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Annual Report 2022

Royal Schiphol Group



Contents

Introduction	3	Our results	25	Socio-economic accountability	111
Message from the CEO	3	Our performance in 2022	26		
This is how we create value	4	Quality of Network	29		
2022: a difficult year	5	Quality of Life	35		
		Quality of Service	51		
		Safety	58		
		Robust organisation	62	Financial Statements	144
		Financial performance	68		
About us and our Why	6	Governance	86	Supplementary information	236
Our company	9	Report of the Supervisory Board	87		
Our Why, ambition and strategy	12	Board biographies	94		
SWOT analysis	16	Corporate Governance	97		
Our Vision 2050	17	Remuneration	102		
Material aspects Royal Schiphol Group	20	Risk management	105		
Targets 2023	23				



Quality of Network
page 29



Quality of Life
page 35



Quality of Service
page 51



Safety
page 58



Robust organisation
page 62

Message from the CEO

After what can only be described as a difficult year for Schiphol, we have taken important steps to get our services to the desired level and make Schiphol a place where everyone works with pride and dignity. Our next priority is to bring together all operational responsibilities so we can more effectively address some of the key issues facing the aviation sector.



Airport in transition

Never before in Schiphol's history have we disappointed so many travellers and airlines as in 2022. A lot of hard work has been done to limit this disappointment. After two years of silence at the airport, our people did everything they could to ensure a safe and worry-free journey for all those passengers who were so eager to fly again. But the impact of the pandemic, combined with the huge demand for labour in the Netherlands and the surge in passengers and flights shortly after a period of travel restrictions and lockdowns, got in the way. The conclusion is that our efforts did not lead to the necessary improvements in the system and, as a result, we were not able to provide the service we wanted to. This year will therefore go down as a bad chapter in our own history books. But it is also **a chapter we will not forget**, so that all the new chapters we write will be better. We are working hard on this, and in 2022 we started to implement structural improvements.

Because we have to do better. And I am convinced that we can. It is now clear that the system the Netherlands and we as the aviation industry have allowed to develop in recent decades has **reached its sell-by date**. For too long, the airport process has been based on cost minimisation and too much diffusion of responsibility. For years, the focus has been on cost efficiency rather than the total cost of ownership. The result has been insufficiently sustainable employment and working conditions and a culture in the industry that lacks sufficient collaboration and transparency. These exceptional circumstances have shown that the distance between Schiphol and the outsourced part of the operation may have become too great. And this needs to change. Insight into day-to-day operations must become central to Schiphol's business model. This means changing the way we manage our business.

And that is what we are doing now. Because it is our business and because we take responsibility. Not only for our own people, but also for all the colleagues who work at, but not for, Schiphol.

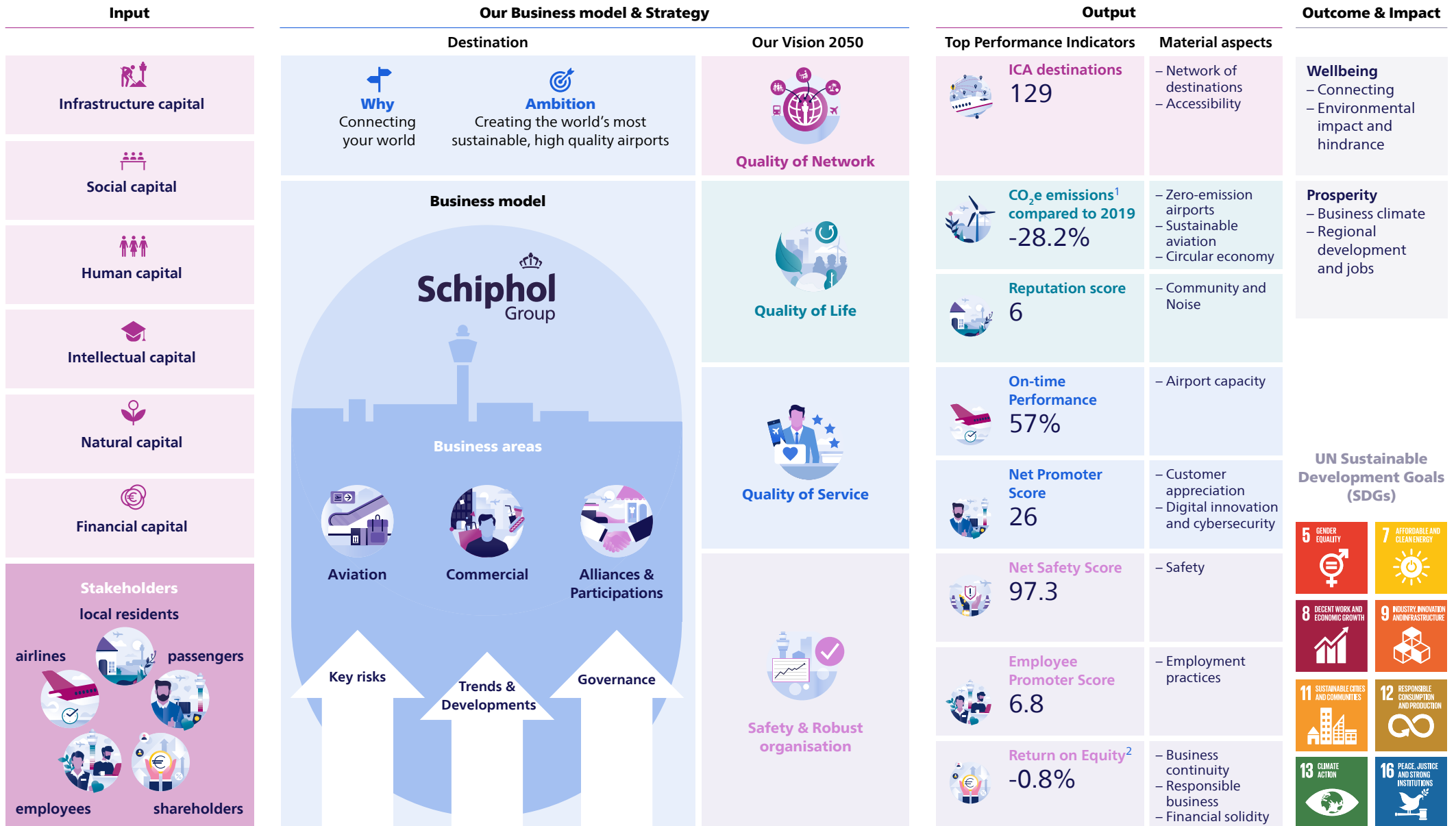
Schiphol must be a place where everyone works with pride and dignity. Whether you work for Schiphol or another employer. With **good working conditions** and with **a good salary**. Only then will people want to work and stay at our airport. And this is the foundation on which we want to bring the service we offer travellers and airlines to the desired level. This includes managing our assets better and ensuring a structural adjustment of the operating model. Every individual and every area of expertise within the Schiphol organisation can contribute to this. There is a shared desire to improve.

Furthermore, the aviation sector in general and Schiphol in particular are facing other important issues that need to be urgently addressed. Issues that already existed in 2022 and that will still be relevant in 2023. To name a few: nitrogen, obtaining a nature permit, ultra-fine particles, night flights, the government's decision on Schiphol's contraction, sustainability, accessibility, noise reduction and maintaining the network. Schiphol worked on all of these issues in 2022. Much work remains to be done on these issues. **This will be one of our priorities in 2023**. We will focus much more on implementation and bringing all operational responsibilities together. With fewer layers, less bureaucracy and a greater capacity for implementation. Because that is what our passengers, the airlines and local residents expect from us. Their impatience is understandable. As an industry, we must now deliver and do a better job of meeting the social demands placed on us. Because we did not do that adequately in 2022.

We have a lot to accomplish together. To achieve the desired result and create value again, we must work together with everyone who is or feels connected to Schiphol. That is what will make 2023 truly different.

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: -2.5%

2022: a difficult year

First half of the year

Improved noise measurements

In February, the 41 noise-measuring posts around Schiphol start using a smarter algorithm that links noise to flights more accurately. As a result, local residents are being provided with better information.

First self-service shop

The first self-service shop, Gate 24/7, opens its doors at Schiphol. The shop contains several vending machines, each selling a different range of products.

Sustainable taxiing

Schiphol Group invests in two TaxiBots – towing vehicles that enable aircraft to taxi sustainably without using their engines. Schiphol is the first European airport to make use of TaxiBots.

Airspace closure

Due to the war in Ukraine, the Netherlands and other EU countries close their airspace for Russian aircraft at 16:00 on 27 February. Russia reacts to this sanction by closing its airspace for many European countries.

New cargo building

In March, the first pile is driven for Cargo 17 – the largest and most advanced cargo building at Schiphol. The sustainable design includes reusable materials, a wooden construction and a roof covered with solar panels.

Better air quality

The aviation sector, FNV (representing the unions), the central government and knowledge institutions start a joint approach to tackle ultra-fine particle emissions at Schiphol.

New airport charges

On 1 April, new airport charges are introduced. They stimulate a more sustainable aviation sector in various ways.



Exceptional waiting times

The rapid growth in passenger numbers combined with staff shortages lead to exceptional waiting times during the May holiday and the summer. At the worst, queues extend far beyond the terminal.

Passenger numbers capped

To resolve the operational issues, Schiphol limits the number of local passengers that can depart each day. The measure is introduced in June.

Job market

In April and June, Schiphol organises job markets with partners such as Airport Community Schiphol and Employee Insurance Agency UWV. The vacancies are predominantly for operational employees.

Summer supplement

A temporary summer supplement is agreed between Schiphol and unions FNV and CNV. Employees working in security, cleaning, PRM, ground handling and private bus transport receive € 5.25 gross per hour worked during the summer.

Second half of the year

Compensation for passengers

Passengers travelling through Schiphol between 23 April and 11 August who missed their flight due to the exceptional waiting times at security control can receive compensation. The scheme is later extended to also cover the period from 12 August to 31 October.

Extra recruitment campaign for security officers

Schiphol launches an extra recruitment campaign for security officers, thus strengthening the existing recruitment activities of the security companies at Schiphol.

Finishing Pier A

BAM Bouw en Techniek is awarded the contract to finish work on Pier A. The new pier will be the airport's most sustainable thanks to the use of biomaterial, insulating glass, recycled plastic, marble rubblework tiles and solar panels.



Social package

Schiphol, the unions FNV and CNV, and security companies reach an agreement concerning a new social package in early October. With higher wages, better rosters and better rest areas, the terms and conditions of employment are set to improve structurally in the short term.

New CEO

On 1 November, Ruud Sondag takes office as interim CEO of Schiphol Group. He succeeds Dick Benschop, who held this position from 1 May 2018 and resigned in September.

Upgrading Lounge 1

The redevelopment of Lounge 1 begins. The quality of the lounge is set to improve as a result of this upgrade and expansion.

Cooperation with Groupe ADP ends

Royal Schiphol Group buys back the 8% shares that Groupe ADP holds. This means the unwinding of the cross-shareholding that was in place since 2008 is completed.



About us and our Why

Randy Maartens, Bus driver for Arriva, brings travellers from the terminal to the plane and vice versa. 'I love working so close to the aircraft, Schiphol really is a magical place. The work is varied, no two trips are the same and it's nice to interact with the travellers.'

Facts and figures

Quality of Network

 **313**
direct destinations from Schiphol

 **397,646**
air transport movements at Schiphol

 **60.8**
million passengers Schiphol Group


 **52.5**
million passengers at Schiphol

 **37%**
transfer passengers at Schiphol

 **1.4**
million tonnes of cargo at Schiphol

Quality of Life

 **-28.2%**
TPI Sustainability: Decrease in CO₂e emissions Schiphol Group versus 2019

 **7.3%**
achieved energy savings as % of total energy at Schiphol


 **52.3%**
waste separated at Schiphol

Quality of Service


 **221**
outlets at Schiphol

 **18.84**
€ spend per passenger on airside at Schiphol

 **1.7**
billion € real estate

 **94.4%**
Real Estate average physical occupancy rate

Safety and Robust organisation

 **1.2**
Lost Time Injury Frequency (LTIF) at Schiphol

 **30%**
female employees

 **5.9%**
absenteeism

 **-0.8%**
Underlying ROE

 **9.6**
billion € total assets

 **360.5**
EBITDA in million euros (underlying)

Key figures

EUR million unless stated otherwise	2022	2021	%
Underlying results			
Revenue	1,491	816	82.7
Other results from investment property	-	-	
Operating expenses (excluding depreciation, amortisation and impairment)	1,130	816	38.5
Underlying EBITDA¹	361	-	100.0
Depreciation, amortisation and impairment	331	299	10.7
Underlying operating result	30	-299	>100
Financial income and expenses	-78	-92	15.2
Share in results of associates and joint ventures	18	-2	>100
Underlying result before tax	-30	-392	92.3
Corporate income tax	11	104	-89.4
Underlying result for the year	-19	-288	93.4
Attributable to non-controlling interests	9	-1	>100
Underlying result for the year attributable to shareholders	-28	-287²	90.2
<i>Adjustments for:</i>			
NOW government grants	11	84	
Other results from investment property	-172	69	
Impairment (share in results of associates and joint ventures)	-10	-	
Other results from financial assets	135	252	
Other results from financial liabilities	-74	25	
Tax impact	52	-38	
Total adjustments	-58	392	
Result for the year	-77	104	>-100
Attributable to non-controlling interests	9	-1	>100
Net result for the year attributable to shareholders	-86	105	>-100
<hr/>			
Total equity	3,506	3,531	-0.7
<hr/>			
Investments in intangible assets and property, plant & equipment	444	450	-1.3
Cash flow from operating activities	353	-79	>100

EUR million unless stated otherwise	2022	2021	%
Business areas			
Aviation	-199	-405	50.9
Schiphol Commercial	221	127	74.0
Alliances & Participations	8	-21	>100
Underlying operating result	30	-299	>100
<hr/>			
Ratios			
Underlying return on equity (ROE) ³	-0.8%	-8.3%	
Net Leverage (underlying EBITDA) ⁴	10.05	n.m	
FFO / net debt ⁵	7.4%	-0.6%	
FFO interest coverage ratio ⁶	4.47	0.71	
Solvency ⁷	35.9%	35.2%	
Earnings per share (in EUR 1) ⁸	-509	562	

Business volume (in numbers)

	2022	2021	%
Air transport movements ⁹	454,002	295,026	53.9
Passenger movements (x 1,000) ⁹	60,823	28,900	110.5
Cargo (x 1,000 tonnes) ¹⁰	1,438	1,670	-13.9
Workforce in full-time equivalents (average) ¹¹	2,487 ¹²	2,474	0.5

- 1 EBITDA: Operating result plus depreciation, amortisation and impairment.
- 2 Includes fair value gains / losses of international activities. Like-for-like comparison with 2022, underlying loss of 309 million euros.
- 3 Underlying net result attributable to shareholders / average total equity.
- 4 Leverage: (interest-bearing debt - cash and cash equivalents*) / Underlying EBITDA.
*Cash and cash equivalents does not include deposits > 3 months.
- 5 Funds from operations (cash flow from operating activities before changes in working capital) / (interest-bearing debt - cash and cash equivalents*).
- 6 Funds from operations plus gross interest expense / gross interest expense.
*Cash and cash equivalents does not include deposits > 3 months.
- 7 Total equity attributable to owners / Total assets.
- 8 Based on net result attributable to shareholders and the number of weighted-average shares.
- 9 Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport.
- 10 Amsterdam Airport Schiphol only.
- 11 Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport.
- 12 The average active workforce is 2,478 (2021: 2,350). On average, 8 employees are included in the reported workforce in full-time equivalents. These employees are part of the Schiphol workforce during 2022, but are non-active as a result of Project Reset.

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

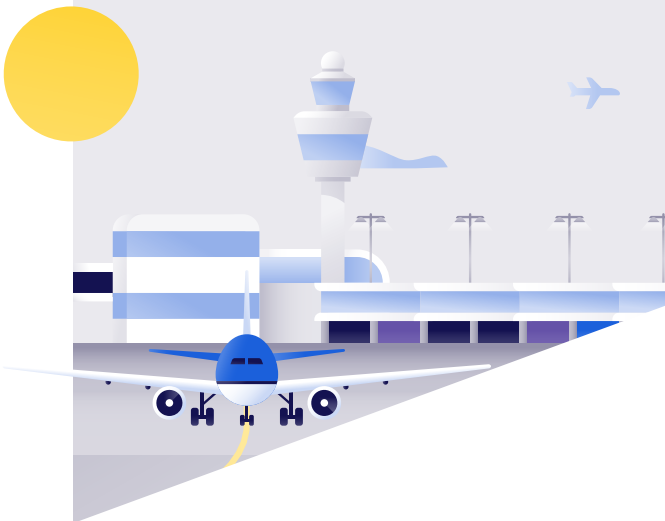
Our company

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

Amsterdam Airport Schiphol is the gateway that connects the Netherlands to the rest of the world. Over the years, Schiphol has become one of the best-connected hub airports in Europe, with 313 direct destinations. In 2022, the number of passengers served by the Dutch airports in the Group started to pick up again as the world gradually began to emerge from the COVID-19 pandemic. Though passenger volumes at Schiphol were still lower than pre-pandemic levels, the volumes were at 106 % above 2021 levels at 52.5 million and cargo volumes were 13.8 % lower at 1.4 million tonnes. Schiphol 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 68,000 people.



* Schiphol Group has ended the cross-shareholding with ADP in December 2022.

Schiphol Group also has partnerships with other airports in the Netherlands. These relationships further strengthen our reach and impact, as do our international activities – which account for a substantial share of our Group's financial results. For example, Schiphol Group is the owner and operator of Rotterdam The Hague Airport and Lelystad Airport, and holds a majority share in Eindhoven Airport.

In October 2022, Royal Schiphol Group and Maastricht Aachen Airport (MAA) entered into a strategic partnership. In 2023, Schiphol Group will acquire a 40% interest in MAA for 4.2 million euros. Schiphol has been working hard to enhance airport sustainability. This partnership will contribute to that aim 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 November 2021, the HubLink strategic partnership with Groupe ADP came to an end. This has resulted in the unwinding of the cross-shareholding between Groupe ADP and Schiphol Group. Through three separate transactions, Schiphol Group sold its 8% stake in Groupe ADP, after which Schiphol Group bought back the 8% that Groupe ADP had held in the Group. This transaction marked the

end of a 14-year industrial cooperation between the two airport groups.

We continue to invest in infrastructure and facilities across our airports 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 aims 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.

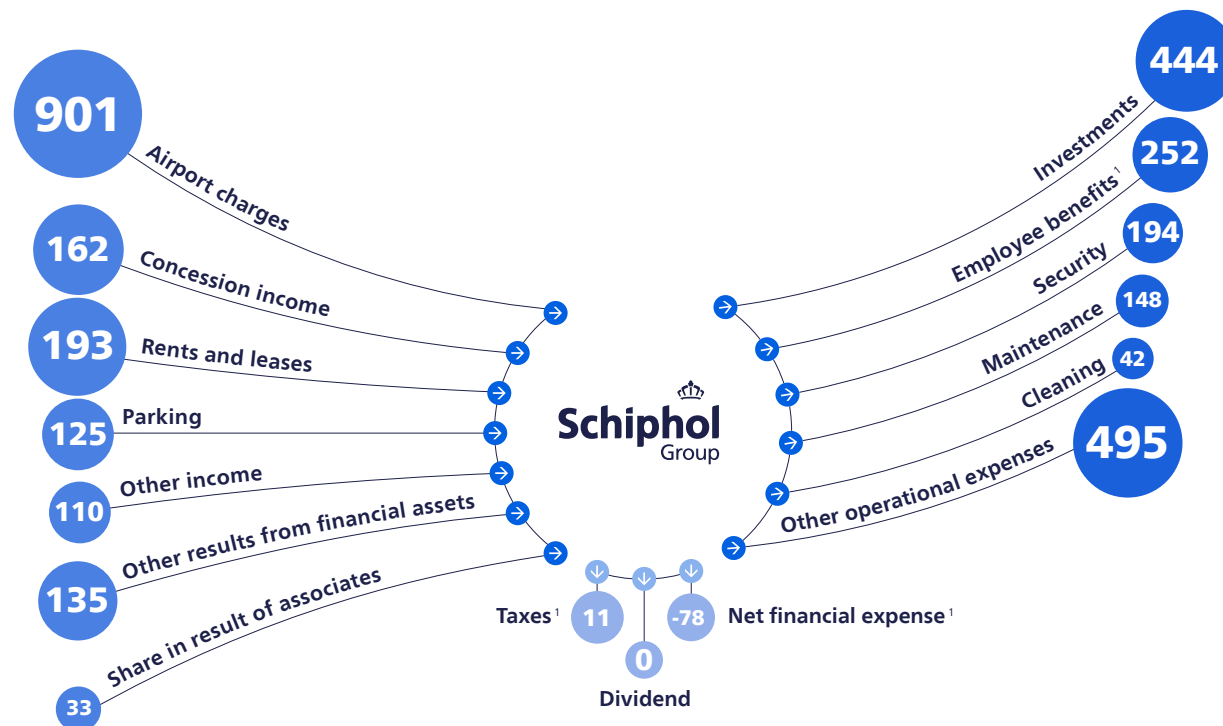
As we emerge from the pandemic, we are committed to investing in our workforce, despite an extremely tight labour market. This is all the more urgent in view of the challenges security companies at Schiphol experienced hiring security staff, which resulted in long queues, missed flights, passenger compensation and a cap on the number of daily passengers. Indeed, Schiphol's top priority is to ensure a predictable and reliable experience for all travellers.

We have already taken important steps to address the situation by reaching an agreement with the trade unions on a package for security staff that includes better wages and other improvements to make Schiphol a more attractive place to work. Schiphol is investing significant time and money in these measures.

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 stock.

Business model

(x EUR million)



¹ Underlying

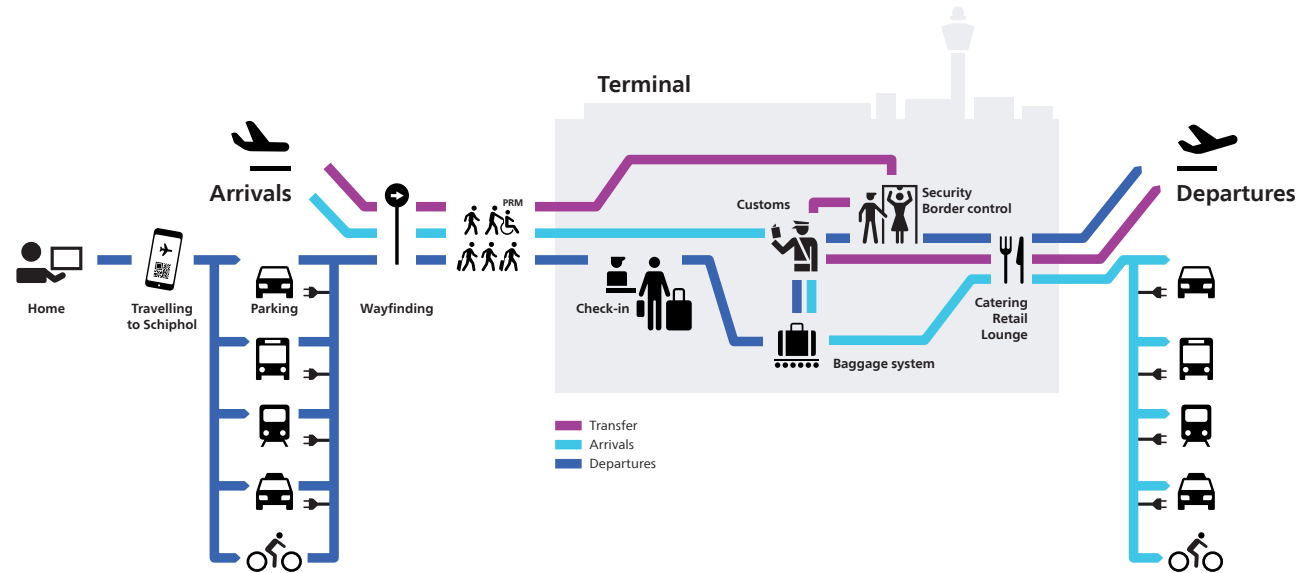
Passenger and airline journey

As an airport operator, we are responsible for the infrastructure and processes that facilitate passengers, airlines, cargo and baggage.

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 undergo a security check, 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 a Customs check before entering Schiphol Plaza and continuing their journey.

Passenger journey



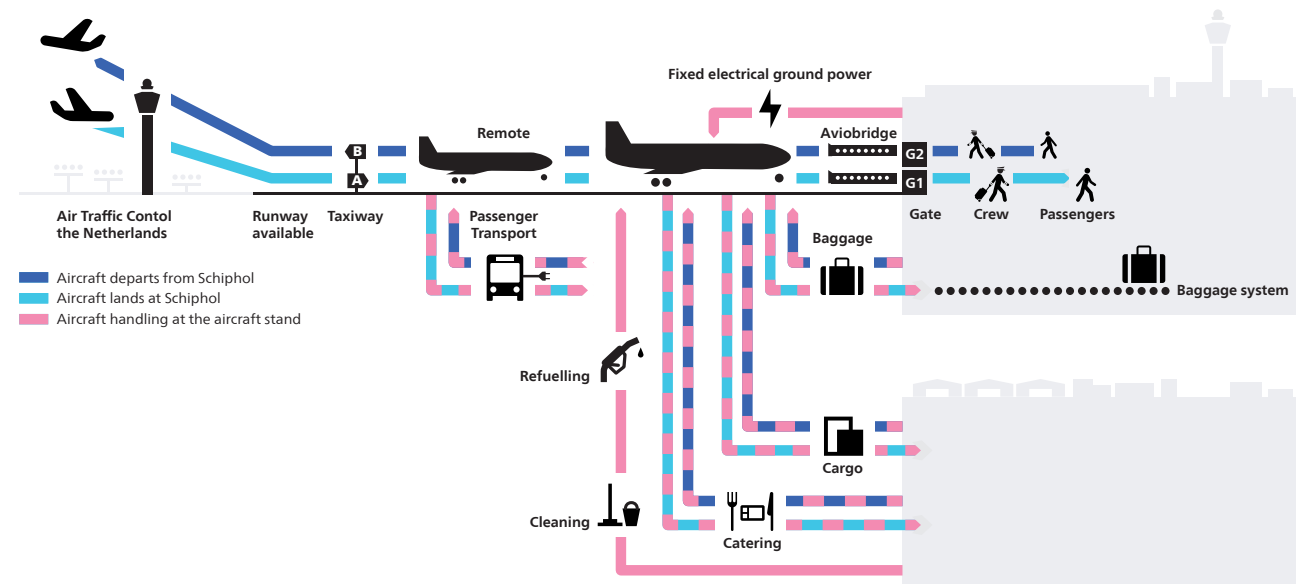
Airline process

Schiphol Group owns, maintains and is responsible for the safety of runways and the terminal, as well as other airport infrastructure. Real estate is either the property of Schiphol or of the 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 handling aircraft. Airline and handling staff also undergo a security check along with cargo. Cargo may also be subject to a customs check.

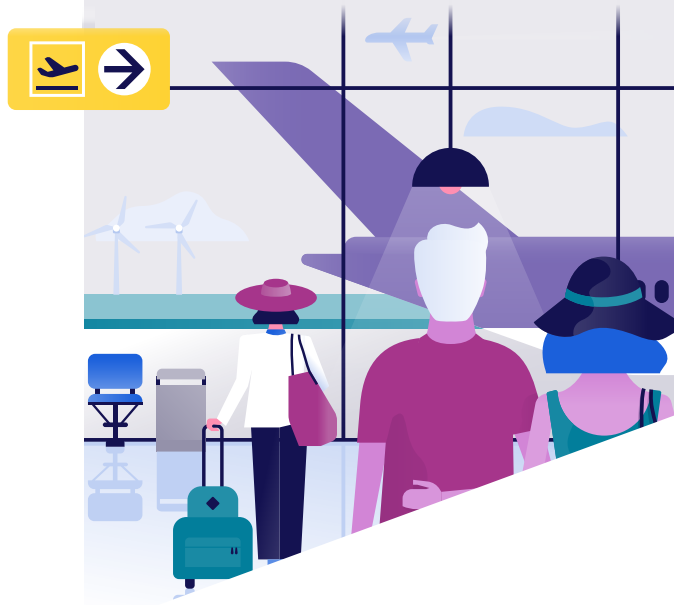
Airline journey

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.

Though we continued to feel the effects of the COVID-19 pandemic in early 2022, our direct destinations started to pick up again as the year progressed. Flight frequencies on many of our routes increased as well. We have not quite reached 2019 levels yet; however, Schiphol is, together with the airlines, rapidly reopening essential connections between the Netherlands and the wider world. These developments reflect the global and local increase in demand for air travel. According to an advisory bulletin published by the Airports Council International (ACI) on 6 October 2022, demand should continue to increase throughout 2023, bringing the industry to full recovery in 2024.

The Dutch government has decided to limit flight movements from Schiphol. The cap is expected to be implemented in three stages: 1) ending anticipatory enforcement by November 2023; 2) undertaking a balanced approach in coordination with the EU to eventually bring the ceiling into effect (not expected to be completed until Nov 2024); 3) introducing a new system where the number of movements is a consequence of operation with environmental limits.

More widely, other headwinds, such as the war in Ukraine, challenging labour market conditions, and a possible economic downturn, are also potential obstacles on the path to recovery.

Restoring the quality of our network starts with ensuring safe and responsible air travel for our passengers. As an airport in transition, we want to ensure that our 'Why' balances the need

for connectivity with the need to ensure quality of life for local communities and future generations. We plan to do this by carefully monitoring local air quality and by monitoring and reducing carbon emissions and noise disturbance, among other efforts.

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

Schiphol Group's ambition is to operate the world's most sustainable, high-quality airports. We are the leading member of the TULIPS consortium, which brings together 29 parties in the aviation chain to accelerate sustainable aviation. 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.

Achieving our long-term ambitions will depend on our ability to adapt to our much-changed operating environment and the many logistical and economic challenges this brings. Our top priority now is to redress the balance and re-establish our reputation as a leading international airport. We will also take advantage of this opportunity to make Schiphol a more sustainable place to work.



During the May holiday and the summer, Schiphol faced exceptional waiting times due to rapidly growing passenger numbers combined with staff shortages.

filling the baggage halls. The problems were mainly caused by a labour shortage. As the pandemic receded, the different parties working at Schiphol were unable to find enough security guards, baggage handlers and other employees to meet the surge in passenger numbers and process all these travellers and their luggage.

We aim to solve this issue by taking more ownership of and responsibility for the recruitment of new employees at Amsterdam Airport Schiphol. We have taken the first important step already. In November 2022, we signed a social package with the FNV and CNV unions to structurally improve the terms and conditions of security agents at Amsterdam Schiphol Airport. The package is based on three Rs: remuneration, rosters and rest areas; or higher wages, better work schedules and improved rest areas.

Trends and developments

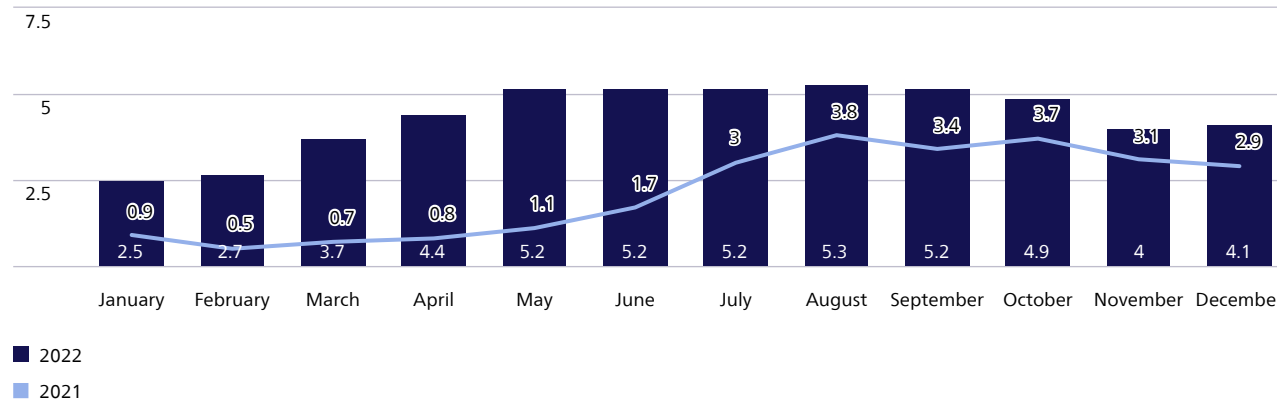
Too often in 2022, Schiphol Group made international headlines for the wrong reasons. It was a year marred by images of long queues outside the terminals and piles of unclaimed luggage

Temporary cap on passenger numbers

To address the queues and prevent unsafe situations for travellers and staff, Schiphol was forced to limit the number of local departing passengers per day in the second half of 2022. The regulator initially asked us to encourage airlines to voluntarily reduce flights. Although some airlines complied, the voluntary

Development of passengers volumes

Number of passengers (incl. transit) in millions



reduction of flights was insufficient to reach the limit needed to ensure the safe and efficient flow of passengers.

As a result, Schiphol introduced a mandatory cap based on a calendar outlining the expected flow of travellers for each day of the month. The cap has coincided with a visible improvement at Schiphol. During the fall holiday period from 14 to 30 October, 2.6 million passengers passed through the airport. The average waiting time for these passengers at security checks was much shorter than in the spring and summer, except for one peak.

Compensating passengers

As a result of the long queues in 2022, passengers missed their flights and incurred extra costs. They had nowhere to go to claim these costs back. Schiphol considered this an undesirable situation and although we do not believe we are liable, we wanted to compensate these passengers. In August 2022, Schiphol introduced a compensation scheme for passengers travelling through Schiphol between 23 April and 11 August who arrived at the airport on time for their flights but missed them due to exceptional waiting times at security control. Later, the scheme was extended to also apply to the period from 12 August to 31 October.

The compensation scheme was developed in consultation with the Dutch Consumers' Association and Ombudsman MAX. It covers costs incurred to rebook a flight or for a replacement flight, for alternative transport if passengers have chosen to travel to a destination by other means, or for extra travel costs incurred to travel to Amsterdam Airport Schiphol or another airport. Travellers can also reclaim accommodation costs at or near Schiphol as well as expenses for non-cancellable accommodation, transport or activities at their destination.

Travelling during geopolitical instability

As the world began to ease restrictions related to the COVID-19 pandemic in early 2022, confidence in air travel hit high levels again. At the same time, an unstable geopolitical situation has created considerable uncertainty in the aviation sector. These conflicting developments are changing the aviation environment

in the short term and, more importantly, making it difficult to predict how the sector will develop over the coming year or two.

While ACI is predicting a return to pre-pandemic passenger levels in 2024, the recovery is proving slower to materialise in some parts of the world, especially those where COVID-19 restrictions are still in place. The war in Ukraine has triggered high inflation, which is affecting energy prices. Rising interest rates could impact consumer confidence and temper spending. And a potential economic recession could have a further negative impact on passenger numbers in 2023.

In addition to the higher energy prices, the Ukraine conflict is impacting passenger and cargo routes in another way. With airspace around Ukraine and Russia closed, flights must find alternative routes, which has an impact on ticket prices and travel time. For example, passenger flights to northern Asia must either take the southern route over Turkey and the Middle East or fly over the North Pole via Alaska. As these routes take longer and require more fuel, they are also more expensive. There is no end in sight yet to the conflict in Ukraine, and therefore it is impossible to predict how long airlines will be forced to fly alternative routes.

Continued vigilance regarding COVID-19

Schiphol Group remains aware, in the midst of these other challenges, that COVID-19 is still among us. The entire world hopes that the most virulent strains of the virus are a thing of the past, but we have no guarantees. For example, the final weeks of 2022 saw a resurgence of the virus in China, leading EU member states to impose mandatory COVID-19 testing on Chinese travellers.

We know that the pandemic may have a lasting impact on airport layout and processes. We are addressing these developments by maintaining a strong focus on creating safe surroundings for our passengers, including by looking at innovative solutions that can speed up passenger processing and make it run more smoothly.

Government decisions

In June 2022, the Dutch government took the decision to cut Schiphol's annual flight movements starting in late 2023. The Minister of Infrastructure and Water Management, Mark Harbers, said the measure is needed to limit noise pollution and to operate within the existing legal framework.

Schiphol is in favour of a well-thought-out approach that provides more certainty and perspective for all stakeholders involved – local residents, local and regional governments, and the aviation sector. We will continue to invest in that balance and consult with the government and all stakeholders involved to achieve it.

Finally, the government's ruling also stated that a decision on Lelystad Airport would only be forthcoming in 2024. Schiphol remains hopeful that this decision will still be made at an earlier time. In a separate development, the government also announced in 2022 that it would almost triple the ticket tax, from 7.95 euros to 28.58 euros per ticket.

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 and by using wind energy in our airports. We also promote and support sustainable transport to and from the airport.

Schiphol is in the process of applying for a nature permit. In order to obtain this permit, we must ensure that our nitrogen depositions in Natura 2000 sites do not exceed a historical reference value. To ensure this is the case, in every area in which Schiphol deposits nitrogen, we also have had to introduce 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. However, as these instruments were not available, we eventually decided to purchase the nitrogen rights of farms, mainly in areas further away from Schiphol airport, where the impact of measures taken at our own premises is limited. Schiphol Group paid farmers fair market value for their

land and nitrogen rights. By buying these nitrogen rights and generating more emission space, we are creating the conditions needed for a government's decision to grant Amsterdam Airport Schiphol and Lelystad Airport a nature permit.

Another issue we faced with nitrogen in September 2022 was the cancellation of the so-called construction exemption. As a result, the construction phase of some building projects now also requires a nitrogen permit. As we are focussing on zero-emission construction we are therefore looking at the impact this has on our project portfolio.

Towards cleaner, quieter aviation

2022 saw the aviation sector take further steps towards a more sustainable and environmentally friendly value chain. In October, at the assembly of the International Civil Aviation Organization (ICAO), a UN body representing 193 nations, agreed to a 2050 net-zero carbon emissions target for international flights. The announcement builds on the ICAO's flagship aviation emissions agreement, Corsia. It also aligns with the 2050 net-zero target set by the International Air Transport Association, as well as the EU's Fit for 55 package, which contains specific proposals that will have an impact on aviation. However, the ICAO's announcement met with scepticism from some parties, including the Chinese ICAO

delegation, which called on developed states to provide financial support to developing nations that are still developing their aviation markets.

Meeting the industry's net-zero ambitions will require significant investment in research and development, to develop emerging 'green' aviation technologies such as hydrogen and electric aircraft. The increased uptake of sustainable aviation fuel (SAF) can also play a key role in reducing emissions. Several airlines are taking steps to introduce SAF into their fuel mix. For example, in October 2022, Air France-KLM announced the purchase of 1.6 million tonnes of SAF in one of the largest investments to date. The multi-year agreement will see Neste supply SAF over an eight-year period from 2023, with DG Fuels, a front runner in renewable hydrogen and biogenic-based, synthetic low-emissions aviation and diesel fuel, contributing from 2027 onwards.

Schiphol Group is determined to continue doing its part to help create a world connected by sustainable aviation. This is reflected in our involvement in a wide number of industry initiatives. Our contributions range from leading the TULIPS consortium to accelerate innovations for a more sustainable aviation industry, to participating in Destination 2050, a Europe-focused roadmap towards net-zero aviation, the International Air Transport Association (IATA)'s commitment to achieving net-zero carbon emissions by 2050, and the Fit for 55 package.

TULIPS is a consortium of 29 parties led by Schiphol that kicked off in 2022. It received 25 million euros in funding from the European Commission and is part of the European Green Deal. Achieving sustainability targets in the aviation sector will require commitments from all players in the chain. The consortium brings together into one partnership airports, airlines, knowledge institutes and industrial partners.

The consortium aims to speed up the roll-out of sustainable technologies in aviation and significantly contribute to zero-emissions and zero-waste airports by 2030 and net-zero carbon emissions aviation by 2050. Schiphol Airport will act as a living lab for 17 projects resulting from the TULIPS partnership. These

include making vehicles on the platform more sustainable through the use of hydrogen, testing facilities to supply aircraft with electric or hydrogen power and improving circular material usage.

As part of the transition to sustainable aviation, Schiphol Group is involved on several fronts when it comes to promoting the use of SAF. Between 2022 and 2024, Amsterdam Airport Schiphol will contribute 15 million euros towards incentives to use SAF. Airlines flying into and from Schiphol 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.

Schiphol is a partner in the development of the Synkero factory in the Port of Amsterdam, which is scheduled for completion in 2027. Synkero will produce 50,000 tonnes of SAF a year, which will be transported through an existing kerosene pipeline to Schiphol where it can be easily used by airlines. Schiphol Group is also investing in Europe's first sustainable aviation fuel refinery in Delfzijl, Groningen province. The plant is being built by SkyNRG, a manufacturer of sustainable aviation fuel, and will be ready in 2025/2026. Once fully operational, it will produce 100,000 tonnes of sustainable fuel per year, along with 15,000 tonnes of sustainable propane as a by-product.

The Destination 2050 initiative is a roadmap to realise net-zero carbon emissions by 2050. It has been endorsed by all major players within the aviation sector, including airlines, airports, aerospace manufacturers and air navigation service providers. Given our ambitions in our Most Sustainable Airports roadmap, we not only endorse Destination 2050, but also encourage players beyond Europe to join this initiative so flying can be made more sustainable globally in the long term.

Sustainability top of mind

Schiphol Group is implementing various measures to reduce noise nuisance and promote cleaner, more efficient aviation. We encourage the use of quieter aircraft by lowering airport charges

for airlines that use these aircraft. This, in turn, encourages airlines to take this into account when they renew their fleets. Moreover, manufacturers such as Airbus and Boeing are developing engines that use less fuel and therefore produce fewer emissions.

We also work with Air Traffic Control the Netherlands (LVNL) to use flight paths and runways that keep noise pollution to a minimum. For example, when weather and safety permit, LVNL allows aircraft to take off, land and fly via routes that cause less noise disturbance. The flight paths to our runways of choice – the Kaagbaan Runway for arriving traffic and the Polderbaan Runway for departing traffic – operate above slightly less densely populated areas. In addition, Schiphol supports DeNoize, a start-up that researches and develops soundproofing technology for windows in houses. This innovative solution could make a positive contribution to the quality of life experienced by local residents.

A technology-driven landscape

The recent capacity- and labour-related challenges experienced by many of the world's airports underline the importance of aviation technology and the further digitalisation of the airport experience. 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.

Meanwhile, Schiphol is exploring new, digital customer propositions in the airport terminal. Smartphone apps, for example, provide a handy platform to reach passengers with new experiences and improve the airport journey.

Looking to the longer term, emerging digital solutions such as autonomous technologies and robotics offer airport further possibilities to improve efficiency while also saving costs and reducing environmental footprints. In the future, we expect physical airport assets, including real estate, airport terminals, cars or equipment such as check-in desks to become smarter and more flexible, and therefore easier to deploy and share. Schiphol Group is working to develop new digital solutions aimed at improving efficiency and driving passenger satisfaction.

SWOT analysis

Strengths

- Resilient network of destinations
- Strong hub position of Schiphol in Europe
- Sustainability at our premises
- Economic strength of the Randstad region and attractiveness of airport city

Opportunities

- Potential to capture strong post-COVID-19 demand
- Position Schiphol to recover connectivity during period of increased hub competition
- Digitalisation, automation and big data
- International activities and partnerships
- Sustainable aviation and innovation initiatives

Weaknesses

- Current operational situation at Schiphol
- Capacity shortage during peak hours: terminal, stands and railway station
- Operational and sourcing model
- Future reliability of assets

Threats

- Challenging geopolitical and macroeconomic climate
- Recurring pandemics in Asia and other regions
- Terrorism and cyberthreats
- Worsening labour market and ageing workforce
- Pressure on cargo volumes from slot allocation system
- Possible impact of nature permits
- Impact of ruling on nitrogen emissions
- European Entry-Exit System legislation

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

To create our Vision, we analysed our performance and our future external environment and conducted an extensive engagement process with our internal and external stakeholders. The cornerstones of our Vision, the three Qualities – Quality of Network, Quality of Life and Quality of Service – rest on a foundation of two key enablers: Safety and a Robust organisation. These fundamental pillars will guide our Group through the challenging period ahead. Vision 2050 lays the foundation for our upcoming business strategies and the Master Plan, serving as the point of reference for discussions with our partners and stakeholders. In addition to further developing the

three qualities outlined in our vision, we are committed to strengthening our workforce and the quality of labour as we work to future-proof our organisation.

Connecting your world

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



Quality of **Network**



Quality of **Life**



Quality of **Service**



- Enablers**
- Safety first
 - Robust organisation

Royal Schiphol Group wants to create the world's most sustainable, high-quality airports. We're looking for a balance between the further strengthening of the Quality of our Network, improving the Quality of Life - both locally and globally - and enhancing the Quality of Service.



Quality of Network

Maintaining a high-quality network is an essential pillar of our Vision 2050. Schiphol provides and facilitates the connectivity that is vital for an open economy such as the Netherlands. From the second quarter of 2022 onwards, as many countries relaxed COVID-19 measures and travel restrictions, there was a sharp increase in demand for flights. Schiphol regrets that its operations were unable to accommodate the demand due to a decrease in the availability of security personnel. As a result, we were forced to limit the number of local passengers that can depart from Schiphol.

At the same time, flight frequencies are on the rise again, enabling us to maintain the vast majority of our destinations and our connectivity. Amsterdam Airport Schiphol is still first in the 'direct connectivity ranking' of European airports, based on the 2022 Airport Industry Connectivity Report. We are on track to fully recover from the pandemic and aim to preserve the quality of our network while also fulfilling our legal obligation to adhere to the new limits set by the government. We are determined to further engage in dialogue with the government and are confident that we can find a long-term solution that will not only safeguard the quality of our network, but one which also focuses on environmental impact instead of the number of air transport movements (ATMs). This will provide perspective for all stakeholders involved.

The COVID-19 pandemic has illustrated the importance of ensuring health and safety across our airports. Schiphol also advocates responsible actions on behalf of governments and regulators to support airports on their path to full recovery, including sector-wide initiatives such as safe transport corridors, rapid testing, and alignment in health and safety practices between airlines and airports. However, going forward, we must balance the requirement for a high-quality network with the need to safeguard Quality of Service for our customers and Quality of Life for local residents and wider society, as well as 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 well below pre-pandemic levels as air traffic returns to normal. We are also making a concerted effort to improve Quality of Life for employees, starting by providing better employment terms and working conditions for security staff and other employees. Please refer to the Quality of Life section for an overview of our 2030 and 2050 ambitions.

To reduce noise hindrance, Schiphol set up the 'Minder Hinder' noise reduction programme with LVNL, which focuses on several areas of improvement. For example, weather and safety permitting, Schiphol is using flight paths and runways that cause the least disturbance. We also encourage airlines to use quieter and cleaner aircraft by lowering airport charges for such planes.

As we recover from the pandemic, we now have an opportunity to further accelerate our sustainability ambitions through initiatives such as TULIPS, an alliance of committed partners from across the aviation chain that can harness various industry capabilities to speed up the rollout of innovative technologies. Our approach starts with our own airports: Schiphol's airport charges for 2022-2024 took effect in 2022 and include a self-incentive scheme that focuses on sustainability and encourages airlines to use cleaner, quieter aircraft. Meanwhile, Schiphol Group continues to work with a range of partners to accelerate innovations such as sustainable aviation fuel (SAF) and electrified modes of transport. We are making a substantial investment in incentives for airlines and passengers to use SAF and reduce carbon emissions. Sustainability also underpins our cooperation with other major airports. However, across our sector, we must ensure a level playing field so airports are not disadvantaged by pursuing environmentally friendly operations. Consistent, mutually beneficial legislation is needed to make fully sustainable air travel a reality.



Quality of Service

At Schiphol Group, our ambition is to create the most sustainable, high-quality airports. We aim to do this by orchestrating smooth and inspiring passenger journeys, supported by efficient, digitally enabled airport processes. In 2022, a combination of factors led to bottlenecks that subjected passengers to long queues at security checkpoints and, in some cases, even caused them to miss flights. Schiphol introduced a compensation package for travellers who missed flights due to long queues at security checkpoints. We have also been working hard to restore efficiency and now have an agreement in place with trade unions guaranteeing higher wages and better rosters for security staff. We are confident that this, together with other measures, will enable Schiphol to give its customers the high-quality service it expects.

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. Schiphol's 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 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. In 2022, APOC made further progress in developing its total airport management approach that will put cross-sector collaboration at the heart of all airport processes.



Safety

Safety remains one of the key enablers of our three qualities, as we continue to prioritise the health and well-being of those using our services. As an operator of airports, Schiphol has a responsibility to safeguard the health of our passengers, employees and other visitors by carefully managing our facilities and processes. We continued to follow best practices in terms of hygiene and social distancing during the early months of 2022. As we began to emerge from the pandemic in the spring, we adhered to the recommended government guidelines.

Schiphol 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. In 2022, we implemented a temporary measure which sets a maximum number of local departing passengers per day, to balance security staffing capacity with passenger demand and to safeguard the safety of both passengers and employees. 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.

An important initiative that forms part of the roadmap is a multiphase project to convert Schiphol's Quebec taxiway into a dual taxiway system. In 2022, we initiated the second phase of the project, which involved building a second aircraft bridge linking the Kaagbaan and Zwanenburgbaan runways. This will create a more manageable situation for air traffic control and prevent aircraft from having to wait in line, which will enhance safety and improve our service. Meanwhile, we continue to implement new safety measures and monitor the progress of ISMS while taking further steps to strengthen our safety culture.



