interest rate swap of 180 million euros to swap fixed interest rate payments for floating interest rate payments. The swap mirrors the payments of Schiphol Group's outstanding 2025 bond (XS23333391303). Under the swap, Schiphol Group receives a fixed coupon and pays a floating interest rate of three-month Euribor + a spread. The fixed coupon received under the swap is identical to the coupon paid under the 2025 bond. With this swap, Schiphol Group is hedging the fair value movements of the bond.

The hedge is accounted for as fair value hedge and first became effective in 2022. As market interest rates change over the term of the bond, the fair value of the bond will change. Schiphol Group applies hedge accounting to the fair value hedge relationship. Schiphol Group designated the hedging relationship as a fair value hedge. An amount of 2.4 million euros was recognised as part of the change in fair value of the bond as at 31 December 2023 (2022: 4.5 million euros). Schiphol Group shall discontinue hedge accounting prospectively only if the hedging relationship ceases to meet the qualifying criteria as set out in *IFRS 9* Financial Instruments. Termination of the hedge is expected to occur on the bond maturity date. At the termination of the hedge, the hedging relationship shall be terminated. In case of full prepayment of the bond, any fair value hedge adjustment will go immediately to profit or loss. Please also see note 26 [Management of financial risks and financial instruments](#) for a detailed explanation.

The current portion of borrowings at 31 December 2023 of 306.1 million euros (31 December 2022: 31 million euros) is recognised under current liabilities.

In 2023, Schiphol Group met the agreed covenants included in the various contracts. The most relevant covenant is a financial covenant in relation to solvency, which is included in the financing contracts with the European Investment Bank whereby this solvency ratio must be higher than 30%. The solvency ratio for Royal Schiphol Group over 2023 was 37.1% (2022: 36%). The average interest rate of outstanding borrowings in 2023 was 1.6% (2022: 1.4%).

The remaining terms of the borrowings as at 31 December 2023 are as follows:

(in thousands of euros)	Total	<= 1 year	> 1 year	> 1 year and <= 5 years	> 5 years
EMTN programme	4,013,428	-2,824	4,016,252	1,244,700	2,771,552
European Investment Bank	610,642	209,000	401,642	284,142	117,500
KfW IPEX-bank	289,860	99,959	189,901	189,901	-
Namensschuldverschreibung	-	-	-	-	-
Other borrowings	5,368	-	5,368	-	5,368
Total borrowings	4,919,299	306,135	4,613,163	1,718,743	2,894,420

The movements in borrowings during the year were as follows:

(in thousands of euros)	Borrowings > 1 year	Borrowings <= 1 year	Total
Carrying amount as at 1 January 2022	5,383,598	6,299	5,389,896
Movements in 2022			
Fair value movement	-4,448	-	-4,448
Transferred to current liabilities	-51,581	51,581	-
Repayments	-	-27,000	-27,000
Exchange differences	-11,398	-	-11,398
Other movements	3,124	32	3,156
Total movements in the year	-64,302	24,613	-39,690
Carrying amount as at 31 December 2022	5,319,296	30,912	5,350,208
Movements in 2023			
Fair value movement	1,906	-	1,906
Transferred to current liabilities	-658,564	658,564	-
Repayments	-	-383,999	-383,999
Exchange differences	-20,824	-	-20,824
Other movements	-28,650	658	-27,992
Total movements in the year	-706,133	275,223	-430,910
Carrying amount as at 31 December 2023	4,613,163	306,135	4,919,298

For more details regarding the fair value movement, please refer to note 26 [Management of financial risks and financial instruments](#).

21. Employee benefits

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
Carrying amount as at 31 December 2023				
Provision	23,255	21,572	-	44,827
Liability in the balance sheet	23,255	21,572	-	44,827
Carrying amount as at 31 December 2022				
Provision	20,589	20,862	-	41,451
Liability in the balance sheet	20,589	20,862	-	41,451

Post-employment benefits consist of pension plans and job-related early retirement benefits. Other long-term employee benefits consist of long-service awards, disability benefit supplements and sustainable employment budget. As at 31 December 2023, 0.1 million euros (2022: 2.7 million euros) included in the other long-term employee benefits relate to the unemployment provision that was recognised as part of the restructuring provision.

The movements in post-employment benefit liabilities during the year were as follows:

(in thousands of euros)	2023	2022
Carrying amount as at 1 January	20,589	27,286
Total net benefit expense for the year	926	698
Benefits paid during the year	-1,675	-1,473
Actuarial changes presented in OCI	3,415	-5,922
Total movements in the year	2,666	-6,697
Carrying amount as at 31 December	23,255	20,589

The table below gives an overview of actuarial assumptions and estimates applied. Given the minimal impact, a significant variance in the balance sheet position as a result of other assumptions is unlikely.

Actuarial assumptions and estimates

	31 December 2023	31 December 2022
Discount rate	3.1% - 4.1%	3.1% - 4.1%
Return on plan assets	3.52%	3.2%
Inflation	2.5% (subsequent years: 1.5%)	2.5% (subsequent years: 1.5%)
General salary increase	2.5% (subsequent years: 1.5%)	2.5% (subsequent years: 1.5%)
Life expectancy	Royal Dutch Actuarial Society's (AG) generation mortality table AG2022, corrected with Mercer experience mortality table	Royal Dutch Actuarial Society's (AG) generation mortality table AG2022, corrected with Mercer experience mortality table
Individual pay rises, depending on age	3.0% (to age 36), 2.0% (to age 47), 1.0% (to age 56), 0.0% (to age 70)	3.0% (to age 36), 2.0% (to age 47), 1.0% (to age 56), 0.0% (to age 67)
Incapacity risk	Derived from national inflow and outflow WGA for larger employers	Derived from national inflow and outflow WGA for larger employers
Termination probability, average over all ages	3.13%	3.13%

Schiphol Group's pension plan is administered by Algemeen Burgerlijk Pensioenfonds (ABP). Based on the formal terms of the plan, it qualifies as a defined-contribution plan. Schiphol Group recognises the pension contributions payable to ABP as an expense in the income statement. Further information on this point can be found under [Accounting policies](#).

The ABP pension regulations do not contain any provisions on additional contributions to the fund and/or withdrawals from it in respect of Schiphol Group's share in surpluses or deficits of the pension fund. Consequently, any surpluses and deficits will only result in changes in the amount of the contributions payable by Schiphol Group in the future and these will depend on the actual and expected financial position of the pension fund as reflected in the funding ratio. The expected contribution payment for 2024 is 45.6 million euros. ABP's funding ratio was 110.5% as at 31 December 2023 (110.9% as at 31 December 2022).

22. Provisions

(in thousands of euros)	Decommissioning provision	Environmental provision	Other	Total
Carrying amount as at 1 January 2022	7,126	20,859	4,600	32,585
Movements in 2022				
Addition to provision	-	-	27,343	27,343
Use of provision	-225	-1,589	-9,029	-10,843
	-225	-1,589	18,314	16,500
Carrying amount as at 31 December 2022	6,901	19,270	22,914	49,085
Movements in 2023				
Addition to provision	2,280	11,520	3,948	17,748
Use of provision	-	-6,494	-20,693	-27,187
Release to profit & loss	-	-	-1,037	-1,037
	2,280	5,026	-17,782	-10,476
Carrying amount as at 31 December 2023	9,181	24,296	5,132	38,609
Current	3,335	9,578	2,309	15,222
Non-current	5,846	14,718	2,823	23,387
Carrying amount as at 31 December 2023	9,181	24,296	5,132	38,609

The timing of the outflow of resources for the total amount of the provisions outstanding per balance sheet date is uncertain except for an amount of 16.5 million euros (2022: 2.6 million euros) recorded as part of the environmental and decommissioning provisions, which is expected to be settled within a two-year time frame.

The decommissioning provision of 9.2 million euros (2022: 6.9 million euros) relates to obligations in respect of demolition and or repair work after the use of the asset.

Perfluorooctanesulfonic acid (PFOS) contamination of the soil was detected during excavations in the context of development projects at Amsterdam Airport Schiphol. PFOS is a form of PFAS. The environmental provision of 24.3 million euros (2022: 19.2 million euros) concerns the expenditures to be incurred in connection with the temporary storage and decontamination and/or depositing of the contaminated soil.

The category 'Other Provisions' amounts to 5.1 million euros as at 31 December 2023 (22.9 million euros as at 31 December 2022) and includes topics such as the cost compensation, a project relating to noise reduction ("Project Geluidsreductie") and claims received from companies providing services to Schiphol.

23. Other non-current liabilities

(in thousands of euros)	2023	2022
Prepaid long leases	85,199	86,895
Lease liabilities	8,529	9,392
Derivatives	3,074	4,665
Unrealised profit on contribution in kind	2,269	2,269
Other	142	141
Total other non-current liabilities	99,213	103,363

Prepaid long leases are rent instalments which Schiphol Group has received in advance on land leases to third parties. This item is recognised through profit or loss over the term of the underlying contracts. Prepaid long leases include an amount of 3.6 million euros relating to lease incentives (2022: 3.8 million euros).

The balance in unrealised profit on contribution in kind relates to land contributed to GEM A4 zone West C.V. Is 2.3 million euros as per 31 December 2023. In accordance with the accounting policies, the profit on the contribution of land should be treated as unrealised to the extent this profit relates to our share in the entity the land is contributed to.

Schiphol Group has put in place an interest rate swap of 180 million euros to swap fixed interest rate payments for floating interest rate payments. The swap mirrors the payments of Schiphol Group's outstanding 2025 bond. The hedge is accounted for as fair value hedge and was effective in 2023. An amount of 1.6 million euros was recognised as part of the change in fair value of the swap as at 31 December 2023. Please also see note 26 [Management of financial risks and financial instruments](#) for a detailed explanation.

Financial lease liabilities relate to the lease of various right-of-use assets used for operating activities, including operational and employee vehicles, office space, a warehouse and multifunctional office equipment. To determine the lease liability, the interest rate implicit in the *IFRS 16* Leases was used. If that rate could not be readily determined, the incremental borrowing rate was used. As such, the weighted average rate applied is 2.18% (2022: 1.73%).

(in thousands of euros)	Buildings	Other assets	Total
Liability < 1 year	198	5,551	5,749
Liability 1 year and < 5 years	1,415	7,114	8,530
Carrying amount of lease liabilities	1,613	12,666	14,279

For information on derivatives, see note 26 [Management of financial risks and financial instruments](#).

24. Trade and other payables

(in thousands of euros)	2023	2022
Trade payables	196,090	195,033
Accruals	138,420	168,097
Deferred income	58,728	50,404
Lease liabilities	5,749	5,465
Interest payable	31,664	30,196
Wage tax and social security contributions	378	857
Prepaid long leases	3,226	3,283
Payable in respect of pensions	255	347
Flight tax	154,376	33,959
Other payables	50,589	43,773
Total trade and other payables	639,475	531,412

Accruals include, among other things, settlements for the cost compensation mechanism.

The deferred income includes mainly income from rent and leases for which Schiphol Group has already received consideration although the services still have to be provided (contract liability).

Prepaid long leases include an amount of 1.3 million euros relating to lease incentives (2022: 1.3 million).

Further details on the financial instruments can be found in note 26 [Management of financial risks and financial instruments](#).

