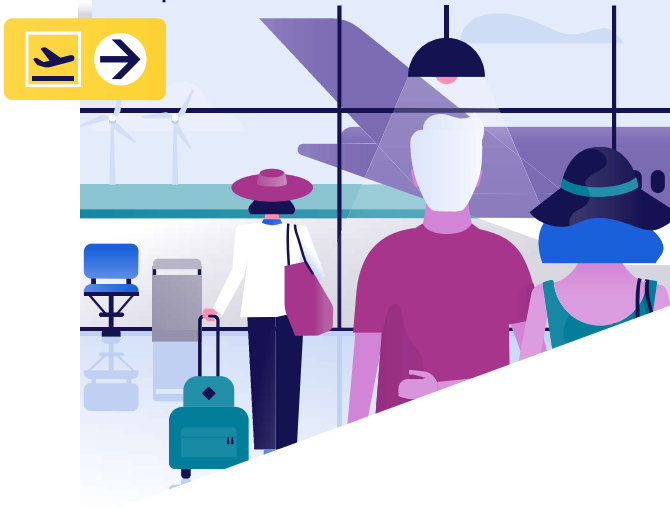


Trends and developments

The year 2024 was characterised by rising demand across the aviation industry. Royal Schiphol Group saw an increase in the number of passengers and flights. Efforts to reduce noise disturbance in the area surrounding Schiphol, mitigate the impacts of climate change, and improve the passenger experience remained ongoing. Additionally, Quality of Work for RSG's own workforce and workers in the value chain was top of mind.



Worldwide, demand in the aviation sector continued to rise in 2024. For Schiphol Group, the number of passengers and flights increased once again, exceeding 2023 levels. According to Airport Council International (ACI), more than half of European airports are back to pre-COVID-19 levels. This is not yet the case for Schiphol Group. While Eindhoven Airport and Rotterdam The Hague Airport have reached their pre-COVID-19 level, Schiphol has not.

At the same time, RSG is facing a number of major challenges, such as dealing with an unstable geopolitical situation, improving the sustainability of the sector and achieving a better balance with the local communities. Schiphol faces another challenge. Since 2023, operations at Schiphol have been back on track, and the busy May and summer period in 2024 went smoothly. Despite this, Schiphol has not yet reached the desired level of passenger satisfaction. In view of the growing demand for air travel and an increase in the number of passengers, the urgency to tackle this is also increasing. A variety of projects have already been initiated to address this, but substantial investments are required over the coming years to achieve the high level of passenger satisfaction desired.

Market is recovering well

This year saw the European airline industry recover from its unprecedented pandemic-related dip. At RSG, the recovery of the market is clearly visible. In 2024, Schiphol remained the airport of arrival, departure and transfer for many travellers. In 2024, 66.8 million passengers flew to, from or via Schiphol, an increase of 8% compared to 2023. The number of flights to and from Schiphol was 473,815, an increase of 7% compared to 2023. For 2025, Schiphol expects to approach its pre-COVID-19 passenger levels. Despite higher ticket prices, demand for flying is stable. However, higher passenger numbers do not always translate to more flights. We observe a tendency among airlines to use larger aircrafts to accommodate more passengers.

Eindhoven Airport is expecting the same number of passengers in 2025 as in 2024. Rotterdam The Hague Airport is expecting an increase.

Looking at the political landscape, policy plans could potentially influence market demand in the coming years. These include the introduction of a Dutch distance-based aviation tax in 2027 (as included in the 2024 coalition agreement). This might affect ticket prices and therefore demand.

Recovery of the business market

2024 also saw the recovery of the business market, traditionally a lucrative segment for airlines. In 2024, the number of business trips worldwide exceeded pre-COVID-19 levels. In 2023, this development still lagged behind holiday flights due to the shift to working from home and virtual meetings.

There are a number of factors that can curb demand. Cost control remains important for companies. Airline tickets and hotel stays have become more expensive in recent years, partly due to additional taxes and high inflation.

Air freight on the rise

Amsterdam Airport Schiphol and Maastricht Aachen Airport are the only airports in the Netherlands with full freighter flights. The number of full freighter flights at Schiphol was down 1.9% in 2024. In 2024, there were 15,661 freight flights compared to 15,969 freight flights in 2023. The total volume transported in 2024 was 1.49 million tonnes, an increase of 8.2% compared to 2023.