Robust organisation

Building a robust organisation is an evolving process. It involves responding to a changing environment, navigating uncertainty and disruption, and understanding and addressing mistakes when they occur. In light of this, Schiphol Group regrets the operational issues it faced due to a tight labour market in combination with the sudden increase in passenger numbers in 2022, which has tainted our reputation as a robust organisation. To rectify the immediate problem, Schiphol introduced limits to the number of passengers that can travel through our airport per day. For the short and longer term, we implemented an action plan to redress the balance, ensure that these problems do not occur again in the future and restore the qualities that will put us back on track towards continued 'robustness'.

Indeed, 'robustness' is the second key enabler of our Vision 2050 and our three qualities. We aim to be a financially resilient, flexible and forward-thinking organisation. This involves making the most of the diverse qualities and capabilities of our people and the different airports that make up our Group. As our organisation grows, we are building on these innate qualities by developing our staff and fostering collaboration and knowledge sharing between Schiphol teams and employees around the world. The problems processing passengers in 2022 has reiterated the importance of attracting and retaining valuable employees committed to a common purpose.

Financial solidity is also an essential component of a robust organisation, and we need to recover from the losses sustained during the height of the COVID-19 pandemic. To maintain our strong competitive position as a high-value European airport, Schiphol increased airport charges in 2022 for the 2022-2024 period. The charges are essential to ensure Schiphol's long-term financial resilience as we gradually transition to a more sustainable future focused on quieter and cleaner aircraft, and a better human and natural environment.

Material aspects Royal Schiphol Group

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



Materiality analysis

Context

We reflect on the material aspects that relate to Royal Schiphol Group in our annual report. Reporting is done with reference to the Global Reporting Initiative (GRI) guidelines, which indicate that an aspect is material when it influences the decision-making of our stakeholders or reflects a significant potential financial impact on our organisation. This year, the horizontal axis has changed to reflect double materiality, which is the degree a topic impacts society or is relevant to society and has a (potential) financial impact on the business. The materiality matrix included in this chapter shows how the aspects score on both axes. We report on the material aspects in the 'Our results' chapter of the annual report, which follows the structure of our Vision 2050. In this respect, the materiality matrix 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 aspects, strategy and risks.

Process materiality analysis

Schiphol Group conducts a thorough materiality analysis to identify the most important aspects for our stakeholders. As part of the update, we made a number of revisions to the materiality analysis based on a three-step process: 1) gathering input internally, 2) executing a stakeholder survey, and 3) internal and external validation. We began by collecting internal input on the aspects to include on the long list, and by assembling definitions and pre-testing survey questions. Using this input, we circulated a digital survey that asked stakeholders to rank the material aspects according to their importance to them as a stakeholder. Respondents were also able to suggest new aspects. This input lead to the results for the vertical axis. To determine the financial impact on the horizontal axis, specific departments such as Risk and Finance were invited to provide their input. To validate the

findings, we put the materiality analysis through internal and external rounds of validation. The quantitative and qualitative results from the survey and internal input have been combined to update the matrix. Schiphol's Management Board subsequently acknowledged that the material aspects provide a proper account of the developments in 2022 and approved their inclusion in the materiality matrix for 2022.

2022 results

In 2022, one new material aspect was identified, *Digital innovation and cybersecurity*. This topic entails the application of digital technology to business operations, including airport processes and preventing fraud and unauthorised access to our networks, IT systems and data. Our stakeholders considered this to be the second-most important topic. Three new topics were merged with existing topics. *Community and noise* now also covers climate adaptation, including the management of water. This reflects how Schiphol Group's efforts to minimise noise disturbance and adapt to climate changes are part of our wider



In 2022, one new material aspect was identified, Digital innovation and cybersecurity.

initiative to have a positive impact on our local communities. Our stakeholders still consider this to be an important topic, and as such the position has not changed relative to last year. However, the topic has moved on the horizontal axis due to its financial impact on Schiphol Group. The second topic is water, which is now included in *Circular economy*. The topic has become far more important to stakeholders compared to last year. This is due to the increased social attention on this matter. Lastly, the topic *Responsible business* now also includes socio-economic significance and geopolitical tensions. These two topics were important in 2022 due to recent events, including the tight labour market and Schiphol group's social importance in that regard, and the war in Ukraine. As a result, responsible business has become more important to stakeholders.

The transition to double materiality has caused multiple items to shift considerably in the matrix compared to last year. As in previous years, *Safe, secure and responsible travel* remains the most important aspect for our stakeholders. This constant in the matrix is still seen as the most important prerequisite for an airport to operate. *Employee practices* is a topic receiving considerable attention within the aviation sector, and particularly from the perspective of trade unions such as FNV. In 2022, Schiphol Group faced numerous operational challenges due to staff shortages as a result of the tight labour market. As a result of the operational challenges, this was a key topic for



Community and noise now also covers climate adaptation, including the management of water.

stakeholders, and its financial impact on Schiphol Group has caused the topic to be in the upper right corner of the matrix.

Business continuity was already an essential element of Schiphol Group's operations. Although it moved down slightly in the 2022 matrix, the position on the horizontal axis is high. This is due to the operational challenges that Schiphol Group faced in its day-to-day activities and the resulting financial impact of this topic. The importance for stakeholders and the high financial impact make it one of the most important topics.

Customer appreciation also moved upward in the matrix given the operational challenges of the last year. This topic also has a high financial impact on Schiphol Group, making it another key topic in the matrix. *Network of destinations* moved up slightly in terms of importance to stakeholders but moved down on the horizontal axis due to the transition to financial impact. The position of *Financial solidity* is essentially the same as last year. The topic is important to stakeholders and has a high financial impact on Schiphol Group due to the relation to the rest of the topics.











Sustainable aviation and *Zero emission airports* both moved up in the matrix, mainly driven by an increased focus on sustainability in the public sphere and the anticipated flight movement limit recently announced by the government. The topics are also high on the horizontal axis due to their financial impact. *Accessibility* occupies a similar position in the matrix as last year, though it has moved up slightly. Lastly, *Airport capacity* moved up significantly in terms of the financial impact due to the maximum flight movements but also the operational challenges Schiphol Group faced in 2022.

The aspects covered in the matrix 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 these operations. This means some topics are reported on in relation to Amsterdam Airport Schiphol only, and not to the regional airports in our Group.

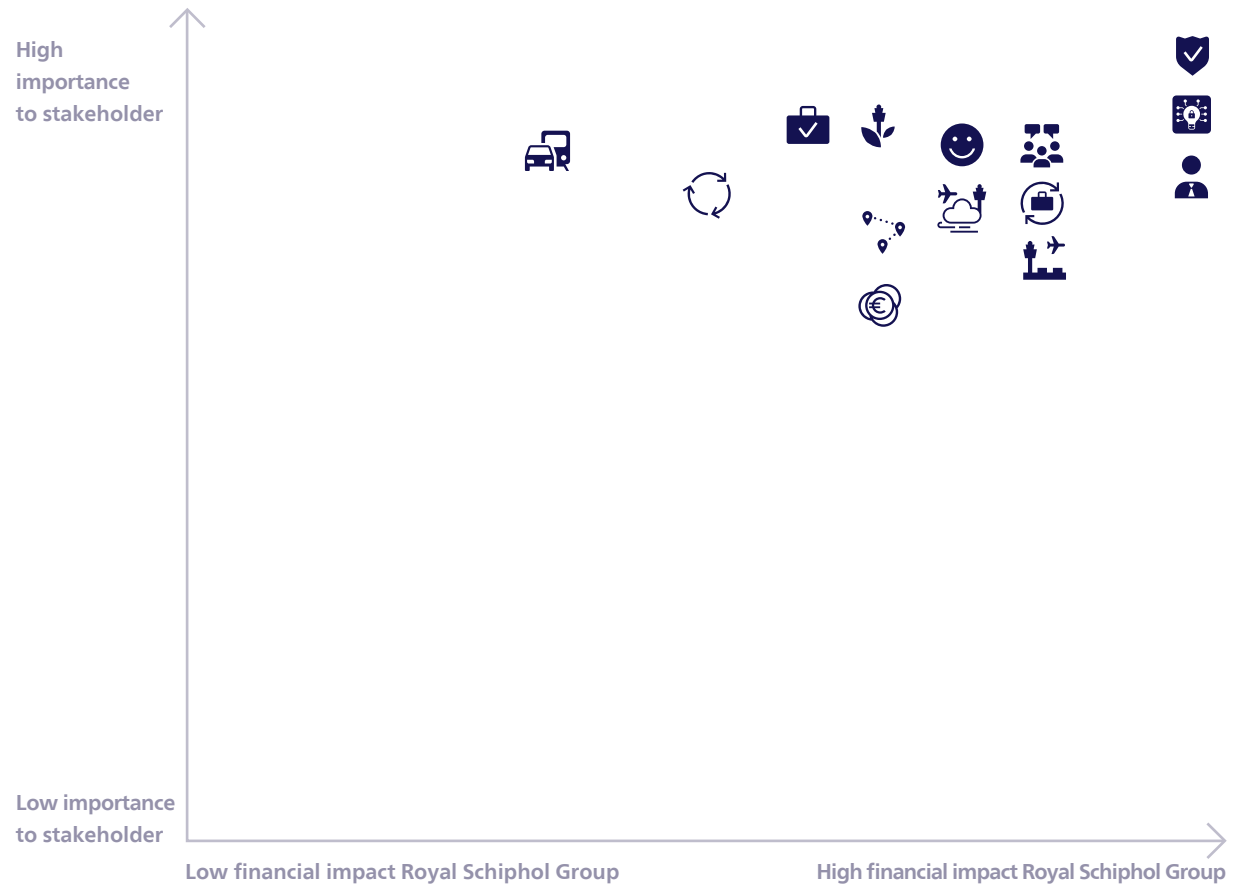




Customer appreciation also moved upward in the matrix given the operational challenges of the last year.


Definition of material aspects


-  **Accessibility**
Ensuring sufficient landside accessibility.
-  **Airport capacity**
Availability and quality of (infrastructural) capacity.
-  **Business continuity**
Reliable and resilient operations.
-  **Circular economy**
Sustainable resources and ensuring next-life applications.
-  **Community and Noise**
Direct community engagement and the impact of aircraft and ground noise on surrounding communities.
-  **Customer appreciation**
Meeting the needs of airport users.
-  **Digital innovation and 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.
-  **Employment practices**
Development and training of employees, vitality and inclusiveness.
-  **Financial solidity**
Financial robustness and shareholder value.
-  **Network of destinations**
Quality and frequency of destinations.

Materiality matrix 2022



-  **Responsible business**
Transparent and fair business practices.
-  **Safe, secure and responsible travel**
Safe and secure airport operations and environment.

-  **Sustainable aviation**
Driving sector-wide sustainable initiatives and international advocacy.

-  **Zero-emission airports**
Emissions from airport operations and ground transport. It should be noted that local air quality emissions cannot be reduced to zero.

Targets 2023

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 Schiphol Group's strategic milestones. Our Top Performance Indicators represent our multi-stakeholder approach, which takes into account Schiphol'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.

enabling the introduction of a consistent language across Schiphol Group, the alignment of all Group activities and a focus on the most value-adding activities. The same TPIs will be used for target setting in 2023. The 2023 major deliverables are grouped in three clusters: strategic, tactical and operational. The targets for 2023 reflect the operational challenges we faced in 2022 and the long-term solutions that are needed.

Since 2019, Schiphol Group's target setting has consisted of the Top Performance Indicators (TPIs) and major deliverables,



TPI targets for 2023

Priorities

Safety

Net Safety Score target 2023: 95

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 2023: -62%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). Please note that the definition has slightly changed compared with previous year. A switch has been made from location-based emissions to market-based emissions without Scope 2 (electricity), 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 2023: 125

The number of direct intercontinental destinations for passengers and cargo⁵.

Passengers

Net promoter score target 2023: 36

The Net Promoter Score (NPS) measures how likely passengers are to recommend Schiphol as an airport. Customers are asked: 'On a scale of 0 to 10, how likely would you be to recommend this airport to friends, family and colleagues?' 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 100⁵.

Airlines

On-time performance target 2023: 71%

The punctuality of outbound traffic is the percentage of commercial flights departing on time (based on the sector-wide standard D15)⁵.

Local residents

Reputation score target 2023: 7.0

This score is based on reputation surveys and the number of people who have filed one or more reports at Bewoners Aanspreekpunt Schiphol (BAS). The reference for BAS is a 24-month rolling average⁵.

Employees

Employee Promoter Score target 2023: 20

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) targets 2023: 4.6%

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

Sita Jainath, Passenger Assistance, shows travellers the way at Schiphol and ensures a good passenger flow. 'Schiphol is a dynamic place to work. So many different people and cultures, so many stories. When it was busy during the summer I just continued doing what I always do: taking care of travellers, showing them the way and lots of listening.'

Our performance in 2022

Each year, the Supervisory Board approves the Management Agenda, which, since 2019, includes the management’s priorities translated into Top Performance Indicators (TPIs) and major deliverables. The TPIs are divided into five key focus groups: local residents, passengers, airlines, employees and shareholders. Three of these indicators are overarching: safety, network and sustainability. The TPIs are set out on this page in detail.

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

Concise background information on the results achieved for each priority is set out below. 2019 was the first year in which the target-setting consisted of TPIs and major deliverables. This new way of target setting has been experienced positively overall. The target setting for 2022 therefore again includes TPIs and major deliverables.

TPI performance

Priorities

Safety

Net safety score: 97.3 (target: 94.5)

This index takes into account the percentage of days without serious incidents¹ minus the percentage of days with serious incidents².

Sustainability

CO₂e emissions Royal Schiphol Group: -28.2% (target: -15%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 (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: 129 (target: 120 ICA destinations)

The number of direct intercontinental destinations for passengers and cargo⁶.

Passengers

Net promoter score: +26 (target: +42)

The Net Promoter Score (NPS) measures how likely passengers are to recommend Schiphol as an airport. Customers are asked: 'On a scale of 0 to 10, how likely would you be to recommend this airport to friends, family and colleagues?' 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 +100⁶.

Priorities

Airlines

On-time performance: 57% (target: 71%)

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

Local residents

Reputation score: 6.0 (target: 7.2)

This score is based on reputation surveys and the number of people that filed one or several reports with Bewoners Aanspreekpunt Schiphol (BAS)⁶. The reference for BAS is the average of 2021 and 2022, because this is expected to be a more representative benchmark than 2022 alone.

Employees

Employee Promoter Score: 6.8 (target: 33)

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 Score⁶.

Shareholders

Return on equity (ROE): normalized for fair value changes, ADP transaction proceeds and other one offs amounted to -0.8% (target 4.5%). The ROE including fair value changes, ADP transaction proceeds and other one offs amounted to -2.5% in 2022.

Financial return for shareholders based on net result adjusted for fair value changes, ADP transaction proceeds 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.
- 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

Our performance, as well as the other topics discussed in these chapters, relates primarily to our operations at Amsterdam Airport Schiphol and the wider impact of the Schiphol hub, with the exceptions of Sustainability and Return on Equity (ROE). The CO₂e emissions comprise the emissions of our Dutch airports and the ROE concerns Royal Schiphol Group.

We present our performance according to our major deliverables. In 2022, the major deliverables were grouped into five clusters: (1) Safety, (2) Robust organisation, (3) Quality of Network, (4) Quality of Life and (5) Quality of Service. 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 2022 Net Safety Score was 97.3, above the target (94.5). There were few serious incidents and an improvement compared to 2021 (95.1). Safety is always the main priority and there is continuous attention to and improvement of the safety related systems as well as the safety culture.

Sustainability – CO₂e emissions

The result for the sustainability TPI in 2022 was -28.2%, which is above the target (-15%). The main reason for the lower emissions is mild weather conditions and the energy crisis, and our own organisation and tenants in our buildings are more conscious about energy consumption, thus using energy more efficiently. Also, RTM reduced gas consumption by phasing out gas installations.

Network – Intercontinental destinations

The number of intercontinental destinations served by Amsterdam Airport Schiphol in 2022 (129) was 9 destinations above the target for the year (120). Compared to 2019 (pre-COVID-19 year), Amsterdam Airport Schiphol lost 25 destinations but added 16 new destinations. The number of destinations seems to have recovered; however, flight frequencies are below

the 2019 level. Amsterdam Airport Schiphol holds the number one position of European Airports regarding direct connectivity, according to the ACI Airport Industry Connectivity Report 2022 (also in 2021). However, in terms of hub connectivity, Amsterdam Airport Schiphol ranked third behind Frankfurt and Istanbul.

Passengers – Net Promoter Score

The Net Promoter Score was +26, below the target (+42). Staff shortages with security and third parties in combination with high passenger volumes led to long queues and waiting times, which heavily impacted the NPS.

Airlines – On-time performance

On-time performance (OTP) was 57.1%, which is below the target (71%). The year started with good on-time performance up until Easter and the May holiday period, when the number of flights and passengers rose sharply as COVID-19 measures and travel restrictions were lifted. From this moment, OTP was below target due to delays caused by the sharp increase in the number of passengers and flights in combination with staff shortages predominantly in the security filters, baggage handling as well as aircraft handling. Similar challenges at other European airports were cause for more delays. The causes of these delays lasted until the end of the third quarter, when the number of flights and passengers decreased due to the regulating parameter balancing demand and capacity.

Employees – Employee Promoter Score

The Employee Net Promoter Score was +6.8, below the target of +33. The 'My Schiphol' employee survey, conducted shortly after the May holiday period, showed the impact of the operational issues on our employees. Through the survey – as well as the Effectory Index, a benchmark offered by Effectory that sheds light on how employees feel about their work environment – managers and colleagues, have led us to identify 'Schiphol pride' and 'collaboration' as specific areas for improvement. At the same time, we note an improvement in terms of how colleagues experience their work environment in terms of workplace, climate and safety. These results suggest that our efforts to improve the work-life balance of employees, including

by introducing a hybrid and flexible working setup, have had a positive impact.

Local residents – Reputation Score

The reputation score for 2022 was 6.0 and is based on two elements:

1. The result of the quarterly reputation surveys conducted by research agency Motivaction among local residents. The average score in 2022 was 6.5. This score amounts to 80% of the total reputation score.
2. The second element amounts to 20% and regards the number of people who file a report at BAS. In 2022, we continued to use a 24-month rolling average; this is expected to be a more representative benchmark than 2022 alone. The 12 months of operational year 2022 (November 2021-October 2022) are compared to the average of the 2021 and 2022 operational years (November 2020-October 2022). The average score at BAS dropped from 10 in the preceding operational year to 5.1 in 2022 due to the low number of reports filed during the COVID-19 period, which was part of the benchmark period. However, this score is expected to gradually rebound over time, as the COVID-19 months will no longer fall in the benchmark period of the next operational year.

Shareholders – Return on Equity (ROE)

The return on equity (including fair value gains and losses, ADP transaction proceeds and other one-off adjustments) amounted to -2.5% in 2022. The underlying return, excluding fair value gains and losses, ADP transaction proceeds and other one-off adjustments, resulted in -0.8%, compared with our target of 4.5% (see notes 2, 4 and 16 in the [financial statements](#) for an overview of the fair value gains and losses and the NOW compensation). The result is mainly attributable to the lower volumes (12% below budget) and higher operating expenses due to the additional operational measures implemented, especially in airport operations and security. The underlying net result was 19 million euros negative compared to the target of 162 million euros positive.

Major deliverables

Twenty-one major deliverables were set by the Management Board for 2022, categorised according to our Vision 2050. Despite the operational issues, several major deliverables were met, especially those within our control. Important progress was made on Total Airport Management, the North-South line, diversity and inclusion within the organisation, scaling and commercialising, and Pier A, among other things. The operating model, CAPEX realisation, the nature permits and achieving the full potential of Project Reset will require further attention in 2023.

TPI performance 2022



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: -2.5%

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.



At Schiphol Group, we are proud of our high-quality network, and our standing as one of the best-connected airports in the world. We work hard to maintain this quality, even if that means adapting to challenging circumstances, such as the fallout of a pandemic or geopolitical instability. With the lifting of travel restrictions in most markets, 2022 brought a resurgence in passenger demand and air transport movements (ATMs), particularly from April onwards. The upsurge in travellers and traffic movements starting in the spring presented new challenges as we were faced with an acute shortage of security staff. This forced us to impose a daily passenger limit. We are confident the issue will be resolved, now that we have agreed on improved remuneration and working conditions for security staff with the trade unions.

In early 2022, Schiphol still faced fluctuating capacity needs due to COVID-related requirements, such as testing and social distancing. We continue to face this challenge in some markets, where travel restrictions were still in place. But fluctuating capacity is a gradually dissipating issue that is no longer having a major effect on European markets.

Given the strong global demand for air freight, Schiphol's cargo operations are an important contributor to the Dutch economy. The war in Ukraine, however, has closed air space over Russia and Ukraine, impacting cargo movements. Some operators have been forced to close down their operations. Moving forward, we will continue to work with the airlines and wider cargo community to ensure high-quality services throughout this fast-changing landscape.

Top performance indicator Quality of Network



Providing a high-quality network goes beyond simply providing capacity. Ensuring safety remains a priority for Schiphol, and we are working with airlines and other partners to re-establish routes and flight frequencies in a safe and timely manner. We also see sustainability as central to ensuring high-quality operations, and Schiphol works hard to closely monitor – and mitigate – the impact of our operations on local communities and the environment. As part of the transition to sustainable aviation, Schiphol is investing substantially in incentives to use SAFs and acting as a living lab for their large-scale production.

We will continue to pay close attention to passenger health and safety on our journey to recovery. Moreover, we will remain vigilant, aware that COVID-19 is neither gone nor forgotten. And as we continue to re-establish the quality of our network to the pre-pandemic level, we will also remain mindful of the needs of local residents as well as the environment, by working with our partners to minimise the negative effects of air travel on our surroundings.

Network of destinations

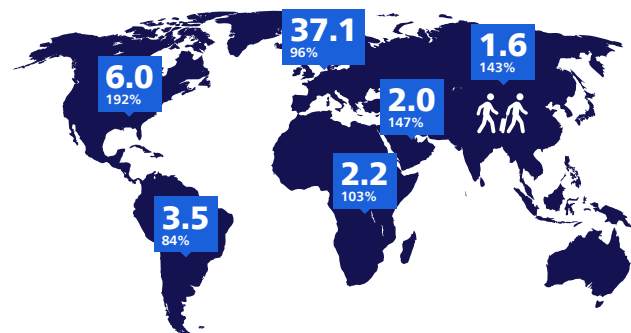
In 2022, the network of destinations at Amsterdam Airport Schiphol improved compared to the previous year, though the recovery was still affected by various issues. Traffic recovery was less robust early in the year due to the emergence of the Omicron variant in December 2021. From February onwards, traffic gradually recovered, but this was temporarily halted due to the war in Ukraine. This directly impacted flights to Ukraine and Russia, as well as flights from and to Asia, which needed to avoid Russian air space.

The demand for travel picked up again in 2022, considerably pushing up passenger numbers. A full recovery was not in the cards, however, due to staff shortages at the airport. That it would be challenging to reach pre-pandemic levels was expected. What could not be foreseen was the significant impact the shortage of staff would have, which first became clear during the May holiday. Various measures were taken, including the drastic decision to limit the number of local departing passengers.

The total number of destinations at Schiphol reached 313 in 2022, compared to 296 in 2021 (316 in 2020 and 332 in 2019). In 2021, nearly all passenger airlines that were active prior to COVID-19

Passenger volumes by continent in 2022

Passenger volume at Schiphol in millions (change versus 2021; excluding transit direct)



had returned to Schiphol, and in 2022 three more airlines resumed services. Amsterdam Airport Schiphol maintained its number one position for direct connectivity among European airports in 2022, according to the ACI Airport Industry Connectivity Report. On a global scale, Schiphol is ranked third behind Frankfurt and Istanbul based on hub connectivity.

Traffic and transport in 2022

Passengers

In 2022, Schiphol welcomed 52.5 million passengers (up 105.8% compared to 2021). In addition to new destinations, new routes from Amsterdam were introduced by airlines. Due to the operational issues and capacity limits, airlines looked for different ways to cope with the situation. Several managed to operate flights from other airports in the Netherlands, such as Rotterdam The Hague Airport, Eindhoven Airport and Maastricht Aachen Airport. TUI fly operated many of its flights from Liege in Belgium. Some airlines diverted passengers to other airports in Europe, while others cancelled flights.

Air transport movements at Schiphol in 2022

Movements per airline		Change
KLM	200,647	35.0%
easyJet	32,116	170.2%
Transavia	28,391	51.5%
Delta Air Lines	9,768	84.0%
Vueling	9,442	142.6%
TUI fly	7,994	44.6%
British Airways	7,247	340.0%
Air France	7,029	36.2%
Lufthansa	6,150	131.6%
Turkish Airlines	4,950	10.5%
Other airlines	83,912	42.0%

Direct connectivity

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

Rank 2022	Airport	Rank 2021	Rank 2019
1	Amsterdam Airport Schiphol AMS	1	2
2	Istanbul IST	2	5
3	London Heathrow LHR	7	4
4	Frankfurt FRA	3	1
5	Paris CDG	4	3
6	Madrid MAD	6	7
7	Munich MUC	10	6
8	Barcelona BCN	8	9
9	London Gatwick LGW	34	11
10	Palma de Mallorca PMI	11	14

Hub connectivity

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

Rank 2022	Airport	Rank 2021	Rank 2019
1	Frankfurt FRA	3	1
2	Istanbul IST	2	6
3	Amsterdam Airport Schiphol AMS	1	3
4	Paris CDG	4	4
5	Munich MUC	12	8
6	London Heathrow LHR	16	10
7	Madrid MAD	8	17
8	Zurich ZRH	15	19
9	Dallas Fort Worth DFW	5	2
10	Vienna VIE	19	23

Cargo

2022 proved to be a challenging year for Schiphol's cargo operations. Overall, air freight volumes dropped due to external factors such as the sanctions imposed against Russia as a result of the conflict in Ukraine, the subsequent global energy crisis, and the ongoing effects of the COVID-19 pandemic and its impact on trade with Asia. Nonetheless, cargo became an increasingly

Dutch airspace closed to Russian aircraft

The Netherlands closed its airspace to Russian aircraft at 4 pm on 27 February 2022. This was part of the EU-wide response to the war in Ukraine. As of that date, no Russian airlines have been allowed to fly to or from Amsterdam Airport Schiphol. Russia retaliated by closing its own airspace to many European countries, meaning that flights from Schiphol passing through Russian airspace, en route to countries such as China, South Korea and Japan, have had to seek alternative routes. The war has also led to the closure of Ukraine's airspace, forcing the suspension of all flights to and from the country. EU sanctions have also led to the suspension of flights to and from Belarus.



important contributor to the quality of our network. In addition, cargo operations were also affected by staff shortages. Throughout Schiphol's cargo community, hiring and retaining staff was one of the main concerns in 2022.

The war in Ukraine has seriously affected cargo volumes at Schiphol. After the EU announced sanctions against Russia, one of Schiphol's largest cargo airlines, AirBridgeCargo Airlines, ceased operations after its parent company, Volga Dnepr Group, was banned from trading in the EU, as well as the United Kingdom and other countries.

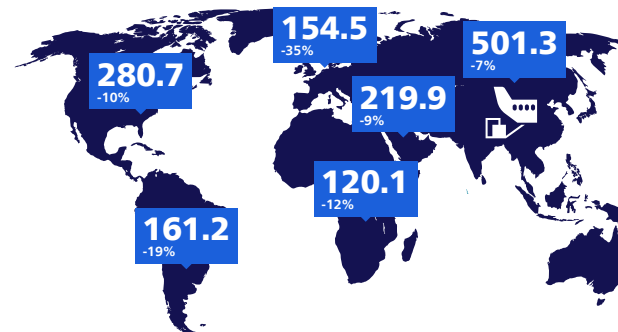
The 2021 prediction that cargo would become a permanently vital source of income for airlines has proven to be accurate. However, the combination of increased investments by airlines in expanding their full-freighter fleet and a volatile economic market had a dampening effect on air freight rates in 2022.

Total cargo volume at Schiphol Airport amounted to 1.4 million tonnes in 2022 (a decrease of 13.8% year-on-year), putting pressure on Schiphol's position as one of Europe's top-five cargo hubs. Sixty-four per cent of the airport's total cargo volume was transported in full freighters. Tonnage moved by full-freighter operations decreased by 18.2 %, while belly freight volumes decreased by 4.6 %. The number of cargo flights that consisted only of cargo dropped by 23.6 % to 18,340.

The global economic recovery since the pandemic has been slower than expected. This, together with the uncertainty caused by the Dutch government's decision to decrease the number of flight movements by 2024, is negatively affecting investments in sustainability and innovation by air cargo stakeholders. The shift in balance between full freight and belly cargo is fueled by the (ongoing) strong recovery in post-COVID passenger flights.

Cargo volumes by continent in 2022

Schiphol cargo x 1,000 tonnes (change versus 2021)



Overall air freight volumes dropped due to external factors such as the war in Ukraine, the subsequent global energy crisis and the ongoing effects of the COVID-19 pandemic and its impact on trade with Asia.

New cargo developments

New developments in the Smart Cargo Mainport Programme (SCMP) in 2022 have strengthened efficiency in the air cargo chain, despite labour shortages. In the second quarter of 2022, Schiphol introduced Automated Nomination, a project that saw handlers, forwarders and Schiphol Airport introduce a digitalised freight station statement. It provides instant data on which forwarder has sent an import shipment through the cargo process at Schiphol once an aircraft is unloaded by the handler. The introduction of Automated Nomination means our airport community can say farewell to the decades-old paper freight station statement, thus reducing paper waste, shortening handling times and decreasing the chances that shipments are not processed correctly. This is also an example of how innovation can help the cargo community achieve its sustainability goals.

Network developments

In 2022, 15 new destinations were added to Schiphol's network. KLM introduced three new destinations: Austin, Texas in the United States, Aarhus in Denmark and Katowice in Poland. Saudia launched flights to Schiphol from Jeddah; Vueling launched flights from Asturias in Spain; easyJet added Brindisi in Italy; Delta Air Lines relaunched Orlando in the United States; airBaltic added Tampere in Finland; Flybe added East Midlands; TUI fly added Dakar in Senegal, Kavala in Greece, and Enfidha and Djerba in Tunisia; and Transavia added Skelleftea in Sweden. Three new passenger airlines also started operations in Amsterdam: Amelia, with flights to Strasbourg (France), Flyone from Chisinau (Moldova) and Flybe from four points in the United Kingdom.

Various airlines that were operating in 2021 did not manage to secure slots at Schiphol in 2022 and have left. These include ALK airlines, Vietnam Airlines (cargo), Uzbekistan Airways (cargo), MIAT Mongolian (cargo), Middle East Airlines and PLAY. The announcement by the Dutch Government to cap the annual number of flight movements at Amsterdam Airport Schiphol as of November 2023 will have a big effect on our network. It is unclear how the cap will be implemented and how airlines will respond to this.

Top-10 European passenger volumes and market share in 2022

(in millions of passengers, excluding transit direct)

		Change	Market share
Istanbul IST	64.3	73.80%	13.70%
London LHR	61.6	217.60%	13.10%
Paris CDG	57.5	119.40%	12.20%
Amsterdam AMS	52.5	105.80%	11.20%
Madrid MAD	50.6	109.80%	10.80%
Frankfurt FRA	48.8	97.00%	10.40%
Barcelona BCN	41.5	120.60%	8.80%
London Gatwick LGW	32.8	424.70%	7.00%
Munich MUC	31.6	153.40%	6.70%
Paris ORY	29.2	85.60%	6.20%

Top-10 European cargo volumes and market share in 2022

x 1,000 tonnes of cargo

		Change	Market share
Frankfurt FRA	1,924	-13.70%	14.50%
Paris CDG	1,859	-5.00%	14.00%
Leipzig/Halle LEJ	1,509	-5.00%	11.40%
Amsterdam AMS	1,438	-13.80%	10.80%
Istanbul IST	1,426	87.90%	10.70%
London LHR	1,351	-3.70%	10.20%
Liege LGG	1,140	-19.30%	8.60%
Luxembourg LUX	970	-10.90%	7.30%
Cologne CGN	958	-1.00%	7.20%
Milan Malpensa MXP	717	-3.40%	5.40%

Accessibility

The recovery in passenger numbers that began in 2021 continued in 2022. While 2019 levels have not been reached yet, passenger numbers came close during the peak summer and autumn break periods, which created challenges in accommodating the increased traffic flows at the curbside drop-off zone. One of the reasons for this was people's reluctance to use public transport during COVID-19, causing them to use the car more frequently. This was particularly the case during the first months of 2022. As the year progressed, the use of these two forms of transport became more balanced again, resembling 2019.

Parts of the forecourt of the terminal buildings were needed to create space for additional lines to the security filters. This inevitably affected the flow of passengers, resulting in unusual wayfinding situations for our departing passengers. Passengers were requested not to enter the departure halls more than four hours before departure time to prevent unnecessary crowding in the terminals.

Sustainable accessibility

Amsterdam Airport Schiphol is continuously improving and modernising its landside infrastructure. Taking 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 means of transport. The programme was initiated 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 ensure landside safety in the coming years, taking into account long-term trends and developments.

Importantly, Schiphol is collaborating with its partners to ensure accessibility-related expansions, and developments are underway with sustainability in mind. To underline our sustainability ambitions, we continued to promote the electrification of the airport's taxi fleet. In 2022, we started to replace the taxi buses driving on green gas with electric taxi buses. This means that, as at 1 January 2023, 13 out of the 14 vehicles departing from the Schiphol taxi stand are emission-free.

2022 also saw the introduction of Schiphol GO, a mobility app that allows Schiphol employees to choose and register their own modes of transport to and from work as well as business trips. The new app includes a 'work-at-home-remuneration' and a distance allowance of 30 cents per kilometre for biking. This is a strong incentive for employees to bike 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 e-bike is gaining popularity among employees. As a result, Schiphol is working with several stakeholder and expert groups to further intensify bike use. For example, we have installed additional charging points around the offices. For those who take their e-bike to work every day, access to the basements of our headquarters is available. Bicycle accessibility has also improved:



Additional charging points have been created around the offices to further encourage the use of e-bikes.

three high-level bicycle speed lanes were built in 2022, creating even better biking facilities for employees and customers.

Looking ahead, Schiphol will introduce zero-emissions zones at the Schiphol Centre from 2026 onwards, after which only lorries and delivery vans that do not produce harmful emissions may use the 'logistics roads' surrounding the terminal. This important step aims to reduce nitrogen and carbon emissions and improve the air quality in the logistic 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.

To improve and increase train connectivity, various studies are taking place as part of the government-led Multi-Year Programme for Infrastructure, Spatial Planning and Transport (MIRT). The MIRT project for the Multimodale Knoop Schiphol (Multimodal Hub Schiphol; MKS) aims to increase the capacity of the airport's train and bus station at Schiphol Centre. Currently, Schiphol is working with all its stakeholders preparing and designing the renovation of the train and bus station. The renovation is expected to start in early 2023.

In addition, ProRail has started preparations to renew the rail infrastructure of the Schiphol tunnel, to keep it running safely and reliably for the next 40 years. The project will take six years to complete and require a total of 39 train-free periods, the first of which was from 13 to 28 November 2022. As maintenance on the track is impossible while trains are running, ProRail usually determines when the work can be carried out with the train operators, but things are slightly different at Schiphol. Careful coordination, involving parties such as NS, Schiphol, passenger associations and contractors, has enabled us to plan smartly and keep the disruption during major maintenance to a minimum within a responsible budget. The works are scheduled to take place outside school vacations and other peak periods for the airport and include renewal of the tracks and sleepers as well as the new train safety system and level of platforms.

Joint investment in North/South metro line

To keep Schiphol accessible by public transport in the long term, we are committed to extending the North/South metro line to Schiphol and Hoofddorp. A major step was taken in November 2022, when regional parties and the national government agreed on a joint investment to keep the Metropoolregio Amsterdam (MRA) accessible. 5.5 billion euros will be invested into the accessibility MRA, 3.4 billion euros of which are earmarked for the extension of the North/South metro line, from Amsterdam South station to Hoofddorp with a stop at Schiphol Airport. This package of measures will ensure excellent accessibility to the airport for passengers, employees and commuters well into the future.

Extending the North/South line will also encourage sustainable connectivity at a regional, national and international level. Indeed, 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.

Extending the North/South metro line



In November 2022, it was announced that Amsterdam's North/South line will be extended to Amsterdam Airport Schiphol and Hoofddorp. Extending this metro line to Schiphol and Hoofddorp has been budgeted at 3.4 billion euros. Amsterdam Airport Schiphol, the Amsterdam Transport Authority, the province of Noord-Holland, the municipality of Amsterdam, NS, KLM, ProRail and the municipality of Haarlemmermeer will contribute 25% of the costs, while the state will provide the remaining 75%. Extending the North/South metro line to Schiphol and Hoofddorp will enable a more sustainable transport network for regional, national and international travellers. It will also free up lines in the Schiphol railway tunnel for national and international trains.

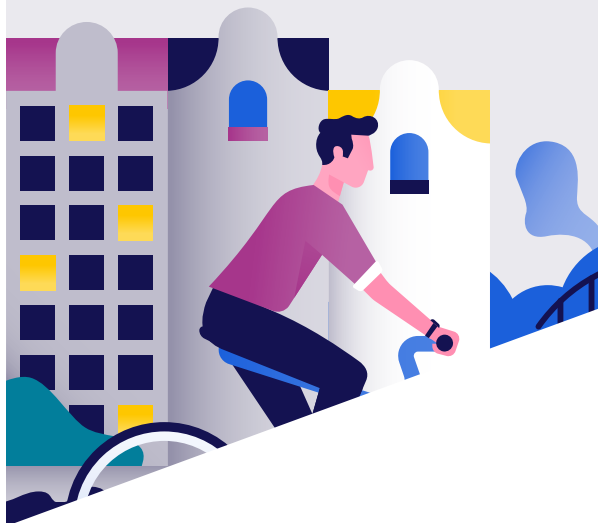
Attaining 'exploration' status for the line was a major deliverable for Schiphol in 2022. It is a key milestone for a project that will change the way travellers move around the MRA. For visitors of the Dutch Capital, the extension of the metro line directly from Schiphol to the heart of Amsterdam will make the journey and landside access even more convenient. The metro will most likely start operating in 2036.

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. In 2022, we created a smoother and more user-friendly parking flow in the Schiphol app and introduced a short-stop parking proposition in P1. The renewed app is more intuitive for comparing parking products. In the first half of 2022, our P4 basic parking facility was used by the municipal health services (GGD Kennemerland) as a COVID-19 testing and vaccination facility.

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, which sets out the actions required to achieve our 2030 objectives as a next step towards realising Vision 2050. In 2022, as we emerged from the pandemic, we accelerated the implementation of actions outlined in the roadmap. We are making substantial investments in sustainable aviation fuel (SAF) and offering airlines incentives to use them, which will have a positive impact on quality of life.

In 2022, Schiphol Group led the launch of the TULIPS project to drive sustainability across the aviation sector. The knowledge acquired through the consortium will be shared with all European airports, which will then be able to apply TULIPS technologies and concepts via a practical roadmap.

With aviation markets opening 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. Indeed, we also continue to examine ways to reduce noise-disturbance levels, such as offering incentives to airlines that use quieter and cleaner aircraft and prioritising flight paths that generate less noise. We must also continue to work with governments, regulators and other leading airports (including those in our Group) to advance the sustainable aviation agenda at a regional and international level.

Top performance indicators Quality of Life



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

Sustainability in a complex environment

At the start of 2022, Schiphol Group received a letter from Dutch environmental organisation Milieudefensie, which included a request to present a CO₂e reduction plan towards 2030. We have welcomed this request as an opportunity to review our sustainability efforts, including the Most Sustainable Airports roadmap. Our revised sustainability ambition elaborates more on our actions to reduce the value chain emissions, the so-called Scope 3 emissions. Greenpeace and extinction Rebellion voiced their concerns through a protest in November of 2022. Like the Dutch environmental NGOs, we are concerned about climate change and its impact on health and society. Our sustainability goals have not been changed or postponed, although the impact of COVID-19 and the operational focus have shifted attention temporarily. Internally, in 2022 we worked on embedding sustainability in departments, by aligning the priorities of departments with the actions needed for sustainability.

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

Most Sustainable Airports

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

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

- All new 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.

TULIPS

Schiphol Group has been selected by the EU to contribute to the Green Airports call, as a result of which we are contributing to a wide range of sustainable innovation activities in the aviation field.

For example, the European Commission has awarded 25 million euros in funding to a consortium involving 29 parties called

TULIPS. The consortium was launched in 2022 and is led by Schiphol Group. 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 partnership between airports, airlines, knowledge institutes and industrial partners in this unique European consortium aims to speed up the rollout of sustainable technologies in aviation and significantly contribute towards zero-emissions and zero-waste

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.

	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 16	Peace, justice and strong institutions

airports by 2030 and net-zero-carbon aviation by 2050. Amsterdam Airport Schiphol will be the proving ground for 17 demonstrator projects that result from the partnership. The

TULIPS project will last until December 2025. More information is available at the [TULIPS website](#).

Aviation in Transition

The application by the aviation sector for a grant from the Nationaal Groeifonds ('National Growth Fund') for the Aviation in Transition programme was approved in 2022. One of the awarded elements is Flying Vision, a partnership between Schiphol Group, KLM Royal Dutch Airlines, Airbus, Koninklijke NLR and TU Delft to facilitate technological developments for climate-neutral flight by 2050. Flying Vision aims to come up with the urgently needed, radical changes to achieve this international ambition. This initiative promotes an open, innovative ecosystem in which technological breakthroughs and new knowledge are shared. In 2022, the partners defined the contours of the partnership. Going forward, Flying Vision will explore the development of new, energy-efficient aircraft and zero-carbon emissions logistics operations.



Zero-emissions airports

Schiphol Group's four Dutch airports are on track to become zero-emissions airports by 2030. This means, for example, that we aim to phase out natural gas in all our offices and buildings by 2030. We have been implementing our roadmap since 2020 to achieve this goal. To give our internal target a boost, we have committed to the goals of the Dutch Green Building Council and aim to align our commercial buildings with the Paris climate commitments by 2030.

In 2022, the world was confronted with the war in Ukraine, which sparked an energy crisis. In response, we lowered the temperature in the terminal in March, April and May by one degree. During these initial three months, we saved approximately 50,000 euros on our energy bill, which has been donated to Giro 555, the Foundation of Cooperating Aid Organisations. Following the success of the three-month trial, we decided to maintain the one-degree temperature reduction throughout the year. In line with

the advice of the Dutch government, we sent letters to our tenants explaining that they could be asked to lower their gas consumption by 20% if there turned out to be a shortage next winter. We adhered to the same policy in our own buildings.

Schiphol Group endorses the national, European and international climate agreements. We are committed to reaching the targets set out in the Paris climate agreement, which are translated into the 2019 Klimaatakkoord ('Dutch Climate Agreement') and the set of measures presented by the European Commission under the name Fit for 55. Our Scope 1 and 2 goals are even more ambitious.

2030 target feasible

In 2019, Schiphol Group introduced Top Performance Indicators (TPIs), including a sustainability TPI with the aim of monitoring our progress towards our 2030 zero-emissions goal. The sustainability TPI target was met in 2022, mainly due to lower gas consumption. To show our commitment, going forward we will specify the energy needs of our commercial real estate at Schiphol and our Scope 3 (value chain) emissions in our annual report. We will also continue with our renovation plans for our buildings and intensify our collaboration with our handlers to phase out fossil fuels at airside.

In 2022, the ATES installation in the WTC 1 office building was our biggest contributor to lowering gas consumption. Once this installation reaches its optimal functioning capacity, gas use will be phased out in this building. Because the ATES is functioning as planned, the backup gas installation for Terminal 3 will be removed in 2023. In addition, the optimisation of the new ATES also means we needed less energy for the heat pumps.

Commercial buildings

Ten commercial buildings at Schiphol have a BREEAM certificate, which amounts to 20% of our commercial building portfolio. BREEAM is a rating system for sustainable buildings. We are proud that The Base A, The Base D and the morgue received a BREEAM certificate in 2022.

Energy use commercial buildings

(x 1,000)	Size (m ²)	Electricity (kWh)	Natural gas (m ³)
Schiphol HQ (SHG) ¹	34	39	144
Commercial Real Estate ²	594	34,462	2,905

¹ Incl. datacenter

² Excl. Rotterdam Airport Real Estate (RAV)

Renewable energy

Renewable energy supports our carbon-reduction programmes. The electricity purchased by Schiphol Group comes mainly from wind – and to a lesser extent from solar – farms in the Netherlands, though the amount of solar is increasing. Green gas accounts for 14,46 % of total Group gas purchases and 100% of the gas used by Eindhoven Airport.

In 2022, solar panels at Schiphol Airport produced a total of 2.6 million kWh. Due to the many hours of sun in 2022, the yield of the existing PV panels was considerably higher than 15%. At Rotterdam The Hague Airport, we opened a new solar farm with more than 37,000 solar panels (7.7 hectares). The solar panels generate as much energy as 5,100 households.

Solar energy per airport

	Solar energy (mWh) generated on site in 2022
Schiphol Airport	2,595
Eindhoven Airport	205
Lelystad Airport	18
Rotterdam The Hague Airport	674
Unisun solar park at RTHA	205

CO₂e emissions at Amsterdam Airport Schiphol¹

(in tonnes)

in tonnes	2022		2021	
	Location-based	Market-based	Location-based	Market-based
Scope 1 - Within TPI ²	17,728 ³	16,331 ⁴	20,796 ³	18,256 ⁴
Refrigerants and de-icing	N/A	N/A	476	476
Scope 2 ⁵	87,125 ⁶	0	76,350 ⁶	0
Total Scope 1 and 2 CO₂e emissions	104,853	16,331	97,622	18,732
Scope 3 - Airside fuel used by third parties, own staff commuter traffic & business trips by air/own car	34,680	34,680	19,451	19,451
Total CO₂e included in Sustainability TPI for Amsterdam Airport Schiphol	139,533	51,010	116,596	37,707
Scope 3 - Kerosene for outbound flights and other items ⁷	N/A	N/A	8,906,955	8,902,603
Total Scope 3⁸	N/A	N/A	8,926,406	8,922,054
Total CO₂e footprint			9,024,027	8,940,786

- 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 Consists of the categories: gas under the Schiphol Nederland BV licence, fuels used by own vehicle fleet, fire brigade, emergency power and own staff business trips by lease cars. From 2022 onwards, CO₂ emissions from gas do not include a correction for standard weather conditions ('graaddagencorrectie').
- 3 Grey gas emission factors have been applied for location based purposes.
- 4 Since 2019, Amsterdam Airport Schiphol has been purchasing green gas for part of its consumption.
- 5 Consists of electricity consumption by Amsterdam Airport Schiphol.
- 6 Grey electricity factors have been applied for location based purposes.
- 7 Other Scope 3 items are not part of the Sustainability TPI definition and include, among others: electricity and gas consumption by third parties, all road traffic to and from the airport and fuels related to aircraft handling and landing and take-off cycle. 2022 data will be reported with a one year delay.
- 8 Total scope 3 data is reported with a one year delay.

CO₂e management

In June 2022, Schiphol and Eindhoven Airport reached the highest level (4+) of Airport Carbon Accreditation (ACA). As a result, three of our airports (Schiphol, Eindhoven and Rotterdam The Hague) have attained the highest 'in transition' level.



Key elements of level 4+ are an absolute reduction of carbon emissions and evidence that the airport operator has relevant

partnerships with stakeholders to reduce Scope 3 carbon emissions. There are also new elements in the ACA footprint: kerosene for outbound (full) flights, de-icing fluids for runways and refrigerants in Scope 1, and de-icing fluids for aircraft and construction activities in Scope 3.

Specially selected solar and wind energy projects in India help offset our remaining carbon emissions (from natural gas and other fuels). Schiphol and Eindhoven Airport have been net-zero carbon since 2012, and Rotterdam The Hague Airport and Lelystad Airport since 2018.

Energy efficiency

In 2022, Schiphol Airport's energy-efficiency rating was 7.3% based on our projected energy usage for the year, exceeding our 7% target. This improvement is a 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 (HVAC) systems, wayfinding systems, and renovation of runway systems. Despite these measures, our energy consumption rose compared with 2021, though it is still below 2019. This was due to the rising passenger numbers post-COVID-19 and the further electrification of mobility and electricity for aircraft via fixed power units and mobile electric ground power units.

The ISO 50001 certification (for energy management) for all four of our Dutch airports was reviewed and renewed in 2022. In 2023, the legislation for energy savings will become stricter. This means we will have to report all the measures we have taken since 2021, but also which extra measures we have to take in 2023 and 2024 to meet the new legislation standards. In 2022, we started with preparations and research. The first report has to be presented before December 2023.

Emissions in our value chain

The majority of Schiphol Group's CO₂e emissions are caused by third-party (Scope 3) activities, including aircraft landings and take-offs as well as aircraft-handling operations and road traffic around the airport site. CO₂e emissions resulting from kerosene used by aircraft landing at or taking off from Schiphol are included within the Scope 3 emissions figures in the CO₂e table on this page. For full value chain emissions please refer to [Schiphol Group full value chain emissions](#).