Commitments

Contribution to environmental fund

As part of the eight-point plan, Schiphol Group proposed an Environmental Fund. Schiphol Group will provide a total of 70 million euros (10 million euros per year), which will be used to improve the quality of life in the Schiphol Airport region. In 2023, Schiphol Group finalised details about the programme and governance of the fund. A new foundation will be established in 2024 as a successor of the Schiphol Quality of Life Foundation. The board of the foundation will be independent of Schiphol Group. The foundation will be funded by Schiphol Group on a yearly basis based on an approved budget that contains both organisational costs and program costs for that year. On a yearly basis a maximum amount of 10 million euros will be available for funding.

25. Contingent assets and liabilities

Airport charges settlement

In May 2023, the Regulatory Accounts 2022 were published, which included a settlement on the sector of 114.3 million euros. In October 2023, Schiphol adjusted the charges for 2024 by incorporating the effect of the 2022 settlement.

As a result of airlines views Schiphol has adjusted the settlement 2022 as published in the Regulatory Accounts for a total amount of 21.7 million euros. This amount consists the following adjustments:

1. Adjustment flow management (1.1 million euros) in favour of the airlines.
2. Adjustment for the estimated effect of the terminal parameter (21.6 million euros) in favour of the airlines.
3. Withdrawing the costs that were presented under 'Exceptional and Unforeseen' (2.5 million euros) to the disadvantages of airlines (NB: Schiphol reserves the right to include costs that fall within that category as settlements in the charges for future years).
4. Corresponding effect of interest as a result of the three previous changes (1.5 million euros) in favour of the airlines.

After adjustments, the settlement of 2022 amounts to 92.6 million euros receivable. The settlement is divided into 3 parts: a traffic and transport related part of 85.0 million euros receivable, a non traffic and transport related part of 1.2 million euros receivable and an interest part of 6.4 million euros receivable.

The settlement of 2022 is spread out in three equal parts to be incorporated in the airport charges 2024 - 2026. As a result, the final airport charges as of 1 April 2024 will increase on average with 14.8%.

One complaint has been submitted to the regulator (Dutch Authority for Consumers and Markets) about the adjusted charges for 2024. At the moment, the regulator is in the process of assessing this complaint. Schiphol expects the regulator to take a decision before 1 April 2024.

The amount to be settled for 2023 is expected to be a deficit of approximately 105 to 115 million euros. The final settlement will be included and explained extensively in the Regulatory Accounts of 2023.

The Regulatory Accounts 2023 will be published on 31 May 2024 (at the latest). Thereafter, the settlement will be included in the consultation of the airport charges in coming years, that is, in the period from 2025-2027.

As of 1 April 2023 the airport charges increased with 12% in line with consultation. However, a number of airlines and representative organisations submitted complaints to the regulator in response to Schiphol's final setting of airport charges 2023. The regulator (Dutch Authority for Consumers & Markets) concluded in March 2023 that the airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act.

A number of airlines and representative organisations have submitted complaints to the regulator in response to Schiphol's final setting of airport charges 2022-2024. The regulator (Dutch Authority for Consumers & Markets) concluded in April 2022 that airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act. One complaint is partially justified, however, this does not justify that charges and conditions would be contrary to rules laid down by or pursuant to the Aviation Act. A number of airlines disagree with the decision of the ACM (for both 2023 and 2022) and appealed to the CBB (College van Beroep voor het bedrijfsleven). The CBB is in the process of assessing the appeal.

Contamination by extinguishing foam

In July 2008, the Rijnland Regional Water Authority collected PFOS-contaminated extinguishing foam, released during an incident at a KLM hangar in Schiphol-Southeast and stored it in reservoirs made available by Schiphol. Control measures were taken around the reservoirs to prevent the further spread of PFOS. KLM, Schiphol and Rijnland each financed a third of the costs of the control measures taken, without any party acknowledging its responsibility for the damage incurred. The control measures are still operational and these operational costs are financed by KLM, Schiphol and Rijnland (each a third), the total amount of approximately 0.3 million euros for the period 2023 (2022: 0.2 million euros). Anticipated expenses for 2024 are expected to align closely with those incurred in 2023.

Commitments arising from (long-term-) contracts

(in thousands of euros)	Total 2023	< 1 year	> 1 year and < 5 years	> 5 years
Commitments relating to:				
Security, maintenance and cleaning	676,404	506,804	124,989	44,611
Development of Schiphol	600,849	571,463	29,386	-
Development of Lelystad Aiport	20,080	1,554	5,054	13,472
Electricity and gas	14,283	14,283	-	-
Rents and leases (operating lease)	19,221	3,869	15,352	-
Other capital projects	4,863	4,863	-	-
Total	1,335,700	1,102,836	174,781	58,083

(in thousands of euros)	Total 2022	< 1 year	> 1 year and < 5 years	> 5 years
Commitments relating to:				
Security, maintenance and cleaning	1,057,084	471,448	553,471	32,165
Development of Schiphol	489,840	409,161	80,000	679
Development of Lelystad Aiport	12,076	1,093	4,962	6,021
Electricity and gas	42,313	18,615	23,698	-
Rents and leases (operating lease)	3,454	1,231	2,224	-
Other capital projects	5,916	2,250	3,666	-
Total	1,610,683	903,798	668,020	38,865

Long-term partnership between Dutch construction firms and Schiphol Group

In January 2019, Schiphol contracted BAM, Heijmans and VolkerWessels group companies for the maintenance, renewal and construction of new infrastructure and real estate at the airport. The total estimated value of the assignment is 2 to 3.5 billion euros for a maximum period of 9 years. The commitments under these contracts as at 31 December 2023 are mainly included under 'Security, maintenance and cleaning' and 'Development of Schiphol' in the table included in the section commitments.

Schiphol Area Development Company N.V. (SADC)

Schiphol Group participates directly, and indirectly through the collaborative venture Schiphol Area Development Company N.V. (SADC), in land holdings in the vicinity of Amsterdam Airport Schiphol. SADC's objective is to develop business locations and supporting infrastructure projects around the airport. One of these land holdings concerns the A4 Zone West area. Schiphol Group has a future obligation to contribute 2.6 million euros as a limited partner's contribution, to be increased by financing and acquisition costs, to fund the contribution of land to GEM A4 Zone West C.V. by the municipality of Haarlemmermeer.

BN-TAV claims with regards to the construction of Pier A

On 29 November 2021, Schiphol terminated the contract with the contractor (a joint venture between Ballast Nedam and TAV Construction - BN-TAV) for the construction of Pier A. The termination was done in an amicable way, whereby a controlled hand over of the construction site has taken place from BN-TAV to Schiphol. A new contractor was appointed to finish the construction of Pier A.

In February 2023 BN-TAV has submitted a final account to Schiphol, containing contractual interim claims for extension of time, unlawful termination and miscellaneous claims of subcontractors, as well as claimed variations to the contract (meerwerk). The total claim amounted to 282 million euros.

In December 2023 Schiphol received a writ of summons. The total amount claimed in the litigation procedure amounts to 154 million euros, excluding subcontractor claims.

In return, Schiphol has submitted to BN-TAV a first counterclaim of 93 million euros for delay damages, costs of rectifying defective work, additional costs and recoverable costs. This claim only covers the period up to termination. In July 2023 a second interim counterclaim has been submitted, covering the costs of repairing defects and the "extra over" cost to complete post-termination up to the end of 2022, with a value of EUR 44 million euros. In the beginning of 2024, the post-termination counterclaim will be updated to include the period up to the end of 2023. The finalisation of Schiphol's counterclaims is dependent on the completion of the project.

The start of legal proceedings has not changed Schiphol's view on the claims position and as a result no change to a contingent liability as at 31 December 2023.

Boswandering (Televerde) claim

Televerde B.V., as part of the Boswandering Joint Venture, has a claim against the municipality of Haarlemmermeer. Any (financial) contribution resulting from the claim will be used for developing the northern area of the motorway A9.

Soil contamination

PFAS contamination of the soil was detected during excavations in the context of development projects at Amsterdam Airport Schiphol. Since 2017, local legislation is in place that requires Schiphol to clean PFAS-contaminated soil when the contamination causes environmental risks. 2019 also saw the introduction of national-level legislation on this issue. The changed local legislation of 2019 and 2020 does not change the way we have to deal with PFAS-contaminated soil. Schiphol has recognised a provision for the decontamination of the land on which construction work will take place in the near future. No provision is recorded for potential PFAS contamination under existing assets.

Continued effort North/South metro line extension

The north south metro line will ensure Schiphol airport remains accessible by public transport in the long term. Expected demand of public transport passengers in the metropolitan region of Amsterdam are projected to surpass the capacity of the Schiphol train station.

In 2023 Schiphol has continued and formalized its collaboration. While the Dutch national government has proposed to finance the exploration phase. The project organisation of MIRT OVAH has started the tender process to attract consultants to help with the exploration phase in September 2023. The joint partners of governmental bodies and private organisations expect to decide upon a preferred alternative by the end of 2025.

Extending the North/South line will encourage sustainable connectivity at a regional, national and international level. It will create space in the Schiphol tunnel, which can then be used by both national and international trains. The latter is important so the train can serve as an alternative to air travel on short distances. Moreover, it will reinforce Schiphol as a multimodal hub by bringing together public transport, cars and planes.

Other contingent assets and liabilities

Other claims against Royal Schiphol Group N.V. and/or its subsidiaries have been filed, and there are disputes which are yet to be settled. All claims and disputes are being contested and the company has taken legal advice on them. However, as it is impossible to predict the outcomes with any certainty, it is not yet clear whether any of the cases will result in actual liabilities for the company and/or its group companies. Accordingly, no provisions have been recognised in the balance sheet in respect of these claims and disputes.

The company has also brought claim(s) against third parties and has disputes pending in which it is the claimant. Since it is not yet clear whether these cases will be resolved in the company's favour, no related receivables have been recognised in the balance sheet.

26. Management of financial risks and financial instruments

Financial income and expenses

The table below contains a breakdown of financial income and expenses. Capitalised construction interest comprises interest charges incurred during the construction phase of large investment projects.

(in thousands of euros)	2023	2022
Interest and other financial income		
Loans to associates and joint ventures	7,050	7,085
Other results from financial assets	-	135,281
Amortisation on loan notes	812	812
Cash and cash equivalents	27,361	14
Other results from financial liabilities	30,708	2,153
Exchange differences on cash and cash equivalents	63	135
Exchange differences on other assets and liabilities	1,972	80
Investment profits on deposits	15,861	-
Other financial results	4,797	4,312
	88,624	149,872
Interest and other financial expenses		
Borrowings	-78,391	-76,801
Derivatives	-10,459	-9,418
Unwinding of discounting and finance costs of share buyback obligation	-	-74,038
Exchange differences receivables from associates	-3,013	-546
Lease liabilities	-317	-279
Capitalised construction interest	9,985	8,140
Investment losses on deposits	-	-7,766
Other financial results	-4,102	-5,550
	-86,297	-166,258
Total financial income and expenses	2,327	-16,386

Exchange differences on loans to associates concern the Redeemable Preference Shares (RPS) of Brisbane Airport Corporation Holdings Ltd (BACH) and the Loan Notes of Tasmanian Gateway Holdings Corporation Pty Ltd (TGHC), the ultimate holding company of Hobart International Airport held by Schiphol Group. Under the terms and conditions these shares are not considered to be part of the net investment in the associate. Consequently, exchange differences are accounted for in the income statement. As from 2019, a natural hedge exists between the currency risk related to RPS held

in BACH, loan notes in TGHC and EMTN borrowings denominated in AUD with related exchange rate differences being recognised in the income statement.