The International Air Cargo Association (TIACA) expects air freight to increase further in 2025. Due to the attacks on ships in the Red Sea, there has been a shift from sea to air freight. The positive economic outlook of the International Monetary Fund

for the global economy (particularly for China and India) is also an important factor.

SAS strengthens KLM's multi-hub system

In 2023, Air France-KLM acquired almost 20% of the shares in Scandinavian Airlines (SAS). Schiphol is a primary hub for Air France-KLM, and the integration of SAS's routes into the Air France-KLM network could increase Schiphol's connectivity, particularly in the Northern European market.

Since 1 September 2024, SAS has been part of SkyTeam, which also includes Air France-KLM, Delta Airlines and Virgin Atlantic.

Unstable geopolitical situation

The geopolitical situation remains uncertain due to the war in Ukraine and ongoing conflicts in the Middle East. Tensions in these regions are increasing and the situation is unpredictable.

The conflict in Ukraine in particular has repercussions for passenger and freight routes. The closed airspace around Ukraine and Russia makes alternative, longer routes necessary. This especially applies to flights to Asia. Longer routes lead to longer working hours for the crew, extra fuel consumption, higher ticket prices and longer travel times. Several non European airlines are still allowed to fly through Russian airspace from and into Europe. This gives these airlines a competitive advantage due to the shorter route and reduced fuel requirements, which leads to lower operating costs.

Some freight flights to and from Schiphol take place at night, often with older, noisy aircraft. The Dutch government intends to reduce noise disturbance at night. One of its proposed measures is to reduce the maximum number of permitted night flights from 32,000 to 27,000 as of November 2025. This will have an impact on cargo carrier slots.

In balance with local community

RSG is and remains committed to reducing noise disturbance in the surrounding area. For example, since 2020, Schiphol has been working with Air Traffic Control the Netherlands

(LVNL) on the Minder Hinder noise reduction programme (minderhinderschiphol.nl). This involves developing and implementing concrete measures that reduce noise hindrance in the area surrounding Schiphol.

In 2023, Schiphol published a number of measures in its 8-point plan to improve the balance between our airport activities and the interests of the local community. Some of these measures have already been realised. For example, as of 1 July 2024, we lifted the reservation on the land designated for the development of a second Kaagbaan runway. The Environmental Fund, successor to the Stichting Leefomgeving Schiphol ('Schiphol Quality of Life Foundation'), has taken form and will start work in early 2025. The Environmental Fund's budget of 10 million euros per year through 2030 will go to measures to improve the quality of life in the surrounding area. A number of proposals from the 8-point plan, such as the plea for rules stating clear limits for noise and CO₂e emissions and stricter standards for night flights, have been included in the package of measures for the Balanced Approach.

The ambition to reduce noise disturbance in the surrounding area is also reflected in the new airport charges, published at the end of October. This will mean that newer, quieter aircraft pay lower fees and older, noisy aircraft will pay higher fees when they land at Schiphol.

The new Dutch Cabinet, which took office in July 2024, remains committed to achieving a balance between aviation and the local environment. The Cabinet is proceeding with the ongoing European Balanced Approach procedure and aims to formalise the outcomes into an Airport Traffic Decree ('Luchthavenverkeerbesluit'; LVB).

In September, the new Minister of Infrastructure and Water Management amended the package of measures submitted by the previous minister for the Balanced Approach procedure. The amended package includes measures such as limiting Schiphol's flight movements to 478,000 to achieve the intended noise reduction. Schiphol firmly believes that it is crucial

for the government to properly complete the Balanced Approach procedure, so that its outcomes can be enshrined in new legislation.



Increased airport charges make it possible for Schiphol to make the necessary investments in quality infrastructure, better service to passengers and airlines, and improved working conditions.

New airport charges

The airport charges that Schiphol imposes on airlines to use the airport will increase by an average of 37% over three years (2025: +41%, 2026: +5%, 2027: -7.5%). The final rates for 2026 and 2027 are to be formally set over the next 2 years. They may still be affected by future settlements and future external factors. The increase is the result of exceptionally high inflation, sharply increased interest rates during the past three years and increased focus on the qualities. In accordance with the Aviation Act, they also include compensation for lost revenues from the COVID-19 period. To limit the increase in airport charges for airlines, Schiphol is voluntarily contributing 100 million euros.