Testing new electric ground-handling equipment

Following trials with smaller aircraft, an electric Ground Power Unit (e-GPU) has been developed and tested for larger, wide-body aircraft, to replace the use of diesel GPUs on the cargo platforms. A GPU is a mobile power generator that provides electricity to stationary aircraft, allowing them to continue running essential on-board systems such as lighting. Traditional GPUs use diesel, and Schiphol has been gradually replacing these by equipping more and more gates at the piers with fixed ground power. A mobile GPU is required to provide electricity to aircraft that cannot wait at a gate with fixed ground power. Seven e-GPUs are currently servicing narrow-body aircraft at Pier D, and Schiphol is in the process of expanding this capacity.



Air quality

Schiphol Group commits to reducing levels of potentially harmful emissions at and around our airports and to improving air quality at our airport sites and in neighbouring communities. 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. For the 2022 operating year, Schiphol met all government air quality requirements (based on EU directive 2008/50/EG) for this category.

We use performance indicators to help maintain a high level of air quality based on input measurements. These include the installation of fixed power units (FPUs) at aircraft stands and the electrification of Schiphol's vehicle fleet. Performance indicators on output are not currently measured, as it is difficult to define clear causal links between third-party emissions – i.e. resulting from motorways or industrial activities, or (urban) background concentrations – and those created by our own activities.

Clean mobility

Schiphol Group supports the use of clean mobility solutions, whether through our own vehicle fleet or those of companies operating on site. We have two objectives: 1) replacing fossil-fuel-powered vehicles with zero-emission alternatives and 2) and reducing overall fuel consumption.

Taxis

Schiphol's official taxi concession holders, Bios Group (ZCN), Schiphol Taxi (BBF) and Schiphol Service (Willemsen de Koning), have been using sustainable vehicles since 2014. Together, they operate a fleet of 145 electric taxi cabs from the official taxi stand. By the end of Q1 2023, their 40 biogas-powered taxi vans will be replaced by electric taxi vans.

Independent taxi operators are required to register with the taxi control foundation (STC) and have to meet specific sustainability requirements. This additional taxi fleet includes a further 551 zero-emissions vehicles, among which 75 electric vans and 1 hydrogen-powered taxi. In total, 696 electric taxis are currently operating from the official taxi stand. This number has risen significantly since 2021 and is approaching the 2019 fleet number, which reflects the recovery in demand for taxi services in 2022. As a consequence, more than 85% of the 763,069 taxi rides from the taxi stand in 2022 were carried out by zero-emissions vehicles. Schiphol plans to have all taxi rides from its stand be zero-emission by the end of 2023.

Pre-ordered app taxi services (538,326 rides) are still largely delivered by traditional fossil fuel-powered vehicles. Schiphol is working with these services to change that situation by 2025.

Ground support equipment

Special vehicles, known as ground support equipment (GSE), operate on and around the airport aprons to handle aircraft. Schiphol encourages ground handlers to replace traditional GSE (which use fossil fuels) with electrically powered equipment. To support this development, we are running a programme to expand the number of charging facilities, in addition to the 712 currently available on airside, to reach the 2030 target of zero-emission ground operations.

To expand the use of electric GSE, in 2022 Schiphol started to carry out pilot projects with mobile electric ground power units (e-GPUs). In 2021, a successful pilot with narrow-body variants revealed that these e-GPUs are a suitable replacement for traditional diesel gas-to-liquid (GTL)-powered GPUs to handle narrow-body aircraft. As a result of these pilots, we are working with KLM Equipment Services (KES) to roll out the e-GPUs at Schiphol. The first step is to introduce the e-GPUs at Pier A and Pier C to improve the air quality and reduce the noise and emissions. In the meantime, Schiphol is looking into options for expanding the roll-out of e-GPUs into other areas of the airport.

In 2022, Schiphol extended the pilot with a wide-body variant of the e-GPU. This pilot prevented the emission of approximately 26,000 kg of CO₂ and 190 kg of nitrogen. Indeed, the pilot showed that these e-GPUs have the potential to replace the diesel GPUs at the cargo platforms. Despite the success of the pilot, the wide-body e-GPUs need to be further developed by the supplier to meet Schiphol's requirements and are not currently in operation at Schiphol.

Solar-panel-powered robot lawnmowers

In early 2022, Schiphol started a pilot with an autonomous robot lawnmower as a replacement of conventional mowing. The autonomous robot mower provides a sustainable method of mowing airside lawns as they are fully automated and solar-panel-powered. By introducing the autonomous mower, we aim to save 30,000 litres of GTL diesel each year. So far, we successfully tested the control, security, barrier systems and the operation of the robot on uneven terrain. The next step is to determine the

Substantial increase in charging points

By 2030, Schiphol Group plans to install up to 10,000 new charging points for electric vehicles, to be distributed across the Group's airports. The additional charging points will support our efforts to make our airports emissions-free by 2030. As part of this goal, all vehicles will be electrified by 2030; from ground-handling to hotel shuttles and everything in between. A smart digital platform called a ChargePoint Operator (CPO) will be installed to manage and monitor all charging points from a central location.



impact of robotic lawnmowers on the bird population by setting up a test alongside the Polderbaan runway for next season.

Equipment pooling

At Amsterdam Airport Schiphol, there are six generic ground handlers that provide aircraft-handling services for all commercial airlines. Each handler uses its own ground support equipment (GSE). Currently, when ground handlers move from one aircraft stand to another to handle the next aircraft, they bring along their own GSE, even when an aircraft is located at a different pier.

Driving around with GSE means unnecessary movements on airside access roads and around aircraft stands, resulting in increased congestion and safety risks. To mitigate these risks, we

launched a pilot in late 2022 to test the operational feasibility of sharing GSE among all six handlers: equipment pooling. The pilot takes place at six aircraft stands at Pier D (D16-D28). The GSE used in the pilot involves passenger stairs, conveyor belts and Powerstows, which are all electric powered.

In the second quarter of 2023, after the pilot has been running for several months, we will, together with the handlers, evaluate what the next steps should be for implementing a more permanent equipment pooling strategy at Schiphol. Equipment pooling will also help to reduce emissions.

Cleaner fuels

In January 2023, KLM Equipment Services will switch all airside equipment from GTL to HVO100 fuel to improve air quality on airside. HVO100 is produced from biomass. This process reduces carbon emissions by more than 89% compared with the GTL production process.

Supporting electric vehicles

Schiphol is taking control of electric vehicle charging by becoming a ChargePoint Operator (see box top-left). To support the operations of e-GPUs at remote areas at airside where insufficient charging infrastructure exists, Schiphol aims to introduce a long-duration energy storage system. A pilot is scheduled for 2023 to test an iron flow battery (IFB), which makes it possible to charge e-GPUs at these areas. The first step is to introduce the IFB at the A-Platform and B-Platform, followed by tests at the U-Platform including the use of the solar panel system nearby.

Ultra-fine particles

Relatively little is known about the concentrations and possible health impacts of ultra-fine particles (UFPs). In 2021, the Health Council of the Netherlands offered its advice on UFPs to the Dutch Ministry of Infrastructure and Water Management. In this advice, the Council concluded that there are indications of negative effects on health from long-term exposure to UFPs. In addition, it recommends limiting UFP emissions and, where possible, increasing the distance between exposed individuals and the source of the emissions. The Council also advises the Dutch



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government to map exposure to UFPs by structurally measuring them in the National Air Quality Monitoring Network.

Since then, reports on UFP have been published by knowledge institutes commissioned by the Dutch government and by Schiphol. As a first step, in October 2021, Schiphol published its own report based on measurements undertaken in partnership with TNO into UFP concentrations at the airport site. The results of the study gave cause to set up a taskforce together with sector parties in early 2022 to conduct exposure and health studies among platform workers and to investigate short- and long-term measures to limit employees' exposure to UFPs and to minimise emissions. Initial exploratory measurements of employee exposure to UFPs were conducted jointly by KLM and Schiphol in the summer of 2022, to prepare for an employee exposure study in 2023.

In June 2022, the Dutch National Institute for Public Health and the Environment (RIVM) published its study on the possible long-term health risks of aviation-related UFPs to local residents. The study showed that exposure to UFPs emitted by aircrafts around Schiphol may have an adverse effect on the cardiovascular system and the development of the foetus. No evidence has been found that long-term exposure to ultra-fine particles causes respiratory

diseases. Existing conditions may be temporarily aggravated as a result of short-term exposure. There is as yet insufficient evidence of negative effects on the nervous system and metabolism (diabetes). No evidence has been found of the effects on overall mortality. [Read more about the RIVM study \(in Dutch\).](#)

Schiphol is currently investigating possibilities of accelerating measures in the Most Sustainable Airports roadmap to further reduce UFPs emitted at Schiphol, including by intensifying the electrification of airside equipment. Schiphol also plans to tighten policy (for example, limiting the use of APU), optimise operational processes (for example, with sustainable taxiing, which limits the use of the aircraft engines) and continue our focus on sustainable aviation fuels (SAF).

UFP Action Plan

In anticipation of the RIVM's results, Schiphol launched the UFP Action Plan in 2019 to learn more about UFPs and take measures to reduce emissions at and around the airport. These measures are secured in the Most Sustainable Airports roadmap and will also help reduce CO₂ and nitrogen oxides (NOx) and will, therefore, contribute to our broader sustainability targets. UFP concentration measurements taken in the summer of 2021 show that the number of UFPs averages between 100,000 to 120,000 per cubic centimetre around terminals and piers. Given that the health impact of these figures is not yet known, Schiphol will continue to monitor employee health and explore ways of reducing their exposure to UFPs. As a precaution, Schiphol and other airside employers offer FFP2 masks to employees who work on the platform in order to reduce their exposure to UFPs.

UFP mitigation experiments

Schiphol is investigating innovative ways to mitigate UFPs. In 2022, we carried out our first experiments to discover whether water droplets can reduce the spread of UFPs at airside. Water droplets are known to bind to UFPs, making them heavier, so the particles fall to the ground. As a result, the particles can no longer disperse and be breathed in. The use of water droplets is already a proven method in the construction industry, where mist is sprayed at construction sites to combat dust and particulate

matter. Schiphol is investigating whether this technology can be applied to UFPs in aviation by spraying mist near UFP hotspots or sources, for instance in places where aircraft start their engines. Schiphol will carry out the next round of experiments in 2023 through the TULIPS consortium.

Nitrogen emissions (NOx)

Schiphol commits to reducing our [nitrogen emissions](#), an ambition supported by the Actieprogramma stikstof ('Nitrogen action plan') launched in early 2020 and secured in the Most Sustainable Airports roadmap. In February 2021, the Ministry of Agriculture, Nature and Food Quality published a draft Natuurvergunning ('Nature conservation permit') under the Wet Natuurbescherming ('Nature conservation act'). We were expecting a decision on the final permit in 2022, but this has been delayed until at least the first half of 2023.

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. Internal and external measures must be implemented and effective at the moment the permit takes effect.

Sustainable aviation

Sustainability is central to aviation sector discussion on how to move forward in the currently challenging operational conditions. More positive steps were taken in 2022: governments proposed new incentives and worked on new initiatives within the Fit for 55 framework, including the introduction of an SAF mandate from 2025 onwards. The uptake of SAF by carriers is a promising development, stimulated by Schiphol Group's

incentive to partially subsidise SAF used at Schiphol Amsterdam Airport. These new developments support the long-term course set out by Schiphol, together with the wider aviation sector in the Netherlands. Our shared ambition is to reduce carbon emissions generated by the Dutch aviation industry to 2005 levels by 2030. We are committed to reaching the targets of the Paris and Dutch climate agreements and will continue to encourage measures such as the use of synthetic or bio-kerosene, introducing electric flights and encouraging train travel for shorter distances.

Supporting Single European Sky

Schiphol Group supports the Single European Sky (SES) objective to shorten flight paths and optimise flight capacity through the creation of a single, borderless European airspace. Meanwhile, the associated Single European Sky ATM Research (SESAR) programme aims to modernise Europe's air traffic management system and drive efficiency across ground processes, aircraft handling and airport use.

Total Airport Management

Designed by the SESAR programme, the Total Airport Management concept aims to provide smart solutions for future aviation challenges, starting by strengthening cooperation between industry stakeholders. After implementing Airport Collaborative Decision Making (A-CDM) at Schiphol Airport, we have taken the next step in developing Total Airport Management by introducing the initial Airport Operations Plan (AOP), a real-time airport planning system to provide operational managers at Schiphol with up-to-the-minute information to plan and manage operations. In the coming years, the AOP will be further extended. Managed by Schiphol's new Airport Operations Centre (APOC), the AOP will help airport staff, air traffic control, airlines and ground-handling teams to work more closely within a common operational picture and collaboratively make operational decisions. Relevant information in the AOP will also be shared with the Network Operations Plan of Eurocontrol's Network Manager to improve network efficiency in airspace.

Supporting the EU Green Deal

In the autumn of 2022, the International Civil Aviation Organization (ICAO) adopted a long-term aspirational goal of net-zero carbon emissions by 2050 for international aviation at the organisation's 41st assembly held in Montreal. Schiphol Group welcomes this agreement and supports the same 2050 ambition for net-zero carbon aviation.

Flying with sustainable aviation fuel (SAF) is the most effective measure to successfully decarbonise air travel and achieve the climate goals for 2050 and beyond. Schiphol Group supports the EU Commission's Fit for 55 climate package, which proposes among other a minimal blending of 5% SAF from 2030 onwards with increases in the years that follow, including a target for the use of synthetic fuel. Indeed, we would like the percentage of SAF to increase as quickly as possible. Together with the Dutch aviation sector and the government, we support the Dutch aviation industry-wide target of 14% SAF by 2030. The negotiations between the EU Member States and the European Institution on most of the proposals of the Fit for 55 climate package are expected to be finalized in 2023.

Sustainable aviation fuel

Flying with sustainable aviation fuel is the most effective way to decarbonise air travel. It also helps to improve air quality around our airports. In addition to supporting the Fit for 55 package, Schiphol Group supports the 14% SAF industry-wide target that has been set for Dutch aviation by 2030, and we are involved in several projects aimed at accelerating uptake among carriers.

Promoting production capacity and the use of SAF

In 2022, Schiphol Group welcomed the continuous supply by Neste and KLM into the storage and hydrant facility of Aircraft Fuel Supply. Delivery has been to multiple airlines such as KLM, Delta, Ryanair, Transavia and United. In total, over 20,000 tonnes was delivered in 2022.

Schiphol Group also took part – with Port of Amsterdam, SkyNRG and KLM – in setting up Synkero BV, a start-up focused on developing a commercial facility for SAF in Amsterdam. The aim

Sustainable aviation policy and partnerships

At Schiphol Group, we see a supportive policy landscape as the cornerstone of a sustainable aviation industry. We actively support a wide range of industry initiatives and partnerships aimed at advancing sustainability, including those presented below.

Destination 2050

The European Roadmap Destination 2050 was formulated by European aviation sector organisations such as ACI Europe, A4E and ASD. The plan paves the way towards a net-zero emissions European aviation sector. The measures to lower carbon emissions include renewing fleets, using sustainable aviation fuels and increasing airspace efficiency

Schiphol Group has been a key player in the development of Destination 2050. One of the main elements in our own Roadmap Most Sustainable Airports is sustainable aviation. By 2030, Schiphol Group wants to have brought aviation's carbon emissions back down to 2005 levels. In 2050, the aviation sector will be carbon neutral. These goals can only be achieved by working together. That is why these European agreements are so important.

World Economic Forum (WEF)

The World Economic Forum's (WEF) Mission Possible Partnership is collaborating to transform some of the world's most carbon-intensive sectors. Schiphol Group is one of the leaders of WEF Clean Skies for Tomorrow. This group works together to ensure SAFs comprise at least 10% of the aviation fuel mix by 2030.

Fit for 55

Unveiled by the European Commission, in July 2021 the Fit for 55 package is a comprehensive set of interconnected proposals to achieve the Green Deal goal of reducing EU-wide CO₂ emissions by 55% by 2030 (versus 1990 levels). Overall, Royal Schiphol Group is positive about the proposals, in particular about the proposed blending obligation for sustainable aviation fuels and strengthening of the EU emissions trading system (EU ETS).

is to start producing 50,000 tonnes of SAF a year by 2027. If sustainable and scalable feedstocks are used, then Schiphol will also encourage fuel supplies from players such as Neste, Shell and Argent Energy.

In 2021 and 2022, all work-related trips taken by Schiphol Group employees on KLM flights were CO₂-zero, thanks to our contributions to KLM's SAF programme. The amount of SAF purchased by Schiphol via the programme was sufficient to fully mitigate all the CO₂ emissions resulting from these trips.

Rotterdam The Hague Airport supported the development of SAF markets in 2022 by joining the Fly on SAF programme initiated by SkyNRG and CHOOOSE. This tool enables travellers to fly more sustainably by replacing fossil fuels with SAF via the 'book and claim' principle. Schiphol Group plans to further encourage the use of SAF for passenger flights. In 2023, we will set up an experience centre at Schiphol to increase awareness among passengers, together with airlines and the aviation fuel industry. Passengers visiting the centre will be able to learn about sustainable aviation and sustainable fuel, and the best way to purchase SAF for their trip.



Flying with sustainable aviation fuel (SAF) is the most effective measure to decarbonise air travel, and it also helps to improve air quality around our airports.

New SAF incentives in the coming years

The launch of the Schiphol SAF incentive in 2022 was successful. It subsidised the first SAFs (5,000 tonnes of SAF, almost 25% of all delivered SAF at Schiphol in 2022) and received interest from more than 10 airlines. In the coming years, Schiphol plans to invest another 12.5 million euros to subsidise the use of 25,000 tonnes of SAF by airlines operating at Amsterdam Airport Schiphol.

The joint efforts of Schiphol and its partners in the EU project TULIPS will also contribute to the voluntary uptake of SAF at EU airports. Some of the initiatives that will be rolled out in the next three years include new production channels for e-fuels and incentives at an airport level.

Supporting long-term solutions

In addition to promoting the use of SAF, other sources of sustainable energy will need to be supported in our roadmap towards 2050, including renewable electricity and green hydrogen. As manufacturers such as Airbus and ZeroAvia announce the development of new aircraft that will fly on hydrogen in the coming decade, Schiphol Group is engaging in various initiatives to develop the long-term infrastructure for liquid hydrogen, which will deliver sufficient energy for aircraft that can carry up to 100 passengers within Europe or even further.

The extreme cooling of hydrogen to minus 250 degrees Celcius requires new methods of transporting and storing it at airports.

Schiphol Group will test the use of hydrogen in the TULIPS project by storing it temporarily and fuelling a drone at Rotterdam The Hague Airport. In 2022, we started initial research with stakeholders and knowledge institutes into the spatial planning for new facilities such as a liquefaction unit and different options for the transport of liquid hydrogen at airports. We will continue this work in 2023.

To achieve these aims, we need sufficient renewable energy and new supply chains. Schiphol Group has come up with a proposal with the Port of Amsterdam, Tata Steel and various supply chain partners to scale up the regional availability of green hydrogen in the coming decade. It consists of ramping up local production, connecting to the national backbone 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 energy demand at airports. In addition, Schiphol and ZeroAvia have planned a hydrogen flight from London to Rotterdam in 2024.

A flight to the future

Fifteen dignitaries from the six Dutch islands in the Caribbean and the Netherlands have agreed on a memorandum of understanding (MOU) to increase inter-island connectivity, boost sustainable tourism and lower the cost of travel between the islands. During this ‘flight to the future event’ of the Dutch Caribbean Cooperation of Airports (DCCA), the first zero-emission electric flight at Aruba took place. Flights in the Dutch Caribbean are relatively short haul and low capacity, so they are suitable for battery-electric aviation. Moreover, not only does this mode of transport make tourism more sustainable, but local communities who depend on air travel to visit friends and family will also benefit from this improvement in inter-island connectivity.

The MOU was signed between the six Dutch Caribbean islands, the Netherlands (Ministry of Infrastructure and Water Management), the six airports of the Caribbean Netherlands and the Dutch Association of Airports (NVL). In the agreement, the parties agree to jointly investigate the establishment of affordable, efficient and sustainable air connections between Curaçao, Aruba, St. Maarten, Bonaire, St. Eustatius and Saba, preferably with zero-emission flights. The Netherlands and Royal Schiphol Group expressed their commitment to the memorandum and agreed on forming a steering committee and action group to work on a Joint Business Plan on how to drive this ambition forward.

Developments in sustainable taxiing

Schiphol is working with Corendon, dnata, KLM, LVNL, Swissport, Transavia, TUI and Viggo to explore the operational roll-out of sustainable taxiing, as detailed in the roadmap presented to the government in 2021. Sustainable taxiing is when aircraft move on the ground without using their engines. It is an opportunity to drastically lower fuel consumption, greenhouse gas emissions, local UFP levels and noise disturbance of ground operations.

In 2022, Schiphol acquired two TaxiBots, the benefits of which were showcased at the airport during a trial period. The resulting learnings will support us in updating our plans to scale up sustainable aviation as quickly as possible. Schiphol and KLM have joined the HERON consortium, subsidised by the European Union, which is working towards achieving fully sustainable taxiing operations by 2030. Schiphol is also working with EUROCONTROL to draw up recommendations to implement sustainable taxiing across Europe.

Human and wildlife trafficking policy

Schiphol Group works with various sector partners as well as Airports Council International (ACI) to fight human and 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 2022, we continued sharing our case study on the prevention of wildlife trafficking with our stakeholders and task force members. We implemented e-learning on the prevention of human and wildlife trafficking, available for all the Schiphol Group employees. We also initiated a pilot with a special wildlife detection scanner to be implemented by Security and Customs.

During the year, the Dutch Government again ran a campaign to raise awareness and provide tools to recognise and stop forced marriage, abandonment and female circumcision. The aim is to educate parents and family members that these activities are criminal offences in the Netherlands. The young girls travel with their parents, unaware of what awaits them during their holiday. Just as in 2021, we ensured that the campaign was visible at designated gates at Schiphol Airport.

The Royal Netherlands Marechaussee notices signals of human trafficking at the airport, but it is often uncertain whether there is a case to prosecute and needs to undertake further investigation to ascertain that actions are illegal. In 2022, two passengers travelling from Greece to the Netherlands were arrested on the basis of human trafficking and identity fraud.



A new hand soap made from orange peels was tested with travellers, in collaboration with cleaning partner Hago.

Circular economy

Schiphol Group aims to be a zero-waste organisation by 2030 and circular by 2050. An important milestone in this ambition is to operate zero-waste airports by 2030, meaning all raw materials, components and products will be reused or recycled to the maximum extent possible according to the waste hierarchy. This will be achieved at our own locations or as close to our airports as possible. The strategy is to consume fewer resources and maximise the life and value of the materials already in use, while caring for the environment. To achieve this, we are focusing on several circular design principles, such as reuse, upcycling and closed loops. In 2022, for operational materials, we started building the foundations for a data-driven approach that would support our circularity goals. In addition, recycling and upcycling have been priorities on our agenda. For construction, the main projects have involved finding better materials and processes with a lower environmental footprint. While we improve the overall system to reach our goals, we also want to keep testing different solutions that support our circularity goals. Below, we highlight some exemplary projects towards achieving our zero-waste target.

Material flow management tender

In 2022, Schiphol Group completed a European tender for operational residuals to help accomplish our zero-waste goals. As a result of the material flow management tender, we will start partnering in 2023 with Renewi/Seenons for Amsterdam Airport Schiphol and Rotterdam The Hague Airport, and Remondis for Eindhoven airport. These partners will be in charge of the flow, logistics and services related to operational residual streams. In addition, they will collect relevant data along the material flow and provide insights that will help us continuously improve the circularity performance of these streams. In this new way of working, we will collaborate closely with value-chain stakeholders. Based on knowledge, data, market developments and synergies with partners, we will look for sustainable solutions that minimise the consumption of materials and maximise the value of residual streams.

TULIPS – Circular Airports

In TULIPS, Work Package 6 – Circular Airports focuses on reducing the amount of residuals produced by passengers and increasing the circularity of the buildings by reusing materials. In this work package, Schiphol collaborates with knowledge partners, Excess Material Exchange, TU Delft and Egis, and with two airports, Avinor in Norway and Hermes in Cyprus. The scope includes both operational and construction materials and is aligned with our zero-waste goals.

In 2022, we defined a work plan for the four-year project. In addition, we carried out specific tasks and achieved several milestones: we gathered input from critical stakeholders, such as business partners and cleaning companies, mapped out our residual streams to obtain more insight into specific operational residuals. Furthermore, we identified obstacles for reusing material released in construction. In 2023, we will carry out concrete actions to decrease the waste produced in the terminal and will pilot digital solutions to create an inventory of surplus material coming from construction.

Orange-peel hand soap

In collaboration with cleaning partner Hago, in 2022 we developed a new hand soap made from orange peels and tested it on travellers. The test dovetails well with our aim to be waste-free by 2030 and circular by 2050. The product has been tested in two sets of toilets on Pier D and at the Airport Park in Lounge 1. Initial reactions from travellers were positive.

Reducing asphalt residuals

More than 80% of asphalt and concrete consists of residuals. To encourage innovation in this area, we are working closely with several of our main contractors, including PlasticRoad, PreZero and VolkerWessels Infra Schiphol. In 2022, we laid a plastic road surface on the airport platform next to the VolkerWessels Infra Schiphol business area and near the Kaagbaan tunnel made from recycled plastic from the airport. The two locations are part of a pilot to see if this system will be a good alternative to standard asphalt and concrete roads in the future and improve water drainage and buffering. The pilot will last one year. During this

period, we will assess how well the plastic road surface copes with intensive use at the airport. Just like we do with our standard roads, we will measure wear and tear, how much maintenance is needed and the general quality of the road surface.

In 2022, another innovation was developed by BAM, a technique by which separate asphalt milling and separate processing lead to a higher percentage of reusable material. In addition, by combining two sustainable asphalt mixtures, BAM and Heijmans have developed an asphalt that can be produced at a lower temperature, which emits considerably fewer carbon emissions. In 2022, Heijmans made the commitment to reuse at least 60% of the asphalt that is removed during maintenance and infrastructure work. This year, the percentage of reused asphalt was 79% (39,000 tonnes of asphalt from maintenance and infrastructure projects were used in new projects on airside).

Plastic road

A stretch of road and some parking bays near the Kaagbaan tunnel have been constructed from recycled plastic. The plastic waste was entirely sourced from the airport. With this pilot project, Schiphol is investigating whether plastic roads are a good alternative to standard asphalt and concrete roads and if they improve water drainage and buffering.



Water management and quality

Water management at an airport covers drinking water and wastewater, used by the airport operator and third parties and the management of surface water.

Drinking water and wastewater

At Schiphol, we handle the distribution of drinking water and the removal of wastewater (chiefly sanitary wastewater) from the buildings to an Evides wastewater treatment plant on the airport site. Overall, 1,136,411 m³ of drinking water was consumed in 2022 (755,636 m³ in 2021). Water consumption per passenger fell from 18.5 litres in 2021 to 14.7 litres in 2022. Relative consumption changed due to COVID-19. Pre-COVID water consumption per passenger was approximately 13.5 litres. Schiphol aims to save drinking water by further reducing water consumption per passenger through water-efficient taps and toilets.

Quality of surface water

Measures for keeping aircraft free of ice, and for keeping snow and ice off taxiways, runways and aprons, affect the quality of the surface water. The de-icing agents used are biodegradable, and thus extract oxygen from the water. This can result in fish mortality.

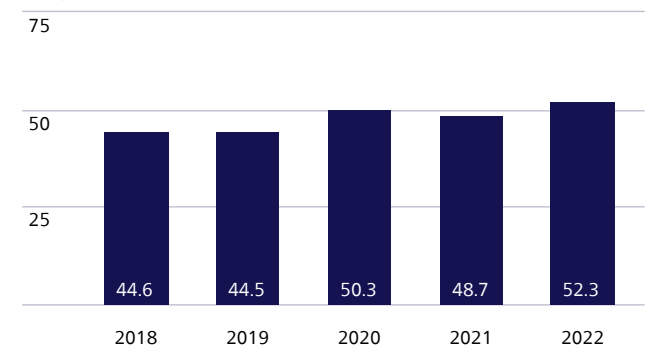
Schiphol is committed to improving the quality of surface water on a permanent basis, particularly by minimising the harmful effects of de-icing and ice control measures. This includes both more economical spraying and the use of sustainable alternatives such as potassium formate. Source-reducing measures focus on the more economical use of both aircraft de-icing and snow and ice control measures. Handling agents use glycol for the de-icing of aircraft; we use potassium formate for ice-control measures on asphalt.

In the winter of 2021/2022, 286,155 litres of glycol was used (2020/2021 479,435 litres; normal winter) and 274,518 litres of potassium formate (2020/2021 1,178,111 litres). One million litres are used in an average winter.

Infrastructural measures include the intensive cleaning of the platform paving with mobile cleaning and suction machines and the use of sand to combat snow and ice. The advantage of using mobile cleaning vehicles is that they offer greater flexibility and can therefore be used for additional activities such as removing rubber. We are in close contact with the Rijnland Water Authority to monitor the quality of surface water during the winter season.

Percentage of separated operational residual flows¹

(per year at Amsterdam Airport Schiphol)



¹ Excluding CAT1 aircraft waste.

Community and Noise

While 2022 was a challenging year, Schiphol continued to focus on being a good neighbour. We implemented various measures from our noise reduction programme and launched our new teaching package. Our decision to go ahead with the extension of the North-South metro line from Amsterdam to Hoofddorp via Schiphol was a resounding success. However, our reputation among local residents (not to mention the general public) was impacted by the operational challenges we faced. And while the quick recovery of air traffic was good news for some people, for others it was an unwelcome change from the past two years.

Refurbishment of transformer vaults

Instead of replacing used transformer vaults with new ones, in 2022, Schiphol opted to refurbish the existing vaults during major maintenance work on the Alfa and Bravo taxiways. Some 3,000 transformer vaults are installed on the airfield, forming part of the airfield lighting system and located next to the runways and taxiways. The vaults are normally replaced during major maintenance, with used vaults typically demolished and reused for foundations. Seeking a more sustainable solution, Schiphol launched a pilot project to investigate whether the vaults could be refurbished during major maintenance of the Alfa and Bravo taxiways. The pilot was successful, proving that refurbishment saves on both transport and materials emissions. Some 150 vaults have since been refurbished, and we estimate that 80% of all transformer vaults at Schiphol are suitable for refurbishing.



Engaging with our neighbours

The lifting of most COVID-19 restrictions made more direct engagement possible again. We took the opportunity to organise visits from students as well as representatives from schools, residents and community groups. However, ongoing operational challenges forced us to cancel our traditional 'Neighbours' days'.

After the local elections, Schiphol actively engaged with newly elected local councillors, aldermen and other regional stakeholders. We also participated in (online) events and meetings organised by local residents on various topics such as noise, environmental impact and runway maintenance.

2022 was also the final year of the Omgevingsraad Schiphol ('Schiphol Local Community Council'; ORS), which will be replaced by the Maatschappelijke Raad Schiphol ('Schiphol Social Council; MRS') in 2023. The council will consist of local residents, community groups and academics. While Schiphol was an active member of the ORS, we will not be a formal member of the MRS. A different format has been chosen: in contrast to the ORS, the composition of the MRS will not include local or national government, and there will be no representatives from the aviation sector. The new MRS will be a valuable and essential forum for interacting with our neighbours and consulting with them.

To maintain connections with our neighbours, we regularly update our website ('Schiphol als buur') for local residents, as well as our monthly newsletter and bi-weekly Schiphol air traffic outlook, which provides projections for air traffic movements and runway use. We communicate on various topics affecting our local residents, such as runway maintenance, noise disturbance measures, new procedures in operations, as well as 'nice-to-know' subjects. Our 'Jij en Schiphol' website presents more relevant information for educational purposes, such as a teaching package, but also fun items such as colouring books and a Schiphol activity booklet.

Since our Notify app was launched in 2021, it has been downloaded by more than 33,000 people. In 2022, we introduced a new forecasting method called grid-based predictions. By laying a grid over Schiphol and the surrounding area, Notify's algorithm can calculate the expected air traffic for each square on the map. This makes the forecasts more reliable, plus it is easier to expand the app's operating range.

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 2022, our reputation score among local residents dropped significantly to 6.0, from 7.5 in 2021. The agency's research shows that both local residents and the general public are critical of Schiphol due to disrupted operations as a result of staff shortages at security. These disruptions caused long queues during the 2022 May and summer holidays, and as a result, some passengers missed flights. Our rating declined on all reputation metrics.

Collaboration and dialogue with the value chain

Schiphol participates in various collaborations aimed at further improving the quality of life in the area around Schiphol. We are committed to advancing multimodality and improving connectivity and simultaneously reducing our environmental and noise footprint.

Together with our partners in the Mobility Alliance, we have secured a solid mobility commitment in the coalition agreement, including 7.5 billion euros of additional investments to improve accessibility for 1 million new houses by 2030. One of the main goals of the Mobility Alliance is to promote a comprehensive approach to mobility that is intimately connected to social challenges such as housing, energy, the environment and the climate.

For Schiphol Group, the Mobility Alliance is an important tool to shape the development of optimal multimodal landside accessibility, both from a national and international perspective. To strengthen connections with the cabinet, in 2022 the Mobility Alliance organised two Mobility Gates, closed network events attended by both the minister and the secretary of Infrastructure and Water Management (I&W).

In addition, we continue to work with over 30 organisations in the wider aviation community, ranging from airlines to research institutions, to lobby for further investment in sustainable

Schiphol teaching pack

When did the first plane land at Schiphol? How many passengers pass through the airport each day? How many countries can you fly to? Children can learn the answers to these and many other questions using Schiphol's new digital 'Kijk op Schiphol' teaching pack. The teaching material was launched at the airport in November, having been developed together with the publisher Zwijsen. The pack is offered free of charge and specially designed for primary school pupils in groups 6, 7 and 8. Read more about how Schiphol supports primary school pupils [here](#).



aviation, which was promised in the government's coalition agreement alongside the higher flight tax.

Schiphol Quality of Life Foundation

The Stichting Leefomgeving Schiphol ('Schiphol Quality of Life Foundation') oversees two initiatives: 1) an improvement programme focused on area-specific projects, and 2) a programme focused on individual measures, including those aimed at reducing noise-related disturbance. Schiphol has made 20 million euros available to the foundation, with funding also provided by the province of North Holland and the Ministry of I&W. Applications for funds for the individual measures programme will continue to be accepted from 2022 onwards, though the foundation will no longer accept applications for

area-specific initiatives. In 2022, the foundation launched a new funding programme focused on techniques and innovations for improving quality of life. Further details can be found at stichtingleefomgeving.nl.

The Schiphol Fund

The Schiphol Fund encourages sports activities. Four times a year, it donates to public, nonprofit sports associations in the area surrounding Schiphol for facilities and equipment to encourage more exercise. In 2022, the Schiphol Fund received 375,000 euros, of which 373,071 euros was donated across 66 initiatives. The Schiphol Fund will have 375,000 euros at its disposal in 2023. If you would like to know more about the Schiphol Fund, please visit [our website](#).



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Political advocacy and stakeholder engagement

Schiphol Group engages with political stakeholders on a local, national and international level regarding a wide range of topics. We always try to align our efforts with our partners, both within and outside the aviation sector.

A key topic on the agenda in 2022 remained the ratification of the Luchthavenverkeersbesluit ('Airport Decree'), which requires Schiphol to obtain a nature permit (see Zero-emission airports, Nitrogen emissions). The question of the nature permit led to the government's announcement that it would reduce the number

of air transport movements (ATMs) at Schiphol from November 2023 onwards to comply with the previous, but technically still valid, Airport Decree. Meanwhile, the ministry will start working on a new system in which capacity is an outcome of compliance with environmental and noise limits. A decision on Lelystad Airport will be taken in 2024.

Schiphol is working with the Ministry of I&W on a new community fund. Other efforts on a regional level include the extension of the North/South metro line (see Quality of Network, Accessibility). At the European level, we are working closely with our partners and ACI Europe to implement and, where necessary, improve the Fit for 55 measures. We have also been developing a more flexible way of implementing the European Entry-Exit System, and we took part in the European Commission's start of the revision process of the Slots Directive.

Climate resilience

The current pace of global warming suggests that we may see substantial climate-related events going forward, 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 from one day to the next. In addition to mitigating measures, we also need to focus on climate adaptation, which means dealing with the impact of climate change and adapting our airport accordingly.

In 2022, Schiphol conducted research into the effects of the changing climate on our airports, the outcome of which was our Climate Adaptation Strategy. Because a changing climate has major consequences, we base our policymaking on current scientific insights. The Royal Netherlands Meteorological Institute (KNMI) translates the insights of the Intergovernmental Panel on Climate Change (IPCC) into climate scenarios for a possible future climate for the Netherlands. Schiphol based its research on these scenarios.



Flooding is one of the most pressing climate risks for Schiphol Group airports.

The insights on climate change and the identified risks show that rising sea levels and more extreme and frequent rainfall will increase the risk of flooding. Flooding is currently one of the most pressing climate risks for Schiphol Group airports. As Amsterdam Airport Schiphol is located 4.5 meters below sea level in the Haarlemmermeer polder, flooding has always been a concern. Our Strategic Investment Plan for Water, drafted in 2020, determined how much needs to be invested in Schiphol's water system until 2030 to adapt to increasingly heavy rainfall. In 2022, the water investments were updated in line with the current project portfolio.

Higher temperatures and longer exposure to these temperatures cause heat-related risks. Heat is another urgent climate risk for Schiphol Group Airports but, unlike flooding, it is a less familiar one. The Climate Adaptation Strategy, therefore, outlines actions that will embed the subject of heat in our organisation so it will receive the necessary attention in the coming years.

There are other climate effects that pose less of a threat to Schiphol Group Airports but which must be taken seriously. The probability of a prolonged drought period is likely to double, and the likelihood of hail, downbursts and storms will also marginally increase. Days with mist or ice will occur less frequently. The effects of changing wind directions are related to local temperatures. According to the latest findings, changes in wind

patterns are limited and different for each climate scenario. Therefore, no significant effects are currently expected. But in the interest of stable operations, it is important to stay focused on this subject in the future.

Schiphol is taking proactive steps to adapt our infrastructure, buildings and operations to the changing climate. We believe adapting to climate change in advance is necessary to lower the impact of an extreme weather event. In line with the ambitions of the Dutch government, we aim to become climate resilient by 2050. This aim is essential to ensure that our airports remain healthy, safe and pleasant locations, and to allow us to continue providing our essential social and economic services in the long term.

Biodiversity

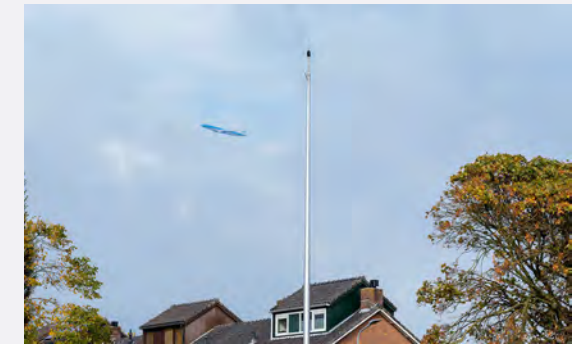
Schiphol Group aims to operate the most sustainable airports in the world. One of the key pillars of this ambition is sustaining our planet. This includes conserving, actively protecting and enhancing the current biodiversity around our airports. Therefore, reports on the environment are made before any projects are launched, and any potential biodiversity loss will be compensated. Mitigating measures are always carried out in favour of biodiversity, and, if possible, we will relocate the project to conserve local biodiversity. Locations with unique flora and fauna are actively protected by prohibiting mowing and by closing off areas to vehicles and pedestrians. In 2022, we launched a tree-planting event that added 5,000 trees to our premises. In the coming year, RSG will deliver a comprehensive biodiversity policy to achieve our aim of becoming a leader in biodiversity.

Noise

Noise disturbance due to air traffic remained a central topic in our discussions with the local community in 2022. Schiphol adheres to the agreements in place to minimise the impact of our activities on local residents, such as keeping the number of annual ATMs below 500,000 (of which 32,000 may take place between 23.00 and 07.00). As we emerged from the worst of the COVID-19 pandemic, we recorded 395,067 ATMs during the 2022

Improved noise measurements

As of February 2022, the 41 NOMOS noise monitoring stations around Schiphol have been using a smarter algorithm that distinguishes background noise from aircraft noise more accurately. The algorithm recognises flights that previously were not registered. Moreover, background noise (such as mopeds or fireworks) is now less likely to be registered as aircraft noise. The improved way of measuring noise will allow Schiphol to provide more reliable information to local residents and improve its evaluations of noise abatement measures. Its success was demonstrated during a summer 2021 trial of three noise-monitoring stations at Nieuw-Vennep, Spaarndam and Castricum. Would you like to find out more about NOMOS? [Go to NOMOS online](#) (in Dutch).



operational year (versus 497,303 in the most recent pre-COVID year, 2019), of which 23,867 took place at night.

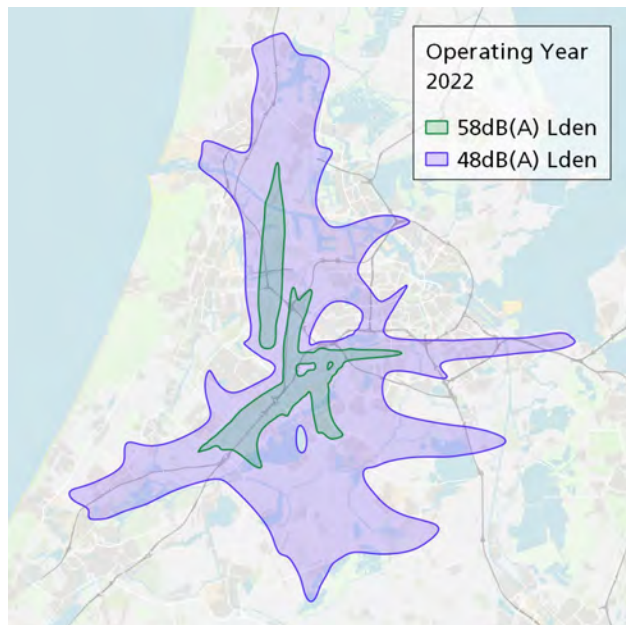
Reducing noise disturbance

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.

In 2022, three measures were entirely or partially implemented. They included the introduction of the new airport charges in April 2022, which provide a strong incentive for more silent aircraft types. Another measure is the new night-time arrival route to the Polderbaan. It uses a curved approach, allowing the majority of aircraft arriving in the night to fly around the residential areas of Uitgeest as much as possible. During the year, an evaluation also took place of the measure introduced in 2019 to avoid aircraft taking off from the Kaagbaan in a north-easterly direction during the night if possible. This measure reduces noise disturbance in Amsterdam and Amstelveen caused by runway maintenance of the Polderbaan at night. The evaluation showed that the number of night flights taking off from this runway direction decreased from 140-300 flights a year to 0-30 after the measure was implemented. We will keep our community informed and actively involved in the development of the programme as we continue

Lden noise contours



to research, implement and introduce new measures over the coming years.

Noise contours

The Ministry of I&W is working hard to introduce the New Environmental Standards and Enforcement System (NNHS). The NNHS includes rules regarding the use of preferred runways at Schiphol. It also limits the number of people who may be exposed to severe noise disturbance in communities surrounding the airport, and aims to contain the affected residents within specific 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 prescribe the older NRM method, for which the results are shown below.

Figure 1 (Lden noise contours) depicts the contours for 2022 (between 1 November 2021 and 31 October 2022) as blue and green lines. The contours highlight the areas where the average sound exposure due to aircraft is higher than 48 and 58 dB(a), respectively.

The limit for the number of severely affected people living within the 48 dB(a) contour is set at 180,000. In 2022, significantly fewer people (93,021) within the contour were considered to have experienced severe noise disturbance compared with the most recent pre-COVID year, 2019 (142,000), which was due to the reduced number of ATMs. Given the relatively low air traffic numbers in 2022, the noise contours in the figure shrunk considerably, as did the total number of severely affected people.

Typically, two factors influence severe noise disturbance figures at Schiphol: 1) changes in runway use as a result of weather conditions and 2) runway maintenance. These factors require the use of less preferential runways that increase the disturbance to local residents. As a result of low air traffic numbers, several maintenance and construction works could be efficiently (re-)planned and executed to reduce the impact on local residents.

Local Community Contact Centre: BAS is back on track

Bewoners Aanspreekpunt Schiphol ('Local Community Contact Centre'; BAS) provides local residents with information on various topics regarding the daily operation of Schiphol. The contact centre also registers noise disturbance reports and complaints by local residents. The insights from the BAS reports support 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.

BAS is back on track. An improvement plan with a new manager was implemented in 2022, improving many of BAS's working methods. We developed a new strategic vision and communication strategy to optimise the services and communication. We also modified the BAS website structure to make it more user-friendly and informative. The information on the website now includes more topics, including planned maintenance on the runways, flight paths, current runway use, noise disturbance and air quality. The website can also be used to report (noise) disturbances. These reports are registered by BAS and shared with Schiphol, LVNL, the Ministry of I&W and municipalities in the region. These parties use this data as input for the development of policy and measures to reduce disturbance. The reports of disturbances also provide input for the 'Minder Hinder' programme.

Rise in number of complaints

In 2022, the number of complaints (173,860) increased by 50% compared to 2021, while the number of complainants (10,520) increased by 38% (within the so-called focus group). The total number of flight movements from/to Amsterdam Airport Schiphol increased by 65.5% in 2022 compared to the previous year. For more extensive information and a detailed analysis regarding data, please visit bezoekbas.nl.

Number and nature of reports to BAS

	Focus group ¹		Habitual complainants	
	2022	2021	2022	2021
Number of complainants	10,520	7,645	85	61
Number of complaints				
Specific reports ²	76,137	60,618	145,999	105,402
Period reports ²	88,336	50,084	17,438	8,645
General reports ²	9,387	4,833	3,704	230
Total number of reports	173,860	115,535	167,141	114,277

- 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.

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.

Quality of Service

In 2022, operational problems occurred as a result of the sharp increase in the number of passengers and flights in combination with staff shortages predominantly in the security filters, baggage handling as well as aircraft handling. Schiphol is determined to prevent this from happening again. Indeed, we have taken important steps to structurally improve the terms and conditions of security agents working at Amsterdam Schiphol Airport in an effort to make Schiphol an attractive place to work again. The new package, developed in cooperation with the FNV and CNV unions, offers higher wages, a better work schedule and improved rest areas. It will help us to deliver the high-quality services people have come to expect from Schiphol and restore our reputation as a highly efficient airport.

To realise our wider ambition of creating the world's most sustainable, high-quality airports, we must explore new ways to ensure Quality of Service and add value to our customers and other stakeholders. Technology and data are important facilitators of our Quality of Service ambition, allowing us to improve quality in a cost-effective way within the limits of Schiphol's current infrastructure. In 2022, we took further steps to strengthen our IT and data infrastructure, providing us with a strong foundation for the coming years.



Top performance indicator Quality of Service



Campaign for the Chinese New Year and Golden Weeks

In 2022, we again paid special attention to various passenger target groups. We developed a Chinese New Year campaign (17 January to 13 February) focused exclusively on Chinese passengers, who are a key target group for Schiphol, particularly following the recent recovery in Chinese air traffic. The campaign used a combination of typical Schiphol and authentic Dutch elements with a 'touch of China'. As this was the start of the Year of the Tiger, we chose this as the theme of the campaign. The campaign was communicated in the terminal and on the Chinese social media channels WeChat and Weibo.



New shopping branding strategy

In 2021, we launched a new store-focused branding strategy to replace the SeeBuyFly brand. The new branding strategy emphasises the unique Dutch shopping experience offered at Schiphol, with a wide variety of unique stores, restaurants, museums and experiences, coupled with attractive pricing. The new branding strategy went live in 2022 with the release of a new line of shopping bags and trolleys, the 24/7 store concept and several promotional campaigns.



Providing airport visitors with added value

To ensure Quality of Service, we pay close attention to the changing needs of our airport visitors and other customers and find new ways to engage and support those using our services. In recent years, we have introduced innovative retail and food and beverage concepts and taken steps to deliver a more personalised, connected and technology-driven airport experience.

With air traffic numbers gradually increasing worldwide, in 2022 we continued to invest in the passenger experience and ensure safe, inspiring and comfortable journeys. Schiphol welcomed several new shops and concepts on its premises. On airside, we

introduced new store concepts featuring brands such as Balenciaga, Rituals, Stach and AKO. We also introduced a range of new food and beverage concepts. On landside, the Albert Heijn supermarket on Schiphol Plaza was renovated and expanded. There is also a new crew shop and Panorama restaurant, and other new additions include Stach and Gate 24/7, a self-service shop for last-minute essentials.

Safe and inspiring facilities for our tenants

We aim to create a safe and inspiring working environment that meets the needs of our tenants; a place where people can connect, meet and work with each other. The need for this has grown in the post-pandemic world as working from home becomes a permanent fixture in the employment landscape. Indeed, the office is increasingly becoming a meeting place instead of just a workplace. In 2022, we were happy to welcome our tenants back to the office again after two years of COVID-19 measures. This gave our community platform, SPOT, the opportunity to organise live events again, such as summer drinks, boot camps and tulip-picking on the Square. These events were opportunities for our community members to meet, connect and interact again, reviving our sense of community and creating an inspiring working environment.