A financial gain of 30 million euros is included in Other results from financial liabilities in relation to the execution of a cash tender offer on three of the outstanding EMTN notes resulting into a 380 million euros notional repayment against a cash settlement of 350 million euros.

Financial risk factors

Due to the nature of its activities, Schiphol Group faces a variety of risks including market risk, counterparty risk and liquidity risk. The financial risk management programme (which is part of Schiphol Group's overall risk management programme) focuses on the unpredictability of the financial markets and on minimising any adverse effects this may have on Schiphol Group's financial results.

Schiphol Group uses derivative financial instruments to hedge certain risks which are not offset via a natural hedge. Financial risk management is carried out by the central treasury department (Corporate Treasury) and is part of approved Management Board policy. In addition to drawing up written guidelines for financial risk management, the Management Board determines the policy for specific key areas such as currency risk, interest-rate risk, inflation risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of liquidity surpluses. The contracts relating to derivative financial instruments are shown in the table below.

Market risk

Market risk comprises three types of risk: currency risk, price risk and interest-rate risk.

Currency risk

Currency risk arises if future business transactions, assets and liabilities recognised in the balance sheet and net investments in activities outside the euro zone are expressed in a currency other than Schiphol Group's functional currency, which is the euro. Schiphol Group operates internationally and faces currency risks on several currency positions, in particular in Japanese yen (borrowings) and US and Australian dollars (net investments in activities outside the euro zone and non-current receivables).

Schiphol Group manages the currency risk on borrowings which are not naturally offset by an asset in the same currency by using currency forward and swap contracts. The financial risk management policy is that virtually 100% of the expected cash flows are hedged, with the condition that hedging costs need to be proportionate to the risk being hedged. As at 31 December 2023, 7.0% of group financing had been drawn in foreign currency: one loan with a carrying amount of 128.3 million euros (JPY 20 billion nominal value) and three loans with an aggregate carrying amount of 219.4 million euros (AUD 355 million nominal value) compared with 6.8% of total borrowings (one

Type	Counterparty	Interest rate	Currency	Notional amount (x1000)	Maturity date	Fair value in thousands of euros	
						31 December 2023	31 December 2022
Currency swap	JPMorgan	5.64%	JPY	20,000,000	2038	7,423	32,716
						7,423	32,716
Recognised in the balance sheet under:							
Non-current assets						7,423	32,716
Current assets/ liabilities						-	-
						7,423	32,716

loan with a carrying amount of 142.3 million euros and a nominal amount of JPY 20 billion and three loans with a carrying value of 226.2 million euros and a nominal amount of AUD 355 million) a year earlier. The JPY position is fully hedged by means of a EURJPY cross-currency swap. As the hedge is assessed to be effective, movements in the exchange rate will not affect the results relating to these borrowings. The effect on equity is temporary (only for the duration of the hedging transaction) and amounts to 7.4 million euros positive in 2023 (after deferred tax) (2022: 7.7 million euros). The borrowings in AUD serve as a natural hedge for the RPS of BACH and loan notes of TGHC held by Schiphol Group.

Schiphol Group has a number of strategic investments in activities outside the eurozone; of these, the net investments recognised in the balance sheet under 'associates and joint ventures' and 'contract-related assets' are affected by a translation risk. In accordance with the policy, the currency position relating to Schiphol Group's net investments in activities outside the eurozone, totalling 360 million euros as at 31 December 2023 (377 million euros as at 31 December 2022), is not hedged. As translation differences on these positions are recognised as part of the translation reserves, they do not directly impact the results. In 2023, the negative effect on equity amounted to 11.4 million euros, leading to a decrease of the translation reserve from 9.1 million euros as per 31 December 2022 to 2.2 million euros negative as per 31 December 2023.

The Redeemable Preference Shares and Loan Notes which Schiphol Group owns in BACH and TGHC respectively are reported as part of the 'loans to associates and joint ventures'. As from 2019, a natural hedge exists between the currency risk relating to this long-term receivable and EMTN borrowings issued in 2019 denominated in AUD with related exchange differences being recognised in the income statement.

Schiphol Group's risk (counterparty risk) in respect of the cross-currency swap is mitigated by a cash collateral agreement with JPMorgan, which results in a maximum net position for both parties that depends on the parties' credit ratings. If the credit rating of either party is reduced, the maximum

net position for that party will also decrease. Under the cash collateral agreement, the difference between the market value of the swap and the applicable maximum net position is paid weekly through the bank.

As at 31 December 2023, the maximum net position of JPMorgan amounted to 10 million euros (10 million euros as at 31 December 2022) and the maximum net position of Royal Schiphol Group to 10 million euros (5 million euros as at 31 December 2022), while the market value of the swap was approximately 7.4 million euros positive (32.7 million euros as at 31 December 2022) at Schiphol Group. As at 31 December 2023, Schiphol Group had no liability to JPMorgan.

The interest rate shown against the cross-currency swap is the fixed rate at which interest is payable to the counterparty, for which interest at the variable (or fixed) rate that Schiphol Group in turn has to pay on the loans concerned is receivable from the counterparty.

Price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices. Schiphol Group is affected mainly by the price risk on property investments which it recognises at fair value. This fair value is influenced by supply and demand and movements in interest rates and the rate of inflation, which is the basis for the Net Initial Yield (NIY). An average increase of 10% in the NIY on offices and commercial buildings demanded by property investors would reduce the value of those properties by a total of approximately 120.7 million euros (2022: 109.4 million euros). A 10% decrease in the NIY would increase the value by approximately 146.3 million euros (2022: 128.1 million euros). Under the accounting policy, in that situation profitability before tax would fall by the same amount.

Interest-rate risk

Interest-rate risk is divided into a fair value interest-rate risk and a cash flow interest-rate risk.

Fair value interest-rate risk is the risk of fluctuations in the value of a financial instrument as a result of movements in the market interest rate. Schiphol Group has limited financial assets that attract a cash flow interest-rate risk but is affected by fair value interest-rate risk on its fixed-interest borrowings. If market interest rates fell by an average of 0.5% point, this would lead to an increase of 26 million euros (0.6%) in the fair value of borrowings (2022: 29 million euros and 0.5%). An average increase of 0.5% point in market interest rates would lead to a fall of 24 million euros (0.5%) in the fair value of borrowings (2022: 28 million euros and 0.6%). Schiphol Group's policy is to draw at least 50% of borrowings at fixed interest rates, if necessary by using derivatives. As at 31 December 2023, 93% of borrowings were fixed-interest, excluding subsidiaries and associates (31 December 2022: 93%).

The cash flow interest-rate risk is the risk of fluctuations in the future cash flows of a financial instrument as a result of movements in market interest rates. Cash and cash equivalents, a 170 million euros loan with the EIB and a 180 million euros fixed to floating interest rate swap attract cash flow interest-rate risk.

Schiphol Group has put in place an interest rate swap of 180 million euros to swap fixed interest rate payments for floating interest rate payments. The swap mirrors the payments of Schiphol Group's outstanding 2025 bond. Under the swap, Schiphol Group receives a fixed coupon and pays a floating interest rate of 3-month Euribor + a spread. The fixed coupon received under the swap is identical to the coupon paid under the 2025 bond. With this swap Schiphol Group is hedging the fair value movements of the bond.

The hedge is accounted for as a fair value hedge and first became effective in 2023. As market interest rates change over the term of the bond, the fair value of the bond will change. Schiphol Group applies hedge accounting to the fair value hedge relationship. Schiphol Group designated

the hedging relationship as a fair value hedge. Schiphol Group shall discontinue hedge accounting prospectively only if the hedging relationship ceases to meet the qualifying criteria as set out in *IFRS 9* Financial Instruments. Termination of the hedge is expected to occur on the bond maturity date. At the termination of the hedge, the hedging relationship shall be terminated. In the case of full prepayment of the bond, any fair value hedge adjustment will go immediately to profit or loss.

	2023	2022
Change in fair value of derivative	1,591	4,665
Change in fair value of liabilities for ineffective assessment (hedged items)	(1,480)	(4,500)
Net profit / (loss) recognised in profit or loss statement	111	164

Credit risk

Credit risk is the risk that one party to a financial instrument fails to fulfil its obligations, causing the other party to suffer a financial loss. Schiphol Group's counterparties in derivative financial instruments and liquidity transactions are restricted to financial institutions with high creditworthiness ratings (a minimum S&P credit rating of A) and the net position for each counterparty may not exceed 200 million euros. The maximum net position as at 31 December 2023 was 146.7 million euros (200 million euros as at 31 December 2022). At year-end 2023, Schiphol Group has a counterparty risk exposure of 75 million with AAA rating and 825 million with A rating bank facilities. The cash and cash equivalents are divided between different counterparties in order to meet the maximum net position per counterparty.

At 31 December 2023, trade receivables amounted to 227 million euros (31 December 2022: 140 million euros), after a provision for expected credit losses of 8 million euros (31 December 2022: 8 million euros) and including 4.8 million euros in security deposits received (31 December 2022: 5.2 million euros). Expected credit losses are measured based upon all possible situations and developments that may lead to default of the debtor during the expected total lifetime of the

Type	Counterparty	Interest rate	Currency	Notional amount (x1000)	Maturity date	Fair value in thousands of euros	
						31 December 2023	31 December 2022
Interest rate swap	ING Bank	0.00%	EUR	180,000	22-4-2025	3,074	4,665
						3,074	4,665
Recognised in the balance sheet under:							
Non-current liabilities						3,074	4,665
Current assets / liabilities						-	-
						3,074	4,665

receivable. This is primarily derived from a provisions matrix based on historical data on credit losses per business area.

Additionally, the measurement of credit losses is based on information accessible without undue costs and effort about current developments and expectations with regard to the market and significant trading relationships. The provision covers 100% of the receivables owed by debtors that are in bankruptcy or have applied for a suspension of payments, as well as receivables older than one year.

Schiphol Group holds RPS in BACH and Loan Notes in TGHC. Please see note 12 [Loans to associates and joint ventures](#) for additional information. BACH indicated that no dividends or interest will be paid out for the 2020, 2021 and 2022 financial years as a result of the negative impact of COVID-19 on the airport. The dividends and interest receivable that were accrued for in terms of the agreement have been paid out. There is no indication of an increase in the credit risk. TGHC has not paid out dividends in 2023 (1 million euros in 2022). A capital repayment to the amount of 2.8 million euros was received on the loan notes (2022: 13 million euros).

Parties using services from Schiphol Group are first assessed for creditworthiness. Depending on the outcome of this assessment, they may be required to provide security in the form of a bank guarantee or deposit to limit the credit risk. As at 31 December 2023, Schiphol Group holds 38.7 million euros in bank guarantees and security deposits (31 December 2022: 38.6 million euros). Koninklijke Luchtvaartmaatschappij N.V. (KLM) has an individual balance in excess of 80.4 million euros (2022: 33 million euros). The following table provides more details on the provision for bad debt and ageing analysis:

(in thousands of euros)	Weighted average loss rate	Gross carrying amount	Loss allowance	Carrying amount
Current (not past due)	0.0%	151,559	-27	151,532
1-30 days past due	-0.5%	61,398	-287	61,111
31-60 days past due	-2.5%	5,626	-140	5,486
61-90 days past due	-6.6%	2,065	-135	1,930
91-180 days past due	-24.2%	2,079	-503	1,576
181-365 days past due	-46.0%	2,100	-967	1,133
>365 days past due	-59.5%	10,146	-6,038	4,108
Bankruptcies	-83.7%	250	-209	41
	-3.5%	235,223	-8,306	226,917

Liquidity risk

Liquidity risk is the risk that Schiphol Group will have difficulty in raising the funding required to honour its commitments in the short term. Careful liquidity risk management means that Schiphol Group maintains sufficient liquid resources and has access to sufficient funding in the form of promised (and preferably committed) credit facilities and the EMTN programme. The financing policy is also aimed at reducing the refinancing risk. See note 20 [Borrowings](#) for further information on available facilities. In connection with liquidity risk, Corporate Treasury manages the cash pool through which several of the subsidiaries' bank balances are managed and netted for optimum balance management.