The increased charges make it possible for Schiphol to make the necessary investments in quality infrastructure, better service to passengers and airlines, and improved working conditions. Schiphol wants to invest 6 billion euros in the airport over the next five years.

For Schiphol, the airport charges are also an important instrument in reducing noise disturbance for the local community. Schiphol's airport charges consist of fixed rates per passenger plus a charge linked to the type of aircraft. Schiphol has made this distinction in its charges for some time now, but will be tightening it considerably over the next three years to bring it more in line with the aircraft's impact on the surrounding area. In addition, the difference in cost will increase between flying during the day and flying at night. Night flights will be about three to six times more expensive than day flights, depending on the aircraft. With these new charges, Schiphol can better promote the use of a quieter, cleaner fleet. The proposed airport charges are currently under review by ACM.

Since 2019, noisy aircraft have been paying considerably more to use Schiphol than quieter, more efficient aircraft. Figures show that this encourages airlines to fly with quieter aircraft. 20% of the aircraft at Schiphol now belong to the quietest categories compared with just 6% in 2019. The new airport charges period runs from 1 April 2025 to 31 March 2028.

Most relevant ongoing court cases

In March 2024, the District Court of The Hague ruled in the case between the Stichting Recht op Bescherming tegen Vliegtuighinder ('Foundation for the Right to Protection against Aircraft Noise'; RBV) and the State. The court ruled that the State violated the rights of local residents by insufficiently protecting them against noise disturbance from air traffic at Schiphol. The court ordered that the State must enforce the applicable laws and regulations within 12 months and that it must provide a form of effective legal protection to local residents. The State has appealed against the ruling to the Court of Appeal in The Hague and has also requested a suspension of the ruling, since it is expected that the necessary new legislation cannot be ready within the 12-month period set by the court. A number of airlines and RSG have asked the Court of Appeal to intervene in this procedure. A decision on the requested suspension and intervention is expected by the end of February 2025.

In addition, an appeal procedure is pending before the District Court of The Hague, initiated by NGO Mobilisation for the Environment U.A. and others regarding the granting of a nature permit to Schiphol. In December 2024, the District Court asked the parties involved to reflect on the Dutch Council of State's latest case law on nitrogen. A further ruling in this case is expected in 2025.

With regard to the dispute with BN-TAV – the former contractor of Pier A whose contract was terminated in November 2021 – legal proceedings have been initiated in December 2023 by BN-TAV. Schiphol Group submitted its statement of defense and counterclaim in June 2024, a court hearing is scheduled for April 2025.

Investing in passenger experience

In recent years, overall passenger satisfaction for Schiphol has declined. According to ACI's Airport Service Quality benchmark, passengers rated Schiphol the lowest of eight major European hub airports. The other seven are Paris Charles de Gaulle, Copenhagen, London Heathrow, Madrid, Munich, Istanbul and Zurich. In 2023, the benchmark once more put Schiphol in last place, indicating that despite efforts to improve the airport, the passenger experience is not yet at the level it should be.

In 2024, Schiphol announced that between 2024 and 2029, it will invest 6 billion euros to improve the airport facilities. Important aspects of the airport infrastructure—including Pier C, the baggage basement, climate control systems, escalators, aircraft stands and taxiways—are due for major maintenance or renewal. Pier A will be completed and new construction projects, such as the new baggage basement, will begin. In addition to improving the infrastructure and the service to passengers and airlines, these investments will contribute to improving the working conditions of employees involved in airport operations. Having the new airport charges approved by the regulator (ACM) is an important precondition to be able to finance these investments.



In 2024, Schiphol announced that between 2024 and 2029, it will invest 6 billion euros to improve the airport facilities.

Healthy work environment

Schiphol is taking a number of steps to improve working conditions, which is part of the strategic pillar Quality of Work. For example, more fossil-fuelled commercial vehicles are being replaced by electric vehicles, improving the air quality on the airport apron. And additional ground power units that run on electricity (eGPUs) and preconditioned air units (PCAs) were installed in 2024.

In addition, specialist equipment such as conveyor belt loaders, catering lifts, passenger stairs and generators are increasingly replaced by electric models.

Schiphol, in collaboration with several sector partners, is committed in improving airside air quality. We strive to achieve this by minimising emissions from and exposure to diesel and aircraft engines. This contributes to our strategic pillar Quality of Work and ensures compliance with the requirements of the Dutch Labour Inspection (NLA). The NLA has imposed requirements, including minimising aircraft engines within the so-called Green Zone by the end of 2027.