Creating smart and sustainable workspaces

At Schiphol, we continually adapt and improve our rented facilities as part of our ambition to become a zero-waste and zero-emission organisation. In 2022, we began preparations for the centralised thermal energy storage system that will serve the Outlook and Avioport buildings as well as our head office. Schiphol certifies commercial real estate according to BREEAM In-Use, an environmental assessment method that enables property investors, owners, managers and occupiers to determine and drive sustainable improvements in the operational performance of their buildings. As of late 2022, we have 10 buildings in our portfolio with a BREEAM In-Use Certificate, most with a 'Very Good' or 'Excellent' rating. In 2022, The Base A, The Base D and

Construction of dnata Cargo City Amsterdam begins

In 2022, construction started on Cargo Building 17, which is being built at Schiphol Southeast for our tenant, dnata. The cargo building, also known as dnata Cargo City Amsterdam, will be one of the world's largest and most advanced airport logistics buildings. It will be some 61,000 m² large, with 6,700 m² of internal office space and an annual transshipment capacity of 850,000 tonnes. The building is expected to be completed in the summer of 2024. The new cargo building will have a BREEAM Excellent certificate for sustainability. The building is being constructed with the aim of using at least 50% recycled materials, with a hybrid timber frame, solar panels and a UTES system. Parts of the building can also be completely disassembled for reuse or recycling.



morgue were certified for the first time and added to our portfolio.

Digital innovation and cybersecurity

IT and data play a central role in our transition and in ensuring quality of service for all visitors to our airports. As we move towards a more efficient and innovative airport experience, we are integrating technology into all aspects of our airport operations, from our app and website to our security lanes, and from the technology in our control room to our camera system. At the same time, we keep an eye on the future, by making our IT and data systems future-proof and taking sustainability into account in all new technology ventures and projects. Since *Digital innovation and cybersecurity* is a new material topic this year, we will evaluate the way of reporting on this topic in the coming period.

Going forward, we believe digital tools can help accelerate Schiphol's sustainability goals while also greening our own infrastructure. In 2023, we will be implementing the so-called 'twin transition roadmap' at Schiphol and hope to inspire other companies operating at our airports to set up their own technology and sustainability roadmaps.



At Schiphol, we are starting to think like a tech company, as IT and data are increasingly integrated into all aspects of the airport.

Digital innovation

Digital innovation is one of the core drivers for quality of service at Amsterdam Airport Schiphol. In response to the challenges faced by the airport during the summer of 2022, we have focused on creating digital solutions that enhance our operations and assist our passengers. A number have been implemented in the Schiphol app, a personalised itinerary that presents the passenger with the information they need, such as expected waiting times. Live waiting times are also displayed on physical screens around the terminal.

Schiphol Group Aviation Solutions

Our digital solutions have also attracted interest from other airports, and in December 2021 we set up Schiphol Group Aviation Solutions to distribute our knowledge and skills in this area and contribute to a strong, technology-driven aviation sector.

In 2022, our focus was on the productisation of three successful innovations developed at Schiphol, namely the Self-Service Unit, DeepTurnaround and the Position Assignment System. The Self-Service Unit offers passengers customised flight and airport information, as well as on-demand customer service via a chatbot or video agent. Meanwhile, DeepTurnaround offers an image analysis solution to improve turnaround processes based on a combination of historical and real-time data and predictive insights. The Position Assignment System is a wayfinding solution that guides passengers to the next available place in the security screening process.

The Self-Service Units are currently live at a major hub airport in the Middle East, while DeepTurnaround is implemented at one of our Group airports, and the Position Assignment System will be piloted at a large European airport in the near future.

A second pillar within Aviation Solutions focuses on closing partnerships with innovators in the sector. The partnerships accelerate the further development and testing of these innovations, first at Schiphol and, if successful, also beyond. Two of these partnerships were closed in 2022. At the end of the year,

Organised for transformation

Schiphol's IT & Data department is structured on three building blocks: 1) the foundation, 2) the business platforms, and 3) the guardrails. Our IT & Data teams are tasked with delivering a robust foundation on which new digital solutions can be developed, while Schiphol's Chief Information Officer (CIO) office creates the guardrails ('the rules of the game') for colleagues to follow, particularly with regard to cybersecurity. Finally, building on the foundation and staying within the guardrails, the business platforms provide the basis for introducing IT and data-driven solutions into all aspects of our business.

Schiphol, Mavisoft and SWIC launched Airport Inspector, an artificial intelligence (AI)-enabled solution that performs high-quality digital inspections on airport pavements, reducing the need for manual labour.

Our Tech & Data foundation

Crucial enablers are needed to introduce sophisticated digital solutions, which is why, to support our digital transformation process, Schiphol has established technology platforms, extensive connectivity infrastructure and a data platform. We call this our Tech & Data foundation.

A key requirement is the ability to transfer data instantly between locations within the airport and beyond. Therefore, an 'Airport Service Bus' is in place that facilitates data-sharing, delivering more than 1.5 million messages every hour. We are updating the platform to further accelerate the development of our digital solutions, and in October 2022 an integration with Eurocontrol was added to the new platform.

Another important requirement for a strong technology foundation is having a clear overview of how our Tech & Data foundation is performing. Schiphol continuously collects performance data and creates dashboards to see how well we are

Earning external recognition as a digital leader

Schiphol's investments in high-quality digital passenger services are a key differentiator and have become especially important since the start of the COVID-19 pandemic. This was a key factor in Amsterdam Airport Schiphol's recognition as the 'Best Airport in Western Europe' at the Skytrax World Airport Awards 2020.

We also use technology to improve quality of service for our logistics partners. At Schiphol, we have introduced a digital solution to inform truck drivers about the number of available parking spots, allowing drivers to quickly determine where best to park their truck to unload. The solution helps to reduce CO₂ emissions as trucks no longer hinder the flow of traffic while waiting to park. In October 2022, this initiative was recognised with a Computable Award, in the 'Large Business Project' category.

doing. The resulting insights support us in making improvements to our IT services.

Cybersecurity

Ensuring a secure airport is Schiphol's number one priority, and this also applies to cybersecurity. The Schiphol Cyber Security Centre (SCSC) is responsible for ensuring the security of our digital processes, whether new solutions, our Tech & Data foundation or sensitive data and information. One of the SCSC's core functions involves 24/7 monitoring of all digital activities within the Schiphol Security Operations Centre (SOC) to prevent potential cybersecurity incidents of data breaches. An incident response team is prepped to take action as soon as an issue occurs.

Schiphol intends to further develop its cybersecurity resilience in line with our ongoing digital transformation. We invest continuously in the resilience of our information technology (IT) and operational technology (OT), and have set out a

Cybersecurity Roadmap that will guide us in becoming even stronger in this domain.



Airport capacity

Meeting customer demand from airlines and passengers and providing a safe, sustainable, reliable and high-quality airport experience is an ever-growing challenge. Schiphol is undertaking a far-reaching investment programme to support our short-, medium- and long-term capacity needs, with various large-scale projects in progress or at the preparation stage. Our capacity-related investments include the steps being taken to improve Schiphol's landside access road system, the construction of a new pier and the redevelopment of Lounge 1. We are also expanding the Quebec taxiway into a dual taxiway system to improve safety and efficiency and pave the way for a new terminal building that will help facilitate passenger demand over the coming decade.

In July 2022, the Dutch government announced its decision to reduce the number of permitted air traffic movements (ATMs) at Amsterdam Airport Schiphol. Putting the new limit into practice requires a substantial run-up time and will involve complex procedures, creating uncertainty for the aviation sector. Schiphol is currently analysing the impact of the government's decision. The results are expected in 2023 and should offer more clarity about the implications for Schiphol and its stakeholders, and the response of the airlines.

Master Plan

Schiphol 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 stronger integration between infrastructure projects at Schiphol and relevant regional developments, through specific developments such as extending the North/South metro line to Schiphol. The plan also aims to support sustainable aviation, by defining the infrastructure

needed to support the transition towards silent and cleaner aircraft operations.

Mid-Term Plan 2030

Schiphol has had to undertake a critical reassessment of our investments to facilitate the airport's recovery from the COVID-19 crisis and its longer-term development. This has resulted in the Mid-Term Plan 2030, which sets out our development path for the next 10 to 15 years and has been integrated into our investment planning. Clear trigger points are included within the plan to indicate when certain developments should take place, based on how demand for air travel recovers from the pandemic together with the future developments that we expect will be required beyond this period.

The new Pier A and terminal

Schiphol is building a new pier to accommodate large and medium-sized aircraft. Pier A will give the airport's capacity a much-needed boost and help meet the growing demand for new aircraft stands, and gates in particular. Additional stands will be added to the pier at a later stage.

Due to ongoing delays and an unpredictable project outcome, in November 2021 Schiphol terminated its contract with the former contractors on the Pier A construction project, Ballast-Nedam and TAV (BN-TAV). Following this, we appointed our framework contractors, Heijmans and Volker Infra, to carry out 'emergency works' to make the pier fully wind resistant and weatherproof. The contractors have also undertaken structural reinforcements, finished the climatization of the building and finalised the aircraft stands to resolve operational issues.

Following a new tendering process, in September 2022 Schiphol appointed BAM Bouw and Techniek to finalise the construction of the pier. Preparations are underway and are expected to be completed in mid-2023. In the meantime, Schiphol, and BN-TAV are working to resolve their dispute. Unfortunately, attempts to mediate by the NAI did not result in an acceptable settlement.

The new pier A

The new Pier A will be finished by BAM Bouw en Techniek. With the use of biomaterials, insulating glass and recycled plastic and marble, 5,000 m² of solar panels on the roof, and toilets that flush with recycled rainwater, it promises to be Schiphol's most sustainable pier.



In 2022, Schiphol also undertook preparatory work to resume the development of a new baggage basement as well as new baggage systems in the South Area. The new systems will help to improve working conditions for baggage handlers and secure the reliability of our baggage operation. Furthermore, the new baggage basement and systems form overflow capacity and give us the opportunity to renovate the existing baggage system at Pier D.

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. The time frame for beginning this major investment is the subject of a feasibility study, expected in 2023. There is no decision yet on the construction of the new terminal. Given the complexity and lead time of such a project and the current market conditions, we have chosen to involve market parties at home and abroad early through a TenderNed publication in September 2022.

Redevelopment of Lounge 1

In mid-2022, Schiphol completed the European tendering process for the redevelopment of Lounge 1 and awarded the project to the Spie en Equans (ESAP) construction consortium. The redevelopment will begin in 2023 and will take place in several phases to ensure the lounge remains fully operational. Work is scheduled at night to minimise potential disturbance to users.

The redeveloped lounge, which is due to finish in late 2025, is expected to help enhance the experience for passengers, while also unlocking new commercial opportunities for Schiphol and helping to improve our operational on-time performance.

Aircraft stands

In 2022, Schiphol finished modifying the A-platform to accommodate higher numbers of more efficient, quieter aircraft at Schiphol. We reconfigured 8 new stands for larger aircraft, bringing the total number at the platform to 11. We also renovated five stands at Pier D and Pier E as part of our scheduled maintenance programme.

In 2023, we plan to begin extending the Sierra platform to replace cargo aircraft stands that have been lost during the extension of the dual taxiway system. We also plan to take steps to improve the quality of service at the G-platform remote stands and extend the U-Platform to ensure sufficient capacity at the stands closest to the terminals. We will also begin the renewal of passenger bridges at Pier E to enhance our service to airlines and improve the flow of passengers to and from the aircraft.

Taxiways and runways

The Aalsmeerbaan and surrounding taxiways underwent heavy maintenance during 2022 to ensure the reliability of the runway and enable the installation of new LED lights. Heavy maintenance was also performed on the Alpha and Bravo taxiways to improve their reliability.

In 2023, Schiphol will perform maintenance on the Zwanenburgbaan and surrounding taxiways. We also plan to begin building a runway crossing between Sierra 1 and Sierra 10.

The new crossing will be built at a location that presents fewer risks than the current crossing. As the standard taxi routing to and from the cargo area, the new crossing will help to improve airside safety.

Completion of dual taxiway system (Project Quebec)

In 2022, we made further progress with a project that began in 2018 to convert the Quebec taxiway at Schiphol into a dual taxiway system. Project Quebec aims to tackle two issues: 1) the process of directing taxiing aircraft will become more manageable for Air Traffic Control the Netherlands (LVNL), and 2) ensuring planes no longer have to wait in line at taxiway Quebec. These enhancements will help improve safety at the airport in line with the ambitions of the Schiphol Safety Roadmap, as well as improve the quality of service Schiphol provides to airline customers and passengers.

Following the completion of the new taxiways in December 2021, the final activities on landside were completed in time for the summer 2022 period, concluding Phase 1A of the project. Since then, the Quebec project team has switched attention to the design and initial preparations for Phase 1B, which will involve creating a new security checkpoint between landside and airside. We will also demolish Cargo Station 5 to create space for a remote holding platform as well as the final segment of the new taxiway.

Once these steps have been completed, the dual taxiway system will be fully operational, and Schiphol will have increased its capacity for the temporary holding of inbound and outbound aircraft. The construction stage of Phase 1B began in late 2022 and is scheduled to finish in late 2025.

Schiphol has already begun preparations for Phase 2 of the project, so work can begin as soon as 1B has been completed. This final phase of the project will see the current Quebec taxiway moved to a new location to make room for the expanded A-Platform, which requires a new layout to accommodate larger narrow-body aircraft as well as aircraft docking at the south side of the new Pier A. Phase 2 is due to be completed by 2026.

At Schiphol, we continue to promote sustainability and circularity at each stage of the project. Parts from buildings that have been demolished are used in new constructions, such as the new security checkpoint. Meanwhile, approximately 46,000 kilometres of transport movements were avoided during Phase 1A, thanks to a temporary concrete mixing plant set up at Schiphol, with an even larger decrease in movements expected in Phase 1B.

Health and safety have remained the number one priority during the construction process. To date, no accidents have occurred during a period spanning more than 500 days. We expect to uphold this record during the remaining stages of the project.

Customer appreciation

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's ambition is to return to the top three in the Airport Service Quality (ASQ) benchmark (through which Schiphol's



Travellers who had to wait for security were offered food, drinks and children's entertainment, while hospitality teams provided information and assistance.

quality perception levels are compared with the medium-to-large hub airports in Europe). We compare ourselves to six other European hubs: Paris Charles de Gaulle (CDG), Copenhagen (CPH), London Heathrow (LHR), Madrid (MAD), Munich (MUC) and Zurich (ZRH). Frankfurt (FRA) is not currently participating in the benchmark research. In 2022, Schiphol fell one place in the ASQ benchmark, from sixth to seventh.

We measure the passenger experience of the most important touchpoints of our passenger journey over time. The first quarter of 2022 began positively with a recommendation intention (Net Promoter Score; NPS) of +44 points (+2 points above target). However, with the start of the May holiday period at the end of April, staff shortages at security and third parties (KMAR, handlers, retail staff and food and beverage outlets) in combination with high passenger volumes led to long queues and waiting times. This negatively impacted our passengers' experiences, resulting in a negative recommendation intention among departing and arriving passengers. Transfer passengers remained more positive, though the passenger experience declined for this group too. Due to these factors, Schiphol's NPS fell to +26 overall at the end of 2022 (moving average).

In 2022, passenger perceptions of waiting times at check-in, security and passport control for the departure journey all declined, while perceptions of ambience, ease of wayfinding, hygiene and walking distances were among the other areas affected. For the arrival journey, ambience and hygiene were impacted during the summer of 2022 by the larger number of bags left in the baggage reclaim areas (due to a shortage of handlers, coupled with delayed or missed flights). Our passengers' perceptions on this point have been recovering since October 2022.

Improving the passenger experience through digital innovations and care

Itinerary 2.0 / Predicted security waiting time

In 2022, we revised our travel itineraries service, which provides travellers with a personalised and real-time travel itinerary, by integrating the predicted waiting times at security. We use these



We implemented live displays in the terminal to inform passengers of expected security waiting times.

forecasts to manage passengers' expectations about what their departure experience at Schiphol will look like and provide a step-by-step overview of the different stages of their journey through the airport.

Where is my queue?

By implementing smart sensors, data streams and APIs, Schiphol has developed maps for the web and apps that indicate the starting points for security queues on peak days and during other busy periods. This innovation has helped to reduce stress for passengers, quantified by a decrease in the number of questions fielded by airport employees about this topic.

Security waiting time information

During the year, we implemented live displays in the terminal informing passengers of the expected security waiting times. Initially, these screens were placed in Departure Hall 1, after which they were placed at other locations throughout the terminal building. The screens offer additional information to the regular screens near Security Control. The new screens will ensure that passengers further up or down the queue for departures will also be aware of actual waiting times.

Customer care

Passengers who had to wait for security were looked after with food, drinks and children's entertainment. Hospitality teams were also on hand to offer passengers information and assistance.

Compensations

Passengers who missed their flight because of long waiting times at security were offered the chance to be compensated for any additional costs. In 2022, our customer contact centre handled more than 8,300 requests, 6,300 (76%) of which were granted. At the end of 2022, more than 99% of all requests were completed.

Airline customer satisfaction

The reduced levels of efficiency during the summer period of 2022 had a negative impact on Schiphol's airline customer satisfaction and the experiences of passengers. By working closely with our airline partners and other stakeholders, we managed this challenging situation to the best of our ability. We remained in constant contact with airlines, setting expectations on both sides, sharing data and hosting regular meetings. This high level of cooperation proved essential, and we are grateful to our partners for their loyalty and support during this difficult period.

Schiphol's Airline customer team was stronger and more centralised in 2022 than in previous years. We aim to improve our collaboration and communication with the airlines in 2023. We have already set up new workflows to support this, which will come into effect during the coming year.

Tenant satisfaction

Schiphol Commercial Real Estate (SCRE) conducts an annual Tenant Satisfaction Survey to understand how happy our real estate customers are with their rental partnership and the service we deliver. In 2022, our overall tenant satisfaction score remained largely unchanged from 2021, with 82% of respondents describing our service as either 'good', 'very good' or 'excellent' (2021: 85%). During the year, we focused on increasing personal contact with our tenants after two years of COVID-19, as well as the further development of smart and sustainable solutions to improve the service we deliver.

Safety

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



At Schiphol, we aim to provide safe, secure and responsible travel for passengers, as well as all those who visit and use 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. Meanwhile, the COVID-19 pandemic has taught us to remain vigilant and not take our eye off safety and on providing a healthy and hygienic airport environment.

In 2022, we continued to make progress in improving safety around the Schiphol site. Phase 1A of the Quebec taxiway project has been concluded. The aircraft bridge is now complete, which is an important step in completing the two-lane taxiway linking the Kaagbaan Runway and Zwanenburgbaan Runway. This will make the situation more manageable for air traffic control and aircraft will no longer have to wait in line, which will enhance safety. We have also started on preliminary works on Phase 1B of the project.

Meeting our objectives relies on high-quality safety and security processes as well as different stakeholders working towards the same goal. This collaborative mindset is a key reason why the Dutch aviation sector continues to lead the way in safety worldwide. Schiphol also works closely 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). In 2022, several ISMS activities took place, including an airport infrastructure measurement.

As part of this integrated value chain approach, we cooperate closely on safety with airlines, ground-handlers and building contractors, in addition to the Royal Netherlands Marechaussee and Dutch Customs.

Top performance indicator Safety



✓ Safety

Ensuring safety is critical at a busy airport, where we work with a wide range of partners 24/7 all year long. Safety comes first, whether at the office, on a construction site, in operations or during maintenance activities. Schiphol aims for zero safety incidents throughout the entire year, and 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. A stronger safety performance results in a higher score. In 2022, there were 5 serious incidents at Schiphol, resulting in an NSS of 97.3 (the target value for 2022 was 94.5). The nature of these incidents included serious injuries caused by passengers falling and by traffic accidents on airside.

In addition to the NSS, we assess our performance on our top safety risks, such as 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

Safety Day

The theme of Safety Day 2022 was fire safety. 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 be top-of-mind for our colleagues and partners at all times. The Safety Day on 22 November featured an extensive programme of lectures, exercises and demonstrations focused on fire safety.



occurrences and the functioning of key controls. Schiphol's Safety Performance is reported each quarter.

Ensuring safe travel during COVID-19

The easing of the pandemic in 2022 allowed us to scale down most COVID-19 checks and measures at Schiphol. Despite these positive developments, the threat of a potential resurgence of the virus remained throughout the summer and autumn. To protect fragile passengers and airport employees, we kept reminders in place at the airport asking people to wear face masks in busy places and maintain good hygiene practices. Schiphol made face masks and self-tests freely available for employees working in and around the airport.

Although our COVID-19 contingency plans were not ultimately needed, we ensured that they were up to date and operational at all times. Schiphol's contingency plans were aligned with the sector plan that was created in cooperation with the government and to which Schiphol contributed. With one eye on the longer term, we began developing a programme to embed health processes into the airport's infrastructure and operational processes. This means we are prepared for future waves of COVID-19 and other potential pandemics.

Safety culture

Schiphol's Safety Leadership Principles are based on our zero safety incidents ambition and 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 and seen as an everyday part of our work.

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

In 2022, 11,873 (near) incidents and potentially dangerous situations were recorded in the Schiphol Incident Learning System. The data in our safety database allows us to analyse incidents and trends and to investigate more serious incidents. Schiphol investigated 10 incidents during the year with a view to learning and improving the safety of our processes.

Compliance with safety legislation

Schiphol 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, the municipality of Haarlemmermeer and the Royal Netherlands Marechaussee. 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 and its partners are outlined through covenants: we scored a compliance percentage of 98% on ground-handling inspections, 97% on APU inspections and 98% on temporary obstacles inspections.

All are above 90%, meeting our target. Schiphol also monitors compliance with environmental legislation of the companies that fall under the airport's environmental permit, based on working agreements in place with the province of North Holland and the environment agency for the North Sea Canal area. The agency audits these working agreements annually. As a Group, we comply 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.

Safety at work

Schiphol works hard to safeguard the well-being of airport workers and all those who visit our facilities, and we periodically carry out risk assessments in the workplace. Work-related accidents resulting in absenteeism and registered as Lost-Time Injury Frequency (LTIF) are calculated based on the number of incidents per million hours worked. This enables us to make comparisons with other companies. While measuring lost time is essential, we believe any accident is one too many.

In 2022, Schiphol (excluding the fire department) recorded an LTIF of 1.2 (2021: 0.9), while the LTIF score for the fire department was 12.3 (2021: 4.5). Both the LTIFs for Schiphol and the fire department were below the previously set limits of respectively 1 and 22. 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 6.4 (2021: 6.8). The LTIF for construction work was 0.28 and for maintenance work 1.7. In 2022, there were no fatal incidents involving our own employees or contractors. To be able to work safely at Schiphol, we have placed [all important information online](#).

Safety of passengers and visitors

331 incidents involving injuries to passengers and visitors at Schiphol, which were attended by our in-house emergency response service where necessary, were reported in 2022 (2021: 168).

Integral Safety Management System

Our aviation safety processes are managed and coordinated by the Integral Safety Management System (ISMS), a collaboration involving Schiphol Group and Air Traffic Control the Netherlands (LVNL) as well as airlines, ground-handlers and service partners (for example, 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 www.integralsafetyschiphol.com.

The implementation of the Safety roadmap continued throughout 2022 as the ISMS partners implemented the following safety improvements:

- completion of Quebec dual taxiway system: phase 1A;
- measures to make N2/E6 hotspot safer;
- measures to make converging runway 18C/24 safer;
- awareness programme for runway controllers;
- concept of operations for ground operations;
- updates to Schiphol's Safety & Security Handbook;
- standardised ground-handling procedures during adverse weather; and
- review of parallel crossing procedure.

In 2022, ISMS launched two safety campaigns: 1) an awareness campaign on runway incursions with an animated clip developed by the Runway Safety Team, and 2) an awareness campaign on pedestrian safety on airside. We hung over 100 posters at key spots on airside and held interactive sessions with ground-handlers.

These measures have been developed by individual ISMS partners or sector-wide taskforces, steered by the TOP Safety Action Group of the ISMS. The following taskforces were active during 2022:

Runway Safety Team

The Runway Safety Team (RST) is primarily tasked with identifying ways to prevent runway incursions at Schiphol. A runway incursion is 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 2022, 0 runway incursions (2021: 2) with a potential safety consequence occurred at Schiphol, out of a total of 20 (2021: 24). To further mitigate the risk of runway incursions, the RST continuously targets specific behavioural and infrastructural causes.

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, we developed a risk reduction action plan, and wildlife management actions are ongoing. As was the case in airports worldwide, the decline in air traffic due to COVID-19 led to an increase in the bird population at Schiphol Airport. Nonetheless, in 2022, we experienced 8.1 bird strikes per 10,000 air transport movements (2021: 8.1), none of which resulted in a major incident. At Schiphol, the number of bird strikes per 10,000 flights is derived from the occurrence databases of both Schiphol and KLM.

Taskforce Ground-Handling

The Taskforce Groundhandling, consists of representatives from various ground-handling companies and Amsterdam Airport Schiphol. The Taskforce Groundhandling aims to minimise risks involving ground handling at Airside, such as the safe use of aircraft stands and service roads. In 2022, the taskforce developed a dedicated programme for safe groundhandling that defines continuous actions for the sector to realize a cultural change regarding safe behaviour. Besides the actions in the dedicated

programme safe ground handling, one of the mitigating measures agreed upon within ISMS related to lighting at Airside is the launch of a major recovery plan to improve visibility at crossings.

In 2022, a total of 53 incidents of aircraft being damaged occurred during ground-handling, this includes the data from Amsterdam Airport Schiphol and the ground-handling companies.

Ground Movement Safety Team

The Ground Movement Safety Team (GMST) was incorporated into ISMS in 2022. It is chaired by LVNL together with Schiphol, airlines and ground-handlers. The GMST is tasked to prevent risks in the ground movement process, for example during pushback.

Strengthening safety assurance

In 2022, we issued a new ISMS user manual. It uses a combined qualitative and quantitative approach for evaluating risk. During the year, the ILT also performed an audit on ISMS, and ISMS completed its first of three planned yearly internal audits. In addition, Baines Simmons carried out the last of its three audits. We began to analyse and follow up on the findings in 2022 and will continue this process in 2023.

ISMS is reviewing the current TOP Flight & Ground Risks for 2023 and has initiated a third category: Ground Movement Risks. The new ISMS TOP Risks are planned for the first quarter of 2023.

Security

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

Easing of COVID-19 restrictions

In December 2021, the Dutch government introduced a new lockdown to ease pressure on the Dutch health system and navigate uncertainty around the omicron variant. The lockdown lasted until 10 January, after which measures were gradually eased again. In February, social distancing measures and the need to show a COVID-19 access certificate were abolished. In March 2022, face masks were no longer mandatory except in the airport behind security control and in aircraft. This measure was abandoned on 20 May. As these measures were abolished, travel demand picked up rapidly in the spring and summer period in the Netherlands.



Schiphol had to enforce capacity constraints during the summer period to ensure public safety and operational integrity.

Scaling up operations

Schiphol prepared to scale up operations by offering security companies financial incentives to stimulate the hiring of staff as of January 2021 and organised a job fair in April 2022 to help security companies to find more staff. Given the insufficient inflow of staff following the May holiday period, Schiphol implemented an action plan to develop and deploy solutions to address queuing at the airport. The plan focused on four areas of action:

1. recruiting staff;
2. enhancing the appeal of working at Schiphol;

3. optimising passenger flow; and
4. making operations feasible.

After presenting the plan, Schiphol took the following actions with the aim of solving the problem of the shortage of security personnel:

- reached a social agreement with the unions, implemented a summer bonus and a structural pay increase for security staff;
- organised a second job fair;
- launched a media offensive and marketing campaign to attract staff (ongoing);
- began overhauling the staff lounges;
- put more non-security staff on and around the lanes to optimise passenger flows;
- developed and implemented several process optimisations at security;
- hired more than 100 self-employed security staff;
- requested (and was denied) support from the Ministry of Defence;
- explored the feasibility of training our own staff as security guards;
- explored the feasibility of employing foreign security staff;
- explored the feasibility of not allowing passengers to carry hand luggage to optimise flow; and
- developed and deployed real-time performance monitoring tools to optimise flow.

Despite our efforts to scale up operations for the summer holidays, the security companies were still unable to hire enough security staff to cope with the forecasted passenger numbers. To safeguard public safety and operational integrity, Schiphol had to enforce capacity limits for the summer period. Even though we continued to carry out our improvement programme throughout the summer period, the availability of sufficient staff remained an issue. As a result, we were forced to extend the capacity limits through the third and fourth quarters of 2022.

In October, talks between Schiphol, the FNV and CNV trade unions, and security companies resulted in a negotiated

agreement on a new social package to structurally improve the terms and conditions of employment at the airport. The aim is to attract more security staff and facilitate shorter queues and a more comfortable airport for passengers.

Security-related construction continues

Schiphol further upgraded its baggage-screening equipment in 2022, replacing the last five machines. In addition, we worked with our government partners to further optimise the automated passport control area. Approximately 5.76 million passengers used this option in 2022, compared with approximately 1.93 million in 2021.

Security innovations

Schiphol is exploring a range of technological innovations to improve our security processes in terms of compliance, passenger friendliness and cost. Our goal is to achieve full self-service security for appropriate passenger groups. 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. Several operational pilot projects were held in 2022 for this purpose.

Implementing EES

Schiphol is working with the Ministry of Justice and Royal Netherlands Marechaussee to prepare the airport for the introduction of the mandatory European Entry-Exit System (EES) legislation which will impact non-EU citizens entering the EU. The deadline of the implementation has been moved from 2022 to 2023. Schiphol is implementing several measures to prepare for the go-live by 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 and our high-quality workforce. By focusing on the value of social capital, Schiphol is investing in a workforce for the future that is committed to working together towards a common purpose.



Among our core strengths as a Group are the people who make up our organisation. We continue to invest in our highly skilled workforce by developing our talent and encouraging collaboration and knowledge-sharing between the different airports in our Group. Our unique brand of robustness will be especially important in the coming years as we recover from operational issues in 2022 and adjust to a post-pandemic market beset by new uncertainties caused by geopolitical unrest.

The importance of valuing and investing in our employees was brought to light by the operational issues in 2022, which had a profound impact on our workforce. Shortly after the May holiday, we held a 'My Schiphol' employee survey. The results speak for themselves: there was a sharp drop in our Employee Promoter Score. We recently completed our reorganisation programme, Project Reset, which has provided us with a strong foundation to recover from these crises and face new challenges together in the years ahead.

Although Amsterdam Airport Schiphol will always be the global hub of our operations, our regional and international airports make a significant contribution by driving innovation in fields such as digitisation and sustainability. The latter, in particular, will be boosted by our new strategic partnership with Maastricht Aachen Airport. Maastricht Aachen Airport is working towards becoming a sustainable and future-proof airport.

Financial solidity is another key ingredient of a robust organisation. Schiphol Group promotes a prudent financial policy that seeks to maintain strong creditworthiness to absorb the impact of economic shocks and other financially disruptive events. Both COVID-19 as well as the operational challenges in 2022 have had a significant impact on the financial solidity of the Group. Restoring our financial resilience will be important in order to continue investing in our airport infrastructure and processes year after year, and to manage potential future

negative events. In 2022, we introduced new airport charges for the 2022-2024 period, which partly promotes the recovery of our long-term financial resilience. However, Schiphol Group will need to continue investing in its commercial and international activities to increase profitability, and consequently our long-term financial resilience.

Top performance indicator Robust organisation



¹ ROE inc. fair value changes and other one offs: -2.5%

Business continuity

Schiphol has an internal 'calamity organisation' that incorporates training activities, scenarios and governance that are applied in the event of a major disruption or crisis. In 2022, the calamity organisation was activated on 40 occasions, while the Corporate Crisis Team met on 18 occasions. The Veiligheidsregio Kennemerland ('Kennemerland Safety Region'; VRK) – a regional body that coordinates the deployment of police, firefighters, ambulances, municipal authorities and other parties in response to incidents – was involved on one occasions. No aviation accidents requiring an emergency response took place.

Most of the meetings of the calamity organisation involved managing the crowds that accumulated due to the capacity shortage at Amsterdam Airport Schiphol. The main focus was to ensure the safety of passengers and staff by regulating traffic and passenger flows.

Two main evaluations were carried out in 2022: a joint evaluation of the handling of two flights from South Africa in November 2021 in connection with the spread of a new variant of the COVID-19 virus, together with KLM, and an extensive evaluation of the management of extreme crowds during the May holiday. The conclusions of this evaluation were taken into account during preparations for the summer of 2022 and in ongoing preparations for the summer of 2023.

Furthermore, the work on the systematic investigation of business continuity risks throughout the service delivery chain continued. For each specific airport process, the resources used and the effects of relevant disruptions are ascertained, after which potential measures to further strengthen the reliability of these processes are identified. The selection of airport processes is risk-based, and the results are fed back to the 'business continuity' category within the Enterprise Risk Management system.

Company emergency response

Between 1 January 2022 and 31 December 2022, the company emergency response organisation of the Airport Operations & Aviation Partnerships was deployed 3,734 times to first response alarm in the terminal building. Of these, 3,396 involved giving first aid and 338 were fire hazards. In 2022, we ran several exercises to improve cooperation with the internal and external emergency services of the safety region Kennemerland.

Driving collaboration through APOC

Collaboration between aviation partners is crucial to ensure business continuity during periods of uncertainty. The Schiphol Airport Operations Centre (APOC) brings together relevant aviation stakeholders to plan the airport operations of the day. The APOC partners also look several days ahead to resolve bottlenecks and capacity problems in advance and apply foreseeability scenarios in the event of disruptions. In addition, the APOC also reviews how operations went by means of performance analysis.

The APOC made significant progress in 2022, when it received the designation 'fully operational' from Eurocontrol. This is an important milestone for the European network as it will have a positive impact on the predictability of air traffic. The APOC will not only increase the effectiveness of local operations, but it will also support our efforts to tactically manage delays and capacity crunches in the wider European aviation landscape. Indeed, this designation will make it easier to plan daily operations and make Schiphol a more predictable partner in the European network.



The Schiphol Airport Operations Centre (APOC), brings together relevant aviation stakeholders to plan the airport operations of the day.

 **Responsible business**

Royal Schiphol Group employees are expected to act with the utmost integrity at all times. To ensure this, we have a robust, Group-wide compliance and integrity programme that closely monitors staff behaviour and seeks to prevent potential compliance- and integrity-related risks. As one of the largest semi-public commissioning authorities in the Netherlands, we extend these high standards to our relationships with our third-party suppliers and partners.

Schiphol Group adheres to the OECD's guidelines for responsible business conduct for multinational organisations where applicable. Schiphol has a company-wide human rights policy, supported by human rights elements that are embedded in other company policies, in place. Though we are not a formal signatory, as many principles are already part of Dutch law, Schiphol Group applies the principles of the UN Global Compact.

Acting responsibly in the workplace

As outlined in Schiphol Group's code of conduct, we seek to ensure a strong and inclusive culture of integrity whereby all colleagues conduct business responsibly and behave ethically at all times. Employees must refrain from unwanted behaviour, including discrimination, sexual harassment and bullying, and adhere to relevant competition, public procurement, privacy, fraud, and anti-corruption and bribery laws. We continue to build awareness of these important topics within our organisation.

Integrity as a central part of our organisation

Analysis of our 2022 annual employee survey ('My Schiphol Survey') focused on several themes related to integrity, including 'Speak Up', the exemplary role of management and unwanted behaviour. The findings indicate that Schiphol has taken positive steps to consolidate our robust integrity culture. To continue this progress, we are inviting Schiphol's management to play an active part in further strengthening our integrity culture, for example by facilitating sessions and by addressing the integrity topics from the survey in their teams. Furthermore, in 2022 we carried out an

e-learning refresher course on the code of conduct for all internal and external staff, and revised our onboarding process for integrity-related topics.

Integrity reports

Integrity reports are submitted to the Integrity Committee, which investigates and advises on the necessary response to incidents. The Committee reports to the Risk and Compliance Committee of the Management Board 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 Committee on an annual basis. The Management Board and Schiphol's external auditor are updated between two and four times a year, though the Management Board is informed immediately in the event of a serious incident. In 2022, 29 issues were reported to the Integrity Committee (2021: 33), none of which concerned bribery or corruption, or material fraud. The reports have been investigated and followed up on, with necessary actions taken where appropriate.

Managing supply chain disruption and resource shortages

In 2022, Schiphol worked on transitioning our supplier ecosystem, a project which has involved redefining our collaborations with suppliers to support a smooth recovery from the COVID-19 pandemic.

Throughout the year, suppliers and internal staff responsible for overseeing airport operations worked under significant pressure to manage increasing passenger numbers, especially during peak periods. With staff shortages playing a major role in the recent operational challenges, Schiphol's Procurement & Contracting (P&C) department contributed to a social agreement with the labour unions and security companies to improve working conditions and remuneration for all staff involved in primary operational processes.

Going forward, our focus is on working with our partners to further address the current issues and support the transition to a more sustainable model. To this end, the P&C department has also

introduced a value management approach that focuses on suppliers contributing to Schiphol's Top Performance Indicators (TPIs) rather than emphasising cost efficiency. In 2022, we began by introducing a new approach to category management, which was tested as part of three Schiphol-wide pilot projects.

During the year, we also took steps to further optimise the structure and leadership of the P&C department to create greater agility within the organisation. The procurement teams were consolidated into two teams focusing on Assets and IT & Services, while a new Procurement and Contracting Excellence team was established to support P&C colleagues with capability development, market analysis, data and reporting, and best practices. Furthermore, the P&C management team was completed with the addition of two new members.

Social responsibility and society

Guided by our Summer 2022 Action Plan, in June 2022 Schiphol and the unions reached an agreement to introduce better terms and conditions of employment for airport staff. Under the agreement, employees working in positions related to security, cleaning, PRM (Passengers with Reduced Mobility), ground handling (check-in, baggage and apron) and private bus transport received a summer allowance of 5.25 euros gross per hour for the summer period ending 5 September 2022. A labour-market allowance of 1.40 euros gross per hour will also be paid until 1 September 2023 for all aforementioned roles, with the exception of ground-handling. The social agreement also seeks to improve working conditions, including through new social standards and licence to operate for ground-handling staff, which will be introduced in 2023.

Further to this, in October 2022, Schiphol, FNV and CNV unions agreed on a new social package to structurally improve the terms and conditions of employment for security agents at Amsterdam Airport Schiphol. This social package ensures higher wages, better rosters and improved employee rest areas, with a view to attracting more security staff and reducing passenger queuing times. As of November 2022, security officers at Schiphol receive an additional 2.50 euros per hour, on top of the gross salary

determined in the collective labour agreement (CLA) and in addition to agreed-upon inflation-linked wage increases. An additional allowance of 35% has also been introduced for security agents who begin their shift between 00.00 and 05.30.

Sustainable employability

Schiphol works hard to stimulate regional employment through initiatives such as the Luchtvaart Community Schiphol ('Aviation Community Schiphol'; LCS), a partnership between KLM, the Regional Training Centres (ROCs) of Amsterdam and Flevoland, and Royal Schiphol Group. The community, which consists of 70 employers operating at the Schiphol site, connects companies with each other, as well as educational and government organisations, to strengthen the labour market at Schiphol.

Our participation in LCS supports our core aim of being an attractive regional employer by working as part of an open community in collaboration with other parties. The core focus of LCS is employability, development and education, and inflow and inclusivity. LCS also plays a coordinating role in the Aviation Inclusive programme, an initiative offering support to individuals who have difficulty accessing employment.

Working at Schiphol

During the year, Aviation Community Schiphol continued to create opportunities for graduates, and for secondary vocational education (MBO) students in particular. As part of the 'Social Accord 2022', Aviation Community Schiphol drew up Internship Guidelines, together with educational institutions and aviation companies.

Furthermore, Schiphol continued to make progress on the 'Job Plan Schiphol' as part of an agreement made in 2020 with the municipality of Amsterdam and other partners to provide employment at Schiphol for 750 people with difficulty accessing employment during the following three years. As of December 2022, 549 people have found work at Schiphol through the 'Job Plan Schiphol', in areas such as hospitality, transport and logistics.

At the same time, the challenging labour market conditions in 2022 left many of the companies that operate at Schiphol struggling to fill their vacancies. During the year Schiphol, in collaboration with LCS, organised several activities to address staff shortages in the industry. Recruitment events were organised specifically for security guards. Furthermore, a working and learning platform, www.werkopschiphol.nl, was launched in partnership with other employers at Schiphol to help present a positive image of Schiphol as a place to work.

Extra hands on deck during the summer peak

Employees working at Schiphol's head office were asked to lend a hand in the terminal during the summer and autumn break peak periods to help process the streams of passengers and their baggage. A permanent team was established, which quickly became known as the Flamingos due to the bright-pink safety vests worn by its members. Office staff from Schiphol's partners and other organisations, including Microsoft, Cognizant, Aboma, the Ministry of Infrastructure and Water Management, Vanderlande, BAM and Heijmans, joined Schiphol employees later in the year. The 'Welcome Team' also helped out. Established in 2016, the team consists of more than 30 volunteers aged between 33 and 84, including pensioners and former Schiphol employees.



Employment practices

As an employer, we want our employees to feel welcome, at ease, valued and inspired, and to be proud to work for Schiphol. In 2022, our sense of pride as a workforce was impacted in what proved to be a turbulent year for Schiphol Group's employees, given the operational issues experienced at Amsterdam Airport Schiphol during the May holiday and subsequent summer period.

Improving the employee journey at Schiphol

The impact of the operational issues on our employees was recorded in our 2022 Employee Promoter Score (EPS). Measured by the 'My Schiphol' employee survey shortly after the May holiday period, the EPS showed a drop of 24.1 points to 6.6, significantly below our 2022 target of 33. Through the survey – as well as the Effactory Index, a benchmark offered by Effactory that sheds light on how employees feel about their work environment – managers and colleagues, have led us to identify 'Schiphol pride' and 'collaboration' as specific areas for improvement. At the same time, we note an improvement in terms of how colleagues experience their work environment with regard to workplace, climate and safety. These results suggest that our efforts to improve the work-life balance of employees, including by introducing a hybrid and flexible working setup, have had a positive impact.

Against a challenging backdrop, in 2022 Schiphol began taking steps to improve the experience for employees, starting by paying closer attention to what our colleagues are thinking and feeling. We introduced the Employee Life Cycle, which measures the different phases of the employee journey at Schiphol Group on a continuous basis with the help of human resources data. Introducing the tool is an important step in strengthening our data-based decision-making and in monitoring the views and opinions of Schiphol employees. We also launched our new 'Employee' focus group, to help identify and prioritise the needs of employees and set annual goals for improvement.

As a first step in improving the employee journey, in September 2022 we introduced a new Onboarding Programme for all new Schiphol Group colleagues consisting of a 'Nice to meet you' session providing essential knowledge on Schiphol, followed by a guided tour of the Airport Operations Centre (APOC) and a tour of Schiphol's operational facilities, including our airside and cargo operations.

Transitioning to a hybrid and inspiring workplace

As the COVID-19 pandemic eased, in 2022 we welcomed Schiphol Group employees back to our offices and introduced a series of measures to make the transition to hybrid working as pleasant as possible. Early in the year, we launched a feedback group to collect the needs and work experiences of colleagues. This led to the introduction of so-called 'Homebases' during the summer, through which staff within specific business units were able to meet and connect with each other in person. We also developed our Connecting@Schiphol workplace concept, which stands for recognisability, clearness, hospitality, identity and future sustainability. The concept is being converted into a design that will launch in the second half of 2023.

The easing of the pandemic also allowed us to shift attention back to our leadership development initiatives, including those supporting the realisation of our Vision 2050 and related performance improvements. In 2022, we launched a request for proposal for a senior leadership development programme to accelerate decision-making skills focused problem-solving, execution and courageous conversations. We also organised a series of leadership days across our different business units as well as meet-ups for team leads and managers to discuss various topics, such as dealing with sexual harassment in the workplace, managing stress and emotions, and developing a learning culture.

Additional financial support for employees

In September 2022, the Dutch government announced measures to counter the effects of rising inflation. The measures will come into effect in 2023; in the meantime, Schiphol has decided to offer additional short-term and long-term support to its employees.

Every Schiphol employee now has the opportunity to consult a budget coach with the aim of gaining a better understanding of their income and spending patterns. In addition to this voluntary coaching scheme, employees can make a one-off withdrawal from their sustainable employment budget. Additional capacity for corporate social workers has also been arranged, and more is being done to promote the Social Employee Fund among Schiphol employees.

Addressing a challenging recruitment environment

Like other employers in the Netherlands, Schiphol felt the effects of an increasingly tight labour market, which eventually led to the operational challenges we experienced, throughout 2022. This coincided with a significant deterioration in Schiphol's brand image, making it harder to fill vacancies.

In reponse, we introduced a new recruitment team during the second quarter of the year. Work also continued on a new recruitment vision and strategy, which has been translated into an integrated sourcing plan for each target group (for example, Operations, IT and Procurement). Our approach includes optimising our recruitment processes and tools. In 2023, we will focus on pro-cyclical hiring strategies, using data more effectively in our recruitment processes and strengthening Schiphol's employer brand. We welcomed 443 new colleagues to Amsterdam Airport Schiphol in 2022.

Our strengthened approach to talent attraction goes hand in hand with Schiphol's 'Airport in transition' strategy, which has led to 75 passenger assistants being hired in permanent positions. We are also taking a more critical look at whether the work being done by flexible workers can be classified as permanent employment. Schiphol's management has also made this pledge to the trade unions.

Strengthening diversity and inclusion

Given the important role Schiphol plays in society, we have a responsibility to actively pursue diversity and inclusion (D&I), with a focus on ensuring a healthy balance between employees of all

ages, genders and cultural backgrounds. To this end, Schiphol has included D&I as part of its 'Destination'. Our ambition going forward is to create an organisation where D&I is self-explanatory for all employees, and an attractive workplace where all colleagues feel welcome and work together in diverse and inclusive teams.

In 2022, we took an important step towards this goal by measuring the current D&I status of the organisation and developing a D&I-conscious recruitment strategy. The first results of the measurement are expected in early 2023, after which we will decide on which actions to take.

During the year, we also organised a series of events to promote D&I awareness among colleagues, including a traditional Iftar during Ramadan, as well as a Ketu Koti event to commemorate Emancipation Day in Suriname, and a celebration to mark National Diversity Day in the Netherlands. Furthermore, a more inclusive collective labour agreement was reached that offers all employees to take two diversity days a year as annual leave.



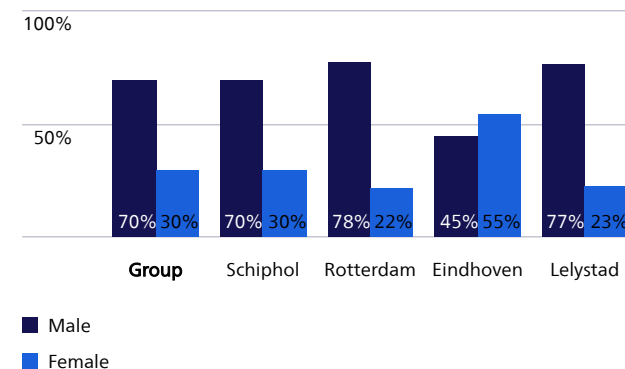
To support D&I awareness, several events were organised, including a traditional Iftar meal during Ramadan.

We also strengthened our relationship with Emma at Work, a Netherlands-based initiative that helps young people with physical disabilities take steps towards an independent future. In 2022, we kicked off the 4th edition of our jointly developed mentorship programme, involving 8 mentees. Finally, we made

further progress against our target of creating meaningful jobs for at least five new colleagues a year with a physical or mental disability. At the time of writing, we had onboarded seven new colleagues as well as eight interns.

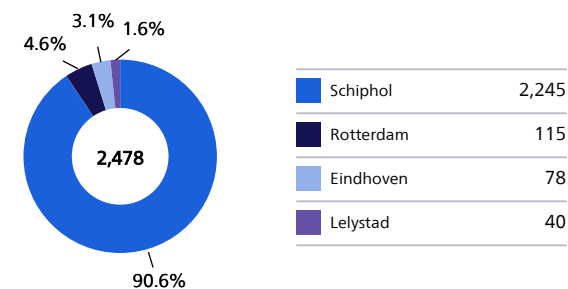
Gender split in 2022

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



Total workforce in 2022

(Per location, in % of total average FTEs of 2,349)



Launching the Schiphol Learning Hub

As an employer, we understand the need for continued improvement to support the happiness and well-being of our employees, and to ensure Schiphol develops as a future-proof and socially responsible organisation.

Early 2022 saw the launch of the Schiphol Learning Hub to support all Schiphol Group employees with continuous learning. The hub is a one-stop shop that enables registration for legally required training courses, as well as a wide range of job and career-oriented learning and development activities. It also provides a location for colleagues to share knowledge on topics such as leadership, team and talent development, sustainability, integrity, diversity and inclusion, health and vitality, and IT safety and security.

Nearly 25,000 colleagues, both internal and external, are now using the hub, with some 14,600 unique registrations recorded in 2022.

Employees in 2022

Numbers by location	Joined	Internal mobility	Left
Group	487	325	197
Schiphol	443	317	160
Rotterdam	22	8	12
Eindhoven	20	0	21
Lelystad	2	0	4

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 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 in 2020 and 2021, as well as the successful sale of the Groupe ADP shares, Schiphol has access to a sizeable liquidity position of 1,731 million euros (when including investments in short-term deposits). 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.