All items below are displayed with the remaining maturity based on the date of redemption or settlement agreed with the counterparty. The amounts are gross and undiscounted, and include estimated interest payments. Schiphol Group's policy is that no more than 25% of liabilities may have a term of less than one year. As at 31 December 2023, this figure was 6.3% (31 December 2022: 0.6%).

(in thousands of euros)	Total 2023	Contractual cash flows	<= 1 year	> 1 year	> 1 year but <= 5 years	> 5 years
Borrowings	4,919,298	4,919,298	306,135	4,613,163	1,718,743	2,894,421
Trade payables	196,090	196,090	196,090	-	-	-
Lease liabilities	14,278	14,278	5,749	8,529	8,529	-
Interest payable	31,664	31,664	31,664	-	-	-
Accruals	138,420	138,420	138,420	-	-	-
Total	5,299,750	5,299,750	678,059	4,621,691	1,727,272	2,894,421

(in thousands of euros)	Total 2022	Contractual cash flows	<= 1 year	> 1 year	> 1 year but <= 5 years	> 5 years
Borrowings	5,350,208	5,350,209	30,912	5,319,296	1,978,255	3,341,041
Trade payables	195,033	195,033	195,033	-	-	-
Lease liabilities	14,856	14,856	5,465	9,392	9,392	-
Interest payable	30,196	30,196	30,196	-	-	-
Accruals	168,097	168,097	168,097	-	-	-
Total	5,758,390	5,758,391	429,702	5,328,688	1,987,647	3,341,041

Financial instruments can be classified as follows, according to the measurement policy applied:

(in thousands of euros)	Level ¹	Total 2023	Amortised cost	Fair value through equity	Fair value through profit and loss	Fair value disclosure
Borrowings	1	3,488,077	3,488,077	-	-	3,137,012
Borrowings	2	1,608,934	1,431,221	-	177,713	1,368,813
Derivative financial instruments	2	3,074	-	3,074	-	3,074
Trade payables	n/a	196,090	196,090	-	-	196,090
Interest payable	n/a	31,664	31,664	-	-	31,664
Liabilities		5,327,839	5,147,053	3,074	177,713	4,736,653
Loans to associates	2	-113,141	-113,141	-	-	-
Other loans	2	-150	-150	-	-	-150
Derivative financial instruments	2	-7,423	-	-7,423	-	-
Trade receivables	n/a	-226,917	-226,917	-	-	-226,917
Cash and cash equivalents and deposits	n/a	-1,154,743	-1,154,743	-	-	-1,154,743
Assets		-1,502,374	-1,494,951	-7,423	-	-1,381,810
Total		3,825,465	3,652,101	-4,349	177,713	3,354,843

¹ For financial instruments that are not reported at fair value, the level of fair value hierarchy included below relates to the fair value disclosed for this financial instrument.

The fair values are recalculated at the end of each reporting period. Depending on the input used, the established fair value falls into one of the following levels:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted prices for similar assets and liabilities in active markets or information based on or supported by observable market inputs;
- Level 3: Unobservable inputs used to determine the fair value of an asset or liability.

Level 2 measurements are determined using various methods and assumptions based on market conditions on the reporting date. The fair value of these financial instruments is determined on the basis of the present value of the projected future cash flows converted into euros at the relevant exchange rates and the market interest rate applicable to Schiphol Group on the reporting date.

The nominal value is assumed to approximate the fair value of loans to associates, trade receivables, cash and cash equivalents and trade payables.

(in thousands of euros)	Level ¹	Total 2022	Amortised cost	Fair value through equity	Fair value through profit and loss	Fair value disclosure
Borrowings	1	3,745,528	3,745,528	-	-	3,109,115
Borrowings	2	1,900,020	1,604,680	-	295,340	1,462,945
Borrowings	3	-	-	-	-	-
Finance lease liabilities	2	-	-	-	-	-
Derivative financial instruments	2	4,665	-	4,665	-	4,665
Financial liability - Share buy back obligation	2	-	-	-	-	-
Trade payables	n/a	195,033	195,033	-	-	195,033
Interest payable	n/a	30,196	30,196	-	-	30,196
Liabilities		5,875,441	5,575,436	4,665	295,340	4,801,952
Loans to associates	2	-136,159	-136,159	-	-	-157,961
Other loans	2	-150	-150	-	-	-150
Derivative financial instruments	2	-32,716	-	-32,716	-	-
Other loans to associates	2	-	-	-	-	-
Asset held for sale	1	-	-	-	-	-
Trade receivables	n/a	-139,726	-139,726	-	-	-139,726
Cash and cash equivalents and deposits	n/a	-1,730,846	-1,730,846	-	-	-1,730,846
Assets		-2,039,596	-2,006,880	-32,716	-	-2,028,682
Total		3,835,845	3,568,556	-28,051	295,340	2,773,270

¹ For financial instruments that are not reported at fair value, the level of fair value hierarchy included below relates to the fair value disclosed for this financial instrument.

Capital management

Schiphol Group's long-term capital strategy and dividend policy are geared towards improving shareholder value, facilitating sustainable long-term growth and preserving an appropriate financial structure and sound creditworthiness. Schiphol Group uses certain financial ratios, including cash flow-based metrics, to capture the dynamics of capital structure, dividend policy and cash flow generation and monitors its capital structure in line with credit rating agencies and comparable best practices.

In this context, key financial ratios employed include:

- Funds From Operations (FFO)/Net Debt: the FFO divided by the total debt minus cash and cash equivalents (including deposits > 3 months)
- Net leverage: interest-bearing debt minus cash and cash equivalents (including deposits > 3 months) divided by (underlying) EBITDA
- Funds From Operations (FFO) Interest Cover: the FFO plus interest charges divided by the interest charges

Funds From Operations

(in thousands of euros)	2023	2022
Operating result	5,878	-151,541
Depreciation and amortisation	337,661	327,042
Impairment loss	6,486	3,983
Result on disposal of investment property	-	-
Other result from investment property	150,595	191,632
Other non-cash changes in other receivables and liabilities	472	-16,739
Change in employee benefits and other provisions	-5,178	2,504
Income tax paid	-15,854	-13,138
Interest paid	-79,416	-80,242
Interest received	26,777	1,809
Dividend received	18,792	1,896
Funds From Operations	446,213	267,207

'Funds From Operations' is calculated specifically for the purpose of determining the financial ratios and differs from the cash flow from operations calculated in the consolidated cash flow statement in accordance with the reporting policies, in the [Consolidated statement of cash flow for the year ended 31 December 2023](#). FFO is the cash flow from operating activities adjusted for operating capital. In 2023, FFO increased from 267 million euros to 446 million euros.

(in thousands of euros)	2023	2022
Borrowings	4,613,163	5,319,296
Lease liabilities	8,529	9,392
Non-current liabilities	4,621,691	5,328,688
Borrowings	306,135	30,912
Lease liabilities	5,749	5,465
Current liabilities	311,884	36,377
Total debt	4,933,576	5,365,065

For capital management purposes, debt consists of non-current and current liabilities as shown under 'Total debt'. For capital management purposes, equity is equal to equity in the consolidated balance sheet. At 31 December 2023, equity was 3,499 million euros (31 December 2022: 3,506 million euros).

Other notes to the consolidated financial statements

Related party disclosures

Related parties

Related parties	Nature of relationship and transactions	Relevant disclosure
Management Board	Management Board remuneration	Related party disclosures
Supervisory Board	Supervisory Board remuneration	Related party disclosures
Key Management personnel	Key Management personnel remuneration	Related party disclosures
Schiphol Airport Retail B.V.	Concession income, rent income	Revenue
ABP	Pension contributions	Employee benefits Trade and other payables
Groupe ADP	All shares have been sold during November and December 2022	Investments in associates and joint ventures Issued share capital and share premium
Brisbane Airport Corporation Holdings Ltd.	Associate / dividends and interest on receivable	Investments in associates and joint ventures Loans to associates and joint ventures
Tasmanian Gateway Holdings Corporation Pty Ltd.	Joint venture / dividends and interest on receivable	Investments in associates and joint ventures Loans to associates and joint ventures
NV Holding Business Park Luchthaven Maastricht (holding of Maastricht Aachen Airport)	Joint venture / dividends	Investments in associates and joint ventures
State of the Netherlands	Shareholder / dividends / government grants (including NOW)	Issued share capital and share premium Employee benefits
Municipality of Rotterdam	Shareholder / dividends	Issued share capital and share premium
Municipality of Amsterdam	Shareholder / dividends	Issued share capital and share premium
JFKIAT Member LLC.	Management contract	Intangible assets
Air France-KLM SA ¹	Government-related entity Airport and passenger-related charges Land and property rental agreements	Management of financial risks and financial instruments

¹ The State of the Netherlands owns 14% of the shares in Air France-KLM SA. Royal Schiphol Group and Air France-KLM are therefore regarded as related parties as both companies are government-related entities.

There are a number of subsidiaries and joint ventures in which Schiphol Group holds an interest which results in either significant influence but no decisive control or exercising joint operational and policy control. These subsidiaries and joint ventures are designated as related parties.

The material related parties are included in the table above.

Operation of the airport

In its legislative capacity, the government (State of the Netherlands) is responsible for the legislation governing the operation of Amsterdam Airport Schiphol, which is provided for indefinitely in law in Chapter 8, Part 4 of the Aviation Act and other legislation.

Sections 8.7 and 8.17 of the Aviation Act impose constraints on the development and use of Amsterdam Airport Schiphol. The Airport Traffic Decree lays down rules for airport use and stipulates limits for noise levels, air pollution and risks to public safety. The Airport Planning Decree defines the airport zone and the restrictions governing the use of the airport and the surrounding area. The Aviation (Supervision) Regulations define the rules concerning safety on the airport grounds. As of July 2017, the new Aviation Act became effective, which includes changes with respect to the consultation on and settlement of tariffs. This means that as of 2018, Schiphol set the tariffs for every three-year period.

There are two lines of supervision on the airport operation of Amsterdam Airport Schiphol.

One line of supervision concerns preventing abuse, by the operator, of its position of economic strength. The body responsible for this supervision is the ACM. The supervision relates to the charges and conditions fixed by the operator pursuant to Section 8.25d of the Aviation Act to be charged to the airport users in the subsequent year.

The other line of supervision involves the Ministry of Infrastructure and Water Management and relates to the operation of Amsterdam Airport Schiphol, for which a licence has been granted pursuant to Section 8.25 of the Aviation Act. The operator reports to the minister on the operation of the airport at least once every three years, with special reference to capital expenditure that is important to the development of the airport. The ability to foster the mainport status of the airport, to the extent that the operator is able to influence that status, is particularly dependent on the development of the airport infrastructure in the medium and long term.