Together with partners from the TULIPS consortium, we carried out a study on the use of water droplets to remove ultrafine particles (UFPs) from the air. Additionally, the airport has



Schiphol is taking a number of steps to improve working conditions, which is part of the strategic pillar Quality of Work.

initiated modified departure procedures at two gates with high concentration of UFPs.

Another important goal is to reduce the physical strain in baggage handling. Together with the baggage handlers, we began a major programme called working conditions baggage. This includes the installation of lifting aids at every workplace in the baggage halls. By the end of 2024, more than 280 lifting aids had been installed. In 2025, the aim is for each of the 385 workplaces to be equipped with a lifting aid. The programme also focuses on the full automation of baggage handling in the long term.

The Future Travel Experience conference in Dublin saw the kick-off of BOOST, a programme that focuses on reducing physical strain in baggage handling. In BOOST, three airports work together to improve working conditions by applying new technologies. It is an initiative of Royal Schiphol Group, Future Travel Experience and the innovation consultancy company nImtd. The airports involved are Schiphol, Brussels Airport, Incheon (South Korea) and Avinor (Norway).

Schiphol is carrying out extensive renovations of its rest and sanitary areas for those who work at the airport. By the end of 2024, 50 areas will have been renovated, and another 190 areas

will follow in the period from 2025 to 2026. These areas will provide employees of companies involved in airport operations with a clean and attractive place to take a break.

Quality of work in tenders

In 2024, Schiphol was actively integrating quality of work-related minimum requirements and award criteria in tenders for labour-intensive services at the airport, such as cleaning, security and taxi services. Examples of requirements and criteria are attractive and adequate income, predictable work schedules, and working conditions that contribute to safe, healthy and attractive work. Service companies commit to these principles and are assessed in part on quality of work, with the purpose of increasing the attractiveness of working at Schiphol. We also encourage sustainable cooperation with contractors who support our vision of being a socially responsible employer.

In order to improve the quality of work offered by cleaning companies in the terminal and baggage basement, Schiphol in 2024 announced that it would secure new, long-term contracts with GOM, Hago Airport Services and Victoria. Schiphol will work more closely with the cleaning companies and their employees. Quality of work for the staff, in addition to having a cleaner terminal, is a top priority.

The tendering processes for security work at the airport and the concession for baggage handling that started in 2024 also include requirements and award criteria aimed at the quality of work for the employees involved.

Social dialogues

In 2024, Schiphol organised a number of social dialogues with the unions, their executives and companies in security, cleaning, cargo and the temporary employment sector. As part of these dialogues, participants discussed progress as a result of the Social Agreements of 2022 and 2023. For separate sectors (i.e., security, cleaning, cargo), Schiphol, unions, executives and companies conducted a social dialogue on relevant topics related to quality of work.

These social dialogues provide a platform for critical voices to express what needs to be improved in terms of quality of work. It also gives discussion partners the opportunity to jointly seek solutions and improvements. The social dialogues ensure continuous attention for initiatives that improve the quality of work and contribute to stable employment relationships and an attractive place to work.

Technology driven: Airport Innovation Runway

The aviation industry is facing major challenges, including stricter environmental regulations, rising passenger numbers, the need to make operations more efficient, and meeting higher passenger expectations. That is why Schiphol, together with nImtd and TNW (The Next Web), has initiated Airport Innovation Runway. This project involves the development of innovative solutions that will prepare the airport for the future.

The first challenge is to develop a way for stationary aircraft to be connected to GPUs automatically. At present, stationary aircraft on the apron are manually connected to power supplies, which is physically taxing for ground staff. In addition, new European regulations require aircraft to be connected to ground power within five minutes of arrival to minimise the emission of harmful substances. The transition to automated connection solutions should reduce the physical burden and ensure faster and more efficient handling. Automation also offers a solution for staff shortages.

Schiphol Group has a clear vision for 2050: to operate the airports with a fleet of self-driving, zero-emissions vehicles and fully automated processes. This will contribute to the sustainability and efficiency of its operations, as well as the safety and well-being of staff. It should enable a seamless, predictable and punctual travel experience for passengers. In 2024, a self-driving wheelchair was tested in the terminal and two self-driving buses for employee transport were tested on airside.