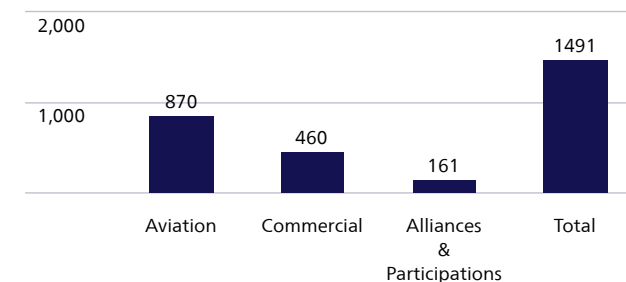
In 2022, the long-term credit ratings that are issued for Schiphol Group by both S&P Global Ratings as well as Moody's were both downgraded by one notch. This is largely attributable to the announcement by the Dutch government that it intends to reduce the annual number of flight movements to 440,000. The rating by S&P was downgraded from 'A' with a negative outlook to 'A-' with a stable outlook in July 2022. The new rating at S&P is one notch below Royal Schiphol Group's financial policy. The rating of Moody's was downgraded from 'A1' with a negative outlook to 'A2' with a stable outlook in September 2022.

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 costs associated with coping with the operational challenges at Amsterdam Airport Schiphol, the minimum return requirement was not reached.

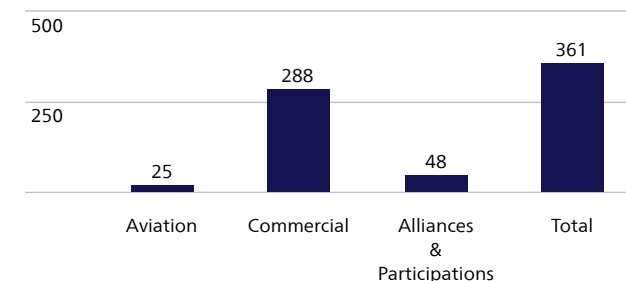
Revenue 2022

(EUR X million)



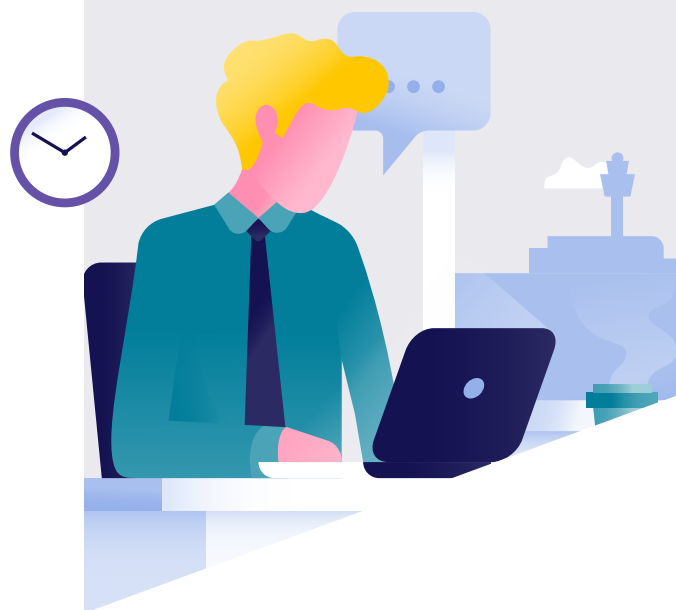
Underlying EBITDA 2022

(EUR million)



Financial performance

Schiphol Group saw recovery from the COVID-19 pandemic in the form of increased revenue. The recovery has, however, led to operational disruptions – predominantly the consequence of staff shortages – with long queues resulting in an increase in operational expenses.



In 2022, Royal Schiphol Group's underlying net result amounted to a loss of 28 million euros compared with a loss of 287 million euros in 2021. This was mainly due to the recovery from the impact of COVID-19 on the business and the aviation industry. In addition, airport charges at Amsterdam Airport Schiphol increased by 9% from 1 April 2022, yet additional costs were incurred due to the operational challenges experienced during 2022.

A fair value gain of 135 million euros on the Asset held for sale (investment (shares) in Groupe ADP) as a result of the remeasurement and disposal of the financial asset was recognised as financial income in 2022. Financial expenses amounting to 74 million euros in 2022 were recognised due to the remeasurement of the Financial liability - Share buyback obligation. The liability was settled in December 2022. Market developments in the real estate sector worsened, which led to a material decrease in the fair value of Schiphol's real estate portfolio and, as such, a loss on other results from investment property of 192 million euros (compared with a gain of 69 million euros in 2021). Positive market developments were experienced at Schiphol's international investments in Brisbane and Hobart Airports, which resulted in a fair value gain of 20 million euros for 2022. Furthermore, Schiphol Group has recognised the NOW government grants (Noodmaatregel Overbrugging Werkgelegenheid; temporary governmental compensation for labour costs) for the amount of 11 million euros compared with 84 million euros for 2021. An impairment of 10 million euros was recognised in 2022 with respect to one of Schiphol's joint ventures.

These adjustments, including the results of the investment property (mainly non-cash fair value gains), fair value gain on financial assets (ADP), remeasurement of the share buyback liability (financial liability) and several other one-off results (including the NOW government grants and impairments),

resulted in a negative net result attributable to shareholders of 86 million euros in 2022 (2021: positive net result of 105 million euros).

Revenue

Revenue increased significantly by 675 million euros (83%), rising from 816 million euros in 2021 to 1,491 million euros in 2022. Higher revenue was mainly driven by an increase in passenger numbers and ATMs. The total number of passengers using Schiphol Group's airports increased by 110% to 60.8 million (2021: 28.9 million).

Revenue from airport charges at Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport increased by 120% in 2022 to 901 million euros. This result was mainly driven by an increase in the number of passengers and air traffic movements. The increase in airport charges was partly also due to an increase in airport charges per passenger at Amsterdam Airport Schiphol effective as of April 2022.

At Amsterdam Airport Schiphol, passenger numbers were up by 106% to 52.5 million (2021: 25.5 million), while the number of air traffic movements also increased by 49% to 397,646 (2021: 266,967). Cargo volumes decreased by 14% compared with 2021 to 1.44 million tonnes (2021: 1.67 million tonnes). Revenue from airport charges at Amsterdam Airport Schiphol improved by 445 million euros to 821 million euros (2021: 376 million euros).

Passenger numbers at Eindhoven Airport increased significantly by 135% to 6.3 million in 2022 (2021: 2.7 million), and the number of air traffic movements also increased by 85% compared with 2021 to 40,252 (2021: 21,704). As a result, revenue from airport charges increased by 127% to 49.5 million euros (2021: 21.8 million euros).

Revenue

EUR million	2022	2021	%
Airport charges	901	409	120.3
Concessions	162	85	90.6
Rent and leases	193	171	12.9
Parking fees	125	66	89.4
Advertising	13	9	44.4
Services and activities on behalf of third parties (incl. ST)	19	19	-
Other	78	56	39.3
Total Revenue	1,491	816	82.7

At Rotterdam The Hague Airport, the number of passengers served rose by 175% to 2.1 million in 2022, and the number of ATMs increased by 9,417 to 15,772. These positive developments led to an increase in airport charges at Rotterdam The Hague Airport of 19.1 to 30.0 million euros (2021: 10.9 million euros).

Revenue generated by Schiphol Group through concessions increased by 90.6% to 162 million euros in 2022 (2021: 85 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 the number of shops that are open again. As a result of the COVID-19 lockdown in 2021, many shops were closed for a period of time. This extended into January 2022. The opening hours of the shops are 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 decreased from 14.02 euros to 12.67 euros, food and beverage spending per departing passenger increased from 5.97 euros to 6.17 euros. The retail airside spend was negatively impacted by long security waiting times, resulting in less dwell time. Due to staff shortages, shops were closed and changed. Passenger profiles had a negative impact on retail spending. For food and beverages, the long waiting time at security had a positive impact as passengers arrived earlier at the airport.

Revenue from rents and leases increased slightly by 13% from 171 million euros in 2021 to 193 million euros in 2022. This is primarily caused by higher services charges (relating to electricity and gas charges) in 2022 compared with 2021. The increase in revenue had a limited impact on the EBITDA performance, as only the service costs for vacant space remain in income statement and have an impact on EBITDA. The average occupancy rate of Schiphol's total real estate portfolio in 2022 was 94.4%, which is in line with the average occupancy rate of 94.3% during the same period last year. The slightly higher occupancy rate is mainly due to a new rental contract in the logistics portfolio.

Total parking revenue increased by 89% to 125 million euros in 2022 (2021: 66 million euros). Parking revenue at Amsterdam Airport Schiphol increased by 45 million euros to 103 million euros. This is attributable to an increase in the number of passengers (approximately 106%) at Schiphol. Staff parking saw an increase of 9.1% due to the recovery of the number of subscriptions. A similar development was seen at Eindhoven Airport and Rotterdam The Hague Airport. The rise in passenger numbers at Eindhoven Airport and Rotterdam The Hague Airport also resulted in an increase in parking revenues of 15 million euros compared with 2021.

Revenue from other activities increased by 39% to 78 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.

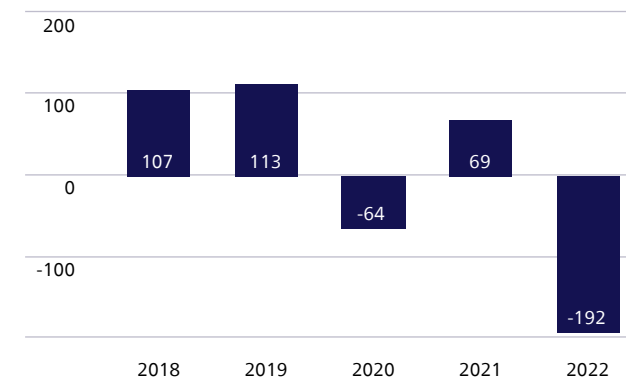
Other income and results from investment property

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 192 million euros in 2022 (2021: gain of 69 million euros). The Net Initial Yield (NIY) rose substantially in the office market 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 120 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 26 million euros. The performance on the Italian logistic real estate market was more favourable, which led to a fair value gain of 2 million euros. Fair value losses of 35 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 314 million euros in 2022 from 816 million euros to 1,130 million euros. The increase in operating expenses was driven by both higher activity levels and traffic at Schiphol Group's airports as well as higher spending to address the operational challenges.

Costs of outsourced work and other external charges increased from 454 million euros to 684 million euros, mainly caused by increased operational costs due to higher traffic numbers and the recovery from the COVID-19 pandemic in operations. Additional costs were incurred for the external workforce during 2022 due to the temporary filling of vacancies as the result of the pause on internal hiring during the reorganisation (Project Reset) in 2021. An increase in costs was also incurred for PRM and other services due to an increase in passenger numbers. Costs relating to the social agreement concerning all employees in security, cleaning, PRM, ground handling (check-in, luggage and platform) and private bus transport were incurred in 2022 which were not incurred in 2021. Schiphol incurred further costs in settling passenger claims received from passengers who were at the airport on time but missed their flight due to an exceptional waiting time at security control.

The costs of maintenance activities (included as part of costs of outsourced work and other external charges) increased by 22 million euros in 2022 to 148 million euros (2021: 126 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 39 million euros in 2022 to 252 million euros compared with 2021 (213 million euros). This is mainly the result of an increase in the active workforce (and costs) of Schiphol. In 2021, the decrease in FTEs due to the reorganisation (Project Reset) had an impact on the reduction of employee benefits. The NOW government grant decreased from 84 million euros in 2021 to 11 million euros in 2022.

The costs of security (included as part of the costs of outsourced work and other external charges) were 45 million euros higher in 2022 (194 million euros compared with 149 million euros the year before). The return of passengers put more pressure on the security services, who, in turn, have faced staff shortages. In order to reduce the staff shortages across the wider Schiphol

operational ecosystem, a social package was agreed on, which resulted in increased costs for 2022.

Depreciation, amortisation and impairment was 32 million higher in 2022 due to new assets that were taken into operation in 2021.

Operating expenses

EUR million	2022	2021	%
Outsourcing and other external costs	684	454	50.7
Employee benefits	252	213	18.3
Security	194	149	30.2
Underlying operating expenses (excl. Depreciation, amortisation and impairment)	1,130	816	38.5
Depreciation, amortisation and impairment	331	299	10.7
Underlying operating expenses	1,461	1,115	31.0
<i>Adjustments for:</i>			
NOW government grants	11	84	
Total adjustments	11	84	
Operating expenses (excl. Depreciation, amortisation and impairment)	1,119	732	52.9
Operating expenses	1,451	1,031	40.7

Underlying operating result

The underlying operating result improved in 2022, generating a positive result of 30 million euros compared with a loss of 299 million euros in 2021.

The underlying operating result from Aviation increased by 206 million euros, resulting in an operating loss of 199 million euros in 2022 compared with a loss of 405 million euros in 2021. This is attributable to an increase in the number of passengers and ATMs as well as an increase in airport charges of 9% at Amsterdam Airport Schiphol from 1 April 2022.

The underlying operating result of Schiphol Commercial increased in 2022, from 127 million euros to 221 million euros. This was the result of an increase in revenue in all areas, due to an increase in passenger numbers compared with 2021.

The underlying operating result for Alliances & Participations increased by 29 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	2022	2021	%
Aviation	-199	-405	50.9
Schiphol Commercial	221	127	74.0
Alliances & Participations	8	-21	>100
Underlying operating result	30	-299	>100
<i>Adjustments for:</i>			
NOW government grants	11	84	
Other results from investment property	-192	69	
Total adjustments	-181	153	
Operating result	-151	-146	3.4

Financial income and expenses

The underlying net financial income and expense for 2022 amounts to 78 million euros and is in line with expectations given the debt portfolio (2021: 92 million euros).

Net financial income and expenses decreased by 201 million euros to negative 16 million euros for 2022 (2021: 185 million euros income). This is mostly due to a lower fair value gain in 2022 of 135 million euros on the remeasurement and loss on disposal of the asset held for sale (investment (shares) in ADP) in terms of IFRS 9. In 2021, a fair value gain of 252 million euros was recognised. In addition, it includes the financial expense impact

of the remeasurement of the financial liability - share buyback obligation of 74 million euros (2021: 25 million euros).

Share in results of associates and joint ventures

Share in results of associates and joint ventures

EUR million	2022	2021	%
Groupe ADP	-	-16	-100.0
Brisbane Airport Corporation Holdings	12	9	33.3
Hobart International Airport (TGHC)	2	-4	>100
Other results of associates	4	10	-60.0
Underlying result of associates and joint ventures	18	-2	>100
<i>Adjustments for:</i>			
Other results from investment property	20	-	
Impairment	-10	-	
Tax impact	5	-	100.0
Total adjustments	15	-	100.0
Result of associates and joint ventures	33	-2	>100

The underlying share in the results of associates and joint ventures increased by 20 million euros, leading to a positive result of 18 million euros in 2022 (2021: 2 million euros negative). 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. The international airports were also heavily impacted by the travel restrictions and border closures due to COVID-19, though passenger numbers increased in 2022. Taking into account the adjustments relating to the significant fair value gains on the investment property portfolio of 20 million euros of both Brisbane Airport and Hobart Airport in 2022 and an adjustment of 5 million euros on the deferred tax position for

Hobart Airport, the share in results of associates and joint ventures increased by 35 million euros to 33 million euros as at 31 December 2022. Favourable market and economic factors resulted in significant increases in investment property values. An impairment loss of 10 million euros was recognised in 2022 with respect to one of Schiphol's joint ventures.

Due to the expiration of the HubLink agreement between Schiphol and Groupe ADP, the investment in associate in Groupe ADP was reclassified from an investment in associate to an asset held for sale during July 2021. Therefore, no result from Groupe ADP was recognised in 2022, compared with 2021.

Underlying corporate income tax

The underlying corporate income tax amounted to 11 million euros in 2022 compared with 104 million euros in 2021. This excludes the tax impact of the taxable adjustments with a total impact of 52 million euros for 2022 (38 million euros for 2021).

Underlying net result

As a result of the developments outlined above, the underlying net result for 2022 increased by 259 million euros to 28 million euros loss (2021: 287 million euros loss). The underlying return on equity amounted to 0.8% negative in 2022 (2021: 8.3% negative).

Net result

These adjustments, including the results of the investment property (mainly non-cash fair value gains), fair value gain on financial assets (ADP), remeasurement finance costs on the finance liability - share buyback and several other one-off results (including NOW government grants), the net result attributable to shareholders for 2022 amounted to a negative result of 86 million euros (2021: positive result of 105 million euros). The

return on equity amounted to 2.5% negative in 2022 (2021: 3.0% positive).

NOW government grant contributions

Schiphol applied for NOW government grant contributions for the amount of 11 million euros in 2022 (2021: 84 million euros), a portion of which Schiphol Group already received in advanced payments.

Other results from financial assets and financial liabilities

Net financial income and expenses decreased by 201 million euros to negative 16 million euros for 2022 (2021: 185 million euros). This is mostly due to the fair value gain of 135 million euros on our investment (shares) in Groupe ADP, which was classified as an asset held for sale, was recognised in 2022 as a result of the remeasurement in terms of IFRS 9 as well as the recognition of the loss on disposal of the shares (asset held for sale). 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 58 million euros income in 2022 compared with 66 million euros in 2021. The negative results (excluding the impact of the fair value gain of 135 million euros and finance costs of 74 million euros as this is non-taxable due to the participation exemption) provide us with a tax benefit, as the losses can be compensated by future benefits. For 2022, the effective tax rate was lower than the domestic income tax rate of 25.8%. The lower tax burden was mainly attributable to the application of the participation exemption to the results (and fair value gain) of associates and joint ventures. The effective tax rate for the 2022 financial year was positive 42.9%.

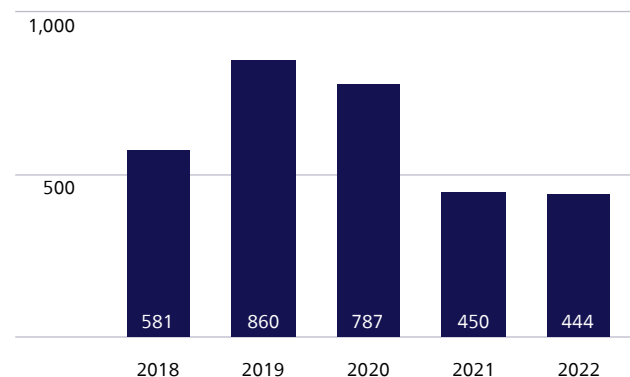
Investments

In 2022, Schiphol invested 444 million euros, a slight decrease of 1.3% compared with 2021 (2021: 450 million euros). 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 2022 are:

- development of Pier A;
- completion of dual taxiway system;
- execution of maintenance on runway 18L-36R (Aalsmeerbaan);
- development of European Entry-Exit System; and
- 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 2022 amounted to 9,604 million euros. This figure decreased by 287 million euros compared with 31 December 2021 (9,891 million euros). Total equity decreased by 25 million euros to 3,506 million euros,

largely due to the accumulated 2022 financial year loss of 77 million euros as well as the other comprehensive income of 52 million euros. No dividends were paid during 2021 and no dividends are expected to be paid over 2022.

Non-current assets increased by 72 million euros to 7,585 million euros as at 31 December 2022. The increase was mainly due to Assets under construction or development which increased by 122 million euros, largely due to the investments in fixed assets listed above, offset by assets which were commissioned during 2022. Within investment property, fair value losses of 192 million euros are included resulting in a significant decrease of 123 million euros in the balance. The deferred tax asset includes an additional amount of 63 million euros mostly related to the assessed losses for 2022.

Current assets decreased by 359 million euros compared with 2021, largely as a result of the disposal of the Asset held for sale (shares in Groupe ADP). Cash and cash equivalents increased by 131 million euros, which was mainly due to an increase in bank deposits as a result of the above-mentioned disposal. As at 31 December 2022, Schiphol Group held 1,051 million euros in cash and 680 million euros in bank deposits, of which Schiphol has invested 642 million euros in money market funds. The cash was generated from the disposal of the shares (investment) held in Groupe ADP. Nine million euros was repaid on loans from the European Investment Bank.

Non-current liabilities includes the settlement of the share buyback obligation (346 million euros in 2021). This is related to the obligation for Schiphol to purchase its own equity instruments (shares) for cash (or another financial asset) from Groupe ADP.

Current liabilities include the short-term portion of borrowings as well as an increase in accruals and provisions mostly relating to the cost compensation mechanism, Stichting Leefomgeving Schiphol and noise reduction provision.

Cash flow developments

Cash flow from operating activities amounted to an inflow of 353 million euros in 2022 compared with an outflow of 79 million euros in 2021. This increase was attributable to the recovery from COVID-19 on an operational level during 2022.

Total cash flow from investing activities amounted to an inflow of 216 million euros in 2022 compared with an outflow of 299 million euros in 2021. This was mainly due to the proceeds received on the disposal of the financial asset (shares of Groupe ADP), as well as taking into account a net outflow (investments) of deposits in the current year.

Net cash flow from operating and investing activities – free cash flow – amounted to an inflow of 569 million euros in 2022 compared with an outflow of 379 million euros in 2021.

Cash flow from financing activities amounted to 438 million euros negative (2021: 545 million euros inflow), mainly as a result of settling the Financial liability - Share buyback obligation (acquisition of treasury shares). Schiphol incurred no additional debt in 2022, unlike in 2021.

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 2022 amounted to an inflow of 131 million euros (2021: 166 million euros inflow). As a result, the net amount of cash balances, taking into account exchange and translation differences, increased from 920 million euros as at 31 December 2021 to 1,051 million euros as at 31 December 2022.

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.

Financing

The total amount of outstanding loans and lease liabilities decreased by 42 million euros in 2022 to 5,365 million euros (2021: 5,407 million euros). The decrease was mainly the result of repaying 9 million euros on loans from the European Investment Bank and 18 million euros on the loan for Eindhoven Airport. At present, it is possible to raise funds of up to 5 billion euros under the EMTN Programme, of which 4,409 million euros has been issued.

In addition, Schiphol Group has a 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.

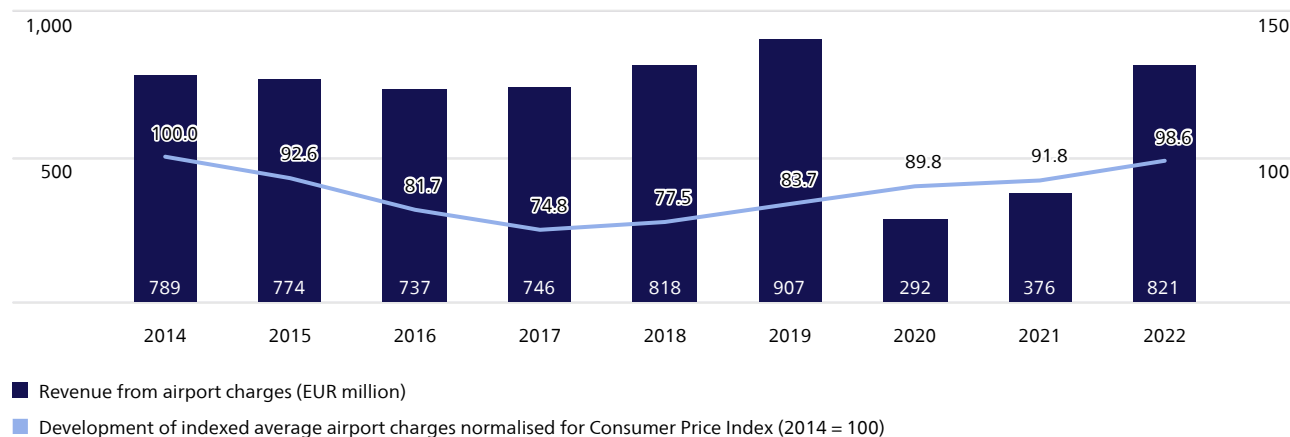
Ratios

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 2022, FFO increased from 25 million euros negative to 267 million euros positive. The FFO/net debt ratio reached 7.4% positive at the end of 2022 compared with 0.6% negative at the end of 2021.

The FFO/interest coverage ratio in 2022 was 4.47x positive, an increase from the 0.71x negative recorded in 2021. 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 2022 financial year, Schiphol group's net leverage ratio stood at 10.05x. The solvency ratio for the Group over 2022 was 36% (2021: 35%), which is above the required minimum of 30% per the covenants of the European Investment Bank.

Development of airport charges

(EUR million)



Economic regulation

The aviation activities of Amsterdam Airport Schiphol and Eindhoven Airport are regulated, unlike the other, regional airports in our Group. Schiphol's income is differentiated between regulated and non-regulated flows in what is known as a (hybrid) dual-till system. The amounts Schiphol 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, the charges for Amsterdam Airport Schiphol 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's return on aviation investments depends on the general development of the interest rate. For the 2019-2021 charges period, the regulated WACC was 2.71% (after

tax); for 2022-2024 the regulated WACC is 3.21% (after tax). This regulatory WACC is significantly lower than the actual WACC for Schiphol Group.

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

Airport charges 2022-2024

After consulting 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 2022-2024, Schiphol balanced two different goals: maintaining its position as a high-value European hub airport and recovering its financial health. A key component for setting the charges for 2022-2024 was incorporating the regulatory settlement of net losses in aviation revenues in both 2020 and 2021. This resulted in an average increase of charges of 9% in 2022, 12% in 2023 and 12% in 2024. This means an average annual rise in charges of 11%.

Sustainability in the airport charges

For the 2022-2024 charges period, Schiphol is taking steps to encourage the use of quieter aircraft. As nitrogen oxide (NOx) emissions are a pressing issue in the Netherlands and noise disturbance remains a major impediment to our airport operations and prospects for future development, Schiphol has adjusted its charges structure as of 1 April 2022. To encourage quieter and more fuel-efficient aircraft, Schiphol has adjusted the structure by which we rank and charge different aircraft types in terms of noise production. Additionally, Schiphol introduced a NOx charge per kilogramme of NOx emissions into our landing and take-off charges to stimulate aircraft engines with a lower NOx profile.

Dutch aviation tax

As of 1 January 2021, an aviation tax was introduced that applies to all departing passengers at a Dutch airport. On 1 January 2022, the aviation tax amounted to 7.95 euros (rounded figure) per departing passenger. As of 1 January 2023, the aviation tax will be increased to 26.43 euros per departing passenger. As demonstrated by the government's own research, Schiphol believes the tax has a minimal impact in terms of reducing carbon emissions and that the revenue should instead be used to promote innovation and sustainable development within the aviation sector.



Serving passengers, airlines, handling agents and logistics service providers alike, the Aviation business area plays a pivotal role at Schiphol. Aviation supplies, maintains and manages the infrastructure and processes needed to ensure the enjoyable, reliable and efficient departure and arrival of passengers, baggage and cargo. It is also responsible for coordinating safety and security in the terminal, on aprons and roads, on airside and in buildings.

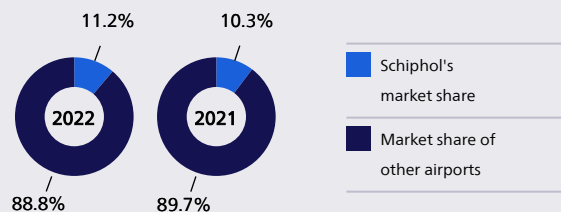
Aviation

EUR million	2022	2021	%
Total revenue	871	409	113.0
Operating expenses	846	612	38.2
Underlying EBITDA	25	-203	112.5
Depreciation	224	202	10.9
Underlying operating result	-199	-405	51.0
Average fixed assets	3,459	3,407	1.5

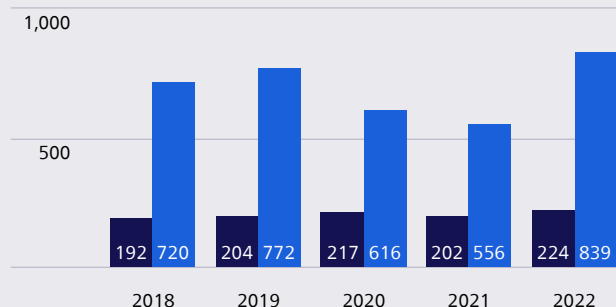
EUR million	Aviation			Security		
	2022	2021	%	2022	2021	%
Total revenue	580	274	111.7	291	135	115.6
Operating expenses	553	369	49.9	294	243	21.0
Underlying EBITDA	27	-95	128.4	-2	-108	97.2
Depreciation	174	156	11.5	50	46	8.7
Underlying operating result	-146	-251	41.8	-53	-154	65.6

Schiphol's market share in passenger volume

in top-10 European airports

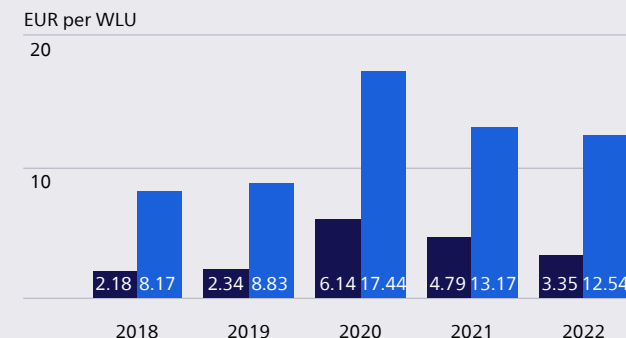


Aviation business area costs



■ Depreciation & amortisation
■ Operating expenses (excl. D&A)

Costs per WLU (Aviation)



■ Depreciation & amortisation per WLU
■ Operating expenses (excl. D&A) per WLU



Aviation (continued)

In 2022, the direct destinations from Schiphol totalled 313 in comparison to 296 in 2021. The IR rate for baggage handling (amount of baggage items delayed per 1,000 passengers) was 15.4 in 2022 (2021: 16.6). The punctuality of air transport movements for arrivals was 74.9% (2021: 88.5%) and for departures 57.1% (2021: 77.6%).

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 and thereby on the underlying operating result of Aviation, which in 2022 increased from a loss of 405 million euros in 2021 to a loss of 199 million euros in 2022. Revenue increased by 462 million euros, mainly due to a strong recovery of the number of passengers and air traffic movements (ATMs).

Underlying expenses increased by 234 million euros to 846 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.

With a regulatory WACC of 3.21% (after tax), the maximum allowed return on net assets is limited and does 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 in 2023.

In October 2022, Schiphol adjusted the airport charges for 2023 in accordance with the expected increase of 12%. Two complaints have been submitted to the regulator about the adjusted increase in charges for 2023. The regulator is in the process of assessing these complaints. Schiphol expects the regulator to make a decision before 1 April 2023.

Operational challenges in 2022

Throughout the COVID-19 period, many stakeholders in the aviation industry took measures to reduce costs, amongst others by decreasing the size of their workforce. As of Q1 2022, lockdown situations and travel restrictions were increasingly lifted across the globe, resulting in a significant increase in demand for air travel. Due to the shortage of staff in security, cleaning and handling companies, among others, Schiphol Group was confronted with significant operational challenges such as long waiting lines for departing passengers, especially throughout the May and summer holiday periods.

To address the labour shortage and thus the operational challenges, Schiphol Group took a number of operational and financial measures to make these jobs more attractive, such as:

- Introducing a May holiday bonus for security personnel.
- Putting in place more floor managers and hiring temporary personnel to fill in immediate gaps across several operational processes.
- A new Social Agreement for people working in security, cleaning, handling and certain other outsourced operational processes. This agreement provided a number of temporary and structural financial supplements and additional allowances.
- Agreements were also made to improve rostering and improve labour conditions in general, for example by investing in the quality of rest areas. Schiphol Group also

started a central recruitment initiative, taking more ownership of the recruitment process of security agents.

- With all relevant organisations, Schiphol Group organised collective job fairs for the Amsterdam Airport Schiphol location.

Of course, these measures resulted 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.

In addition to these measures to increase (personnel) capacity for the airport processes, as of June 2022 (and for the remainder of the year), Schiphol Group decided to implement a daily cap of departing passengers to be able to provide a robust, safe and higher-quality operational process for passengers and airlines.



Schiphol Commercial operates at the heart of Schiphol's commercial activities. Together, we create value for the customer (passengers and companies) and for Schiphol by shaping a unique and dynamic marketplace for work and travel. We do this with three department teams: Parking & Mobility Services, Commercial Terminal Services (Retail, Food and Beverages, Financial Services, Terminal Real Estate, Privium, VIP and Media) and Commercial Real Estate.

Schiphol Commercial

EUR million	2022	2021	%
Total revenue	492	346	42.2
Other income and results from investment property	-	-	-
Operating expenses	204	159	28.3
Underlying EBITDA	288	187	54.0
Depreciation	67	60	11.7
Underlying operating result	221	127	74.0
Average fixed assets	2,864	2,856	0.3

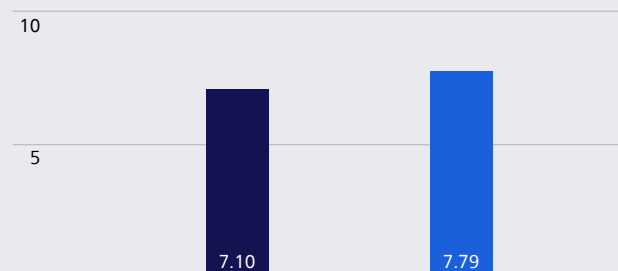
(in EUR 1.000)	Concessions		Parking & Mobility Services		Commercial Real Estate		Rental Terminal		Other	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Total revenue	148	83	107	59	152	183	55	51	30	-30
Operating expenses	37	31	47	36	65	78	36	27	19	-13
Underlying EBITDA	111	52	60	23	87	105	20	24	10	-17
Depreciation	17	15	20	18	6	22	19	19	5	-13
Underlying operating result	94	37	40	5	81	83	1	5	5	-4

Spend per departing passenger at Schiphol (in EUR)

	2022	2021
Airside retail	12.67	14.02
Airside catering	6.17	5.97
Total	18.84	19.98

Public parking revenue

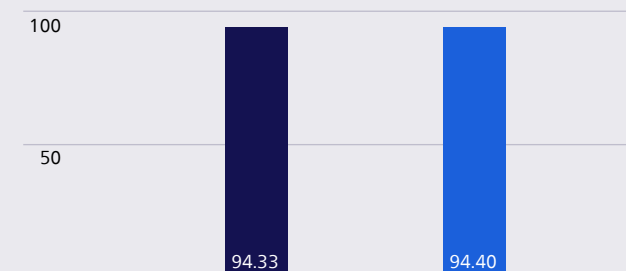
(EUR per arriving passenger OD/NL)



■ 2021
■ 2022

Real estate average physical occupancy rate

(in %)



■ 2021
■ 2022



Schiphol Commercial (continued)

Underlying operating result

In 2022, the underlying operating result for Commercial increased by 94 million euros to 221 million euros due to the recovery in passenger numbers (an increase of 110%). Revenue from concessions was positively impacted by the number of shops that were open. As a result of the COVID-19 lockdown 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 decreased by 9.6% from 14.02 euros to 12.67 euros; food and beverage spend per departing passenger increased by 3.4% from 5.97 euros to 6.17 euros. Retail airside spend is negatively impacted by reduced dwell time as a result of long security waiting times. Due to staff shortages, shops were closed and changed passenger profiles had a negative impact on retail spending. The long waiting time at security had a positive impact on food and beverages, as passengers arrived earlier at the airport for their flights.

Media revenue increased by 4 million euros (45%) compared to 2021, resulting in a net revenue of 13 million euros. The first months of the year were impacted by COVID-19 as passenger numbers were still low. As of Q2 2022, revenue recovered as passenger numbers increased, with a lagging effect.

The underlying operating result of Premium Services, consisting of Privium and the VIP service, further increased from 13 million euros to 16 million euros. The number of VIP passengers making use of the VIP service increased to over 29,000, whilst the number of Privium members was restored to pre-pandemic levels, with 69,000 members by the end of the year. Due to the attractiveness of both services, the number of VIP reservations and new member enrolment requests for Privium exceeded the available capacity for most of the year.

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 90% (2021: 89%) and a footprint of 104,000 sqm, the terminal offices contributed 46 million euros to Schiphol Commercial's total rental income in 2022. The occupancy rate increased slightly by 1%, as a result of aviation-related tenants scaling up their activities after the pandemic.

Our guests 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 2022 was the opening of the new Privium Express Lounge for Schengen passengers on the D Pier and the opening of the new Gucci Flagship store in Lounge 2.

The underlying operating result of Parking & Mobility Services increased, from a profit of 5 million euros in 2021 to a profit of 40 million euros in 2022. This mainly relates to public parking revenues and was largely driven by an increase in OD passenger numbers (131 %) and a positive development of the modal split (number of travellers who arrive by car), though partly offset by an increase in the average size of travel groups. Staff parking experienced an increase of 12.1% as the number of subscriptions by customers increased.

The underlying operating result from Commercial Real Estate decreased by 2 million euros in 2022 to 81 million euros.

Fair value losses amounting to 193 million euros in 2022 were recognised in comparison with a fair value gain of 69 million euros in 2021. Rising interest rates on the capital markets 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 rose to 94.4% in 2022 compared with 93.7% in 2021.

Commercial real estate - Offices

CRE achieved an average occupancy of 89% in 2022 (2021: 90%) for the office portfolio, which has a total footprint of 224,000 sqm. The change in occupancy was seen in multi-tenant buildings such as The Base (-2.0%). However, due to the high indexation, the topline increase for the office portfolio was 2.3 million euros. In 2022, the Transport building was fully acquired due to the end of the partnership with ADP. Therefore, the footprint increased compared to 2021.

Commercial real estate - Logistics

Schiphol's logistics real estate portfolio consists of first- and second-tier warehouses. In 2022, the average occupancy rate across the logistics portfolio was consistently high at 99% (2021: 99%), with a total footprint of 274,000 sqm. The logistics portfolio contributes 34 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 37.1 million euros on an annual basis. Due to a one-off event and high indexation, the revenue increased by 5.2 million euros.



The Alliances & Participations business area focuses on the operation of regional airports and the development of international business activities. Our regional airports connect their regions with the rest of the world. Our international activities focus on delivering operational knowledge and expertise to New York JFK, Brisbane, Hobart and Aruba.

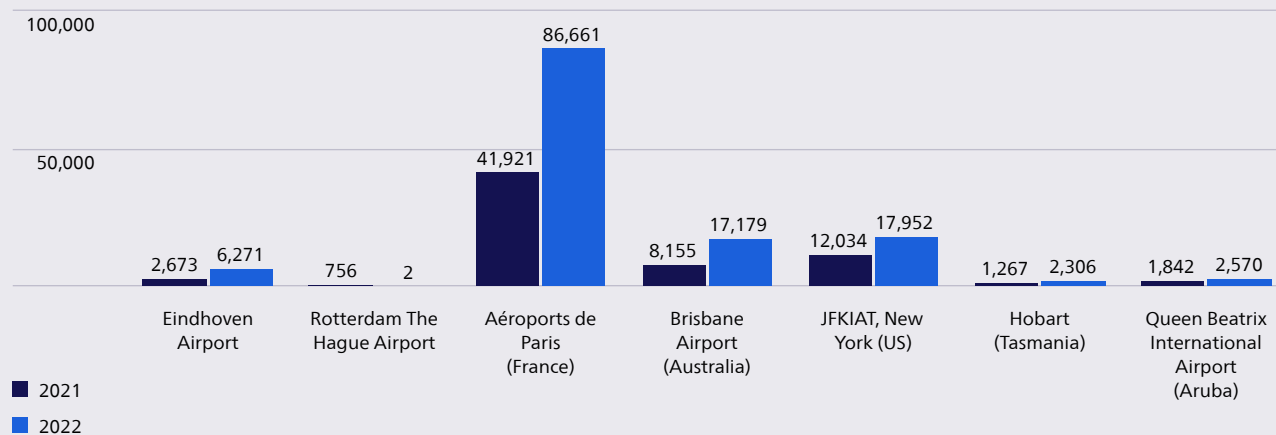
Alliances & Participations

EUR million	2022	2021	%
Total revenue	237	152	55.9
Other income and results from investment property	-	-	-
Operating expenses	189	137	38.0
Underlying EBITDA	48	15	>100
Depreciation	40	36	11.1
Underlying operating result	8	-21	>100
Share in result of associates, including interest income	22	-2	>100
Average fixed assets	927	1,265	-26.7

EUR million	Regional airports		International airports		Other activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	128	61	13	12	97	79	237	152
Operating result	5	-31	-0	6	3	3	8	-21
Share in result of associates	-	-	13	-2	-	-	13	-2
Finance income	-	-	8	-	-	-	8	-
Underlying total result	5	-31	21	4	3	3	29	-23
Average asset base	326	326	499	846	101	92	927	1,265

Number of passengers

(x 1,000)





Alliances & Participations (continued)

The total underlying result for Alliances & Participations amounted to a loss of 6 million euros in 2022 compared with a loss of 21 million euros in 2021. 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 2022, Eindhoven Airport's operating result increased by 28 million euros, leading to a profit of 26 million euros (2021: loss of 2 million euros). This was due to a 135% increase in the number of passengers.

Rotterdam The Hague Airport's operating result also increased, by 10 million euros, resulting in a profit of 1 million euros (2021: loss of 9 million euros) amid a 175% increase in passenger numbers.

Lelystad Airport's operating loss decreased by 1 million euros, leading to a loss of 9 million euros compared with 2021 (2021: loss of 10 million euros loss).

International airports

For the period 1 January 2021 to 30 June 2021 Groupe ADP's contribution to Schiphol's financial results was negative 16 million euros, and the investment was subsequently reclassified as asset held for sale in 2021. No share from the result participation has been attributable to Schiphol since then. The investment in Groupe ADP was sold over the course of 2022.

Brisbane Airport's contribution to Schiphol's financial results increased to 36 million euros in 2022 (2021: 12 million euros). JFK's contribution to Schiphol's financial results decreased to 6 million euros (2021: 13 million euros). Hobart Airport's contribution to the result increased to 10 million euros from a 3 million euro negative result in 2021.

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 2022, Schiphol Telematics' operating result was 8 million euros. The operating result for Schiphol Utilities amounted to 1 million euros.

Total result of regional airports (EUR million)

	2022	2021
Eindhoven Airport	26	-2
Rotterdam Airport	1	-9
Lelystad Airport	-9	-10
Allocation of overhead	-10	-1
Total result	8	-19

Total result of international airports (EUR million)

	2022	2021
Groupe ADP, Paris	-	-16
Brisbane Airport	36	12
JFKIAT, New York	6	13
Hobart International Airport	10	-3
Allocation of overhead	-6	1
Total result	46	-7

Total result of other activities (EUR million)

	2022	2021
Schiphol Telematics	8	5
Utility services	1	3
Allocation of overhead	-5	-1
Total result	4	7

Our regional airports

Eindhoven Airport



Key figures	2022	2021	change
Number of passengers	6.3 million	2.7 million	+135%
Direct destinations	87	79	+8
Air transport movements	40,252	21,704	+85%
TPI Sustainability (reduction in CO ₂ e compared to 2019)	0,83	0,46	+0,37
TPI Net Safety Score	98.4%	98.9%	-0.5
TPI On-time performance	54.6%	69.9%	-15.3%
TPI Net promoter score	23.4	40	-16.6
TPI Employee promoter score	11	36	-25
LTIF	0	0	-
Runway incursions	7	7	-
Bird strikes per 10,000 air transport movements	11.2	14.3	-2.5
Percentage of operational waste separated ¹	32%	35%	-3%

¹ Including CAT1 aircraft waste.

Eindhoven Airport recovered strongly from the downturn caused by COVID-19 in 2022, which, appropriately, was also the airport's 90th anniversary. Although the first few months of the year were still marked by COVID-19 measures, air traffic increased rapidly thereafter. Compared with 2021, when the recovery started to

kick in, the number of travellers increased from 2.7 million to nearly 6.3 million, an increase of 135%. Growth was especially strong among vacation-goers and people visiting family and friends, both of which were in high demand following two years of lockdowns and travel restrictions. Business traffic also picked up tremendously. The number of destinations increased from 79 to 87, which is already close to pre-COVID-19 2019 (89 destinations).

Busy terminal

Like Schiphol Amsterdam Airport, Eindhoven Airport also faced logistical problems during peak periods in 2022. In particular, a shortage of security personnel meant that not all lanes could be fully staffed. This resulted in long queues during vacation periods, sometimes extending well beyond the terminal. In a joint effort, with partner companies but also with colleagues from various departments, Eindhoven Airport managed to cope with the problems. For example, a special lane was created for passengers of aircraft that were due to depart soon. Agreements were made with the security company about better pay for its employees, in order to make the work more attractive in the search for new people. In the meantime, Eindhoven Airport is preparing for the next peak periods and doing everything in its power to ensure that last year's problems are not repeated. Indeed, 'Easy on your way' remains our brand promise.

Renewal and renovation

The congestion identified an issue that has been a concern for Eindhoven Airport for quite some time now: the size of the terminal. The planned expansion by about 10,000 square meters in 2022 is another step closer now that the preliminary concept has been approved by the Supervisory Board. Work is already underway on a final plan, including the design and floor plans. Completion is scheduled for 2025. Eindhoven Airport is also working on expanding its parking facilities. Demand for parking has risen sharply since the pandemic slowed down. Furthermore, in 2022, the terminal was enhanced with a new business centre, which companies and organisations can rent for events and

training courses. The centre, on the second floor of the terminal with a view of departing and arriving flights, has been in high demand since it opened in October.

Cooperation with local communities

In January 2022, the Eindhoven City Council adopted the area vision and development strategy for the Eindhoven Airport District. Based on this plan – a partnership between Flight Forum, the municipality of Eindhoven, the province of North Brabant, Eindhoven Air Base and Eindhoven Airport – the airport area is going to become more sustainable and accessible, greener and livelier. The plans for the new district, including the construction of the WTC Eindhoven Airport, are in line with the future-proof and sustainable developments of the airport itself. Implementation will continue until the year 2040.

A good living environment

In 2022, Eindhoven Airport established new airport charges that encourage clean aviation. Airlines will receive a discount on fees from 1 April 2023, if they fly with the latest aircraft that make less noise and/or emit less CO₂e and nitrogen oxides. Furthermore, the airport charges a lower rate for flights during the day instead of early morning or evening hours. As a result, local residents experience less nuisance from aircraft taking off and landing. Eindhoven Airport wants to contribute to a good living and working environment and is in regular contact with representatives of local residents on this matter. The next step in improving communication was the formation of the Regional Information Centre with the Air Base. The cap of 41,500 air transport movements, agreed in 2019, also applied in 2022. The airport recorded 40,252 aircraft movements, significantly more than a year earlier (21,704) but still well below the pre-COVID-19 year 2019 (41,438). The agreed maximum will also apply in 2023.

Read more at www.eindhovenairport.nl

Rotterdam The Hague Airport



Key figures	2022	2021	change
Number of passengers	2.1 million	0.8 million	+175%
Direct destinations	57	36	21
Air transport movements	15,772	6,355	+148%
TPI Sustainability (reduction in CO ₂ e compared with 2019)	0.14	1.13	-0.99
TPI On-time performance	68%	78%	-10
TPI Net promoter score	49.3	58.6	-9.3
TPI Employee promoter score ¹	27.1	36.6	-9.5
Net safety score ²	3.4	3.5	-0.1
LTIF	16.3	11.6	+ 4.7
Runway incursions	16	20	-4
Bird strikes per 10,000 flight movements	4	2.6	+1.4
Percentage of operational waste separated ³	46.7%	49.7%	-3

¹ Since 2021, RTHA reports EPS in line with the definition used by the rest of the Dutch airports of Schiphol Group. The comparative figure has been updated in line with this definition.

² The net safety score of Rotterdam The Hague Airport concerns the number of runway incursions and bird strikes per 10,000 air transport movements. This KPI, therefore, does not follow the same definition as the net safety score TPI.

³ Excluding CAT1 aircraft waste.

In 2022, Rotterdam The Hague Airport (RTHA) recovered from the COVID-19 pandemic as passenger numbers and aircraft movements returned to 2019 levels. There were few flights in the

first months of 2022, however, as the pandemic still had the aviation industry in its grip. The unused slots from that period were moved to the summer and used by several airlines. In the years before COVID-19, aircraft movements were more evenly spread over the year, whereas in 2022 there was a strong peak in the second and third quarters. Despite staff shortages, the operational processes functioned well. Passenger satisfaction remained high, and all passengers were able to make their flights.

At the same time the airport has made significant progress in terms of innovation and sustainability. The airport solar park, which is 7,7 ha big and contains 37.000 solar panels, has been delivered. It was constructed in association with RHIA (Rotterdam the Hague Innovation Airport) and operated by Unisun. The solar park generates 11 GWh renewable energy produced on site. Besides this, the airport taxiway has been totally renovated in 2022.

RTHA also invested in many new passenger facilities. We opened a restaurant called 'The Kitchen' on airside, a Prima Vista premium lounge and a new and larger airport shop, and welcomed Starbucks onto our premises as well. In late 2022, we also introduced Self-Service Boarding Pass Check facilities.

In September, Wilma van Dijk joined RTHA as the new CEO, taking over the position from Ron Louwerse. The airport finalised the Airport Decree participation process in late 2022, and the management sent the Notitie reikwijdte en detailniveau ('Memorandum on scope and detailing'), which outlines the research that needs to be done regarding the future of the airport, to the Ministry of Infrastructure and Water Management.

Passenger numbers back to pre-COVID-19 levels

In 2022, 2,112,679 passengers travelled to and from RTHA, which is an increase of 180% compared with 2021, which was heavily affected by the COVID-19 crisis. Compared with 2019, this is an increase of 0.8%. In 2022, there were 15,772 commercial aircraft movements, which is 156% more than in 2021 and 5% less than in 2019. Passengers travelled to 57 different destinations, whereas in 2021 there were 36 and in 2019 48 destinations.