Remuneration for members of the Supervisory Board

(x EUR 1)	Remuneration	Audit	Committees			Total 2023
			People	Safety, Sustainability & Stakeholders	Capital Programme, Operations & Investments	
J. Winter	40,769	-	5,585	5,585	-	51,939
R.J. van de Kraats	26,807	6,702	4,189	-	-	37,698
S.G. Brummelhuis	26,807	-	5,585	5,585	5,585	43,562
D. Collier	26,807	6,702	-	-	5,585	39,094
F. Figeë	19,361	4,842	-	-	1,396	25,599
E. van Galen	26,807	6,702	-	5,585	-	39,094
M.C. van der Laan	19,894	-	4,035	4,035	-	27,964
A.B.M. Olsson	13,404	-	2,792	2,792	2,792	21,780
Total	200,656	24,948	22,186	23,582	15,358	286,730

(x EUR 1)	Remuneration	Audit	Committees			Total 2022
			People	Safety, Sustainability & Stakeholders	Capital Programme, Operations & Investments	
J. Winter	35,692	-	5,409	5,409	-	46,510
L.J. Gunning-Schepers	11,188	-	1,533	1,533	-	14,253
E. van Galen	27,694	6,924	-	5,770	-	40,387
R.J. van de Kraats	25,963	6,491	-	-	-	32,454
A.B.M. Olsson	25,963	-	5,409	5,409	5,409	42,190
S.G. Brummelhuis	25,963	-	5,409	5,409	5,409	42,190
D. Collier	25,963	6,491	-	-	5,409	37,863
Total	178,427	19,905	17,760	23,529	16,227	255,848

All members of the Supervisory Board also receive an annual expense fee of 1,697 euros (2022: 1,643 euros) on top of the remuneration for Supervisory Board members referred to above. No shares, share options, loans, advances or guarantees have been or will be granted to members of the Supervisory Board.

For more information on the Supervisory Board, refer to [Supervisory Board](#).

Mr. Figeë and ms. Van der Laan joined the Supervisory Board of Royal Schiphol Group on 11 April 2023. On the same date mr. Olsson stepped down after two terms.

Remuneration for Management Board members

(x EUR 1)	Salary remuneration	Variable remuneration	Pension costs (supplementary)	Pension costs	Other payments ¹	Severance pay	Total 2023
L.M. Sondag ²	458,021	68,703	24,691	65,118	46,334	-	662,867
R.J. Carsouw	389,318	58,398	24,258	40,275	43,779	-	556,028
H.L. Buis ³	227,102	34,065	14,151	19,436	10,602	202,616	507,972
Total	1,074,441	161,166	63,100	124,829	100,715	202,616	1,726,867

- The stated amounts mainly concern (share of) allowances to the management board members that can be considered as remuneration. In a situation where such a share of an allowance can be considered as (indirect) remuneration then the share is both valued and accounted for here. The method employed by the fiscal authorities is the starting point for the value stated.
- Appointed since 1 November 2022. Initially appointed for a term of one year and extended until ultimately 29 February 2024.
- The employment contract with Ms. Buis was terminated early 2023.

(x EUR 1)	Salary remuneration	Variable remuneration	Pension costs (supplementary)	Pension costs	Other payments ¹	Severance pay	Total 2022
L.M. Sondag	73,934	-	5,656	10,837	8,408	-	98,835
D.A. Benschop ²	443,604	-	33,935	73,736	34,405	-	585,679
R.J. Carsouw	377,064	-	31,519	39,303	37,633	-	485,520
B.I. Otto ³	157,380	-	13,133	20,309	10,052	377,064	577,939
H.L. Buis	377,064	-	31,519	32,329	15,380	-	456,293
Total	1,429,046	-	115,763	176,515	105,877	377,064	2,204,265

- The stated amounts mainly concern (share of) allowances to the management board members that can be considered as remuneration. In a situation where such a share of an allowance can be considered as (indirect) remuneration then the share is both valued and accounted for here. The method employed by the fiscal authorities is the starting point for the value stated.
- D.A. Benschop was President & CEO until 31 October 2022.
- B.I. Otto was Member of the Management Board & COO until 31 May 2022.

The remuneration of Management Board members is disclosed in accordance with Section 2:383c of the Dutch Civil Code. Periodic remuneration comprises the total of gross salary and holiday pay.

Based on the Supervisory Board's assessment of the extent to which the targets were achieved, the short-term incentives as presented in the table above have been charged to the result for 2023. The total variable remuneration for the Management Board over the year 2023 is determined to be 15% of the respective members' fixed salaries.

Mr. Sondag was appointed as President & CEO as of 1 November 2022 for an initial term of one year. At the request of the Supervisory Board, it was decided to extend Mr. Sondag's interim period until ultimately 29 February 2024.

Remuneration Key Management personnel

As of 1 February 2023, Schiphol Group changed the management structure of its organisation. The Management Board was transformed into a broader operational Executive Team that is responsible for managing the company. This did not affect the statutory responsibility of the Management Board that is currently formed by Ruud Sondag (CEO) and Robert Carsouw (CFO). The company considers the members of the Executive Team and the Supervisory Board to be the Key Management personnel as defined in IAS 24 Related Party Disclosures.

In 2023, the total remuneration costs of Key Management personnel to the members amounted to EUR 3.4 mln (2022: EUR 2.5 mln) includes the Executive Team (consisting of 6 members as of 1 February 2023, including the members of the Management Board) and the remuneration of the Supervisory Board. The 2023 remuneration of the Supervisory Board is included in salary.

During 2022 Key Management personnel consisted of the Management Board and the Supervisory Board. The Key Management remuneration can be displayed as follows:

(x EUR 1)	2023	2022
Salary	2,429,797	1,684,894
Variable Remuneration	303,532	-
Pension Costs	148,040	115,763
Pension Costs (supplementary)	135,552	176,515
Other Payments	197,982	105,877
Severance Pay	202,616	377,064
Total	3,417,519	2,460,113

For further details, please refer to [Management Board remuneration](#).

Subsidiaries

	Registered in	Direct / indirect interest in %
Schiphol Nederland B.V. ¹	Schiphol	100.00
Schiphol Australia Pty Ltd	Schiphol	100.00
Schiphol North America Holding Inc.	Delaware	100.00
Eindhoven Airport N.V.	Eindhoven	51.00
N.V. Luchthaven Lelystad ¹	Lelystad	100.00
Luchthaven Lelystad Vastgoed B.V. ¹	Lelystad	100.00
Schiphol USA Inc.	New York	100.00
Rotterdam Airport B.V. ¹	Rotterdam	100.00
Rotterdam Airport Holding B.V. ¹	Rotterdam	100.00
Rotterdam Airport Vastgoed B.V. ¹	Rotterdam	100.00
Schiphol International B.V.	Schiphol	100.00
Schiphol Commercial B.V. ¹	Schiphol	100.00
Airport Real Estate Management B.V. ¹	Schiphol	100.00
Avioport Srl	Lonate Pozzolo	100.00
Schiphol Telematics B.V. ¹	Schiphol	100.00

¹ Article 403 of the NCC is applied.

The list includes the significant subsidiaries to Schiphol Group that are consolidated. The full list has been registered with the Chamber of Commerce.

The abridged balance sheet for the minority interest in Eindhoven Airport N.V. excluding the interests of Schiphol Group is presented below.

(in thousands of euros)	2023	2022
Assets		
Non-current assets	56,844	55,816
Current assets	21,329	10,296
	78,173	66,112
Equity and liabilities		
Total equity	65,086	58,478
Non-current liabilities	39	246
Current liabilities	13,048	7,389
	78,173	66,112

The abridged income statement for this company:

(in thousands of euros)	2023	2022
Revenue	42,589	39,126
Other income and results from investment property	-136	-46
	42,453	39,081
Total operating expenses	29,751	26,694
Operating profit	12,702	12,386
Financial income and expenses	-128	-332
Profit before tax	12,574	12,054
Corporate income tax	3,222	3,092
Profit for the year	9,352	8,962

Events after the balance sheet date

Acquisition of airport retailer Kappé

On 18 January 2024 Schiphol Group acquired 100% of the issued share capital of airport retailer Kappé Logistics B.V. and Kappé Nederland B.V. with effective date 1 January 2024. The results for Kappé will be included in the consolidated numbers of Schiphol Group as of the effective date.

Kappé sells perfumes, cosmetics, sunglasses and pharmacy products in fifteen shops at Schiphol Amsterdam Airport. With this acquisition, Schiphol wants to further develop the business, continue to invest in these shops and look to the future with new stores and concepts. Continuity for the shops and for employees is key. Furthermore, Schiphol is focusing on the already initiated professionalisation of Kappé and the cooperation with commercial partners. In the long term, the acquisition will allow Schiphol Amsterdam Airport to flexibly allocate the available square metres, with room for innovation and an improved shopping experience for passengers.

The purchase consideration amounted to 50 - 52 million euros and consists of cash paid. The purchase price allocation has yet to take place given the closing accounts are still under preparation. It is expected that the majority of the excess purchase consideration will either result in goodwill or contract related assets.

Lelystad airport

On the 30th of January 2024 the majority of the Dutch Parliament voted against the opening of Lelystad airport for commercial flights. This is, however, not a decision. When a decision against opening of Lelystad becomes irreversible it will have a significant impact on amongst others the carrying amount of Property, Plant and Equipment of Lelystad airport.

Other

There are no other reportable events after the balance sheet date.

Company income statement for the year ended 31 December 2023

(in thousands of euros)	note	2023	2022
Revenue		-	-
Cost of outsourced work and other external costs		45	50
Employee benefits expense		1,509	2,249
Other operating expenses		401	664
Total operating expenses		1,955	2,963
Operating profit		-1,955	-2,963
Financial income and expenses		-24,152	-523
Share in results of associates and joint ventures	27	-	-
Share in results of subsidiaries	27	33,156	-90,909
Result before tax		7,049	-94,395
Income tax expense	32	5,657	8,139
Result attributable to shareholders (net result)		12,706	-86,256

Company balance sheet as at 31 December 2023

(in thousands of euros)	Note	31 December 2023	31 December 2022
Assets			
Investments in subsidiaries	27	3,787,425	3,777,330
Investments in associates	27	-	-
Derivatives	26	7,423	32,716
Deferred tax assets	32	-	15,743
Non-current assets		3,794,848	3,825,789
Receivables	28	6,852,991	6,782,703
Cash and cash equivalents	28	1,186	2,124
Current assets		6,854,177	6,784,827
Total assets		10,649,025	10,610,616

(in thousands of euros)	Note	31 December 2023	31 December 2022
Equity and liabilities			
Issued share capital		84,511	84,511
Share premium		362,811	362,811
Treasury shares		-420,320	-420,320
Retained profits		2,620,567	2,618,741
Other reserves		-23,229	3,436
Revaluation reserve		474,828	587,497
Other statutory reserves		321,575	296,988
Net result of the year		12,706	-86,256
Shareholders' equity	29	3,433,449	3,447,408
Deferred tax liabilities	32	2,348	1,448
Loans and borrowings - EMTN programme	22	4,013,428	4,412,193
Derivatives	26	3,074	4,665
Non-current liabilities		4,018,850	4,418,306
Current liabilities	31	3,196,726	2,744,902
Current liabilities		3,196,726	2,744,902
Total liabilities		7,215,576	7,163,208
Total equity and liabilities		10,649,025	10,610,616

Notes to the company financial statements

Accounting policies

The company financial statements have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code, exercising the option in Section 2:362(8) of the Dutch Civil Code to apply the same accounting policies for the company. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU).