Trauma helicopter traffic rose by 11% compared to 2021 (5,951 movements in 2022) and 20% compared to 2019. Helicopter traffic increased in particular at night.

Innovation and sustainability

In May, RTHA started replacing diesel in all airport ground operations with 'GoodFuels HVO100', a renewable and fossil-free fuel. The biggest advantage of using HVO100 fuel is an 89% reduction of CO₂e emissions compared with regular diesel fuel. In 2022, 149,458 litres were refuelled, which resulted in a reduction of 433,428 kg of CO₂e. In collaboration with SkyNRG and the Norwegian climate technology company CHOOOSE, RTHA introduced the 'Fly on SAF' programme. This online tool allows travellers to reduce the CO₂ emissions of their air travel by replacing fossil kerosene with sustainable aviation fuel. This works through the 'book and claim' principle: the fuel is filled in an aircraft near a SAF production facility instead of transported to the bookers' aircraft. RTHA is the first airport to offer the 'Fly on SAF' tool in the Netherlands. By joining this initiative, RTHA hopes to make SAF more common to the general public and increase awareness among passengers. In addition, the first three electric ground power units (eGPUs) have been put into use at RTHA. The eGPUs are used at the airport to power aircraft on the apron. They replace the combustion engine variant. As the eGPU generates no emissions, it helps to reduce emissions – such as CO₂e, nitrogen and particulate matter – on the apron.

Read more at www.rotterdamthehagueairport.nl

Lelystad Airport



Key figures	2022	2021	change
Air transport movements (general and business aviation)	83,514	77,759	7.4%
TPI Sustainability (reduction in CO ₂ e compared to 2019)	0.03	0.63	-0.6
TPI Net safety score	97.4	99	-1.6
TPI EPS	-38	11.3	-49.3

Under the 2008 Alders Agreement, Lelystad Airport is intended to serve as an overflow airport for Schiphol for non-mainport traffic. Lelystad Airport currently accommodates smaller general aviation (GA) and business aviation (BA) traffic, but the airport will eventually also accommodate up to 45,000 air transport movements (ATMs) of commercial air traffic a year.

The opening of Lelystad Airport has been postponed several times. On 24 June 2022, the decision on the opening of Lelystad Airport for commercial air traffic was postponed by two years to 2024. The decision will be made after Lelystad Airport has obtained a nature permit (a task for Lelystad Airport) and after a solution is found for the flight altitude of aircraft approaching the airport over a distance of 30 kilometres near Lemelerveld (a task for the Ministry of Infrastructure and Water Management – I&W). We expect a decision on the nature permit to be taken in 2023

Lelystad is fully prepared for commercial aviation. All necessary infrastructural work was completed in 2019, including the installation of air traffic control services by Air Traffic Control the Netherlands (LVNL) and the Ministry of Defence’s Air Force.

The air traffic control services operated by Command (CLSK), which are necessary for IFR flights, are available on demand as long as Lelystad Airport is not open yet for commercial air traffic. The Lelystad Airport organisation and its business partners are fully committed and ready for take-off.

In 2022, Lelystad Airport registered almost 84,000 ATMs of GA and BA traffic, an increase of 7% in comparison with 2021.

In anticipation of the airport’s opening to commercial air traffic, all notifications regarding noise disturbance can be submitted to a digital counter (‘meldpunt Lelystad Airport’). These notifications are followed up by reports, which are then discussed with local residents.

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. The airport aims to be energy-neutral by 2030 and energy-positive in the years thereafter.

To this end, the airport partners with local organisations such as the province of Flevoland, the municipality of Lelystad, the Lelystadse Boer and Lelystad Airport Business Park to achieve present and future sustainability targets. Together with these partners, the airport is exploring opportunities and addressing bottlenecks in renewable energy, climate action, health, hydrogen applications, ecology and the economy. Lelystad Airport is closely connected to its social environment. That is why the company is committed to financing neighbourhood caretakers in the municipality.

Promoting local sustainable employment is one of Lelystad Airport’s core values. The airport aims to hire at least 30% of its workforce from within a 30-kilometre radius. There will be extra job opportunities when Lelystad Airport opens for commercial air traffic. Lelystad is also working with Stichting Campus Amsterdam Lelystad Airport (SCALA) and the regional training centre, ROC of Amsterdam, to offer training initiatives and work placements at the airport or with its partner companies. Together with the ROC, an electric Pipistrel has been unveiled where students can learn in a field lab environment.

Read more at www.lelystadairport.nl

Our international activities

2022 can be summarised as a year of transition for the airports in our Group. Despite a challenging start to the year, our airports accommodated greater traffic and passenger numbers, and implemented extensive measures to facilitate increasing traffic volumes in a safe and secure manner for both passengers and staff.

All airports in the Group have introduced extensive CAPEX programmes to continue the transition towards becoming more sustainable, high-quality facilities. Using the knowledge available within the Group is a key aspect of this transition as it generates synergies that benefit all members of the Group. Indeed, the 'Group of Airports' concept was an important focus in 2022 and will remain so in the coming years. Exchanging knowledge and expertise between the airports in the Group is facilitated through staff secondments and Knowledge Networks. The increased number of secondments in 2022 is a testimony of our commitment to the 'Group of Airport' concept and strengthens our role as a world-leading airport operator.

In 2021, the HubLink strategic partnership with Groupe ADP came to an end. This has resulted in the unwinding of the cross-shareholding between Groupe ADP and Schiphol Group in 2022. Through three separate transactions, Schiphol Group sold its 8% stake in Groupe ADP, after which Schiphol Group bought back the 8% that Groupe ADP had held in the Group.

Participations of Royal Schiphol Group 2022

Airport	Passenger numbers 2022	Change compared to 2021	Our role
Brisbane Airport, Australia	17.2 million	+111%	Shareholding of 19.61%
JFK Terminal 4, New York, USA	18.0 million	+49%	Management contract
Hobart International Airport, Australia	2.3 million	+82%	Shareholding of 35%
Queen Beatrix International Airport, Aruba	2.6 million	+39%	Strategic partnership

Brisbane Airport



Brisbane Airport recovered strongly in 2022, despite challenges such as an outbreak of the Omicron variant of COVID-19, a tornado and a flood event at the airport. Domestic passenger volumes moved towards pre-COVID levels again, and international travel volumes increased by almost 50%. The pace of recovery has exceeded estimates and laid a solid platform for further recovery.

The airport team's achievements were recently acknowledged by the Skytrax 2022 World Airport Awards, which awarded Brisbane Airport 'Best Airport for Australia/Pacific', 'Cleanest Airport in Australia/Pacific' and, importantly, 'Best Airport Staff for Australia/Pacific'.

In 2022, Brisbane Airport reconfirmed its ambition to create a sustainable, world-leading 'Airport City' that future generations can rely on and be proud of. The airport signed the World Economic Forum's Clean Skies for Tomorrow 2030 Ambition Statement and brought forward plans to reach net zero on Scope 1 and 2 emissions by 25 years to 2025.

Looking ahead, the company will focus on delivering security upgrades to the domestic and international terminals to comply with new standards for screening equipment and to boost capacity. Planning is also underway for a third terminal to meet Queensland's future growth needs and improve public and mass

transit connections with the city and surrounding regions. This strategy will ensure the airport has the capacity to accommodate visitors to the 2032 Brisbane Olympic and Paralympic Games, as well as growth in the decades to come.

Read more at www.bne.com.au

Hobart International Airport



Hobart Airport is the largest airport on the island of Tasmania and the eighth-largest in Australia, handling 2.3 million passengers in 2022. As the major gateway to an island state, Hobart Airport is a key economic driver for Tasmania.

Passenger numbers in 2022 were 83% of those in 2019 before the pandemic broke out. Recovery was slightly slower than expected due to some airlines reducing capacity to increase their operational resilience while facing staff shortages, absenteeism and supply chain delays. Hobart Airport maintained a robust operation, with departure on-time performance driven principally by arrival on-time performance.

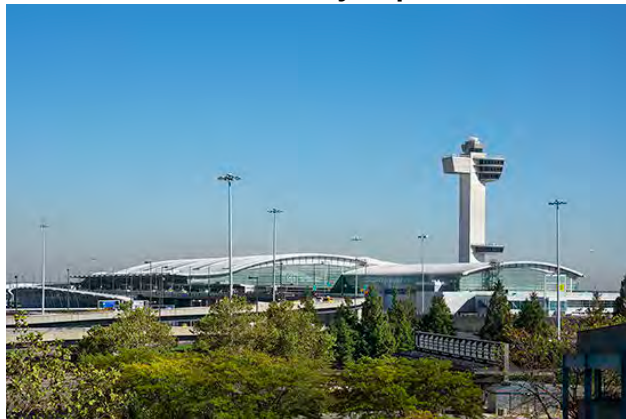
In October, Hobart Airport received a commitment from the Australian government of 60 million Australian dollars (39 million euros) to upgrade its runway, taxiways and apron to handle Code E wide-body aircraft without weight restrictions. This upgrade, scheduled for completion in early 2024, is forecast by KPMG to create additional economic activity worth 122 million Australian

dollars and 1,261 new jobs. The upgrade will create future opportunities for direct passenger and freight links to Asia and make it possible to increase operations into Antarctica for scientific missions.

In 2022, Hobart Airport introduced a carbon offsetting programme using high-quality local offsets from the Tasmanian Land Conservancy to achieve net zero emissions and has applied to have its Airport Carbon Accreditation raised from level 2 to level 3+. It achieved a score of 90% in its second year of participation in the Global Real Estate Sustainability Benchmark

Read more at hobartairport.com.au

Terminal 4, John F. Kennedy Airport, New York



JFK International Air Terminal LLC (JFKIAT), an affiliate of Royal Schiphol Group, has been the operator of Terminal 4 at John F. Kennedy International Airport since 1997, driven by the mission to deliver a safe, seamless and memorable travel experience.

In 2022, JFKIAT focused on building back its operations after the COVID-19 pandemic. Terminal 4 recovered strongly in the second half of the year, reaching 75% of its pre-pandemic international passenger levels and 90% of domestic passenger levels. The total number of passengers travelling through Terminal 4 in 2022 was 18 million, compared with 22 million in 2019.

JFKIAT and its anchor tenant Delta Air Lines, Inc. completed a 1.5 billion dollar project in 2022 to renovate and expand Terminal 4. The 10-gate expansion will strengthen Delta Air Lines' operations. In 2023, JFKIAT will also expand its 'headhouse', make additional investments in technology and carry out a full overhaul of its commercial concession programme. The project will be finalised in 2024.

In 2022, the operator was recognised as being the first air terminal in the US to be LEED Platinum certified for O&M for existing buildings, a major step in its goal to maintain sustainable practices and reduce carbon emissions.

Read more at www.jfkairport.com

Aruba Airport (Queen Beatrix International Airport)



Aruba Airport, managed and operated by Aruba Airport Authority N.V. (AAA), has a strategic cooperation agreement with Royal Schiphol Group through which Schiphol nominates the airport's CEO, delivers technical support and shares knowledge and best practice.

2022 ended with AAA recovering about 95% of its 2019 passenger traffic. The outlook is positive, and in 2023 the airport is expected to exceed 2019 levels by 7%, marking the first year of full recovery since 2020.

The terminal expansion Gateway 2030 project is progressing as planned, and civil works are set to be completed by mid-2023, with the new baggage handling system scheduled to be operational in the second half of 2024.

In 2022, Aruba Airport continued to implement its new strategy – launched in 2021 – reaching its first milestone: Engage & Shape for Success. AAA is reinventing itself to emphasise organisational and operational excellence and create a solid foundation for sustainability and enhanced resilience.

In 2023, the airport will seek new partnerships to create more impact as we transition towards a more sustainable and inclusive airport business model and look to enhance the commercial and customer experience. As part of its strategy, Aruba Airport also aims to improve its inter-island connectivity in the Dutch Caribbean, making it more affordable, efficient and sustainable.

Read more at www.airportaruba.com

Other international activities

Schiphol has been supporting St. Maarten Princess Juliana International Airport, helping it to recover from the aftermath of Hurricane Irma. Furthermore, Royal Schiphol Group has a renewed strategic partnership 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 participates in real estate at Milan Malpensa Airport in Italy and Hong Kong International Airport.



Governance

Olga Veldhuizen, Floor manager, is the point of contact for travellers and helps them to go through the process as smoothly and as comfortably as possible. 'I have a nice job. Varied, frantic and lots of personal contact. The busy summer was physically and mentally challenging. Luckily I had a lot of support from my colleagues. And the help from other departments was heartwarming.'

The Supervisory Board supervises and advises the Management Board in setting and achieving the strategic objectives of Schiphol Group. In this report, the Supervisory Board explains how it fulfilled its role over the past year.

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.

Since the underlying net result depicts a loss as a consequence of the measures taken as a result of the operational upscaling issues, and in accordance with the conditions set in relation to the NOW regulations, it will be proposed that no dividend over 2022 will be distributed to the shareholders.

The financial statements will be submitted to the General Meeting of Shareholders for adoption on 11 April 2023. 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

2022 was dominated by the major sector-wide upscaling issues at Amsterdam Airport Schiphol after the COVID-19 pandemic. Staff shortages have impacted the airport in a period of steep growth, resulting in unreliable operations and reputational damage. 2022, as a result, was a disappointing year. Schiphol Group did not deliver the quality of service that its core customers, passengers and airlines, have come to expect. The Supervisory Board has been closely involved in addressing the issues during this period. Between April 2022 and September 2022, extra Supervisory Board meetings were held to discuss, challenge and advise the Management Board on the staffing issues, passenger experience, working conditions for staff and the broader reputation of the airport.

Schiphol Group is focusing on resolving the scarcity of staff in key processes at the airport. To that end, it has already started developing and (in certain areas) implementing a new operating model. This model includes a license to operate for ground handling, an improved collaboration and model with suppliers of business-critical services in the passenger process, and a new (general) model for outsourced services.

Schiphol Group made important progress regarding innovation and project execution. A new contractor for the remaining works of Pier A has been appointed and the Dual Taxiway System project is progressing according to budget and planning. Since 2022, Schiphol has a road and several parking bays made from recycled plastic. Furthermore, Schiphol Group invested in vehicles to taxi aircraft more sustainably, conducted a trial with new electric ground equipment for handling large types of aircraft and tested the use of mist to slow the spread of ultra-fine particles. The



Supervisory Board will continue to urge the Management Board to accelerate projects in relation to sustainability.

In June 2022, the Dutch Cabinet announced its plan to impose a capacity reduction for Amsterdam Airport Schiphol. The announcement has led to uncertainties within the ecosystem at Amsterdam Airport Schiphol and may have an impact on airlines' network of destinations. Schiphol Group is constructively talking with the government and its partners on how to contribute to a substantial reduction of nuisance hindrance and environmental damage to its surroundings.

Main points of attention

Operational situation

Between April and September 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.

Since May 2022, Schiphol Group has been implementing and executing several (structural) actions to improve the situation by means of an action plan consisting of four action lines: (i) recruiting more staff; (ii) improving operational excellence, including IT and data-related solutions; (iii) a social agreement to enhance the appeal of working at Schiphol; and (iv) improved planning and relocation to regional airports. To balance security staffing capacity with passenger demand and to safeguard the safety of both passengers and employees, a temporary regulating terminal parameter was implemented in close collaboration with the Supervisory Board. The parameter sets a maximum number of local departing passengers from Schiphol per day. In August 2022, it was decided to compensate travellers who missed their flight due to long queues. The Supervisory Board fully supported this initiative.

Due to the measures taken, July and August 2022 went relatively well, with a more reliable passenger experience. Unfortunately, in early September, Schiphol Group again had to deal with unexpected staffing shortages and therefore had to ask several airlines to cancel flights during the day. After weeks of improvement during the summer period, Schiphol Group did not expect this. This also led to Mr Benschop stepping down as CEO of Schiphol Group and the company deciding to extend the compensation period for travellers to the end of October 2022.

The ongoing staff shortages at security companies forced Schiphol Group to further limit passenger numbers for the rest of the summer period. Based on the forecasts, Schiphol Group extended the parameter for the entire winter season.

Schiphol Group realises that the past year has had a significant negative impact on the airport's reputation and is doing its utmost to restore this. In October 2022, it was announced that security staff at Schiphol will receive higher wages, will work based on more favourable rosters and can make use of improved rest areas. Schiphol Group also launched a big recruitment campaign for security staff in collaboration with the sector. From a broader perspective, Schiphol Group is assessing its operating model and implementing improvements in this respect.

On 1 November 2022, Mr Sondag was appointed interim CEO of Schiphol Group. He is focusing on restoring Schiphol Group's reputation, ensuring reliable operations during the coming spring and summer period, and improving working conditions at the airport.

Sustainability and working conditions

In addition to these operational issues, the Supervisory Board has paid particular attention to sustainability. Schiphol Group takes a leading role in sustainability within the aviation sector, 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 aviation sector both within the Netherlands and Europe.

The Supervisory Board is satisfied with the progress achieved in 2022 with respect to sustainability in the aviation sector, but realises that a lot of work still needs to be done. The 'Most sustainable airports 2030' roadmap 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). An important step that was taken in 2022 was aligning Schiphol Group's capital expenditures with the roadmap.

Working conditions are an important part of sustainability. The people at Amsterdam Airport Schiphol deserve proper working conditions and decent wages. The Supervisory Board recognises that improvements are needed in this respect. Important first steps have been taken in 2022 in close collaboration with contracting and sector partners, such as a social agreement, higher wages, improved rest areas, better rostering, a license to operate for ground-handling companies and Schiphol Group offering face masks to employees working in areas with high concentrations of ultra-fine particles.

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.

Development of the Group

In June 2022, the Dutch Cabinet announced a capacity reduction for Amsterdam Airport Schiphol as of 1 November 2023. Together with sector partners, Schiphol Group is looking into the consequences of this possible decrease in relation to passenger numbers, peak demand, gate capacity, number of destinations and revenue streams. The Supervisory Board is closely involved in these matters.

In October 2022, Schiphol Group and Maastricht Aachen Airport (MAA) entered into a strategic partnership. Schiphol Group envisages to acquire a 40% interest in MAA for 4.2 million euros. As a result, parties will invest in the future of MAA together. 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. An environmental fund will be created

with contributions from governments and companies. Royal Schiphol Group will also contribute 800,000 euros to the fund. In addition, the parties are committing to a far-reaching exchange of knowledge in the areas of real estate and commerce.

Nitrogen

Schiphol Group is still working intensively on the nature permit applications ('Wnb-vergunningen') for all Dutch Schiphol Group airports. Based on recommendations by the Ministry of Agriculture, Nature and Food Quality, Schiphol Group submitted updated permit applications. Schiphol Group uses external nitrogen offsetting (for instance, by buying farms) to safeguard sufficient deposition room. The process remains difficult with several uncertainties. Schiphol Group expects a nature permit to be granted in the first half of 2023.

Airport charges

The new airport charges went into effect on 1 April 2022 and will extend until 31 March 2025. The process was diligently followed and well-conceived. Schiphol Group balanced all interests and took into account the input received from airlines during the pre-consultation meetings, which ultimately led to a cumulative increase in airport charges of 37% (9% in 2022, 12% in 2023 and 12% in 2024). The Supervisory Board believes that the airport charges set by Schiphol Group are the right balance between financial recovery after the pandemic, encouraging sustainable aviation and remaining a competitive hub airport.

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.

In November 2022, the Dutch Council of State (Raad van State) ruled that a general construction exemption for nitrogen does

not comply with European nature protection law, which means the end of the general construction exemption. All projects must now also be tested for the effects of nitrogen deposition during the construction phase. The Supervisory Board recognises that this is a risk for all (maintenance-related) projects as the airport and will closely follow the consequences of this ruling for Schiphol Group.

Pier A

With the termination of the contract for the joint venture with Ballast Nedam-TAV, Schiphol Group launched a tender procedure for the remainder of the work. BAM has been selected as new contractor. Schiphol Group and BAM are now working on a schedule for the delivery of Pier A. The Capital Programme, Operations and Investments Committee is closely involved and will continue to be in 2023.

Lounge 1

Lounge 1 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.

In October 2022, the shareholders and the Supervisory Board approved the investment decision in relation to this project.

Dual taxiway system

Delivery of the Dual Taxiway System (Project Quebec) is well on its way. Schiphol Group is currently working on phase 1B of the project, which aims to bolster Schiphol's remote holding capacity. The design phase was completed in late 2022. Construction started in early 2023.

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. Schiphol Group is therefore actively advocating, together with other European airports, for a delay of the implementation of the legislation. In March 2022, the Supervisory Board approved the investment proposal. Given the complexity of the project, the Capital Programme, Operations and Investments Committee is closely involved; the project was discussed on a bi-monthly basis, which will be continued in 2023.

Terminal South

Terminal South aims to resolve bottlenecks in baggage and terminal capacity to meet future peak capacity demand, improve quality perception and increase commercial revenue. The development of Terminal South was paused during the COVID-19 pandemic for two years and restarted in 2022. Schiphol Group is now rethinking the concept and timing of the terminal and, as a result, has launched a market consultation. No investment decisions have been made yet. A sensitivity analysis has been performed, also taking into account the ATM announcement of the Dutch government.

International developments

Schiphol Group has continued working on its international strategy to diversify its revenue streams and is looking into several opportunities. The Supervisory Board supports this strategy.

On 30 November 2021, the alliance between Schiphol Group and Groupe ADP expired. Schiphol Group and Groupe ADP decided not to renew the HubLink industrial cooperation agreement. The cross-shareholding is being unwinded in line with the exit agreement. A temporary Transaction Committee has been established to deal with the unwinding. At year-end 2022, Schiphol Group sold the entire 8.0% of its shares in Groupe ADP. Schiphol Group also repurchased the 8.0% shares held by Groupe ADP. In 2023, Schiphol Group will look into options for selling Schiphol Group's shares, which were repurchased from Groupe ADP.

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 Lounge 1 and the Entry-Exit System, one other project proposal was approved by the Supervisory Board in 2022:

- *Maintenance Zwanenburgbaan*: as part of the runway maintenance strategy, one runway renovation is done per year. The maintenance of the Zwanenburgbaan is scheduled for early 2023. The project secures operational availability of the runway for the coming years.

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 Management Board on these meetings.

No conflicting interest

There were no transactions in 2022 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 2022, the Supervisory Board had two female and four male members. The Supervisory Board is currently aiming to include another member and searching for successors of Supervisory Board members whose second term will end in the short term. The Management Board had one female and two

male members at year-end 2022. Schiphol Group runs a development and leadership programme to ensure that both men and women 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 following section 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 Olsson has the Swedish nationality and 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, focusing on CAPEX 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 and the social dialogue, the international strategy and opportunities, sustainability and the integrity culture within Schiphol Group. Supervisory Board members also regularly participated in site

visits to stay on top of operational, asset, security and safety-related matters.

C. Other matters

Appointments and reappointments

Management Board members

On 1 June 2022, Birgit Otto resigned as Executive Vice-President and Chief Operations Officer. The Management Board recommended to reduce the number of Management Board members from four to three which the Supervisory Board approved. Following the organisational change and the restructuring of governance during Project Reset, the Management Board members have fewer direct reports. In addition, a new accountability mechanism has been implemented for senior management. The Supervisory Board is closely monitoring this new way of working.

The Supervisory Board thanks Ms Otto, who has made significant and valuable contributions to the airport for more than 20 years, especially in the field of safety and operations.

On 1 November 2022, Ruud Sondag succeeded Dick Benschop as President and Chief Executive Officer (CEO). Mr Benschop decided to step down as CEO given the attention and criticism regarding how Schiphol Group tackled the operational issues.

In recent years, Dick Benschop has shifted Schiphol's course to focus on quality, care for the living environment and accelerating the process of making aviation more sustainable. He also led Schiphol Group through the disruptive COVID-19 pandemic. The Supervisory Board is very grateful for his leadership and respects Mr Benschop's decision to resign.

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. The difference of opinion

concerned the operational management of the airport. Despite the joint efforts, it was not possible to bridge the differences. The position will be filled with a new candidate as soon as possible.

The Supervisory Board appreciates and thanks Ms Buis for her major contribution to the aviation sector over the past 18 years in various positions such as Director of Aviation Marketing, CEO of Lelystad Airport and as a member of the Board of Directors of Royal Schiphol Group.

Supervisory Board members

By means of a resolution outside a General Meeting, Mr Winter was appointed as a Supervisory Board member for a first term of four years effective January 2022. Mr Winter has broad experience in the board room, the political environment and a complex stakeholder field. Furthermore, he has excellent knowledge of (Dutch) governance, compliance and regulatory issues. The expertise and experience that Mr Winter brings will

help the Supervisory and Management Board to achieve the ambitions set for the coming years.

At the General Meeting of Shareholders on 12 April 2022, Mr Collier and Ms Brummelhuis were reappointed as Supervisory Board members for a second term of four years. Mr Collier is a highly valued member of the Supervisory Board, in part due to his experience in the aviation industry, his background in delivering major projects, international experience and financial expertise. Ms Brummelhuis is a highly valued member of the Supervisory Board as well, bringing relevant experience in the digital field, compliance and complex stakeholder issues.

Ms Gunning's second term expired at the General Meeting on 12 April 2022. The Supervisory Board thanks Ms Gunning for her valuable and significant contribution to Schiphol Group during her time as Chair of the Supervisory Board. Mr Winter has succeeded Ms Gunning as Chair of the Supervisory Board.

The composition of the committees changed in 2022, as shown in the table.

Meetings

The Supervisory Board met on 22 occasions in 2022. The Management Board members attended all of those meetings. Prior to the regular meetings, the Supervisory Board held private consultations. The various committees held 49 formal meetings in total in the course of 2022. It is the aim to reduce the number of meetings in 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 Management Board 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

Distribution of fields of knowledge among the members of the Supervisory Board

	J.W. Winter ¹ (Chair)	S.G. Brummelhuis	D. Collier ¹	E. van Galen ¹	R.J. van de Kraats (Vice)	A.B.M. Olsson ¹
Year of birth and nationality	1963, Dutch	1965, Dutch	1955, Irish	1961, Dutch	1960, Dutch	1957, Swedish
First appointed in	2022	2018	2018	2021	2015	2015

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

both within and outside Schiphol Group, including the shareholders.

Meetings of the Supervisory Board committees

Audit Committee

The Audit Committee held five meetings in 2022. The committee spoke with the Chief Financial Officer (CFO), the Controller 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, the audit tender for the external auditor for the 2024 financial year, the unwinding of the Groupe ADP cross-shareholding, (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 Business Plan 2023-2032 and the Budget and Funding Plan 2023. 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 2022. Deeper information and discussion sessions took place in relation to the staffing issues, project execution and cyber risks. As of this year, the committee has paid specific attention to ESG reporting, as this will become an increasingly important topic going forward. ESG is now a recurring topic in the Audit Committee meetings, which will continue in 2023.

Composition of the Supervisory Board committees

	J.W. Winter (Chair)	S.G. Brummelhuis	D. Collier	E. van Galen	R.J. van de Kraats (Vice)	A.B.M. Olsson
Supervisory Board	•	•	•	•	•	•
Audit Committee			•	•	•(c)	
People Committee	•	•				•(c)
Capital Programme, Operations & Investments Committee		•	•(c)			•
Safety, Sustainability & Stakeholders Committee	•	•		•(c)		•
Transaction Committee	•		•	•	•(c)	

As of 2022, the temporary Liquidity & Solvency Committee has been merged with the Audit Committee. The Audit Committee kept focus on liquidity and solvency throughout the entire year, with specific focus on the credit ratings.

Prior to every Audit Committee meeting, the Chairman 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 management.

Capital Programme, Operations & Investments Committee

The Capital Programme, Operations and Investments Committee held monthly meetings. The committee met 14 times in 2022. The main focus of the committee has been the operational situation (including passenger experience) and major projects, specifically Pier A, the Entry-Exit System and Lounge 1. The committee was updated every quarter on the status and progress of the major projects and discussed the caused of the underspend in relation to capital expenditures. The committee was consulted in relation to two major, upcoming projects: Pier C and the Southern Developments. In addition, the committee was informed about the state of the assets and commercial developments and opportunities. An annual evaluation of the Capital Lifecycle took

Attendance in 2022

Attendance	J.W. Winter (Chair)	L.J. Gunning (Chair)	S.G. Brummelhuis	D. Collier	E.van Galen	R.J. van de Kraats (Vice)	A.B.M. Olsson
Supervisory Board	22 of 22	2 of 2	21 of 22	21 of 22	19 of 22	16 of 22	20 of 22
Audit Committee	1 time as observer	n/a	n/a	5 of 5	5 of 5	5 of 5	n/a
Capital Projects, Operations & Investments Committee	1 time as observer	n/a	14 of 14	14 of 14	n/a	n/a	14 of 14
People Committee	19 of 20	2 of 3	20 of 20	n/a	n/a	7 times as observer	19 of 20
Safety, Sustainability & Stakeholders Committee	4 of 4	1 of 1	4 of 4	n/a	4 of 4	n/a	3 of 4
Transaction Committee	4 of 4	n/a	n/a	4 of 4	3 of 4	4 of 4	n/a

place as well. The committee believes the organisation has made progress in relation to project governance and execution and hopes to see further progress in the coming years. Since 2020, the committee has been advising the Supervisory Board on approval of preliminary investment decisions of all asset-related projects. In 2022, the committee advised in favour of the submitted preliminary investment decisions.

In September and October, a few (informal) extra meetings were held regarding the operational challenges.

People Committee

The People Committee held 20 meetings in 2022. The committee's main focus has been the succession of the Chief Executive Officer (CEO) and the succession of the Supervisory Board. Mr Van de Kraats was involved in the appointment of the CEO as well, given his role as Vice-Chair of the Supervisory Board. Other topics were the follow-up of the social agreement, the My Schiphol Survey results (in relation to the Employee Promotor Score), Talent Management & Succession Planning, Diversity & Inclusion and the 2023 objectives.

Safety, Sustainability & Stakeholders Committee

The Safety, Sustainability and Stakeholders Committee met four times in 2022. 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 2021. The committee also focused on safety during the operational challenges. Several of the committee members participated in the 'Safety Day' that was organised by the safety department. 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 the Milieudefensie request, ultra-fine particles and net-zero 2030. The committee also discussed the impact of Fit For 55 on the organisation. 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 hopes that a solution will be found for this issue in the short term.

Transaction Committee

A temporary Transaction Committee, consisting of the Audit Committee members, the Chair of the Supervisory Board, the CFO, the Director Schiphol International, the Senior Manager Treasury and M&A and Legal Counsel Corporate Law, has been established to oversee the sale of the shares held by Schiphol Group in Groupe ADP, as well as the repurchase of Schiphol Group's shares held in Groupe ADP and the consequences thereof. Six meetings were held.

Meetings	Number ¹
Supervisory Board	22
Additional Supervisory Board meeting without Management Board members attending	5 ²
Audit Committee	5
Capital Programme, Operations & Investments Committee	14
People Committee	20
Safety, Sustainability & Stakeholders Committee	4
Transaction Committee	6
Total	76

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.

Word of thanks

The Supervisory Board acknowledges that the organisation will have to make a great effort to restore its reputation and improve its operational efficiency next year and will actively encourage the organisation in this respect. The Supervisory Board wants to thank the Management Board for all the work done in what has again been a very challenging year. A special word of thanks is expressed to all employees, including co-workers and business partners for their contribution. The Supervisory Board realises that the staffing problems and resulting troubles for passengers and airlines have put a serious strain on them and acknowledges their commitment to keep on delivering to the best of their ability.

Schiphol, 16 February 2023

The Supervisory Board

Jaap Winter, Chair
 Robert Jan van de Kraats, Vice Chair
 Simone Brummelhuis
 Declan Collier
 Elfrieke van Galen
 Mikael Olsson

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 Board at the Van Gogh Museum
- Chairman of the Supervisory Board at Erasmus Universiteit Rotterdam
- Former chairman of Executive Board at Vrije Universiteit Amsterdam
- Chairman of the Board at ADORE foundation
- Professor of Corporate Law, Governance and Behavior at Vrije Universiteit Amsterdam
- Professor International Company Law at Universiteit van Amsterdam



Mr R.J. van de Kraats

(1960, Dutch nationality)

Vice-Chair

First appointed in 2015
Second term expires in 2023

- Director Randstad Beheer
- Vice-Chairman of the Advisory Board of the Goldschmeding Foundation
- Non-Executive Chairman of TMF Group
- Non-executive Director of OCI N.V.
- Former Member of the Advisory Board of Suitsupply B.V.
- Former CFO and Vice-Chair of the Executive Board of 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 of Rabo Amsterdam
- Board of Advice Augeo
- Board of Advice Inne
- Former Member of the Supervisory Board of Mediahuis Nederland



Mr D. Collier

(1955, Irish nationality)

First appointed in 2018
Second term expires in 2026

- Chair TCR International NV
- Chair H.M. Office of Rail & Road
- Chair of Belfast City Airport
- Senior Advisor Oaktree Infrastructure Fund (OTIF)
- Former Chief Executive Officer of Dublin Airport Authority and London City Airport
- Former Chair of Aer Rianta International (ARI)
- Former Chair of European and World Board, Airports Council International
- Former Council Member of the Confederation of British Industry
- Former Board Director of London First
- Former Non-executive Director of Allied Irish Banks (AIB) Group



Mr A.B.M. Olsson

(1957, Swedish nationality)

First appointed in 2015

Second term expires in 2023

- Member of the Supervisory Board of Ikano S.A.
- Member of the Board of Directors of Lindengruppen AB
- Former Non-executive Director of Tesco plc
- Former member of the Board of Directors and Vice Chair of Volvo Cars Group
- Former President & CEO of IKEA Group/Ingka Holding B.V.



Ms E. van Galen

(1961, Dutch nationality)

First appointed in 2021

First term expires in 2025

- Partner of TheRockGroup
- Chair of the Supervisory Board van GVB
- Member of the Supervisory Board van Meerlanden NV
- Non-executive Board member of SEKEM
- Member of the Supervisory Board of Holding Maatschappij Zuid-Holland
- Member of the Supervisory Board of Triodos fondsen
- Board member of Stichting Bergplaats van Lippe Biesterveld
- Former Senior Vice President Corporate Social Responsibility at KLM
- Former CEO KLM Cityhopper & KLM UK Ltd
- Former Vice President KLM Cargo customer services

Management Board



L.M. Sondag

(1962, Dutch nationality)

President & CEO a.i.¹

Since 1 November 2022

Appointed for a term of one year

- Co-Chair of the Schiphol Security and Public Safety Platform
- Member Supervisory Board Stichting Bevordering kwaliteit leefomgeving Schipholregio
- Non-Exec Board Member, Eteck Energie Bedrijven
- Member Advisory Board, Scelta Mushrooms
- Member Advisory Board, Vos Logistics
- Senior Advisor to Board of Management ENECO/ Mitsubishi

Responsibilities

- Corporate Affairs²
- Corporate Legal²
- Human Resources²
- Airport Operations & Aviation Partnerships³
- Security³
- Strategy & Airport Planning⁴
- Regional airports



H.L. Buis

(1976, Dutch nationality)

Member of the Management Board and COO⁵

Since 1 June 2020

First term expired on 1 February 2023

- Supervisory Board member Stedin Holding N.V.
- Supervisor Dutch Bach Association
- Member of the board of the Hoogeschoolraad Erasmus University

Responsibilities

- Asset Management³
- Schiphol Projects³
- Pier A Project³
- Safety & Environment³



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 Ltd⁶

Responsibilities

- Finance²
- IT & Data³
- Procurement & Contracting²
- Risk & Audit²
- Schiphol Commercial³
- Schiphol International³

¹⁾ D.A. Benschop was President & CEO until 31 October 2022. He is still a non-executive member of the Board of Directors of Brisbane Airport Corporation PTY Ltd.

²⁾ Governance structure: Support.

³⁾ Governance structure: Operate.

⁴⁾ Governance structure: Plan & innovate.

⁵⁾ B.I. Otto was a Member of the Management Board & COO until 31 May 2022.

⁶⁾ Any remuneration earned by Management Board (MB) members in relation to (Supervisory) Board positions in Group companies is received by the Company and not by individual MB Members.

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'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 on the Investor Relations page, under Royal Schiphol Group. Furthermore, the elements elaborated on in this chapter cover the concept of ESG, which stands for Environmental, Social and Governance.

Management Board

Since 1 June 2022, Schiphol Group's Management Board consists of three members, a President and Chief Executive Officer (CEO), an Executive Vice-President and Chief Financial Officer (CFO) and an Executive Vice-President and Chief Operations Officer (COO). The members of the Group's Management Board share responsibility for the management of Schiphol Group and for general affairs both within Schiphol Group and at its Group companies. Notwithstanding the foregoing, each member has accepted responsibility for a particular portfolio, which has been approved by the Supervisory Board.

Ms Otto resigned as Executive Vice-President and Chief Operations Officer on 31 May 2022. The Supervisory and Management Board decided to reduce the amount of Management Board members from four to three, consisting of a

Chief Executive Officer, Chief Financial Officer and Chief Operations Officer. Following the organisational change and the restructuring of the governance during Project Reset, the Management Board members have fewer direct reports. Furthermore, a different way in which the senior management is responsible has been implemented.

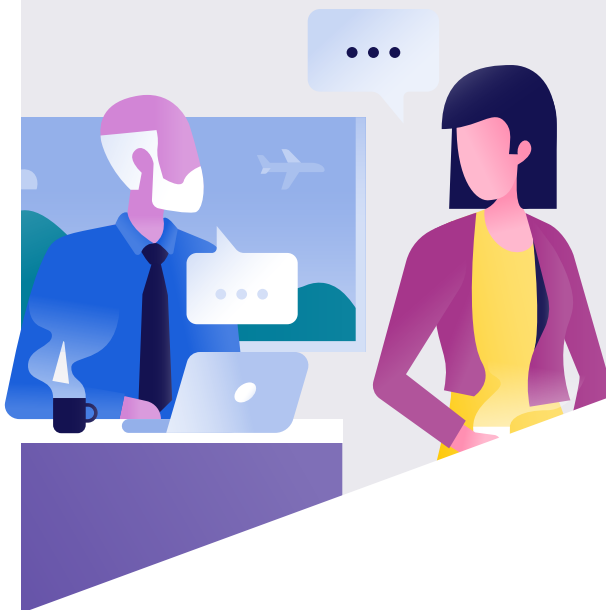
Mr Benschop resigned as President and Chief Executive Officer on 31 December 2022. As at 1 November 2022, Mr Sondag was appointed as interim CEO. The People Committee of the Supervisory Board has started the search for a permanent CEO.

On 1 February 2023, the Supervisory Board terminated the employment agreement of Executive Vice-President and Chief Operations Officer Ms Buis due to a difference of opinion, which the Management Board and Supervisory Board jointly and intensively tried to bridge. The difference of opinion concerned the operational management of the airport. Despite the joint efforts, it was not possible to bridge the differences. The position will be filled with a new candidate as soon as possible.

As of 1 February, Schiphol Group adjusted its management structure. The Management Board has been transformed into a broader operational Executive Team that is responsible for managing the company. This new structure will strengthen Schiphol Group's business operations and make it easier to move the strategic agenda forward. It does not affect the statutory final responsibility of the Management Board as statutory directors.

Supervisory Board

The Supervisory Board is responsible for the supervision of Schiphol Group's management and general affairs. In addition, the Supervisory Board supports the Management Board 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, claims and quality of the financial reporting. ESG is an important topic in this respect as well.
2. The Capital Projects, Operations & Investments Committee prepares and discusses matters relating to the Supervisory Board’s decision-making on the approval of investment decisions (as stated in the articles of association and internal regulations). The committee is closely involved in the major projects (including Pier A, the doubling of the Quebec taxiway and the redevelopment of Lounge 1) as well as the (general) operational and commercial developments at the airport. Given the operational challenges Schiphol Group faced in

2022, a separate, informal Operations Committee was established (temporarily taking on short-term Operations from the Capital Projects, Operations & Investments Committee) to deal with the situation.

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 and employee-related matters.
4. The Safety, Sustainability and Stakeholders Committee prepares and discusses the Supervisory Board’s decision-making regarding safety, sustainability and stakeholder-related matters.

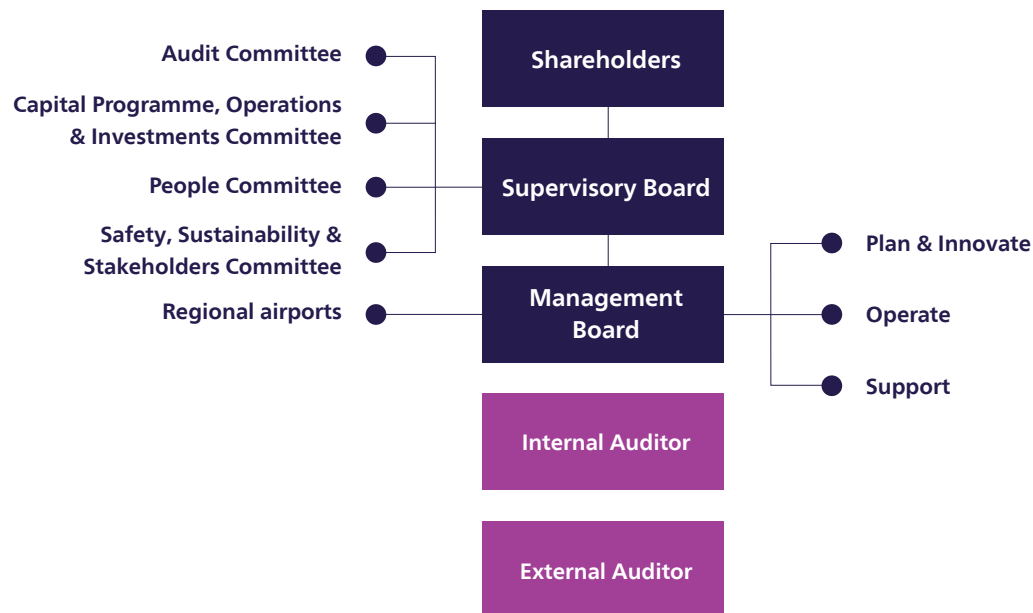
In 2022, the temporary Transaction Committee was established in relation to the termination of the HubLink agreement to supervise the unwinding of the cross-shareholding between Groupe ADP and Schiphol Group.

The committees meet independently and carry out preparatory work as governed by the charters, which is 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

In November 2021, the HubLink strategic partnership with Groupe ADP came to an end. This has resulted in the unwinding of the cross-shareholding between Groupe ADP and Schiphol Group. Through three separate transactions, Schiphol Group sold its 8% stake in Groupe ADP, after which Schiphol Group bought back the 8% that Groupe ADP had held in the Group. This transaction marked the end of a 14-year industrial cooperation between the airport groups.

Corporate Governance Structure



Diversity Policy

Last year, the Supervisory Board adopted the Diversity Policy for the Supervisory Board, Management Board and senior management of Schiphol Group, including targets on both gender and cultural diversity.

Royal Schiphol Group has an important societal role and therefore the responsibility to actively pursue diversity and inclusion (D&I). To this end, Schiphol Group included D&I in its Destination, as this Destination embodies the intrinsic values of the organisation. Since D&I reflect both society and Schiphol Group’s customers, we believe that these are important preconditions for operating as a successful organisation. Moreover, D&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 within the Supervisory Board to the effect that 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 two female and four male members. Schiphol Group, therefore, complies with this objective.
- Maintain gender diversity within the Management Board to the effect 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 one female and two male members. Schiphol Group, therefore, complies with this objective.
- Maintain gender diversity within senior management to the effect that at least 30% of senior management consists of women and at least 30% consists of men. At year-end, senior management consisted of five female and eleven male members. Schiphol Group, therefore, complies with this objective.
- Increasing cultural diversity within the Supervisory Board, the Management Board and senior management to the effect 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 four (out of twenty) members that either have an international (three) or bi-cultural (one) background. Schiphol Group, therefore, complies with this objective, but shall nonetheless continue to strive for greater cultural diversity.
- Schiphol Group pursues rejuvenation in appointments 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 'Schiphol Group, Investor Relations'.

Securities transactions

While Schiphol Group shares are not listed on a stock exchange market, the company does have regulations governing Inside Information, the Holding of Securities and Securities Transactions, as the company issued bonds under the EMTN Programme, which are listed on Euronext Amsterdam.

Members of the Management Board and Supervisory Board must refrain from buying and selling these bonds and/or any shares in Groupe ADP and Air France-KLM.

The (Deputy) Company Secretary is the central officer referred to in the regulations governing Inside Information, the 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 'Schiphol Group, Investor Relations'.

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 COO

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.

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 COO 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

In February 2018, the Authority for Consumers and Markets (ACM) formally accepted the commitments offered by Schiphol Group and KLM to eliminate competition risks. These commitments aim to ensure a level playing field for competitors at Schiphol. As part of the agreement, Schiphol and KLM will not discuss the positions of other airlines and Schiphol will independently develop its own plans regarding investments, charges and marketing strategy.

We have secured the commitments in a separate compliance programme, which is part of Schiphol Group's wider compliance programme (Mind Your Step). All relevant departments have been informed and awareness training sessions take place regularly, which will continue to take place over 2023.

After the internal audit on compliance with the commitments was conducted in 2021, several follow-up actions were taken and implemented during 2022 to ensure further improvement.

Table responsibilities material aspects¹

Material aspect	Final responsibility	Challenges	Efforts to meet challenges included in
 Network of destinations	COO	<ul style="list-style-type: none"> – 440K ATM decision by cabinet – Competition from other airports 	Network of destinations
 Airport capacity	COO CEO	<ul style="list-style-type: none"> – Maintain operations during construction – Opening of Lelystad Airport – Delivery of Pier A and the redevelopment of Lounge 1 	Airport capacity
 Accessibility	COO CEO	<ul style="list-style-type: none"> – Improve accessibility by road and rail – Extension of the North/South metro line – Execution of landside central programme 	Accessibility
 Safe, responsible and secure travel	CEO COO	<ul style="list-style-type: none"> – Operational staff shortages leading to scaling up issues – Recovery & Beyond – Development of safety culture – Doubling of taxiway Quebec 	Safe, responsible and secure travel
 Customer appreciation	COO CEO	<ul style="list-style-type: none"> – Restore quality perception due to scaling up issues 	Customer appreciation
 Zero-emission airports	CEO	<ul style="list-style-type: none"> – Development to become zero-emissions airports by 2030 – Research & Development on fine and ultra-fine particles – Nature permits 	Zero-emission airports
 Sustainable aviation	CEO	<ul style="list-style-type: none"> – Initiatives in the chain promoting innovation and sustainability – Development of sustainable aviation fuels 	Sustainable aviation
 Responsible business	CFO COO/CEO	<ul style="list-style-type: none"> – Effective and professional contracting practices – Compliance and promotion of integrity – Operating model 	Responsible business
 Circular economy	COO CEO	<ul style="list-style-type: none"> – Development into zero-waste airports by 2030 – Develop circular assets and reduce waste 	Circular economy
 Community and noise	CEO	<ul style="list-style-type: none"> – Improved balance between community and airport – Strengthen support for sustainable development – Establish living environment fund – Expected higher noise hindrance perception after air traffic recovery from COVID-19 	Community and Noise
 Financial solidity	CFO	<ul style="list-style-type: none"> – Pressure on financial ratios and credit ratings due to COVID-19 and 440K ATM decision by cabinet – End of Hublink agreement – Scaling up issues leading to claims – Current credit rating at S&P is one notch below Royal Schiphol Group's financial policy 	Financial solidity
 Business continuity	COO CEO	<ul style="list-style-type: none"> – Future reliability of assets – Complexity of the airport ecosystem – Involvement of other sector parties – Recovery & Beyond 	Business continuity
 Employment practices	CEO	<ul style="list-style-type: none"> – Tight labour market – Labour conditions and circumstances – Employee pride in organisation 	Employment practices
 Digital innovation and security	CFO	<ul style="list-style-type: none"> – Cybersecurity – Entry-Exit System 	Digital innovation and security

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 2022, the Management Board comprised the following persons:

	Position	Term	Term ends on
Ruud Sondag	CEO	First	31 October 2023
Dick Benschop	CEO	Second	31 December 2022
Robert Carsouw	CFO	First	31 March 2025
Hanne Buis	COO	First	1 February 2023
Birgit Otto	COO	Second	31 May 2022

At the end of 2022, the Management Board comprised of Mr Sondag, Ms Buis and Mr Carsouw. Mr Sondag is employed as CEO on an interim basis as the successor of Mr Benschop. Mr Sondag and Mr Carsouw have a fixed-term employment contract with Royal Schiphol Group N.V. Ms Buis is employed by Royal Schiphol Group N.V. on the basis of an open-ended employment contract, as she was already employed by Royal Schiphol Group before joining the Management Board.

Mr Benschop decided to step down during his second term. Mr Sondag is his successor. Ms Buis was CPAO until June 2022 and succeeded Ms Otto as COO whose second term ended in 2022.

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'.

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 2022 are provided below.

Fixed salary

Based on the current remuneration policy, the CEO's fixed salary¹ amounts to 443,604 euros in total. In 2022, no indexation was implemented as a result of the financial impact of the COVID-19 pandemic. With regard to the other Management Board members, the maximum fixed salary is 85% of the CEO's. The salaries, in 2022, were as follows:

	Position	Total fixed salary (EUR)
Ruud Sondag ¹	CEO	73,934
Dick Benschop ²	CEO	443,604
Robert Carsouw	CFO	377,064
Hanne Buis	COO	377,064
Birgit Otto ³	COO	157,380

¹ As of 1 November 2022.

² Until 31 December 2022.

³ Until 31 May 2022.

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 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 2021

Due to the financial impact of the COVID-19 pandemic on the company and the conditions set in relation to the NOW regulation, the members of the Management Board proposed to the Supervisory Board that the variable remuneration for 2021, due in 2022, would not be paid out. The Supervisory Board agreed with this proposal.

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 114,866 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 (including the possible use of a driver) and allowances for telephone costs. 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 88,730 euros in 2022 (2021: 88,084 euros).

This amount compared with the total fixed salary (as no variable remuneration was paid in 2022), pension costs and pension allowance received by the CEO in 2022, totalling 551,680¹ euros (2021: 549,722 euros), equates to a remuneration ratio of 1:6.2 (2021: 1:6.2).

Management Board Remuneration for 2022

The [performance](#) has been reviewed and evaluated by the People Committee and the Supervisory Board. However, 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 are of the opinion that the operational performance in 2022 does not allow a variable remuneration.

The total remuneration received by Management Board members in 2022 is specified in the [Remuneration for Management Board members](#) section of the financial statements.

The 2023 Management Agenda, again consisting of 8 TPIs and 11 'major deliverables', has been adopted by the Supervisory Board.

¹⁾ Fixed gross annual salary, including holiday allowance.

Supervisory Board Remuneration

General

Due to the financial impact of the COVID-19 pandemic on the company, no indexation is applied to the Supervisory Board's remuneration. The remuneration levels for the Supervisory Board members, therefore, remain at the 2020 levels. All members of the Supervisory Board receive an annual expense allowance of 1,643 euros, which has not been indexed. Members of a Supervisory Board committee are entitled to an additional fee. Each member of the Audit Committee receives 6,491 euros per annum, and each member of one of the other committees is entitled to 5,409 euros per annum.

The actual remuneration for Supervisory Board members in 2022 was as follows:

Remuneration component	Amount (EUR)
Chair of the Supervisory Board	39,486
Members of the Supervisory Board	25,963
Audit Committee members	6,491
Committee members	5,409

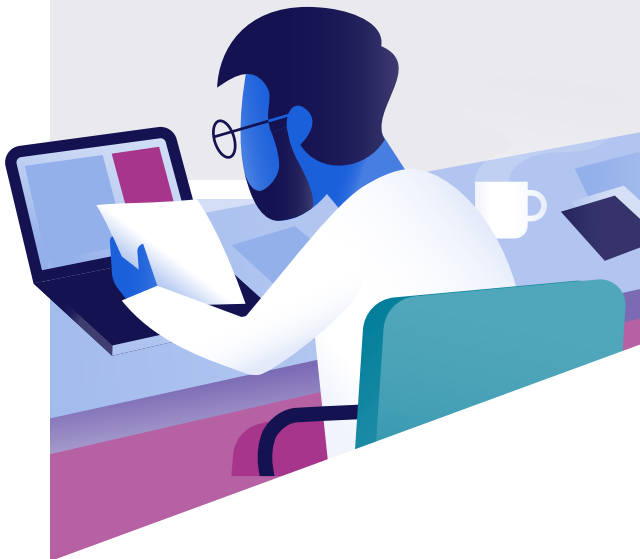
Remuneration of the Supervisory Board for 2022

Information on the remuneration of the Supervisory Board for 2022 can be found under ['Related parties' in the notes to the consolidated financial statements](#).

Schiphol, 16 February 2023

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.



Risk profile

Overall, our high risk profile further increased in 2022 and exceeds our risk appetite. It is expected that our risk profile will not significantly improve in 2023 due to a combination of external factors (e.g. continuing tight labour market and restrictions announced by the government) and time needed to effectively improve the organisation, our infrastructure & assets and sector-wide cooperation.

Operational resilience and operating model

2022 was a dynamic and difficult year, partly as a result of the unexpectedly rapid business recovery following the COVID-19 pandemic. The pandemic had an unprecedented effect on society and also on the aviation industry, including an unparalleled reduction in flight movements, significant financial losses and large numbers of workers leaving the aviation industry. The recovery has severely tested our operational resilience. This has had a negative impact on the quality of our airport service and reputation, albeit without compromising safety and security.

Several risks materialised during the year, despite extraordinary efforts such as the requested support from airlines to limit the number of departing passengers and agreeing to additional remuneration for security and other frontline staff.

This highlights the extent to which risks may be interrelated, as the tight labour market and Schiphol's dependency on sector partners and suppliers led to a shortage of security and other personnel to keep pace with the increased demand. This issue revealed constraints in how our operating model, running according to a coordinating model with a focus on outsourcing operational activities and efficiency, is operationalised and has accelerated the need to review and further mature our risk management.

Making short- and longer-term improvements are key priorities for Schiphol's management. This will include focusing on increased and longer-term sector-wide collaboration, enhanced steering mechanisms, improved sector attractiveness for employees, including compensation, working conditions and planning schedules, and sector-wide staff recruitment and retention.

The need for resilience is also critical to respond effectively to external influences on our business such as continuing fluctuations in air travel; for example, as a result of the war in Ukraine and the resulting current energy crisis, high inflation and a potential economic downturn.

Sustainability and environmental compliance

As a central player in the wider aviation sector, our ability to undertake our business in a sustainable and responsible manner with regard to society and the environment is increasingly a key foundation of our licence to operate.

Safeguarding the needs of society and the environment requires the involvement of the entire company. The Most Sustainable Airports roadmap (as described in the Quality of Life section) leads our transition to operate in a sustainable manner. The roadmap manages our ambitions and is underpinned by actions and goals to help us meet the targets we have set. These include our Sustainability Top Performance Indicator (TPI), which is independently audited and reported on externally. Maintaining momentum is critical, and is supported by identifying and working on technical innovations that contribute to acting more sustainably. For information about the nature conservation permit (natuurwetvergunning) application, we refer to the [Quality of Life section](#).

Combining and leveraging both Schiphol Group's sustainability ambitions and those of its partners, including contractors and

airlines, is essential. Furthermore, explicitly acknowledging and acting responsibly to the impact of climate change is critical on a global scale.

Sector-wide working conditions

Working conditions for employees, also for workers in the broader sector, are an important part of sustainability and have been the subject of media coverage, also affecting our reputation. Schiphol Group recognises that improvements are necessary and is making a concerted effort with the sector to improve these airport-wide working conditions. This includes short term and longer term solutions. Some of these efforts will take time to organise and implement, such as the construction of the new baggage basement and baggage systems and further reduction of Ultra Fine Particles (UFPs) emitted at Schiphol.

State of assets and project constraints

Some of our airport assets, such as people movers (e.g. lifts/ escalators) and parts of the baggage systems, require intensified maintenance or replacement to secure operational continuity, passenger experience and sustainability.

Several factors may affect the realisation of our construction project portfolio aimed at maintaining and improving our infrastructure and assets in the most sustainable way in line with our sustainability ambitions. Recent nitrogen-related case law may delay the start-up of certain new projects. Constraints in available human resources, due to the tight labour market, have caused delays in project development and completion. Task forces have been established to limit further construction project delays.

Cybersecurity

In our connected world, sophisticated cyberthreats are on the increase. This is a major concern for Schiphol, especially given Schiphol’s reliance on increasingly connected IT & Data systems to support our core operations and, in turn, business continuity. By executing a cyber roadmap, Schiphol is continuously reinforcing new and existing measures, thereby also complying with legal requirements.

Extreme weather and climate change

It is vital that Schiphol Group remains resilient to extreme weather conditions, such as severe rainfall, heat and wind. In 2022, Schiphol Group developed a Climate Adaption Strategy to develop our awareness of, and prepare for, the climate change risks facing our airports. Climate-related risk trends and impacts are monitored. Our risk-identification process enables us to identify areas of the airport that are most vulnerable. Through our Business Continuity Management programme and climate-related construction projects, we take steps to ensure our operations and critical infrastructure are protected in both the immediate and longer term.

Risk appetite

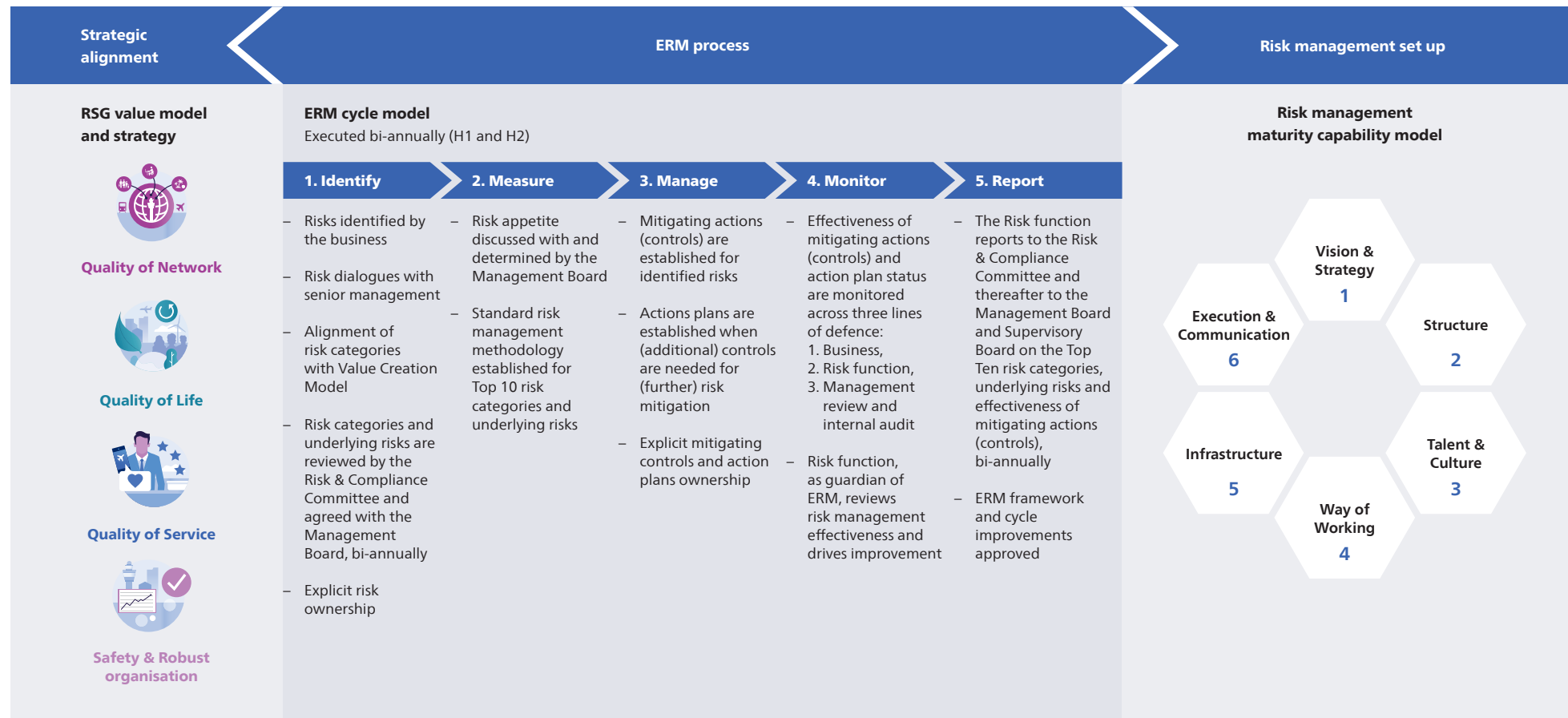
The applicable risk appetite for strategic, operational, financial and compliance risks (COSO framework) is defined by the Management Board, steering decisions on the acceptable level of risk while enabling Schiphol to achieve its objectives. Our risk appetite throughout 2022 remained unchanged from the previous year.

Risk grouping (COSO)	Risk appetite	Description
Strategic	moderate	We recognise that a balance is needed between our socio-economic role (low risk acceptance) and our commercial ambitions (higher risk acceptance).
Operational	very low	Our primary focus is ensuring the continuity of our operations in a safe and secure manner regardless of the circumstances. Risks that threaten this continuity should, therefore, be reduced as much as possible, resulting in a very low risk appetite.
Financial and reporting	low	Maintaining our minimum single ‘A’ credit rating (S&P) is key, which entails ensuring a solid financial position, transparency and the reliability of our financial reporting. Our risk appetite for financial and reporting risk is consequently low.
Compliance	very low	We strive to comply with all applicable laws and regulations, with a focus on those needed 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

Schiphol's enterprise risk management approach

We manage our risks through clear risk identification and effective internal control mechanisms, followed up by action plans to further enhance control maturity. Our approach was made more explicit in 2020 and is continuously being improved.

Enterprise Risk Management approach



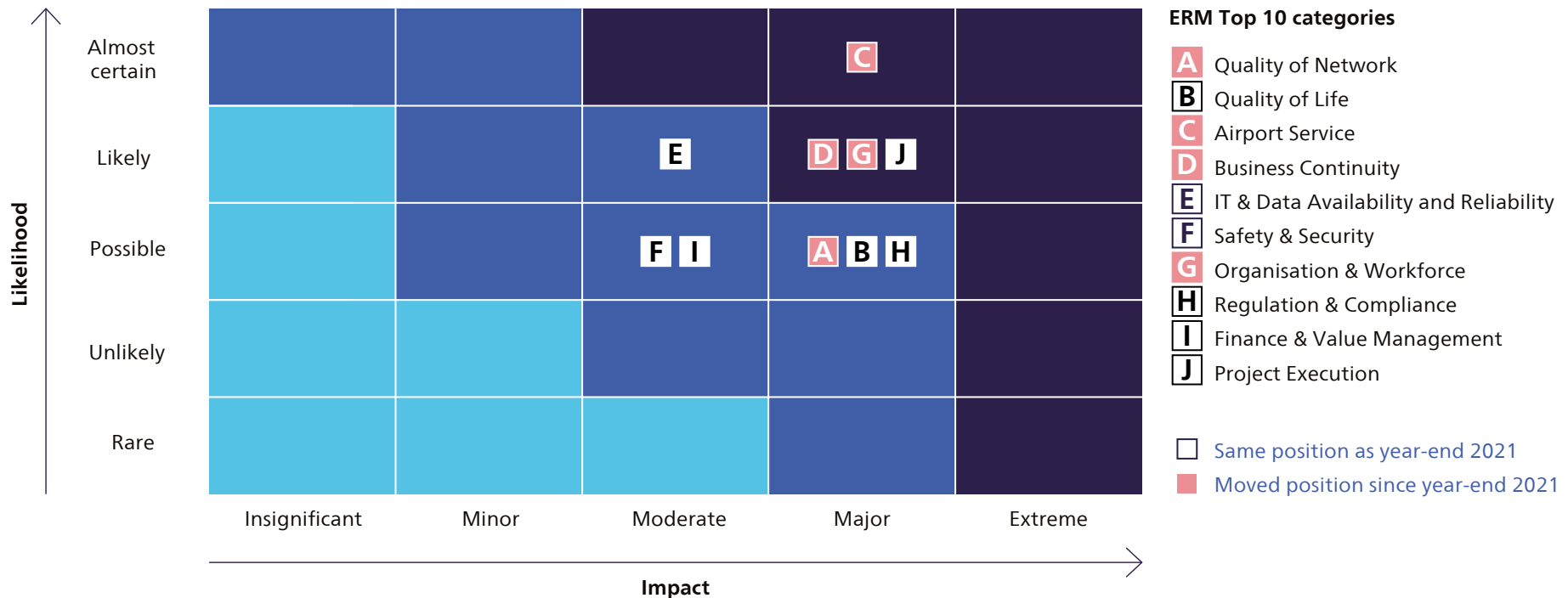
The top ten risk categories: an enterprise risk assessment

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 10 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. Changes since 2021 are shown.

Classification of Schiphol's risks following the implementation of control measures

Risk = Likelihood x Impact (Impact is both financial impact and impact on reputation)



Top ten risk categories explained

Risk grouping (COSO)	Top ten risk category	Risks relating to	Mitigating actions	Risk category movement	TPI link
A. Strategic	Quality of Network	Structural airline industry changes, uncertain demand, competing airports, government policy setting on ATM's and slot allocation mechanism	<ul style="list-style-type: none"> Quality of Network roadmap including strategic plan for post-COVID-19 recovery and response to changes in governmental policy Passenger journey and airline journey roadmaps, including recruitment plan in order to run areliable operation 	↑	ICA Destinations Net Promoter Score
B. Strategic	Quality of Life	Realising sustainability ambitions and targets. Climate change and impact on airport infrastructure	<ul style="list-style-type: none"> 2022 refined sustainability strategy Updating climate adaption policy Monitoring & reporting framework 5. Progress report Noise Hindrance ('minder hinder') plan, UFP (ultra-fine particles) action plan execution 	=	Reputation Score CO ₂ e Emissions
C. Operational	Airport Service	Declining airport attractiveness, fluctuating demand, operational adaptability, new security and/or health requirements and/or big (organised) events	<ul style="list-style-type: none"> Multi-stakeholder approach for May holiday EES: continue structural consultation and coordination with the government Recruitment plan, sector-wide approach and attention Mid-term Plan Sector crisis management 	↑	On-time Performance Net Promoter Score
D. Operational	Business Continuity	Operational disruptions e.g. due to : <ul style="list-style-type: none"> Failure of technical assets, IT systems and/or power and/or insufficient data quality Dependency on airlines and other sector partners, lack of contract compliance or bankruptcy of business partners Asset integrity Extreme weather conditions and results of climate change Drones, big events and calamities such as pandemics, volcanic cloud 	<ul style="list-style-type: none"> Business Continuity Management (BCM) Sectoral crisis management and resultant action plans Contractor performance management IT disaster recovery plan Data & AI roadmap Integral Fire Safety Plan Climate change and adaption action plan Drone detection system development 	↑	On-time Performance Net Promoter Score
E. Operational	IT & Data Availability & Reliability	IT service disruption due to: <ul style="list-style-type: none"> Failing IT system and/or change process including human failure Cyberattack Chain complexity and actions of an external partner Insufficient data quality 	<ul style="list-style-type: none"> IT Disaster recovery plan Cybersecurity roadmap IT Supplier Management. Data & AI roadmap IT Risk & Control framework, which is being improved at an accelerated pace 	=	On-time Performance Net Promoter Score
F. Operational	Safety & Security	<ul style="list-style-type: none"> Runway incursion and bird strikes Terrorist and/or cyberattacks Fire, construction failures and construction safety incidents Uncontrolled crowd dynamics 	<ul style="list-style-type: none"> Integrated safety programme Integral fire safety plan Wildlife hazard management plan Safety construction standards Landside security mitigation measures 	=	Net Safety Score
G. Organisation	Organisation & Workforce	Not able to adapt and improve as an organisation, tight labour market, negative effects of work-related stress	<ul style="list-style-type: none"> Employee Satisfaction Survey Strategic workforce planning Schiphol Branding & recruitment program Confidants 	↑	Return on Equity Employee Promoter Score

Risk grouping (COSO)	Top ten risk category	Risks relating to	Mitigating actions	Risk category movement	TPI link
H. Compliance	Regulation & Compliance	Non-compliance with internal and external codes and/or laws and regulation i.e. related to environment, EASA, competition, tendering, telecom and privacy	<ul style="list-style-type: none"> - Code of conduct. - Compliance training - Contract management & procurement policies - Compliance monitoring & resulting actions 	=	Reputation Score Employee Promotor Score
I. Strategic/ financial reporting	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	<ul style="list-style-type: none"> - Airport charges 2022-2024 - Business planning cycle including scenario analyses - OPEX & CAPEX Portfolio focus - Capital Lifecycle Process - Fraud risk assessment session 	=	Return on Equity
J. Operational	Project Execution	Project delivery within time and budget, value case not realised	<ul style="list-style-type: none"> - Capital Lifecycle Process - Project Board Business Case Monitoring - Continuous Portfolio Management tool further developed - End of Project Value Review Meeting report incl. Value Case Assessment - Contractor performance management 	=	All TPIs

Financial risk factors

Due to the nature of its activities, Schiphol Group faces a variety of financial risks, including market risk, counterparty risk and liquidity risk. A credit rating downgrade could negatively affect our access to financial markets and/or interest rates on future debt instruments. The financial risk management programme, which is part of the Group's overall risk management programme, focuses on the unpredictability of the financial markets and on minimising any adverse effects 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 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, credit risk, the use of derivative and non-derivative financial instruments, and the investment of temporary liquidity surpluses. For a more detailed description of financial risk management, reference is made to [note 28](#) of the financial statements.

Statement of the Management Board

We seek to minimise 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 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

Matz Schoonheijt, Personnel Assistant at Axxicom, helps people with a disability through the airport process. 'I have a lot of nice conversations, hear wonderful stories. And people are always grateful and happy when you help them.'

Reporting guidelines

Our annual report is drawn up with due regard for the most relevant international reporting guidelines and best practices regarding non-financial information. We elaborate on the elements of the EU 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 corresponding [GRI Content Index](#) indicates where in this report information can be found 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.

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. Schiphol Group has been participating in the benchmark since 2006 and our 2018 annual report won the prize for the most transparent annual report.

With the rise of numerous frameworks and reporting standards for non-financial information, we welcome the efforts of the World Economic Forum (WEF) and its partners in developing *Stakeholder Capitalism Metrics and Disclosures*. The set of metrics and disclosures revolves around the principles of governance, planet, people and prosperity, and builds on the existing body of work in the non-financial disclosure field. We address a variety of the notions set out in the document by our current non-financial disclosures, such as GRI, IIRC and the SDGs as described above. Please refer to the [GRI Content Index](#) in which relevant connections have been made between the GRI and WEF.

Reporting method

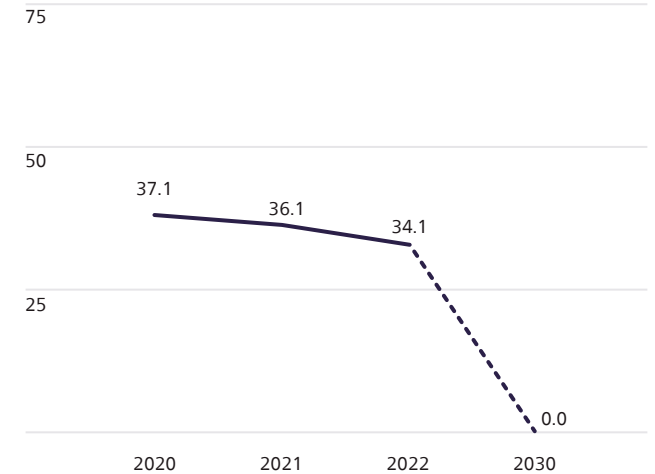
Our ambition is to create the world's most sustainable and high-quality airports. The results regarding our financial, operational and social performance are presented in a single annual report. Our annual report and the related data and content are structured according to our Vision 2050, which consists of three qualities – Quality of Network, Quality of Life and Quality of Service – and two underlying enablers, Safety and Robust organisation. Our eight Top Performance Indicators (TPIs) are linked to our Vision 2050. The [Corporate Governance](#) section of the report sets out how we organise sustainability governance. In 2022, our sustainability ambitions and goals remain unchanged (read more in [Quality of Life](#) on our roadmap towards achieving our sustainability goals by 2030). In addition to this report, information is available online at schiphol.nl and schiphol.nl/cr.

Over 90% of Schiphol Group's activities take place at Amsterdam Airport Schiphol. Where possible, the definitions and reporting processes of Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport have been aligned to enhance their comparability, with any remaining differences explained in the relevant sections of this report. To improve measurability, differences in definitions have only been maintained where necessary. The data reported in the annual report has been collected and verified in a structured manner to ensure its reliability. However, Schiphol Group acknowledges that some information may be based on assumptions.

With regard to reporting CO₂e emissions, there is the concept of emission factors, which can change from year to year. In our CO₂e reporting, we generally restate figures from previous years to make more tangible comparisons. For informational purposes, we have stated our CO₂e emissions for gas and fuels, two categories that we aim to bring to zero in 2030, based on the emission factors of the consecutive years. For more information

Towards zero emissions 2030 Amsterdam Airport Schiphol

Realised emissions in CO₂e in kilo tonnes for fuel airside and natural gas



about Schiphol's CO₂e emissions in 2022, please refer to [Zero-emission airports](#).

Scope

In the 2022 annual report, we report on the [results](#) achieved in relation to the material aspects as outlined in the [materiality matrix](#). This helps us clarify the impact and relevance of the disclosed information to readers. In 2022, we performed an extensive update of our materiality assessment, 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. However, not all material topics are relevant for the regional airports due to the scale and nature of the operations of the airports, and therefore some topics are not reported on for the regional airports. Our general approach is to include all entities that are fully consolidated in the financial statements in the socio-economic disclosures. The exceptions to this approach are mentioned above. In 2022, no new material (dis)investments occurred that were eligible for inclusion in 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 Dutch airports, and a reference to the group also includes them. Our international activities and participations pursue their own initiatives, which are geared towards their local environment and consistent with Schiphol Group'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 aspects over which Schiphol Group has full control. The performance reported in these areas also concerns our partners in the chain where relevant.

Drafting and data gathering process




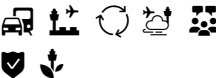



Schiphol Group begins drafting its annual report every autumn. Based on the internal materiality analysis, theme experts are tasked with compiling textual input or data for each material aspect. The internal annual reporting team, assisted by external copywriters, then compiles the draft text of the annual report. The relevant indicators are reviewed internally by specialists and the Finance department. The text is discussed over several rounds by the annual report committee, which consists of the Chief Financial Officer (CFO) and representatives from Finance, Corporate Legal, Strategy and Airport Planning, Corporate Affairs, Corporate Risk and Audit Services. In December, a well-advanced initial draft is submitted to the annual report committee, after which the external auditor starts the review process. After the inclusion of the final financial and non-financial results, the texts and financial statements are submitted for approval to the Management Board and the Supervisory Board.











Lastly, Schiphol Group's independent external accountant signs the auditors report. The auditor 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 2022 annual report can be directed by email to investor_relations@schiphol.nl.

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 aspect are included in the [Results](#) chapter.

Stakeholder	Material aspects	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
 Passengers		<ul style="list-style-type: none"> Facilitating safe and responsible travel Efforts to improve traveller journey incl. first and last mile, drive-in, check-in, smart parking, natural wayfinding, Seamless Flow, No-Q passport control Meeting the expectations of younger generations
 Local residents		<ul style="list-style-type: none"> Improvement of Quality of Life Noise and hindrance reduction Regional economic development Employment, education and training UFP BAS
 Sector partners		<ul style="list-style-type: none"> Facilitating safe and responsible travel 'Zero emissions' and 'Zero waste' by 2030 ISMS to strengthen safe operations in conjunction with all chain partners Collaboration in CDM/SESAR UFP
 Government bodies		<ul style="list-style-type: none"> Safe and responsible travel Sustainability/Fit for 55 Nitrogen emissions and depositions Noise and hindrance reduction LVB 1 Health & Safety: labour relations European Entry/Exit System Infrastructure (North/South metroline) Regional economic development Follow-up on decision to reduce ATM's at Schiphol UFP Slots directive Community Fund

Stakeholder	Material aspects	Matters discussed
 Financial stakeholders		<ul style="list-style-type: none"> – Focus on cost control – Monitoring the creditworthiness of the Group – International activities – Capex outlook – Sustainable development of Schiphol beyond 2022
 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"> – Facilitating safe and responsible travel – Project Reset restructuring – Collective work agreement – Vitality programme for shift workers – Social return – UFP
 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 (North-South metroline)
 Knowledge institutions		<ul style="list-style-type: none"> – Joint lobby sustainable aviation – Research on UFP







 <p>Accessibility Ensuring sufficient landside accessibility.</p>	 <p>Customer appreciation Meeting the needs of airport users.</p>	 <p>Network of destinations Quality and frequency of destinations.</p>
 <p>Airport capacity Availability and quality of (infrastructural) capacity.</p>	 <p>Digital innovation and 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.</p>	 <p>Responsible business Transparent and fair business practices.</p>
 <p>Business continuity Reliable and resilient operations.</p>	 <p>Employment practices Development and training of employees, vitality and inclusiveness.</p>	 <p>Safety and security Safe and secure airport operations and environment.</p>
 <p>Circular economy Sustainable resources and ensuring next-life applications.</p>	 <p>Financial solidity Financial robustness and shareholder value.</p>	 <p>Sustainable aviation Driving sector-wide sustainable initiatives and international advocacy.</p>
 <p>Community and Noise Direct community engagement and the impact of aircraft and ground noise on surrounding communities.</p>		 <p>Zero-emission airports Emissions from airport operations and ground transport. It should be noted that local air quality emissions cannot be reduced to zero.</p>



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. Schiphol 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 Schiphol

in the Annual Report. Please refer to initiatives and the material aspects 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 Schiphol	Initiatives	Material aspect
SDG 5 	<p>Gender equality</p> <p>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</p> <ul style="list-style-type: none"> – Diversity and Inclusion ambition – 30% female employees 	<ul style="list-style-type: none"> – Diversity and Inclusion dimensions (work groups) – D&I measurement – D&I conscious recruitment strategy 	Employment practices
SDG 7 	<p>Affordable and clean energy</p> <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <ul style="list-style-type: none"> – Schiphol Group operates on 100% renewable wind energy – Green gas usage of the Group is 14,46% of total gas purchases and 100% of gas used by Eindhoven Airport 	<ul style="list-style-type: none"> – ACA level 4+ for Schiphol, Rotterdam The Hague Airport and Eindhoven airport 	Zero-emission airports
SDG 8 	<p>Decent work and economic growth</p> <p>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.</p> <ul style="list-style-type: none"> – Number of persons employed at Schiphol site and direct surroundings: 68,000 <p>8.8 Protect labour rights and promote safe and secure working environments for all workers</p> <ul style="list-style-type: none"> – LTIF: 1.2 	<ul style="list-style-type: none"> – (International) Alliances and participations – Aviation Community Schiphol – Diversity and Inclusion ambition and underlying dimensions – The Safety Leadership principles – Human rights policy 	<p>Our international activities</p> <p>Employment practices</p> <p>Safety</p> <p>Responsible business</p>
SDG 9 	<p>Industrial innovation and infrastructure</p> <p>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</p> <ul style="list-style-type: none"> – Passenger and cargo volumes by mode of transport: 52.5 million passengers and 1.4 million tonnes of cargo <p>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</p> <ul style="list-style-type: none"> – Energy efficiency level: 7.3% 	<ul style="list-style-type: none"> – 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 	<p>Accessibility</p> <p>Zero-emission airports</p>
SDG 11 	<p>Sustainable cities and communities</p> <p>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</p> <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 2022 operating year (well below the European annual mean limit of 40µg/m³) 	<ul style="list-style-type: none"> – Electrification of vehicles towards zero emissions – Sustainable taxiing roadmap – Schiphol Quality of Life Foundation – Minder Hinder Schiphol – NotiFly 	<p>Zero-emission airports</p> <p>Sustainable aviation</p> <p>Community and Noise</p>
SDG 12 	<p>Responsible consumption and production</p> <p>12.2 By 2030, achieve sustainable management and efficient use of natural resources</p> <ul style="list-style-type: none"> – Separation rate: 52.3% <p>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"> – Circular economy strategy 	<ul style="list-style-type: none"> – Member of TULIPS consortium, workpackage 6: Circular airports – Plastic road Schiphol 	Circular economy

SDG	Contribution Schiphol	Initiatives	Material aspect
SDG 13 	<p>Climate Action</p> <p>13.2 Integrate climate change measures into national policies, strategies and planning</p> <ul style="list-style-type: none"> – Energy-positive strategy – 20,000 tonnes of SAF delivered at Schiphol 	<ul style="list-style-type: none"> – 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 – Member of TULIPS consortium – Co-initiator of net-zero carbon 2050 resolution ACI Europe Agreement Dutch Sustainable Aviation – Founding partner of Mission Possible platform of World Economic Forum – Bright Sky Partner 	<p>Business continuity</p> <p>Sustainable aviation</p>
SDG 16 	<p>Peace, justice and strong institutions</p> <p>16.5 Substantially reduce corruption and bribery in all their forms</p> <ul style="list-style-type: none"> – Reported integrity issues: 29 	<ul style="list-style-type: none"> – Code of conduct – Chair of the Airports Council International (ACI) Wildlife Trafficking Taskforce – Human rights policy 	<p>Sustainable aviation</p> <p>Responsible Business</p>

GRI Content Index

GRI guidelines for sustainability reporting

Royal Schiphol Group has reported with reference to the 2021 GRI Standards for the period 1-1-2022 till 31-12-2022

Ref. GRI	Description	Chapter	External assurance section	Information and reference
2-1	Organizational 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: 01-01-2022 - 31-12-2022 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>Average FTEs per region & division</p> <p>Business areas Aviation: 1345 Schiphol commercial: 172</p> <p>Operating Unit ICT: 202 Schiphol Projects: 165 Staff: 344 Amsterdam Airport Schiphol total: 2245</p> <p>Entities Lelystad Airport: 40 Eindhoven Airport: 78 Rotterdam The Hague Airport: 115</p> <p>Total employees split by gender Fulltime Total: 2280 Male: 1692 Female: 588 Parttime Total: 233 Male:61 Female:172 Permanent employees Total: 2031 Male: 1440 Female: 591 Temporary employees Total: 269 Male: 166 Female: 103</p> <p>The total split by gender is reported on in head count, and represents the numbers at the end of the reporting period. 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 FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
2-9	Governance structure and composition ¹	Governance	No	

Ref. GRI	Description	Chapter	External assurance section	Information and reference
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 Mangement 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 Mangement Board Rules. See https://www.schiphol.nl/en/schiphol-group/page/corporate-governance/
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 Mangement 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 Mangement 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 Mangement 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 Mangement 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 Mangement 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 Mangement 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 Mangement 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	

Ref. GRI	Description	Chapter	External assurance section	Information and reference
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 Responsible Business	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/
2-24	Embedding policy commitments	Quality of Life Responsible Business	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	Community and Noise Responsible Business	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	Responsible Business	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	Responsible Business Corporate Governance	Yes No	This topic is not included in the reporting of FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
2-28	Membership associations	Supervisory Board Management Board Socio-economic accountability	No No Yes	Industry association Airports Council International , World economic Forum
2-29	Approach to stakeholder engagement	Material aspects Royal Schiphol Group Socio-economic accountability	Yes Yes	
2-30	Collective bargaining agreements		No	84.4 % of employees covered by CLAs For employees with above CLA contracts, the CLA is used as reference for the working conditions.
3-1	Process to determine material topics	Material aspects Royal Schiphol Group Socio-economic accountability	Yes Yes	
3-2	List of material topics ⁴	Material aspects Royal Schiphol Group 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.

Ref. GRI	Description	Chapter	External assurance section	Information and reference
3-3	Management of material topics	Material aspects Royal Schiphol Group Corporate Governance Socio-economic accountability	Yes No Yes	Schiphol Group consciously weighs the quality of network, quality of life and quality of service. Our results show how we shoulder our responsibilities and seek to strike a balance between the positive and negative effects of our operations.

Material topics

Network of destinations

AO1 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: 52,470,880 European: 37,138,923 Intercontinental: 15,331,957 OD passengers (total): 33,217,553 European OD: 25,506,432 OD Intercontinental: 7,711,121 Transfer (total): 19,253,327 European transfer: 11,632,491 Intercontinental transfer: 7,620,836 Transit-direct passengers: 2,618
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 (total): 397,646 Cargo flights (commercial): 18,340 Passenger flights (commercial): 379,306 General aviation (non-commercial): 24,661 Night-time flights (commercial): 15,690
AO3	Cargo volume	Network of destinations	Yes	Amsterdam Airport Schiphol: 1,437,811,915 kg
	Number of ICA destinations	TPI performance 2022	Yes	

Accessibility

	Accessibility	Accessibility	Yes	This topic is qualitatively reported on for FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
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Zero-emission airports

302-1	Energy consumption within the organization	Zero-emission airports	Yes	In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
302-4	Reduction of energy consumption	Zero-emission airports	Yes	
305-1	Greenhouse gas emissions - Scope 1 ⁶	Zero-emission airports TPI performance 2022	Yes Yes	
305-2	Greenhouse gas emissions - Scope 2	Zero-emission airports TPI performance 2022	Yes Yes	
305-3	Greenhouse gas emissions - Scope 3	Zero-emission airports TPI performance 2022	Yes Yes	
305-5	Reduction of greenhouse gas emissions	Zero-emission airports TPI performance 2022	Yes Yes	
	Air quality composition	Zero-emission airports 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.

Ref. GRI	Description	Chapter	External assurance section	Information and reference
Sustainable aviation				
	Sustainable aviation fuel contribution	Sustainable aviation	Yes	This topic is qualitatively reported on for FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
Circular economy				
306-1	Waste generation and significant waste-related impacts	Circular economy 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 FY23.
306-2	Management of significant waste-related impacts	Circular economy 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 FY23.
306-4	Waste diverted from disposal	Circular economy 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 circular economy. Furthermore, in preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
AO6	Aircraft and pavement de-icing/anti-icing fluid used and treated by m3 and/or tonnes	Circular economy	Yes	
Community and noise				
413-1	Operations with local community engagement, impact assessments, and development programs	Community and noise	Yes	
413-2	Operational activities with a significant (potentially) negative impact on the local environment	Community and noise	Yes	The area around the airport is especially likely to experience noise disturbance See also: www.bezoekbas.nl
AO5	Ambient air quality levels according to pollutant concentrations in microgram per m3 or parts per million (ppm) by regulatory regime	Zero-emission airports SDG table	Yes Yes	
AO7	Number of people living in noise-affected areas	Community and noise	Yes	
AO8	(Estimated) number of people to be voluntarily or involuntarily relocated in connection with the development or expansion of an airport	Community and noise	Yes	Expansion of the airport in 2022 did not require any relocations of local residents.
	Reputation Score	TPI performance 2022	Yes	

Ref. GRI	Description	Chapter	External assurance section	Information and reference
Digital innovation and cybersecurity				
		Digital innovation and security	Yes	This topic is qualitatively reported on for FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
Airport capacity				
	On-time performance	TPI performance 2022	Yes	This topic is qualitatively reported on for FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
Customer appreciation				
	Net Promoter Score	Customer appreciation TPI performance 2022	Yes Yes	
Safety				
AO9	Number of animals involved in wildlife strikes per 10,000 air transport movements	Safety Our regional airports	Yes Yes	Bird strikes are material
403-9	Lost Time Injury Frequency (LTIF)	Safety Our regional airports	Yes Yes	Lost Time Injury Frequency and absenteeism are material
	Net Safety Score	TPI performance 2022	Yes	
Security				
	Security	Security	Yes	This topic is qualitatively reported on for FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
Business continuity				
	Business continuity	Business continuity	Yes	This topic is qualitatively reported on for FY22. In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
Responsible business				
201-2	Financial implications and other risks and opportunities due to climate change	Risk Management Community and noise	No Yes	
201-4	Financial assistance received from government ⁷	Financial statements	Yes	
	Number of issues reported to the integrity committee	Responsible business	Yes	
Employment practices				
401-1	Number of new employees and staff turnover ⁷	Employment practices	Yes	In preparation for upcoming disclosure requirements (CSRD) we will evaluate our way of reporting for FY23.
403-9	Work-related injuries	Safety		
	Employee promoter score	TPI performance 2022	Yes	

Ref. GRI	Description	Chapter	External assurance section	Information and reference
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 444 million euros in 2022. 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 2022	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	Topic	Subtopic	Section reference
Business model		About us and our why	Relevant human rights matters	Policies pursued	Responsible business
Relevant environmental matters	Policies pursued	Quality of life		Outcome of policies	Responsible business
		Zero emission Airports		Principal associated risks and mitigation	Risk Management
		Sustainable aviation		Key performance indicators	Responsible business
		Circular Economy			
		Community and Noise			
	Outcome of policies	Quality of life	Relevant anti-corruption and anti-bribery matters	Policies pursued	Responsible business
		Zero emission Airports		Outcome of policies	Responsible business
		Sustainable aviation		Principal associated risks and mitigation	Risk Management
		Circular Economy		Key performance indicators	Responsible business
		Community and Noise			
	Principal associated risks and mitigation	Risk Management			
	Key performance indicators	Quality of life			
		Zero emission Airports			
		Sustainable aviation			
		Circular Economy			
		Community and Noise			
Relevant social and personnel matters	Policies pursued	Quality of life			
		Community and Noise			
		Safety			
		Robust organisation			
		Employment practices			
	Outcome of policies	Quality of life			
		Community and Noise			
		Safety			
		Robust organisation			
		Employment practices			
	Principal associated risks and mitigation	Risk Management			
	Key performance indicators	Quality of life			
		Community and Noise			
		Safety			
		Robust organisation			
		Employment practices			

EU Taxonomy disclosure FY 2022

The EU Taxonomy refers to a classification system for economic activities to be considered as environmentally sustainable by determining if they are performed or produced in a way that substantially contributes to one or more environmental objectives, while also not significantly harming the other environmental objectives and complying with the Minimum Safeguards (MS). Companies have to report the percentage of eligible and aligned turnover, capital expenditures and operational expenditures in their Annual Report. Currently, the EU has developed criteria of sustainable activities for two environmental objectives: Climate change mitigation and Climate change adaptation. Similar sets of criteria are expected for four other categories:

- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

For FY 2022, the EU Taxonomy requires reporting on taxonomy eligible activities and taxonomy aligned activities. ‘Eligible’ relates to an activity listed in the Delegated Acts under the EU Taxonomy Regulation. Eligibility means that the activity has the potential to contribute to one of the six environmental objectives. ‘Aligned’ relates to an activity adhering to the all technical screening criteria, Do No Significant Harm criteria and MS and listed in the Delegated Acts under the EU Taxonomy Regulation. The percentage ‘aligned’ turnover, CAPEX and OPEX can be seen as environmentally sustainable activities.

Eligibility

The currently identified eligible activities all are mostly all geared towards climate change mitigation. The climate adaptation activities in 2022 did not translate into substantial Taxonomy-eligible reporting for this objective, this is mostly due to the fact that climate change adaptation costs are usually part of other projects (e.g. construction) and it is complex at this point to single out only the climate change adaptation costs. Ideally this becomes possible in the coming years. Our efforts in the climate adaptation area can be read in the section on [Community and Noise](#). It must be noted that the EU taxonomy in itself is not an exhaustive list of sustainable economic activities and related criteria, as currently a lot of activities are not recognised under the EU taxonomy (yet). It is important to take stock of this context when interpreting the figures presented in this chapter, as the EU Taxonomy disclosure solely concerns a particular lens through which activities are classified as sustainable, therefore shedding light on only part of Schiphol's wider sustainability efforts. Furthermore, the level of detail required for the EU taxonomy is currently not readily extractable from existing financial systems and often requires manual procedures. Based on our analysis, to the extent possible, we have disclosed our best estimate figures for FY 2022. With the passing of time, we expect the regulation to become more complete in terms of sustainable activities and criteria, while at the same time we expect to mature our internal reporting systems in terms of facilitating the reporting requirements of the EU Taxonomy.

Alignment

For FY 2022, Schiphol does not report Taxonomy-aligned activities as Schiphol does not yet formally meet all MS criteria yet. Not having implemented the MS yet does not lead to any legal consequences, as the EU Taxonomy is a reporting regulation. Schiphol recognises that it is essential 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 the core values and the ethical way Schiphol wants to operate. At the moment, Schiphol has activities in place to manage human rights risks related to specific topics as included in the Human Rights Policy. This policy respects and ensures compliance with human rights and lists which human rights are particularly relevant to RSG's operations (salient human right topics), with due regard to the UN Guiding Principles on Business and Human Rights and the OECD guidelines for responsible business conduct for multinational organisations.

While Schiphol does not yet meet all MS criteria formally, in practice Schiphol does identify (potential) human rights adverse impacts, however, and takes its responsibility to act on that through (existing) policies and underlying processes, also taking societal developments into account. Regarding the MS criteria, Schiphol does not yet perform an in-depth analysis on all human rights topics as specifically required by the EU Taxonomy to identify its specific impact and mitigating actions. Please note that not having implemented the due diligence steps as mentioned under the MS guidelines yet does not imply that human rights are being violated, as these MS solely relate to procedural aspects of human rights due diligence. Schiphol will develop and implement a human rights due diligence policy that is in line with the EU Taxonomy.

CAPEX

The EU Taxonomy defines the 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.

The largest part of Taxonomy-eligible CAPEX can be attributed to the construction of Pier A and Cargo Building 17. Sustainability and circular construction are key components in all of our construction activities, including the pier, which is why Pier A and Cargo Building 17 are on track to attain both label LEED gold and BREEAM excellent certification upon delivery. The remainder of eligible CAPEX is allocated to other projects that support our ambition to operate the world's most sustainable airports and to operate zero-emission airports by 2030, such as:

- Multimodal hub and fast cycle lane between Hoofddorp, Schiphol and Amsterdam
- Increasing energy grid capacity
- Enlarging rainwater drainage systems
- Information and communication projects leading to more energy-efficient solutions (both hardware and software) and more energy-efficient airport operations.

Turnover

The EU Taxonomy definition of turnover 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 EU Taxonomy category 7.7. The remaining part relates to revenue generated by electric charging points on the airport premises, in line with EU Taxonomy category 6.15. Though not recognised in the EU Taxonomy, our airport charges have a sustainability component. 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. Furthermore, Schiphol charges levy of 4 euros per kilo of nitrogen that is emitted during landing or takeoff. Schiphol also incentivises the use of sustainable aviation fuel by offering airlines that fill up their planes with biofuel or synthetic fuel 500 euros and 1000 euros respectively per tonne of sustainable fuel. This contribution could add up to 15 million euros over a period of three years.



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 2022

Our conclusion

We have reviewed the socio-economic reporting in the Annual Report 2022 (hereafter: 'Annual Report') of Royal Schiphol Group N.V. (hereafter: 'Schiphol') based in Schiphol for the year ended 31 December 2022 (hereafter: 'socio-economic reporting'). A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the socio-economic reporting is not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The socio-economic reporting consists of the section 'Material aspects Royal Schiphol Group' in the chapter 'About us and our Why', the sections 'Our performance in 2022', 'Quality of Network', 'Quality of Life', 'Quality of Service', 'Safety', 'Robust organisation' (paragraphs 'Business continuity', 'Responsible Business', and 'Employment 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 2022', 'Schiphol Group full value chain emissions', and 'Green Bond Progress Report'). The socio-economic reporting is disclosed in the Annual Report.

The socio-economic reporting comprises a representation of the policies of Schiphol with regard to corporate social responsibility and the thereto related business operations, events and achievements during the year.

Basis for our conclusion

We performed our review in accordance with Dutch law, including Dutch Standard 3810N 'Assurance engagements relating to sustainability reports ('Assurance-opdrachten inzake maatschappelijke verslagen'), which is a specified Dutch standard based on 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 in this regard are further described in the '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).

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 reporting criteria used 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 absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the socio-economic reporting and for the socio-economic reporting as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

Limitations to the scope of our review

The socio-economic reporting includes prospective information such as ambitions, strategy, plans, expectations, and estimates. Inherently the actual figures are uncertain. We do not provide any assurance on the assumptions and achievability of 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 itself as reviewed by us. Therefore, we do not provide assurance on this information.

Our conclusion is not modified with respect to these matters.

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 applicable criteria as described in the '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 reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, taking into account 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 summarised 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, amongst other things, responsible for overseeing the Schiphol 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 substantially lower than the assurance that would have been 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 control 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 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 used, 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 processes 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 as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated 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, 16 February 2023

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 2022 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 2022	#
Number of buildings with A label ¹	29
Number of buildings with B label ²	3
Number of buildings with BREEAM (Very Good, Excellent or Outstanding) certificate	9
Number of buildings with LEED Gold certificate ³	2

- ¹ Of which one building that has been refurbished, resulting in at least two steps of improvement in terms of the energy label, up to EPBD label A.
- ² 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.
- ³ Concerns buildings that are currently under construction or not fully operational.

Clean transportation as at 31 December 2022	#
Number of Electric buses airside	51
Number of charging stations	712

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 2022

Eligible Green Project Portfolio

Category	Amount (EUR) ¹
Green buildings	2,031,369,845
Clean transportation	18,349,503
Of which; Electric buses - airside	8,639,427
Of which; Other ²	9,710,076
Total eligible Green Project Portfolio	2,049,719,348

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)	85%
Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio	117 %
Eligible Green Loan Portfolio – Unallocated	EUR 299,719,348
Current value of expected eligible green buildings (currently under construction) ¹	EUR 598,301,209

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)	Share of total financing	Total annual energy (GJ) savings	Total annual electricity (kWh) avoidance	Total annual gas (m ³) avoidance	Total annual CO ₂ e (tonnes) avoidance	Total annual electricity production (kWh)
a ¹	b ²	c ³	d ⁴	e ⁴	f ⁴	g ⁴	h ⁴
Green buildings	2,031,369,845 ^{5,6}	99% ⁷	64,306	5,009,508	607,621	3,223	135,150

- 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 2022 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 2022 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 2022 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 2022.
- 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 2022

Our conclusion

We have reviewed the Eligible Green Project Portfolio in the Annual Report 2022 (hereafter: 'Annual Report') of Royal Schiphol Group N.V. (hereafter: 'Schiphol') based in Schiphol for the year ended 31 December 2022 (hereafter: 'the Portfolio'). 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 nothing has come to our attention that causes us to believe that the Portfolio is not prepared, in all material respects, 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 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 in this regard are further described in the '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).

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 socio-economic information as a whole. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations 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 contains 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 with respect to these matters.