The accounting policies for the company financial statements are the same as those for the consolidated financial statements. Where no specific policies are mentioned, see the accounting policies for the consolidated financial statements. Royal Schiphol Group N.V. is registered at the Chamber of Commerce under number 34029174.

Subsidiaries

Companies over which Royal Schiphol Group N.V. is able to exercise control or which Royal Schiphol Group N.V. effectively manages are stated at net asset value determined by measuring the assets, provisions and liabilities and results according to the policies applied in preparing the consolidated financial statements. If the share of losses attributable to Royal Schiphol Group N.V. exceeds the carrying amount of a subsidiary, losses over and above that amount are not recognised unless Royal Schiphol Group N.V. has given guarantees to the entity concerned or other commitments have been entered into or payments have been made on behalf of that entity. In that case, a provision is made for the consequent liabilities. Results on transactions with subsidiaries are eliminated in proportion to the interest in the entities concerned, except where the results arise on transactions with third parties. Losses are not eliminated if there are indications of impairment of the assets concerned.

Elements of equity

Various statutory reserves are maintained in the company balance sheet and form part of the retained profits in the consolidated balance sheet. These reserves restrict the ability to distribute the equity. They are the reserve for property revaluations and the reserves for intangible assets and for investments in associates and joint ventures. The latter two reserves have been combined under other statutory reserves.

The revaluation reserve (Section 2:390(1) of the Dutch Civil Code) is maintained for unrealised fair value gains on individual items of investment property (land and buildings) held by companies forming part of Schiphol Group. Additions to this reserve are made through the profit appropriation, after allowing for corporate income tax. On the sale of investment property, the amount of the revaluation reserve for the property in question is transferred to other reserves.

The other statutory reserves comprise the reserve for intangible assets and the reserve for investments in associates and joint ventures.

The reserve for intangible assets (Section 2:365(2) of the Dutch Civil Code) is maintained in connection with research and development costs (software) capitalised by companies forming part of Schiphol Group.

The legal reserve for participating interests (Section 2:389(6) of the Dutch Civil Code) is formed for the share in the positive results of the entities concerned and in fair value gains recognised directly in equity. Amounts are not recognised in respect of entities whose cumulative results are not positive. The reserve is reduced by the amount of dividend distributions, fair value losses recognised directly in equity and any distributions which Schiphol Group would be able to effect without restriction.

Equity in the consolidated balance sheet comprises an exchange differences reserve, an other financial interests reserve and a hedging transactions reserve. These reserves (recognised collectively in the company financial statements under 'Other reserves') are also presented as part of company equity since they similarly restrict the ability to distribute the reserves.

Notes to the company balance sheet and income statement

Where the notes to the company balance sheet and income statement are not materially different from the notes to the consolidated balance sheet and income statement, they have not been repeated. See the notes to the consolidated balance sheet and statement of income for the items concerned. This also applies to the disclosures on [contingent assets and liabilities](#) in note 25 as well as [management of financial risks and financial instrument](#) in note 26.

Fiscal unity

Together with part of the subsidiaries, Royal Schiphol Group N.V. forms a fiscal unity for corporate income tax and VAT purposes. As such, each of the entities within the fiscal unity is jointly and severally liable for the tax debt of the fiscal unity.

27. Non-current assets

Movement of subsidiaries and associates were as follows:

(in thousands of euros)	Subsidiaries	Associates	Total
Carrying amount as at 1 January 2022	3,840,205	0	3,840,205
Movements in 2022			
Result for the year	-90,909	-	-90,909
OCI Movement	21,528	-	21,528
Translation differences	-817	-	-817
Changes in the hedging transactions reserve	7,283	-	7,283
Other movements	40	-	40
	-62,875	-	-62,875
Carrying amount as at 31 December 2022	3,777,330	-	3,777,330
Movements in 2023			
Result for the year	33,156	-	33,156
OCI Movement	-4,230	-	-4,230
Translation differences	-11,425	-	-11,425
Changes in the hedging transactions reserve	6,228	-	6,228
Other movements	-13,634	-	-13,634
	10,095	-	10,095
Carrying amount as at 31 December 2023	3,787,425	-	3,787,425

Subsidiaries are the wholly-owned subsidiaries of Schiphol Nederland B.V. or Schiphol International B.V., with the exception of Eindhoven Airport N.V. Section 2:403 of the Dutch Civil Code applies to Schiphol Nederland B.V.

28. Current assets

Cash and cash equivalents are freely available. Receivables, cash and cash equivalents are included at fair value, which is usually face value.

(in thousands of euros)	2,023	2022
Group companies balances	6,852,991	6,782,703
	6,852,991	6,782,703

29. Shareholders' equity

(in thousands of euros)	Issued share capital	Share premium	Treasury shares	Retained profits	Other reserves	Revaluation reserve	Other statutory reserves	Net Result Financial Year	Total
Carrying amount as at 1 January 2022	84,511	362,811	-	1,765,688	-48,907	981,781	230,766	104,671	3,481,321
Movements in 2022									
Appropriation of result for previous year	-	-	-	104,671	-	-	-	-104,671	-
Distribution of dividend	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-817	-	-	-	-817
Movements in hedge reserve	-	-	-	-	26,223	-	-	-	26,223
Net result	-	-	-	-	-	-	-	-86,256	-86,256
Addition statutory reserves	-	-	-	328,063	-	-394,284	66,221	-	-
Other comprehensive income from associates	-	-	-420,320	420,320	21,528	-	-	-	21,528
Actuarial gains and revaluations after taxation	-	-	-	-	5,409	-	-	-	5,409
Total movements in the year	-	-	-420,320	853,054	52,343	-394,284	66,221	-190,927	-33,913
Carrying amount as at 31 December 2022	84,511	362,811	-420,320	2,618,741	3,436	587,497	296,986	-86,256	3,447,408
Movements in 2023									
Appropriation of result for previous year	-	-	-	-86,256	-	-	-	86,256	-0
Distribution of dividend	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-11,425	-	-	-	-11,425
Movements in hedge reserve	-	-	-	-	-6,922	-	-	-	-6,922
Net result	-	-	-	-	-	-	-	12,706	12,706
Addition statutory reserves	-	-	-	88,080	-	-112,669	24,589	-	0
Other	-	-	-	-	-	-	-	-	-
Other comprehensive income from associates	-	-	-	-	-4,230	-	-	-	-4,230
Actuarial gains and revaluations after taxation	-	-	-	-	-4,088	-	-	-	-4,088
Total movements in the year	-	-	-	1,824	-26,665	-112,669	24,589	98,962	-13,959
Carrying amount as at 31 December 2023	84,511	362,811	-420,320	2,620,567	-23,229	474,828	321,575	12,706	3,433,449

The other statutory reserves comprise the reserve for intangible assets and the reserve for investments in associates.

Given the legal obligation to recognise a Revaluation reserve and Other Statutory reserves, an amount of 88 million euros was added to Retained profits (2022: 328 million euros added) and Other Statutory Reserves and subtracted from the Revaluation reserve in 2023.

Proposed result appropriation

No dividends will be paid out for the 2023 and 2022 financial years.

30. Employee benefits

The liabilities for employee benefits relate to the Management Board of Royal Schiphol Group N.V. and concern the net liabilities in respect of the short-term incentives. See the notes on [Remuneration for Management Board members](#) in the consolidated financial statements for further details.

31. Current liabilities

(in thousands of euros)	2023	2022
Group companies	3,172,685	2,723,064
Accruals	24,041	21,838
	3,196,726	2,744,902

See note 3 [Outsourcing and other external costs](#) to the consolidated financial statements for a breakdown of auditor's fees.

32. Income taxes

This note contains details on items in the company-only financial statements with regard to income tax, being income tax recognised in the statement of income, deferred taxes recognised in the statement of financial position and current tax positions in the statement of financial position.

(in thousands of euros)	2023		2022	
Result before tax	7,049		-94,395	
Income tax calculated at the domestic tax rate	1,819	25.8%	-24,354	25.8%
Share in results of associates and joint ventures	-	0.0%	-	0.0%
Share in results of subsidiaries	-8,554	-121.4%	32,016	-33.9%
Changes in corporate income tax rate				
Participation exemption on results from financial asset and liability (Groupe ADP)	-	0.0%	-15,801	16.7%
Other (includes non-deductible expenses)	1,079	15.3%		
Income tax expense in income statement (effective)	-5,657	-80.2%	-8,139	8.6%

The 2022 deferred tax asset in 2022 amounting to 15.7 million euros relates to unutilised tax losses (due to company operating losses). This deferred tax asset is within the group reclassified to Schiphol Nederland in which the total deferred tax position relating to the tax loss carry forward of the Dutch fiscal unity is reported. The deferred tax liability amounts to 2.3 million euros (2022: 1.4 million euros) and relates to derivatives.

Please refer to the consolidated tax note for a detailed description (note 10 [Income taxes](#)).

Schiphol, 15 February 2024

Supervisory Board

J. Winter, Chair

R.J. van de Kraats, Vice Chair

S.G. Brummelhuis

D. Collier

C. Figee

E. van Galen

M.C. van der Laan

For the company financial statements 2023:

Management Board

L.M. Sondag

President & Chief Executive Officer

R.J. Carsouw

Chief Financial Officer

Other Information

Proposed result appropriation

Article 26 of the company's Articles of Association contains the following provisions on profit appropriation:

1. Without prejudice to the provisions of Section 2:105 of the Dutch Civil Code, the profit according to the financial statements prepared by the Management Board shall be added to the reserves unless the General Meeting of Shareholders resolves to make profit distributions according to a proposal by the Management Board approved by the Supervisory Board.
2. The General Meeting of Shareholders shall decide the appropriation of the amounts thus reserved according to a proposal by the Management Board approved by the Supervisory Board.



Independent auditor's report

To: the General Meeting and the Supervisory Board of Royal Schiphol Group N.V.

Report on the audit of the financial statements 2023 included in the Annual Report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Royal Schiphol Group N.V. as at 31 December 2023 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Royal Schiphol Group N.V. as at 31 December 2023 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2023 of Royal Schiphol Group N.V. ('Schiphol' or 'the Company') based in Schiphol. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2023;
2. the following consolidated statements for the year ended 31 December 2023: the statements of income, comprehensive income, changes in equity and cash flow; and
3. the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as 31 December 2023;
2. the company income statement for the year ended 31 December 2023; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Schiphol 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) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate-related risks and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Information in support of our opinion

Summary

Materiality

- Materiality of EUR 15 million
- 0.8% of Revenue for the year 2023

Group audit

- Audit coverage of 93% of total assets
- Audit coverage of 93% of revenue

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate risks

- Fraud risks: we identified the presumed risk of management override of controls and risk on tendering and contracting of operational assets and further described these in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud that are considered material for our audit.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.
- Going concern risks: no risks identified on the use of the going concern basis by management.
- Climate-related risks: no risk of material misstatement for the financial statements identified.

Key audit matters

- Valuation of investment in Hobart Airport
- Valuation of investment property
- Revenue from regulated airport charges

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 15 million (2022: EUR 11 million). The materiality is determined with reference to the revenues for the year 2023, of which it represents 0.8%. We consider revenues as the most appropriate benchmark because of the volatility in result before tax over the past years.

Materiality significantly changed compared to last year when we used the average consolidated revenue over the 5-year period 2018-2022 as benchmark, as the revenues for the year 2022 were still partially impacted by the COVID-19 related travel restrictions. The revenues for the year 2023 are no longer impacted by this and represent the revenues of the normal, continuing operations of the Company. Therefore we determine it appropriate to base our materiality on the revenues for the year 2023 instead of an average over multiple years. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 0.75 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Schiphol is at the head of a group of components. The financial information of this group is included in the financial statements of Schiphol.

Our group audit mainly focused on component Amsterdam Airport Schiphol, with significant activities within the business areas Aviation and Schiphol Commercial for which we have performed audit procedures ourselves.

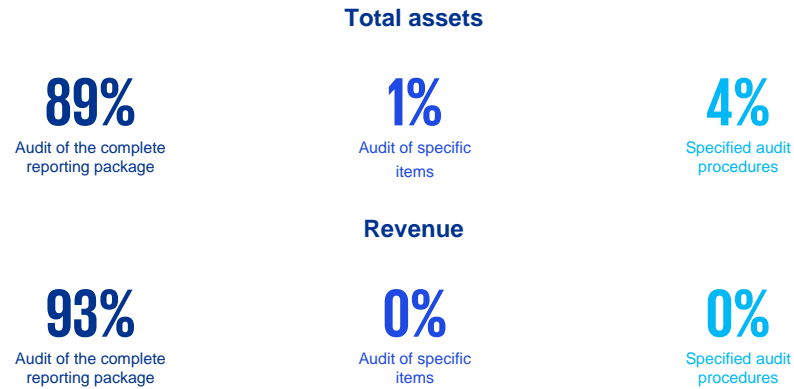
We have made use of the work of another auditor for a selected foreign activity, being the investment in the associate Brisbane Airport Corporation Holdings Ltd., within the business area Alliances & Participations. We have prepared instructions with procedures to be performed and evaluated the outcome of the procedures performed by the other auditor including a review of the findings reported to us.

For other group entities, including the activities at Hobart International Airport Pty. Ltd., Terminal 4 of JFK IAT, Eindhoven Airport, Lelystad Airport and Rotterdam The Hague Airport, we performed specific audit procedures ourselves. For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.



The audit coverage as stated in the section summary can be further specified as follows:



Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter 'Risk management' of the 'Governance' section of the Annual Report, the Management Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations. The Supervisory Board reflects on this assessment.

As part of our audit, we have gained insights into Schiphol and its business environment and Schiphol's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing Schiphol's (supplier) code of conduct, integrity reports and its procedures to investigate indications of possible fraud and non-compliance, publicly held information in relation to negative publicity, correspondence with supervisory authorities and regulators, legal confirmation letters and other positions ('nevenfuncties') held by the Management Board and Supervisory Board members. Furthermore, we performed relevant inquiries with the Management Board, Supervisory Board and other relevant functions, such as Corporate Risk and Audit Services, the Compliance & Ethics Officer and the Legal Counsel.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Dutch Aviation Act;
- European tendering regulation;
- Environmental regulation.

We rebutted the presumed fraud risk on revenue recognition, because of the lower complexity and absence of judgment in accounting for all revenues and the involvement of third parties in the revenue processes.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit and responded as follows:

Management override of controls (a presumed risk)

Risk

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Our response

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries. In case of internal control deficiencies, where we considered there would be opportunity for fraud, we performed supplemental detailed risk-based testing.
- We performed a data analysis of high-risk journal entries intended to identify unusual combinations of accounts from CAPEX with a direct impact on the operating result. Where we identified instances of these journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We evaluated key estimates and judgments for potential bias by management, including retrospective reviews of prior years' estimates, such as for the key audit matters 'Valuation of investment in Hobart Airport' and 'Valuation of investment property'.
- We incorporated elements of unpredictability in our audit, including in our asset verification procedures, challenging of different inputs of the impairment models, in testing completeness of the flight database and by performing data analytics on the revenue-to-cash cycle.



Tendering and contracting of operational assets

Risk

Potential conflicts of interest when awarding major contracts or when deciding on scope changes regarding operational assets.

Our response

- We evaluated the design and implementation of internal controls related to the awarding of contracts and scope changes and controls designed to ensure adherence to EU tender requirements. We also evaluated the controls around project risk management, including segregation of duties, and project progress assessment.
- We performed test of details on a selection of predefined high value scope changes and variation orders (to the extent applicable).
- We assessed the developments in the ongoing discussion and legal procedures regarding the termination of the contract with the previous main contractor of the A-Pier to evaluate the completeness of provisions, if any, and the appropriateness of the related disclosures.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Management Board and the Supervisory Board. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

The Management Board has performed its going concern assessment as included on page 174 of the financial statements and has not identified any going concern risks. Our main procedures to assess the Management Board's assessment were:

- we considered whether the Management Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we analysed Schiphol's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks;
- we inquired with the Management Board on the key assumptions and principles underlying the Management Board's assessment of going concern risks;
- we inspected the financing agreements in terms of conditions that could lead to going concern risks, including the term of the agreements and any covenants;
- we analysed whether the headroom of the ratios included in the financing agreements is sufficient or if it gives rise to the risk of the covenants in the financing agreements being breached.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Audit response to climate-related risks

Schiphol has set out its ambition in which their operations will be zero-emission and zero-waste by 2030 and to function as an energy-positive and fully circular organisation by 2050 in the section 'Our Why, ambition and strategy' in the Annual Report, including its eight-point plan towards a quieter, cleaner and better Schiphol. Further, in section 'Quality of Life' in the Annual Report, Schiphol describes its commitment to reaching the targets set out in the Paris climate agreement, which are translated into the 2019 Klimaataakkoord ('Dutch Climate Agreement').

Management has updated its detailed risk assessment, against the background of Schiphol's business and operations and position in the aviation sector, how climate-related risks and opportunities and Schiphol's own ambitions could have a significant impact on its business and could impose the need to adapt its strategy and operations (climate adaptation). Management has considered the impact of both transition and physical risks on the financial statements in accordance with the applicable financial reporting framework, for example on assets used for operating activities, such as runways and baggage cellars.

Management prepared the financial statements, including considering whether the implications from climate-related risks and ambitions have been appropriately accounted for and disclosed.

As part of our audit we performed a risk assessment of the impact of climate-related risk and Schiphol's ambitions in respect of climate change on the financial statements and our audit approach. In doing this we:

- assessed management's assessment and made inquiries of management and the Audit Committee of the Supervisory Board. We obtained an understanding of the assessment against the background of Schiphol's business and position in the aviation sector and of the potential impact of climate-related risk and opportunities on Schiphol's financial statements and Schiphol's preparedness for this;
- evaluated potential climate-related fraud risk factors such as the CO₂ TPI impacting the variable remuneration of the Management Board and have not identified climate-related fraud risks for the financial statements 2023;
- made use of KPMG climate risk experts to assist in understanding how climate-related risks and opportunities may affect the entity and its accounting in the financial statements 2023.

Based on the risk assessment procedures performed above we found that climate-related risks have no material impact on the current financial statements under the requirements of EU-IFRS and no material impact on our key audit matters.

Furthermore we have read the 'Other information' in the Annual Report with respect to climate-related risks and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.



Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter 'Financial consequences of the operational disruption at Amsterdam Schiphol Airport' is no longer included, as the airport showed significant operational performance improvements during 2023, cost compensation agreements have been concluded regarding the 2022 financial year and no litigations are currently ongoing.

In addition, the key audit matter 'Valuation of investment in Amsterdam Airport Schiphol' is no longer included as in the 2022 financial year it was concluded that sufficient headroom is present, also taking into account a possible lower cap on the number of flights at Amsterdam Airport Schiphol.

Valuation of investment in Hobart Airport

Description

Schiphol has several equity stakes in international airports. The valuation of Hobart Airport based on IAS 36 is considered to be significant in our audit due to the timing of the acquisition just before the outbreak of COVID-19 in October 2019, an ambitious long-term forecast and increasing discount rates. Therefore it is considered to contain a significant risk of error due to a relative high goodwill value.

Impairment assessment requires judgements and estimates towards future results of business including key assumptions like discount rate, growth rate etc. The accurate valuation of assets is considered to be a key audit matter as the amount involved is significant and management judgement is inherent in an impairment test.

Our response

Our testing procedures included:

- We evaluated the design and implementation of internal controls on the impairment testing process.
- We assessed the internal valuation methodology and calculations from Schiphol management.
- We involved our own valuation specialists to assess the valuation methodologies applied and assess the reasonableness of market assumptions made by management, such as discount rates used.
- We verified accuracy and completeness of key input data. We evaluated the assumptions in respect of projected available future cash flows from operating, financing and investing activities. We performed sensitivity analyses on key variables in the base case cash flow model to understand the impact of changes in certain assumptions
- We assessed the potential risk of management bias and evaluated the adequacy of the disclosure of the impairment analysis as set forth in note 11.

Our observation

We found management's assumptions and aforementioned disclosures to be acceptable.

Valuation of investment property

Description

Valuation of investment property is a key audit matter due to the significant value of investment property and the extent of estimation uncertainty. Investment property is measured at fair value and comprises 17% of consolidated total assets. As disclosed in note 2 to the financial statements, the unrealised result from revaluation of investment property in the year 2023 amounts to EUR 151 million negative.

The valuation of investment property is complex, contains estimation uncertainty and involves significant management judgement. Schiphol engages independent external appraisers for the determination of the value of investment property, as also explained in note 2 to the financial statements. Valuations significantly depend on estimates and assumptions with respect to future cash flows and the risks therein as disclosed in note 9 to the financial statements. For valuation of land, Schiphol uses an internally developed valuation model, in addition to engaging external appraisers.

Our response

Our testing procedures included:

- We evaluated the design and implementation of internal controls within the valuation process.
- We evaluated the capabilities, objectivity and professional competence of the external appraisers engaged by Schiphol. Furthermore, we assessed the valuation analysis prepared by Schiphol and the calculations provided by the independent external appraisers for the determination of the fair value of investment property.
- We tested the accuracy and completeness of relevant input data.
- We engaged our own valuation specialists to assess the appropriateness of the valuation methodologies applied and the reasonableness of assumptions made by management. Furthermore, we tested the internal valuation model used for the valuation of land positions.
- We assessed the potential risk of management bias and evaluated the adequacy of the disclosure on the valuation of investment property as set forth in note 9.

Our observation

Based on our procedures, we consider that the valuation of investment property as applied by Schiphol is balanced and appropriate for inclusion in the financial statements. The disclosures on the valuation of investment property, as included in note 9 to the financial statements, meet the requirements of IAS 40.



Revenue from regulated airport charges

Description

The airport charges for Amsterdam Airport Schiphol are regulated and represent 58% of revenue. Schiphol publishes the tariffs and conditions on its website annually after consultation with the aviation sector. Schiphol is partly dependent on airlines for the accuracy of passenger data (numbers and their composition, where the distinction between departing local passengers and transfer passengers affects the tariff to be used).

The risk of material misstatement in the revenue from regulated airport charges as a result of an incorrect classification of passengers in accordance with the Company's revenue recognition policies is considered a key audit matter due to the significance of revenue to the financial statements.

Our response

Our testing procedures included:

- We evaluated the design, implementation and operating effectiveness of internal controls related to the completeness of registrations of passenger numbers and their composition, as obtained from third parties, and evaluated the design and implementation of internal controls on the tariffs used.
- We carried out substantive audit procedures consisting of analytical analyses of airport charges, including a trend analysis on the amount of passenger-related fees per period. We performed a number of detailed tests on the source data used for this analysis, such as flight movements and passenger numbers per flight.
- We used data analytics to determine that revenue from airport charges, via accounts receivable, leads to cash receipts. For accounts receivable at the balance sheet date, we also assessed this based on subsequent cash receipts.

Our observation

We found Schiphol's revenue recognition to be appropriately applied based on the classification of the passengers.

Report on the other information included in the Annual Report

In addition to the financial statements and our auditor's report thereon, the Annual Report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were initially appointed by the General Meeting as auditor of Royal Schiphol Group N.V. on 10 February 2014, as of the audit for the year 2014 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.



Description of responsibilities regarding the financial statements

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Management Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at [eng_oob_01.pdf \(nba.nl\)](https://www.nba.nl/eng_oob_01.pdf). This description forms part of our auditor's report.

The Hague, 15 February 2024

KPMG Accountants N.V.

R.R.J. Smeets RA



Supplementary information

Lucie van der Lely, apron employee for handling company Viggo:

‘Ground Power Units are needed on the apron to supply parked planes with electricity. Fortunately, more and more of these generators run on electricity rather than diesel. That means fewer emissions and a cleaner work environment. And starting up is no longer necessary; just plug in and go.’

Historical summary

(in millions of euros, unless otherwise indicated)

	2023	2022	2021	2020 ¹	2019	2018	2017	2016	2015	2014
Profit and loss account										
Revenue	1,852	1,491	816	688	1,615	1,509	1,458	1,435	1,423	1,438
Other results from investment property	-151	-192	69	-64	113	107	80	71	117	35
Total operating revenue	1,701	1,299	885	624	1,728	1,616	1,538	1,506	1,540	1,473
Total operating expenses before depreciation, amortisation and impairment	-1,351	-1,119	-732	-830	-1,039	-981	-916	-848	-804	-838
EBITDA	350	179	154	-206	689	635	622	658	735	635
Depreciation, amortisation and impairment	-344	-331	-299	-324	-294	-267	-264	-238	-230	-232
Operating result	6	-152	-145	-530	395	368	359	420	505	403
Financial income and expenses	2	-16	185	-92	-84	-90	-86	-91	-89	-86
Taxation, share in operating result of associates and minority interests	14	91	64	55	51	8	12	-18	-38	-43
Result on ordinary activities after tax	22	-77	104	-568	362	286	286	311	378	274
Minority interests	9	9	-1	-5	7	7	6	5	4	2
Net result	13	-86	105	-563	355	279	280	306	374	272
Balance sheet										
Non-current assets	7,723	7,585	7,512	7,852	7,446	6,512	6,040	5,818	5,646	5,413
Current assets	1,531	2,019	2,378	1,428	350	861	615	608	759	415
Total assets	9,254	9,604	9,891	9,280	7,797	7,373	6,655	6,426	6,405	5,829
Equity	3,499	3,506	3,531	3,777	4,372	4,136	3,978	3,860	3,716	3,453
Provisions	68	71	82	100	104	106	79	57	56	57
Non-current liabilities	4,726	5,436	5,846	4,521	2,721	2,474	2,225	2,172	2,021	1,987
Current liabilities	962	591	433	883	599	656	373	337	612	334
Total equity and liabilities	9,254	9,604	9,891	9,280	7,797	7,373	6,655	6,426	6,405	5,830
Operating cash flow (conform cashflow statement)	489	353	-79	-157	523	526	267	438	508	508

¹ Comparative figures before 2020 have not been restated due to a change in definitions. Reference is made to the notes on the next page.

(in millions of euros, unless otherwise indicated)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014 ¹
Ratios²										
Operating result as % of revenue	0.3	-10.2	-17.8	-77.1	24.5	24.4	24.6	29.3	35.5	27.3
(Underlying) Return on average equity to shareholder in % (ROE) ³	2.9	-2.5	3.0	-13.8	8.3	7.0	7.2	8.2	10.4	8.0
Return on Average Capital Employed in % ⁴	0.5	-1.3	-1.6	-8.1	7.5	7.2	7.2	8.2	10.1	8.4
FFO/Net debt in % ⁵	11.8	7.4	-0.6	-3.9	20.5	18.7	21.6	22.8	22.0	26.5
FFO interest coverage ratio	6.7	4.5	0.7	-0.6	7.5	6.6	6.9	6.8	6.7	6.4
Net Leverage ⁶	7.5	10.1	n/a	-18.5	3.8	38.9	35.2	34.9	37.0	35.0
Figures per share										
Earnings per share	74	-509	562	-3,023	1,908	1,496	1,503	1,645	2,010	1,461
Operating cash flow per share	2,625	1,898	-409	-844	2,807	2,827	1,435	2,354	2,728	2,730
Dividend per share	-	-	-	-	813	631	807	797	1,006	744
Personnel										
Average effective full-time equivalent employees	2,820	2,487	2,474	2,711	2,519	2,324	2,180	2,063	2,000	2,039

1 Comparative figures before 2012 have not been restated due to adoption of IFRS 11.

2 For definitions, reference is made to Key figures unless stated in the notes below.

3 Before 2020, ROE is calculated as net result attributable to shareholder / average total equity to shareholder.

4 Operating result + result and interest associates / average of equity + interest-bearing debt.

5 Before 2020, FFO / Total debt was calculated as funds from operations (cash flow from operating activities before changes in working capital) / interest-bearing debt.

6 Before 2020 Net leverage was calculated as (Interest-bearing debt - cash and cash equivalents*) / EBITDA. *Cash and cash equivalents for this calculation include deposits > 3 Months.

Glossary

8-point plan Quieter, Cleaner, Better

Eight [specific measures](#) that Schiphol believes are necessary for an airport and aviation sector that are more in balance with the world around them. With these measures, Schiphol wants to provide perspective for the local community, employees and the aviation sector.

Air transport movements

Commercial air transport movements (not carried out by the military, police, etc.)

Airport Carbon Accreditation

Benchmark for the Airports Council International (ACI) sector association. This benchmark helps provide insight into airports' efforts to reduce CO₂e emissions

BAS

The Local Community Contact Centre (BAS) is the information and complaints centre to which local residents can address their questions and complaints concerning air traffic at Amsterdam Airport Schiphol. BAS is a joint initiative of Air Traffic Control the Netherlands (LVNL) and Amsterdam Airport Schiphol

BCI

BCI (Building Circularity Index) is a way to determine the circularity, by taking into account, among other things, the circularity of the products that form a building, the origins and future possibilities of materials used, and the possibilities of disassembly. BCI is in line with the definition of Alba concepts

Best Value

Best Value (Procurement Performance) is a method for organising large tenders. The aim is to find the expert that is most capable of carrying out the project at the lowest possible cost throughout its lifecycle ('total cost'). Best Value assumes that it is not the client but the contractor who is the expert. This means that the expert

is given every opportunity to come up with innovative, out-of-the box solutions, if applicable

Bird strike

Bird strikes are incidents in which dead birds or bird remains are found on an aircraft or a runway, and for which it can reasonably be assumed that the strike occurred within the airport boundaries

BPVS

Public-private platform: Beveiliging en Publieke Veiligheid Schiphol (Security and Public Safety Schiphol)

BREEAM

Building Research Establishment Environmental Assessment Method (BREEAM) certification is awarded by the Dutch Green Building Council

Business area

A functional cluster of activities within the Schiphol Group organisation

Catchment area

Area from which passengers travel to and from Amsterdam Airport Schiphol by road or rail

CO₂e emissions

A carbon dioxide equivalent or CO₂ equivalent, is a metric measure used to compare the emissions from various greenhouse gases based on their global-warming potential. By converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

CT

3D Computer Tomography, makes use of computer-processed combinations of X-ray measurements in such a way that a three-dimensional image is generated, which can be rotated and

looked at from all angles. With CT security scanners, passengers do not have to take their laptop or liquids out of their hand luggage anymore

EBIT

Earnings before interest and tax

EBITDA

Earnings before interest, tax, depreciation and amortisation

Full freighter destination

Effective from 2018, full freighter destinations are defined as examples of more than 100,000 kilogrammes of cargo being shipped to and from a destination in at least ten frequencies during a single year

Ground noise

Ground noise is low-frequency noise-producing vibrations that can cause disturbance. It is perceived differently from 'regular' noise, and is more often felt than heard. Low-frequency noise is produced by aircraft taking off on the runway

Hub airport

A large airport where continental and intercontinental flights are available. Schiphol is the hub for KLM and (codeshare) partners

Hub connectivity

Hub connectivity measures the number of connecting flights per week that can be facilitated by the hub airport in question - taking into account minimum and maximum connecting times, and weighting the quality of the connections by the detour involved and connecting times

HVAC systems

HVAC stands for heating, ventilation and air conditioning (including cooling)

Just culture

A concept which emphasises that mistakes are generally a product of faulty organisational cultures. A just culture is the opposite of a blame culture. A just culture helps create an environment in which individuals feel free to report errors and help the organisation to learn from mistakes

Lden

The calculated noise levels produced by all aircraft flying to or from the airport during a year. Night-time noise levels are expressed in Lnight (Level night). 24-hour noise levels are expressed in Lden (Level day-evening-night). Formerly, the noise impact was expressed in Ke (Unit Costs)

MIRT

National government and regional authorities have joined forces in projects and programmes covering every region of the Netherlands. The Dutch Multi-Year Programme for Infrastructure, Spatial Planning and Transport (MIRT) focuses on financial investments in such programmes and projects

Mobility as a Service

Mobility as a Service (MaaS) is a mobility concept that allows consumers to use various modes of transport via a single subscription, eliminating the need for users to book and pay for multiple tickets from multiple providers. MaaS automatically services adjustments to the trip when necessary

MTOW

Maximum Take-Off Weight of an aircraft upon which take-off and landing charges are based

MVP

A minimum viable product is a version of a product with just enough features to be usable by early customers who can then provide feedback for future product development. A focus on MVP development can avoid lengthy and unnecessary work

Net Promoter Score

A simple yet powerful instrument for measuring customer satisfaction, whereby respondents are asked to indicate the extent to which they would recommend a company, product or service to others

Night-time flight

Air transport movement performed during the night (between 23.00 and 07.00). During this period, the use of runways is restricted and incoming aircraft must use silent approaches while departing flights must make use of special night routes

OD passengers

Origin and destination passengers using Schiphol as their airport of departure or arrival

Passenger destination

Effective from 2018, a passenger destination is strictly defined as a destination served by an airline carrying at least ten passengers on a flight from Schiphol for at least eight weeks in a row

Preclearance

A procedure where all border checks needed for entry into the United States are carried out at Amsterdam Airport Schiphol before boarding a US-bound flight. This eliminates the need for extensive checks upon arrival in the US

Runways at Schiphol

Runways are officially indicated by their position according to compass degrees (e.g. 040 - 220) and if they are parallel, their relative position during their use (Left, Right, Centre runway). At Schiphol, the runways are mostly indicated by names:

- 04-22 Schiphol East
- 06-24 Kaagbaan
- 09-27 Buitenveldertbaan
- 18L-36R Aalsmeerbaan
- 18C-36C Zwanenburgbaan
- 18R-36L Polderbaan

WLU

Work Load Unit indicator (WLU: one passenger or 100 kilogrammes of cargo), a method to measure the developments of costs

Zero-waste

We have reached our ambition to be zero-waste when incoming materials are minimised and residuals are reused in high-value applications, as high as reasonably possible, without disposal in landfills and minimising incineration

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Cover picture

On the cover: Moustafa Al Shebini, team leader at handling company Aviapartner, at the lifting aid in baggage hall South.