The Management Board and Supervisory Board's responsibilities

The Management Board of Schiphol is responsible for the preparation of the Portfolio in accordance with the applicable criteria as described in the 'Reporting criteria' section 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, amongst other things, responsible for overseeing the Schiphol 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 substantially lower than the assurance that would have been 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 control 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 used, 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 the purpose of expressing a conclusion on the effectiveness of the Company's internal control.
- Identifying areas of the Portfolio 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 relevant staff at Schiphol Finance Department and Schiphol Commercial responsible for the Green Bond management, reporting, and providing and consolidating the Portfolio;
 - 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 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, reflects the purpose of the reporting criteria used.

We have communicated 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, 16 February 2023

KPMG Accountants N.V.

R.R.J. Smeets RA

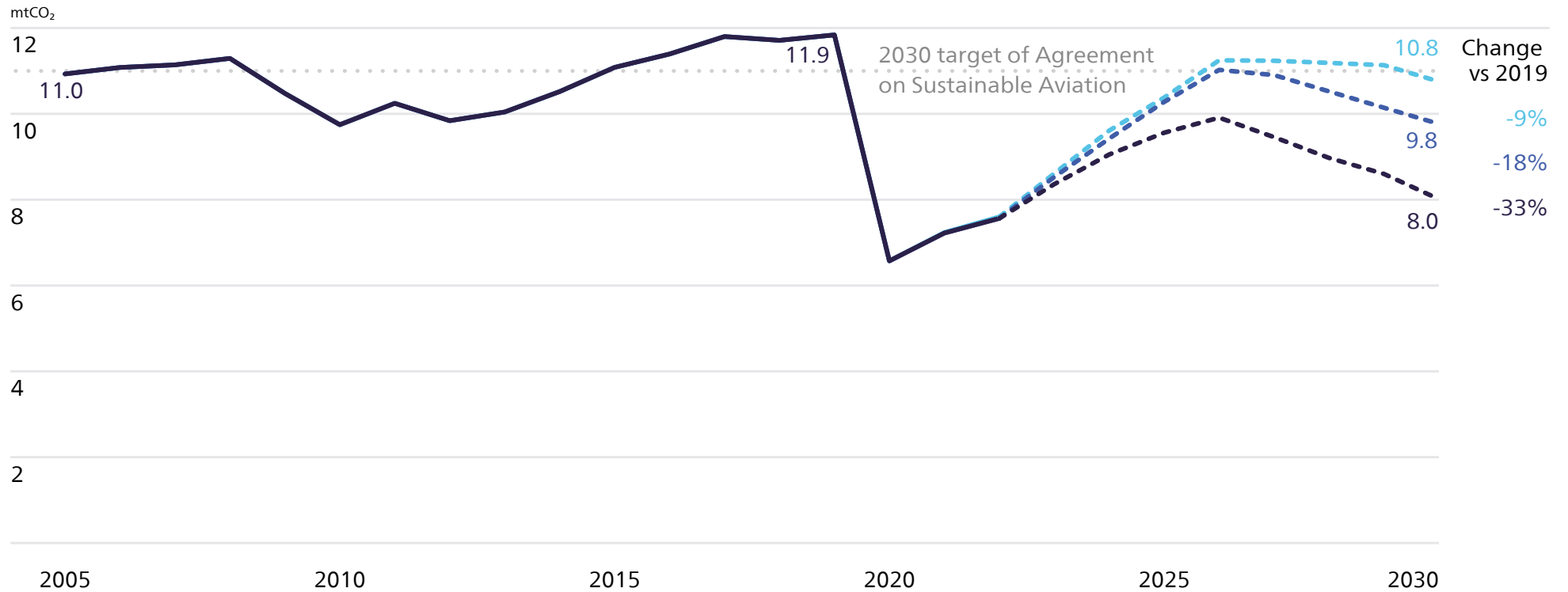
Schiphol Group full value chain emissions

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.

Emission Source	Scope	CO ₂ e Emission (tonnes) 2021	2030 targets
Scope 1			
Gas consumption	1	18,959	2,105
Fuel consumption by owned and leased vehicles	1	1,447	720
Potassium formate (runway de-icing fluid)	1	412	356
Firefighting training propane	1	390	339
Refrigerants (R410A)	1	64	13
Total scope 1	1	21,272	3,533
Purchased green gas	1	-2,539	-2,105
Purchased HVO100 for owned and leased vehicles	1	0	-720
Total Scope 1 (market-based)	1	18,733	708
Scope 2			
Electricity consumption	2	76,350	118,661
Purchased Dutch wind power	2	-74,823	113,863
Own solar panels	2	-1,527	21,000
Total Scope 2 (market-based)	2	0	-

Emission Source	Scope	CO2e Emission (tonnes) 2021	2030 targets
Scope 3			
Ground support equipment (GSE)	3a	17,983	16,021
Gas consumption in third party buildings on our grounds	3a	20,649	23,246
Electricity consumption in third party buildings on our grounds	3a	57,539	77,766
Total Scope 3a	3a	96,171	11,703
Purchased HVO100 for fuel-powered GSE	3a	0	-5,106
Purchased Dutch wind power for electric GSE	3a	-4,260	-10,893
Total Scope 3a (market-based)	3a	91,911	101,033
kerosene outbound flights	3b	8,667,345	9,787,041
Total scope 3b (market-based)		8,667,345	9,787,041
Employee business travel	3c	80	782
Employee commuting	3c	1,388	2,077
Passenger surface access	3c	58,967	255,096
Third party employee commuting	3c	42,490	68,529
Cargo traffic	3c	56,032	49,914
Construction activities and -traffic	3c	2,031	88
Waste transport and processing	3c	972	1,652
De-icing (glycol)	3c	416	730
Waste water	3c	513	992
Total Scope 3c	3c	162,889	515,651
Air travel SAF purchase	3c	-92	-357
Total Scope 3c (market-based)	3c	162,797	515,294
Grand total Location based			9,024,027
Grand total Market based			8,940,786

Schiphol Group CO₂ emissions scenarios in megatons from aviation in the Netherlands (Scope 3b)^{1,2,3}



- Scenario EU Fit for 55 (5% SAF)
- Scenario Agreement Sustainable Aviation (14% SAF)
- Aspirational scenario (30% SAF)

The above graph depicts Schiphol Group CO₂ emissions scenarios in megatons from aviation in the Netherlands (Scope 3b), location-based. The positive impact of airspace optimisation has yet to be incorporated in each scenario, since it has yet to be seen whether European governments will agree on this before 2030. In our trajectory, we have taken flight movements published in the Civil Aviation Policy Memorandum 2020-2050 as our baseline. The basis for the calculations is 500,000 flight movements at Schiphol, 10,000 at Lelystad Airport, 41,500 at Eindhoven Airport and 19,000 at Rotterdam The Hague Airport. These technical calculations do not necessarily reflect policy assumptions. The non-CO₂ emissions are not included in this graph. Please also refer to our progress report *Sustaining Your World* on <https://www.schiphol.nl/en/schiphol-group/page/road-to-the-most-sustainable-airports/>.

¹⁾ The data in this graph is outside the scope of KPMG's assurance engagement.
²⁾ The projections are based on 500K ATMs that was valid for 2022 for Amsterdam Airport.
³⁾ The figures concern emissions of outbound flights at Schiphol Group (tanked kerosene at Schiphol Group).



Financial Statements

Murat Kiliç, Assistant Coordinator BOS (Baggage Operational Support), resolves disruptions in the baggage process. 'The summer got off to a hectic start. After a difficult start, things went well again in the baggage basement after a while. It was a challenging time. But I have a good team, that helps.'

Consolidated financial statements

Consolidated statement of income for the year ended 31 December 2022	146
Consolidated statement of comprehensive income for the year ended 31 December 2022	147
Consolidated statement of financial position as at 31 December 2022	148
Consolidated statement of changes in equity for the year ended 31 December 2022	149
Consolidated statement of cash flow for the year ended 31 December 2022	150
Notes to the consolidated financial statements	151
Notes to the consolidated statement of income	171
Notes to the consolidated statement of financial position	177
Other notes to the consolidated financial statements	214

Company financial statements

Company income statement for the year ended 31 December 2022	220
Company balance sheet as at 31 December 2022	221
Notes to the company financial statements	222

Other Information

Proposed result appropriation	228
Independent auditor's report	235

Consolidated statement of income for the year ended 31 December 2022

(in thousands of euros)	Note ¹	2022	2021
Revenue	1	1,490,591	816,267
Other results from investment property	2	-191,632	68,852
Cost of outsourced work and other external costs	3	877,859	603,209
Employee benefits	4	241,616	128,366
Depreciation, amortisation and impairment	5	331,025	298,929
Total operating expenses		1,450,500	1,030,504
Operating result		-151,541	-145,385
Financial income		149,872	297,738
Financial expenses		-166,258	-112,622
Financial income and expenses	28	-16,386	185,116
Share in result of associates and joint ventures	11	32,509	-2,073
Result before tax		-135,418	37,658
Income tax expense	10	58,124	66,053
Result for the year		-77,294	103,712
Attributable to:			
Non-controlling interests		8,962	-959
Shareholders (net result)		-86,256	104,671
Basic earnings per share (in euros)		-509²	562
Diluted earnings per share (in euros)		-509²	562

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 2022

(in thousands of euros)	Note ¹	2022	2021
Result for the year		-77,294	103,712
Foreign currency translation differences	19	-817	6,741
Changes in fair value on hedge transactions	19	26,223	16,511
Share of OCI of associates after taxes	11, 19	21,528	16,742
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:		46,934	39,993
Remeasurements of defined benefit liability	19	5,409	2,816
Share of OCI of associates after taxes	11, 19	-	-
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:		5,409	2,816
Other comprehensive income for the year		52,343	42,810
Total comprehensive income for the year		-24,951	146,522
Attributable to:			
Non-controlling interests		8,962	-959
Shareholders (net result)		-33,913	147,480

¹ The notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 December 2022

(in thousands of euros)	Note ¹	31 December 2022	31 December 2021
Assets			
Intangible assets	6	131,259	107,225
Assets used for operating activities	7	3,443,513	3,498,289
Assets under construction or development	8	1,305,383	1,183,541
Investment property	9	1,699,706	1,822,380
Deferred tax assets	10	329,595	266,965
Investments in associates and joint ventures	11	492,328	455,737
Loans to associates and joint ventures	12	136,159	143,171
Other non-current receivables	13	46,635	35,070
Non-current assets		7,584,578	7,512,378
Trade and other receivables	14	968,346	561,753
Current income tax receivables	10	-	-
Cash and cash equivalents	15	1,050,846	919,760
Assets held for sale	16	-	896,979
Current assets		2,019,192	2,378,492
Total assets		9,603,770	9,890,870

¹ The notes are an integral part of these consolidated financial statements.

(in thousands of euros)	Note ¹	31 December 2022	31 December 2021
Equity and liabilities			
Issued share capital	17	84,511	84,511
Share premium	17	362,811	362,811
Retained profits	18	3,416,970	3,082,906
Other reserves	19	3,436	-48,907
Treasury shares	17	-420,320	-
Equity attributable to owners of the company		3,447,408	3,481,321
Non-controlling interests	20	58,478	49,516
Total equity		3,505,886	3,530,837
Borrowings	21	5,319,296	5,383,598
Financial liability - Share buyback obligation	22	-	346,282
Employee benefits	23	41,451	53,524
Provisions	24	29,161	27,985
Deferred tax liabilities	10	13,739	12,629
Other non-current liabilities	25	103,363	103,308
Non-current liabilities		5,507,010	5,927,326
Borrowings	21	30,912	6,299
Current income tax liabilities	10	8,626	7,010
Provisions	24	19,924	4,600
Trade and other payables	26	531,412	414,800
Current liabilities		590,874	432,708
Total liabilities		6,097,884	6,360,034
Total equity and liabilities		9,603,770	9,890,870

¹ The notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2022

(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 2021		84,511	362,811	2,978,234	-112,959	-	50,271	3,362,869
Result for the year		-	-	104,671	-	-	-959	103,712
Other comprehensive income for the year	19	-	-	-	64,051	-	-	64,051
Comprehensive income for the year		-	-	104,671	64,051	-	-959	167,763
Payments of dividends	18	-	-	-	-	-	-	-
Other		-	-	-	-	-	204	204
Balance at 31 December 2021		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	19	-	-	-	52,343	-	-	52,343
Comprehensive income for the year		-	-	-86,256	52,343	-	8,962	-24,951
Acquisition of treasury shares	17	-	-	420,320	-	-420,320	-	-
Payments of dividends	18	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Balance at 31 December 2022		84,511	362,811	3,416,970	3,436	-420,320	58,478	3,505,886

¹ The notes are an integral part of these consolidated financial statements.

	Dividend for 2021, paid in 2022	Dividend for 2020, paid in 2021
Dividend attributable to shareholders (in euros)	-	-
Average number of shares in issue during the year	186,147	186,147
Dividend per share (in euros)	-	-

Consolidated statement of cash flow for the year ended 31 December 2022

(in thousands of euros)	Note ¹	2022	2021
Result for the year		-77,294	103,712
Income tax expense recognised in profit or loss	10	-58,124	-66,053
Share in result of associates and joint ventures	11	-32,509	2,073
Financial income and expenses	28	16,386	-185,116
		-74,247	-249,096
Operating result		-151,541	-145,385
Adjustments for:			
Depreciation and amortisation expenses	5	327,042	295,428
Impairment loss	5	3,983	3,501
Result on disposal of investment property	2	-	-145
Fair value changes of investment property	2	191,632	-68,707
Other non-cash changes in other receivables and liabilities		-16,739	3,137
Change in employee benefits and other provisions		2,504	-20,906
		508,422	212,308
Operating result after adjustments		356,881	66,923
Movements in working capital		86,100	-54,673
Cash flow from operations		442,981	12,250
Cash flow from operating activities			
Income taxes paid		-13,138	-3,020
Interest paid		-80,242	-95,591
Interest received		1,809	438
Dividends received	11	1,896	6,606
Cash flow from operating activities		353,306	-79,317
Cash flow from investing activities			
Payments for intangible assets	6	-42,332	-26,812
Payments for property, plant and equipment	8, 9	-412,058	-422,792
Proceeds on disposal of financial assets	16	1,032,260	-
Purchased assets held for sale	14	-9,467	-
Acquisition of associates and joint ventures	11	-8,528	-50

(in thousands of euros)	Note ¹	2022	2021
Disposal of associates and joint ventures	11; 16	2,712	-
Dividends received on loans to associates and joint ventures	12	1,011	937
Repayment of loans to associates and joint ventures	12	13,573	2,237
Other non-current receivables received	13	3,716	104
Investments in deposits		-1,485,026	-322,935
Proceeds from deposits		1,120,060	470,024
Cash flow from investing activities		215,920	-299,287
Free cash flow		569,226	-378,604
Cash flow from financing activities			
Proceeds from borrowings	21	-	996,114
Repayment of borrowings	21	-27,000	-455,447
Proceeds from other non-current liabilities		680	1,998
Payment of acquiring treasury shares (settling the Share buyback liability)	22	-420,320	-
Payment of lease liabilities		-2,765	-4,803
Cash flows from collaterals		11,400	7,030
Cash flow from financing activities		-438,005	544,892
Net cash flow		131,221	166,288
Cash and cash equivalents at the beginning of the year	15	919,760	753,449
Net cash flow		131,221	166,288
Exchange and translation differences		-135	23
Cash and cash equivalents at the end of the year	15	1,050,846	919,760

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 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.

These financial statements cover the year 2022, which ended on the balance sheet date of 31 December 2022. On 16 February 2023, the Supervisory Board authorised the financial statements for issue as prepared by the Management Board. The Management Board will submit the financial statements for adoption by the General Meeting of Shareholders to be held on 11 April 2023.

Accounting policies

Schiphol Group's accounting policies on consolidation, measurement of assets and liabilities and determination of results are set out below. These policies are in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU), and are applied consistently to all the information presented. The applicable statutory provisions on annual reporting as included in Part 9, Book 2 of the Dutch Civil Code have also been applied consistently. Schiphol Group applies the historical cost convention for measurement, except for investment properties and derivative financial instruments, which are recognised at fair value. The financial statements have been prepared on the basis of the going concern assumption.

Going concern basis of accounting

Traffic recovered significantly from the COVID-19 pandemic during 2022, which had a positive impact on the operations and results of Schiphol Group. A loss of 77 million euros was recognised for the financial year ending 31 December 2022 (compared with a profit of 104 million euros for 2021). The loss is mainly the result of a significant fair value loss recognised on investment property (compared to a gain in 2021) as well as smaller fair value gains on the financial assets and liabilities related to the Groupe ADP transaction. In general, revenue increased significantly compared to 2021 due to the lifted (air) travel restrictions and reopening of border closures that were imposed by governments to contain the spread of the virus. The result was a material increase in passenger

numbers and therefore in revenue. During the 2022 financial year, RSG decided the cap the amount of departing passengers at Schiphol due to operational challenges. This hampered a full financial recovery in 2022.

Schiphol has experienced limited impact on passenger numbers and revenue (from airlines, rents and leases and concessions) as a result of the conflict in Ukraine. Over the period 2017-2021, the share of passengers to and from Russia and Ukraine was approximately 1.5% or 1 million passengers a year. Schiphol continues to use the traffic scenarios which were in place before the conflict started given the minimal impact.

Schiphol Group experienced a strong recovery in passenger numbers from the COVID-19 pandemic, and we expect this trend to continue for the next 12 months. Full traffic recovery towards pre-pandemic levels remains uncertain and is subject to the development of COVID-19 and corresponding travel restrictions, operational constraints to cope with the strong pick-up in demand, and - in the medium term - the announcement by the Dutch Government to cap the number of flight movements at Amsterdam Airport Schiphol to 440,000.

On 21 July 2022, S&P downgraded its credit rating of Royal Schiphol Group from A with negative outlook to A- with stable outlook. Moody's similarly downgraded Royal Schiphol Group N.V.'s ratings to A2 from A1 and changed the outlook to stable from negative on 26 September 2022. Both downgrades were in direct response to the Dutch government's announcement that it would reduce the annual aircraft movements from 500,000 to 440,000 at Amsterdam Airport Schiphol. The downgrades do not have an impact on Schiphol's ability to continue as a going concern, as all financial covenants are still being met.

Management has prepared a budget for 2023 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 in combination with the current operational constraints and actions already taken by management to mitigate the downsides brought by COVID-19, such as non-payment of dividends and management bonuses. The forecast also includes the repayments of loans and the investments in capital expenditure. The forecast assumes a continued strong recovery of traffic in 2023 and a more gradual increase of passenger numbers and air transport movements in the years thereafter until the cap of 440,000 air traffic movements becomes effective. There is no uncertainty regarding the forecast even if it is based on (significant) judgement, and as a result, there is no uncertainty on the going concern assumption. If developments in the near future differ negatively from expectations, Schiphol can manage the cash flow by controlling the capital expenditure.

Royal Schiphol Group started 2022 with a significant cash position (including short-term deposits) of 1,240 million euros. The high amount of cash is the result of the debt issued during 2020 and 2021 to cope with the uncertainties of COVID-19. Traffic recovery during 2022 was strong and hence Royal Schiphol Group operated on a relatively cash-neutral basis (including capital expenditure). In December 2022, RSG sold its 8% share in ADP and bought back its own 8% share, which led to a net cash-in of EUR 613 million euros. This resulted in a very strong cash and cash equivalent position per 2022 year-end of 1,051 million euros. Deposits in the amount of 680 million euros are also available and recognised as part of the Trade and other receivables balance.

As a result, Schiphol Group evaluated its ability to continue as a going concern. Schiphol has sufficient funding available to continue to finance the ongoing operational cash flows and the committed capital investments. From a solvency perspective, Royal Schiphol Group will remain above the relevant threshold of 30%, as set out in the financing documentation. For the year ending 31 December 2022, Schiphol's net current assets amounted to 2,019 million euros of which 1,731 million euros relate to cash and cash equivalents and short-term deposits.

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

It was assessed that no impairment is required for CGU 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*. An impairment loss on CGU Schiphol Airport Retail was recognised during 2022.

Judgement is required in projecting future cash flows for the CGU's and investments since all are still in traffic recovery mode after COVID-19. Critical assumptions 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](#). The estimate of value in use was determined by using a pre-tax discount rate in the range of 6%-9%.

New and amended standards that are mandatory with effect from 2022

There are a number of amendments to existing standards which went into effect on January 2022:

- Amendments to IFRS 16: COVID-19-Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021);
- Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract (effective 1 January 2022);

- Annual Improvements to IFRS Standards 2018-2020 (effective 1 January 2022);
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds before Intended Use (effective 1 January 2022);
- Amendments to IFRS 3: Reference to the Conceptual Framework (effective 1 January 2022).

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 2023 or later

Schiphol Group has not voluntarily applied in advance new or amended standards or interpretations that will not be mandatory until the 2023 financial year or later.

Other standards

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 2022 financial year or later (as stated):

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current (effective 1 January 2023);
- IFRS 17 Insurance Contracts (effective 1 January 2023);
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2023);
- Amendments to IAS 8: Definition of Accounting Estimates (effective 1 January 2023);
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities from a Single Transaction (effective 1 January 2023);
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (available for optional adoption/effective date deferred indefinitely).

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. Goodwill is allocated to the relevant cash-generating unit (subsidiary, joint venture or associate).

Contract-related assets concern the interest in JFKIAT 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 over the remaining contract period.

Software includes software licences and 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. Subsequent expenditure is capitalised to the carrying amount of these assets if 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 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 the disposal of assets used for operating activities 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'.

See notes 8 and 9 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 balance sheet takes into account granted lease incentives. These incentives are recognised separately as assets on the balance sheet 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 and land are not amortised or depreciated.

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	20-60 years
Installations	5-30 years
Other assets	5-20 years

The book value of non-current assets is tested against the recoverable amount if there are indications of an impairment. The recoverable amount is the greater of an asset's net realisable value and its value in use. Net realisable value 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, 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 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 balance sheet 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 deconsolidated 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 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 the 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

The company classifies financial assets in the categories of amortised cost (loans to associates, trade receivables, cash and cash equivalents), financial assets at fair value through profit or loss (shares held in Groupe ADP classified as Asset held for sale in 2021 (this was sold in 2022)) and fair value hedging instruments (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 Asset held for sale relates to our investment in Groupe ADP (previously classified as an investment in associate). 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. The shares are expected to be sold within the next 12 months. Please also refer to note 16 [Assets held for sale](#).

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 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 28 [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 repayments 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 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. The contractual payment terms (and days), which were extended in 2020 and 2021 to assist Schiphol's customers as a result of the continued negative impact of COVID-19, were brought back to normal (pre-CoVID-19) during 2022. This has not been assessed as a significant increase in risk. 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 depreciated.

Please see note 16 [Assets held for sale](#) for more information.

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 17 [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 18 [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 19 [Other reserves](#) for a more detailed explanation.

Treasury shares

Where any group company purchases the company'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 as treasury shares until the shares are cancelled or reissued. Where such ordinary 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. Shares held by Schiphol 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 17 [Issued share capital and share premium](#) for a more detailed explanation.

Employee benefits

There are 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 of the end of the year 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 may be 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 23 [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 24 [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 21 [Borrowings](#) for a more detailed explanation.

Financial liability - Share buyback obligation

The financial liability related to the obligation to buy back Schiphol's own shares (8%) which were held by Groupe ADP.

The financial liability was initially recognised at the present value of the redemption amount, 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. The effect of the remeasurement of the financial liability is recognised through the profit or loss (as part of finance income or expenses).

See note 22 [Finance liability - Share buyback obligation](#) 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 26 [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 contractual payment terms were extended in 2020 and 2021 and payment discounts were provided if settlement took place within 30 or 45 days. These measures were put in place to assist the customers as a result of the continued impact of COVID-19. All payment terms were brought back to normal (pre-CoVID-19) during 2022.

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 2021 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. The contractual payment terms were extended in 2020 and 2021 to assist the customers as a result of the continued impact of COVID-19. All payment terms were brought back to normal (pre-COVID-19) during 2022.

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. The contractual payment terms were extended in 2020 and 2021 to assist the customers as a result of the impact of COVID-19. All payment terms were brought back to normal (pre-CoVID-19) during 2022.

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 28 [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.

When the grant relates to income, 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 2022](#) 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](#).

The 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.

Share buyback obligation

A financial liability has been recognised at the net present value of the estimated redemption amount. Schiphol Group uses estimates and assumptions in the forecasting models when determining the equity values (fair value) of the Group in order to calculate the expected obligation to buy back our 8% shares. Please refer to note 22 [Financial liability - Share buyback obligation](#) for additional information.

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. Since there is no technical solution available for decontaminating the polluted soil, the excavated soil is temporarily stored at the airport until the market has developed a decontamination solution. Schiphol has made an estimation of the expected expenditures related to the decontamination. A provision with regards to the cost compensation mechanism was recognised in the 2022 financial year which included numerous assumptions and estimates with regards to the determination of the provision. The majority of the costs relating to the provision are expected to realise within a year. For more detailed explanations, refer to note 4 [Employee benefits expense](#).

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 27 [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 2022), 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 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. This includes shares in Groupe ADP (in 2021), Brisbane Airport Corporation Holdings Ltd and Tasmanian Gateway Holdings Corporation Pty Ltd. 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.

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	-38,605	-327,042
Operating profit	-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 is excluding 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 These capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

2021				
(in thousands of euros)				
	Aviation	Schiphol Commercial	Alliances & Participations	Total
Airport charges	375,985	-	33,286	409,271
Concessions	9,897	70,281	4,522	84,700
Rent and leases	-	192,422	5,866	198,288
Parking fees	-	58,081	10,040	68,121
Other activities	23,452	25,755	99,018	148,224
Total revenue	409,334	346,538	152,732	908,603
Intercompany revenue	-750	-29,692	-61,895	-92,337
Revenue	408,584	316,846	90,837	816,267
Other results from investment property	-	69,711	-858	68,852
Impairment ¹	-1,258	-92	-2,151	-3,501
Depreciation and amortisation	-200,904	-60,182	-34,343	-295,428
Operating profit	-348,328	208,710	-5,765	-145,385
Share in results of associates and joint ventures ²	1,086	6,478	-4,077	3,486
Total assets	4,258,122	3,626,692	2,006,057	9,890,871
Total non-current assets (excl. deferred tax)	3,430,311	2,921,636	893,465	7,245,413
Investments in associates and joint ventures	2,128	156,803	296,806	455,737
Capital expenditure ³	257,461	150,932	41,671	450,064

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 These capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

Aviation

(in thousands of euros)	Aviation		Security		Total
	2022	2021	2022	2021	2021
Airport charges	536,417	247,280	284,892	128,704	375,985
Concessions	12,875	9,897	-	-	9,897
Rent and leases	93	-	165	-	-
Other activities	30,244	16,803	5,846	6,649	23,452
Total revenue	579,628	273,980	290,903	135,354	409,334
Intercompany revenue	-853	-551	232	-199	-750
Revenue	578,775	273,429	291,136	135,155	408,584
Depreciation and amortisation	-172,832	-156,654	-49,450	-44,249	-200,904
Impairment	-1,384	243	-203	-1,501	-1,258
Operating profit	-140,320	-208,201	-51,617	-140,127	-348,328
Share in results of associates and joint ventures ¹	1,428	1,086	-	-	1,086
Total assets	4,032,983	3,728,159	584,294	529,963	4,258,122
Total non-current assets (excl. deferred tax)	3,046,596	3,003,377	441,387	426,934	3,430,311
Investments in associates and joint ventures	3,009	2,128	-	-	2,128
Capital expenditure	188,546	199,100	57,345	58,361	257,461

¹ 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.

Schiphol Commercial

(in thousands of euros)	Concessions		Parking & Mobility Services		Commercial Real Estate		Terminal Real Estate		Other		Total	
	2022	2021	2022	2021	2022	2021	2021	2021	2021	2021	2021	
Concessions	129,960	66,270	8,036	3,411	901	599	-	-	-	-	138,897	70,281
Rent and leases	16,765	16,705	284	1,165	143,136	123,052	55,292	50,831	-1	669	215,475	192,422
Parking fees	-	-1	97,264	52,566	5,696	5,517	0	-	-	-0	102,960	58,082
Other activities	836	588	1,698	2,083	1,943	1,536	161	134	29,653	21,413	34,290	25,755
Total revenue	147,561	83,562	107,281	59,225	151,675	130,704	55,453	50,965	29,652	22,082	491,622	346,539
Intercompany revenue	-453	-630	-2,042	-1,951	-19,787	-17,775	-9,226	-9,054	-686	-282	-32,195	-29,692
							-	-	-	-		
Revenue	147,108	82,932	105,239	57,274	131,888	112,929	46,226	41,911	28,966	21,801	459,427	316,847
							-	-	-	-		
Other income and results from investment property	-	2,931	-	2,345	-192,501	60,917	-	1,173	-	2,345	-192,501	69,711
Depreciation and amortisation	-17,019	-15,697	-19,486	-18,135	-5,962	-3,456	-19,007	-18,696	-4,681	-4,198	-66,155	-60,182
Impairment	-215	423	-171	309	-336	363	-86	186	-255	-1,372	-1,062	-92
Operating profit	94,700	43,023	40,462	9,785	-111,715	140,880	803	7,949	4,870	7,072	29,121	208,710
Share in results of associates and joint ventures ¹	-9,520	66	-	-	2,748	6,412	-	-	-	-	-6,771	6,478
							-	-	-	-		
Total assets	296,112	289,377	378,765	353,586	2,591,788	2,562,146	412,854	388,804	36,376	32,779	3,715,895	3,626,692
Total non-current assets (excl. deferred tax)	223,689	233,120	286,127	284,846	1,957,888	2,064,046	311,878	313,217	27,479	26,407	2,807,061	2,921,636
Investments in associates and joint ventures	6,519	16,039	-	-	129,468	140,764	-	-	-	-	135,987	156,803
Capital expenditure	15,227	22,474	18,699	-6,695	97,122	112,708	15,258	17,317	5,269	5,128	151,575	150,932

¹ 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.

Alliances & Participations

(in thousands of euros)	International airports		Domestic airports		Other activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Airport charges	-	-	80,164	33,286	-	-	80,164	33,286
Concessions	-	-	10,710	4,522	-	-	10,710	4,522
Rent and leases	-	-	6,210	5,866	1	-	6,211	5,866
Parking fees	-	-0	24,643	10,040	-	-1	24,643	10,040
Other activities	12,715	12,300	6,183	7,483	96,707 ¹	79,235	115,605	99,018
Total revenue	12,715	12,300	127,911	61,198	96,707	79,234	237,333	152,732
Intercompany revenue	-3	-0	-1,238	-1,321	-74,840	-60,573	-76,081	-61,895
Revenue	12,712	12,300	126,673	59,876	21,867	18,661	161,252	90,837
Other results from investment property	-	-	869	-858	-	-	869	-858
Depreciation and amortisation	-1,500	-1,294	-21,993	-17,965	-15,112	-15,084	-38,605	-34,343
Impairment	-1	-	-737	-1,379	-596	-772	-1,335	-2,151
Operating profit	-242	6,822	7,413	-19,162	4,104	6,574	11,275	-5,765
Share in results of associates and joint ventures ²	45,749	-7,081	-	-	431	3,003	46,180	-4,077
Total assets	694,985	1,484,630	430,185	406,094	145,427	115,332	1,270,597	2,006,057
Total non-current assets (excl. deferred tax)	525,005	473,408	324,970	327,147	109,964	92,911	959,940	893,465
Investments in associates and joint ventures	346,574	291,554	-	-	6,759	5,252	353,332	296,806
Capital expenditure	1,157	1,836	17,093	23,652	27,998	16,183	46,247	41,671

¹ The other activities include revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

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.

Notes to the consolidated statement of income

1. Revenue

Airport charges

(in thousands of euros)	2022	2021
Passenger service charges	380,484	152,154
Security service charges	311,893	138,110
Aircraft-related fees	182,846	114,358
Aircraft parking fees	6,969	4,651
Airline nitrogen fees	19,281	-
Total airport charges	901,473	409,271

Schiphol Group has recovered significantly from the effects of the COVID-19 pandemic during the 2022 financial year, which resulted in an increase in passenger numbers (+110%) and air traffic movements (+54%). This had a positive impact on revenue recognised on airport charges, spend per arriving/departing passenger and parking fees.

During Q1 of 2022, Schiphol continued to offer rebates to the amount of 2 million euros on airport charges to all the airlines. The rebates include payment discounts for early settlement as well as a rebate on landing and take-off (LTO) charges.

The activities of the Aviation business area (at Amsterdam Airport Schiphol) are regulated. Under the Aviation Act, Royal Schiphol Group N.V. settles surplus income or deficits from specified revenues and expenses with the industry. In accordance with the accounting policies, surpluses and deficits eligible for settlement in future airport charge rates are not presented as assets and liabilities in the balance sheet. The following table provides an overview of surpluses (owed to the sector) and deficits (receivable from the sector) per financial year as well as the timing of their settlement in future airport charge rates.

	Surplus (+) or deficit (-/-)	Not included in charges	Included in charges before 1 April 2021	1 April 2021	1 April 2022	1 April 2023	1 April 2024	1 April 2025	1 April 2026
2017	22.2	-	14.8	7.4	-	-	-	-	-
2018	0.5	-	0.2	0.2	0.2	-	-	-	-
2019	-19.0	-	-	-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
		-45.6	15.0	1.2	44.7	-157.0	-319.0	-315.7	-268.1

In May 2022, the Regulatory Accounts 2021 was published, which included a final settlement on the sector of 520 million euros.

As in the year 2020, the year 2021 was heavily impacted by the COVID-19 crisis, qualifying as exceptional and unforeseen circumstances. As a result, Schiphol decided to exercise its discretionary power in case of exceptional and unforeseen circumstances to invoke the new articles in the Operation Decree to postpone the traffic and transport related part of the 2021 settlement by one year (and therefore spread over 2024-2026) and spread this part in unequal parts. The non-traffic and transport-related part of the settlement remains spread in three equal parts and has not been postponed by one year (and therefore spread over 2023-2025).

The aforementioned net settlement receivable from the sector of 520 million euros consists of a non-traffic related part which is owed by Schiphol to the sector (102 million euros), a traffic-related part which is receivable by Schiphol from the sector (623 million euros) and a recalculation of interest regarding the 2020 settlement (1 million euros owed to the sector).

In October 2022, Schiphol adjusted the charges for 2023 by incorporating the effect of the 2021 settlement (as shown in the table). Two complaints have been submitted to the regulator (Dutch Authority for Consumers and Markets) about the adjusted charges for 2023. At the moment, the regulator is in the process of assessing these complaints. Schiphol expects the regulator to take a decision before 1 April 2023.

The amount to be settled for 2022 is expected to be a deficit of approximately 105-140 million euros. The final settlement will be included and explained extensively in the Regulatory Accounts 2022.

The Regulatory Accounts 2022 will be published on 31 May 2023 (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 2024 to 2026-2027, depending on how both elements (traffic and transport-related versus non-traffic and transport-related) will be spread over the years. Therefore, a substantial part will be postponed to the next tariff period of 2025 to 2027.

The airport charges were set for the years 2022-2024 in 2021. A number of airlines and representative organisations have submitted complaints to the regulator in response to these charges. The regulator concluded in April 2022 that the airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act. One complaint was partially justified; however, this does not justify the conclusion that charges and conditions would be contrary to the rules laid down by or pursuant to the Aviation Act. Schiphol provided the additional required information in June 2022.

A number of airlines disagree with the decision of the ACM and have appealed to the CBB (College van Beroep voor het bedrijfsleven). The CBB is in the process of assessing the appeal, of which a ruling is expected in 2023.

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)	2022	2021
Shops Retail Airside	84,836	43,767
Food and beverage	37,598	16,503
Oil companies	11,581	9,897
Shops Plaza	8,079	6,006
Other	20,388	8,527
Total concessions	162,482	84,700

Schiphol Group's commercial terminal services reporting segment, which is part of the Schiphol Commercial business area, had 105 effective concession contracts in 2022 (2021: 95) 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, as well as the period to their expiry:

	2023	2024	2025	2026	2027	>2027
Fixed lease payments from current contracts (in thousands of euros)	9,129	8,168	4,960	3,753	2,929	2,898
Percentage of contracts that will expire	32%	18%	18%	10%	5%	16%

Revenue of 12 million euros from concessions included in the Aviation segment (10 million euros in 2021) and 8 million euros in the Parking segment (3.4 million euros in 2021) 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 20.6 million euros (2021: 10.4 million euros).

Rent and leases

(in thousands of euros)	2022	2021
Investment property: buildings	63,693	57,650
Operating property	57,109	58,255
Service charges	37,914	26,495
Investment property: land	34,308	29,080
Intercompany revenue	28,918	26,807
Total rent and leases	221,944	198,288

Average occupancy in the Real Estate segment was 94.4% (94.3% in 2021). 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)	2022	2021
Occupied buildings	59,680	47,133
Unoccupied buildings	3,547	2,849
Total property management expenses	63,227	49,982

If buildings are partially leased, the property management expenses have been apportioned based on floor area.

Parking fees

(in thousands of euros)	2022	2021
Public parking revenues	76,629	34,185
Business parking	23,898	21,895
	100,528	56,081
Parking at other locations	24,675	9,897
Intercompany revenue	2,400	2,143
Total parking fees	127,603	68,121

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 5.7 million euros (2021: 5.5 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)	2022	2021
Advertising	13,149	8,725
Telecommunication services	14,817	15,830
JFK IAT related fees	7,293	7,699
Electricity, gas and water	6,968	7,336
Services and activities on behalf of third parties	3,685	2,801
Hotel activities	3,626	1,541
Other operating income	58,870	40,904
Intercompany revenue	77,578	63,387
Total other activities	185,985	148,224

2. Other results from investment property

(in thousands of euros)	2022	2021
Gain/ (loss) on disposal of land	-	145
Result on sale of property	-	145
Gain/ (loss) on changes in fair value of buildings	-144,137	6,104
Gain/ (loss) on changes in fair value of land	-11,725	23,889
Gain/ (loss) on changes in fair value of assets under construction	-35,770	38,714
Other	-	-
Total fair value gains and losses	-191,632	68,707
Total other revenues from investment property	-191,632	68,852

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 192 million euros in 2022 (2021: gain of 69 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 120 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 26 million euros. The performance on the Italian logistic real estate market was more favourable, which led to a fair value gain of 2 million euros. Fair value losses of 35 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)	2022	2021
Security	193,795	149,013
Subcontracted activities	112,938	76,403
Maintenance	147,589	125,945
Hired temporary staff	57,402	35,252
Cleaning	41,623	33,359
Advisory and audit fees	33,403	11,447
Insurance and government levies	31,936	25,894
Energy and water	39,523	26,166
Costs related to investments	1,876	9,669
Costs related to cloud applications	22,983	7,667
Commercial expenses	16,024	9,954
Outsourced work (IT, HR related an other)	86,810	60,311
Mobility cost	22,507	17,214
Other expenses (such as general expenses, rents and leasing)	69,450	14,915
Total cost of outsourced work and other external costs	877,859	603,209

The lift of COVID-19 regulations in 2022 led to an increase of passenger numbers and maintenance work for the terminal and baggage handling, the summer charges for airport employees assisting these processes were also increased, providing overall growth of the external costs for the year.

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)	2022	2021
Audit of the financial statements	1,207	987
Other audit services	949	745
Total auditor's fees	2,156	1,732

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 2.1 million euros (2021: 1.6 million euros) while the fees for activities performed by other members of the KPMG network amount to 0.1 million euros (2021: 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 2,487 (2021: 2,474). On average, 8 employees were included in the reported workforce as full-time equivalents. These employees were part of the Schiphol workforce in 2022 but are non-active as a result of Project Reset. The current active workforce is 2,483.

Schiphol Group applied for government grants (Noodmaatregel Overbrugging Werkgelegenheid, NOW) for the amount of 10 million euros in 2022 (206.7 million euros in total for the 2020, 2021 and 2022 financial years).

These support grants are 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 2022 (as well as 2021 and 2020) 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, for which NOW 1 and 2 has been finalised.

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 23 [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 thousands of euros)	2022	2021
Short-term employee benefits	187,909	94,129
Post-retirement benefits	34,387	32,730
Other long-term employee benefits	3,426	2,821
Termination and unemployment benefits	2,150	-5,478
Other staff costs	13,744	4,164
Total employee benefits	241,616	128,366

(in thousands of euros)	2022	2021
Salaries	199,150	185,033
Social charges	22,006	20,531
Internal hours capitalised	-22,836	-27,065
NOW government grants received	-10,411	-84,370
Total short-term employee benefits	187,909	94,129

Pension charges (defined contribution plans)	33,689	31,334
Early retirement benefits	698	1,396
Total post-retirement benefits	34,387	32,730

Jubilee benefits	545	146
Other employee benefits	2,881	2,675
Total other long-term employee benefits	3,426	2,821

5. Depreciation, amortisation and impairment expenses

(in thousands of euros)	2022	2021
Contract-related assets	1,444	1,281
ICT development	12,541	9,931
Software licences	6,308	7,055
Intangible assets	20,293	18,267
Runways, taxiways and aprons	34,403	32,632
Paved areas and roads	20,040	19,784
Buildings	66,155	62,627
Installations	121,883	115,068
Other assets	57,685	46,088
Assets used for operating activities	300,166	276,199
Depreciation and amortisation in relation to disposals	6,584	962
Impairments related to financial assets	3,932	-299
Impairments related to non-financial assets	50	3,800
Total depreciation, amortisation and impairments	331,025	298,929

See note 6 [Intangible assets](#) for 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 28 [Management of financial risks and financial instruments](#).

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	Total
Carrying amount as at 1 January 2021	28,688	23,362	10,668	30,606	93,324
Movements in 2021					
Additions	-	-	-	26,812	26,812
Completions	-	14,027	2,443	-11,115	5,355
Amortisation	-1,285	-9,922	-6,938	-	-18,145
Impairment	-	-	-	-2,419	-2,419
Reclassification	0	-7	341	-	333
Exchange differences	2,054	-	-	-	2,054
Other	-	-	-9	-81	-90
Total movements in the year	769	4,098	-4,164	13,197	13,901
Analysis as at 31 December 2021					
Cost	38,610	77,348	49,292	43,805	209,055
Accumulated amortisation and impairment	-9,154	-49,888	-42,788	-	-101,830
Carrying amount as at 31 December 2021	29,457	27,460	6,504	43,805	107,225

Contract-related assets

Contract-related assets concern the interest in JFKIAT Member LLC acquired upon the acquisition of activities from third parties. The activities concern 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.

During 2021, JFKIAT reached an agreement on key terms as part of a non-binding term sheet with the Port Authority to expand and redevelop Terminal 4 in the coming years. However, this will depend on whether Delta Air Lines will be exercising their option to continue with the expansion. JFKIAT's managing member is Schiphol USA Inc., a U.S. affiliate of Royal Schiphol Group. The expansion of Terminal 4 is not expected to lead to capital requirements for Royal Schiphol Group.

The contract-related asset is amortised on a straight-line basis over the remaining term of the arrangement, being 20.5 years. Income realised under the arrangement is for the most part fixed and reported under 'revenue from other activities'. Schiphol Group is under no obligation to make additional contributions. No indication of impairment was identified for the contract-related assets as Schiphol Group continued to receive the agreed fee during the 2022 financial year.

(in thousands of euros)	Contract-related assets	ICT development	Software licences	Software under development	Nitrogen rights	Total
Carrying amount as at 31 December 2021	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	1,343	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

ICT development comprises the capitalised internally developed ICT applications, while software licences comprise the externally acquired ICT applications.

At the end of 2022, Schiphol acquired 7.5 million euros of ammonia rights to compensate for the nitrogen emission activities. The nitrogen rights are initially valued at cost and have an indefinite useful life. The transaction took place close to the year's end, and there is no indication of impairment.

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 2021	464,669	582,057	1,093,110	885,417	211,727	3,236,980
Movements in 2021						
Completions	83,668	27,245	78,970	195,160	137,209	522,252
Lease	-	-	-	-	6,113	6,113
Depreciation	-32,632	-19,784	-62,627	-115,068	-46,088	-276,199
Acquisitions	-	-	-	275	-	275
Disposals	-	-	-130	-718	-202	-1,050
Other	-	-	-	-15	6	-9
Reclassification	2,148	4,169	7,906	-9,000	4,704	9,927
Total movements in the year	53,184	11,630	24,119	70,634	101,741	261,309
Analysis as at 31 December 2021						
Cost	1,058,940	873,470	2,033,617	2,547,824	721,137	7,234,988
Accumulated depreciation and impairment	-541,087	-279,783	-916,388	-1,591,773	-407,668	-3,736,699
Carrying amount as at 31 December 2021	517,853	593,687	1,117,229	956,051	313,469	3,498,289
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	224,258
Depreciation	-34,403	-20,040	-66,155	-121,840	-57,728	-300,166
Acquisitions	303	70	785	4,021	4,133	9,312
Disposals	-4,169	-	-389	-785	-362	-5,705
Reclassification	-21	-	17,443	-137	240	17,525
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	-428,722	-3,966,968
Carrying amount as at 31 December 2022	512,935	665,570	1,093,599	954,330	217,078	3,443,513

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.

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 apons, runways and taxiways	11,017	11,024	7,283	23,450	1,748	54,522
Rotterdam Airport	6,613	870	1,337	12,278	3,114	24,212
Programme: Airside Maintenance	15,735	2,629	-	5,452	163	23,979
Expansion Security Filter	-	-	5,079	7,738	3,115	15,932
Replacement Installations T1 & T2	-	-	41	14,593	-	14,634
Hold Baggage System	-	-	-	14,284	-	14,284
Explosion Detection System Cabin Bagage	-	-	654	11,749	-119	12,284
E-workspace	-	-	-	-	7,248	7,248
Redevelopment Terminal 1	-	21	1,352	1,961	690	4,024
Security-Screening	-	-	-	137	3,286	3,423
Renovation Fire Stations	-	421	1,325	1,299	41	3,086
Capacitymanagement Infrastructure	-	-	-	3,019	-	3,019
Visual Docking Guidance System 17-21 pilot	-	-	-	2,582	-	2,582
Replacement Schiphol Dynamic Displays	-	-	-	-	2,536	2,536
Parking	-	-86	607	1,782	202	2,505
Capacitymanagement Network	-	-	-	3,523	-1,143	2,380
Completion Dual Taxi (TWY) System	-1,087	83,817	974	732	-82,071	2,365
Other	1,094	-6,843	6,034	12,440	18,518	31,243
Total completions during the year	33,372	91,853	24,686	117,019	-42,672	224,258

Other assets include, among others things, inventory and vehicles. Capital expenditure for the amount of 82 million euros was reclassified from the category of Other asset primarily to the category of Paved areas and roads.

Part of the assets used for operating activities as presented above concerns right-of-use assets. The movement in right-of-use assets during 2022 was as follows:

(in thousands of euros)	Buildings	Other assets	Right of use assets
Carrying amount as at 1 January 2022	2,262	15,055	17,317
Movements 2022			
Additions	-	3,623	3,623
Depreciation	-471	-5,687	-6,158
Derecognition	-	-32	-32
Total movements	-471	-2,097	-2,568
Carrying amount as at 31 December 2022	1,791	12,958	14,749

8. Assets under construction or development

(in thousands of euros)	Assets under construction for operating activities
Carrying amount as at 1 January 2021	1,312,075
Movements in 2021	
Capital expenditure	403,540
Capitalised construction period borrowing cost	7,561
Completed assets	-540,501
Impairment	-1,381
Acquisitions	3,703
Reclassification	-2,075
Other	619
Total movements in the year	-128,534
Carrying amount as at 31 December 2021	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

The capitalisation of construction period interest is calculated by applying a percentage rate of 1.06% (2021: 1.06%). A total amount of 8.1 million euros was capitalised during the 2022 financial year relating to various construction projects.

On 31 December 2022, the total carrying amount of the Lelystad Airport assets amounted to 96 million euros. This includes all assets under the following categories: 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	96,033
Programme: Major maintenance on Aprons, Runways and taxiways	79,831
Programme: Airside Maintenance	29,111
Redevelopment Terminal 1	15,528
Dual Taxi System	13,175
Digital DnA	11,982
Hold Baggage System 2020	7,934
Mid-term Plan projects	7,468
Southern Development Phase 1	7,226
Schiphol Multimodal Hub (MKS)	6,628
Other	59,000
Total capital expenditures in the year	333,916

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 Dutch government communicated that it will not make a decision on when to open Lelystad Airport before the summer of 2024. The decision to postpone the opening of Lelystad Airport was also made to provide sufficient time for Lelystad Airport to secure a nature permit and resolve the discussion on low-approach routes. On this basis, no impairment is deemed necessary based on the current government decision to delay the opening.

The construction of the new pier 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. Please also see note 27 [Contingent assets and liabilities](#).

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

(in thousands of euros)	Buildings	Land	Assets under construction	Total
Carrying amount as at 1 January 2021	1,174,796	443,513	104,594	1,722,904
Movements in 2021				
Capital expenditure	-	-	19,711	19,711
Completed assets	17,900	-	-14,965	2,935
Fair value gains and losses	6,104	23,889	38,714	68,707
Impairments	-	-	-	-
Reclassification	47,149	-36,595	-2,431	8,123
Total movements in the year	71,153	-12,706	41,029	99,476
Carrying amount as at 31 December 2021	1,245,950	430,807	145,623	1,822,380
Movements in 2022				
Capital expenditure	-	-	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
Other	-685	-	-	-685
Reclassification	-7,600	-9,672	-1,547	-18,819
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
Measured at				
Cost model	-	-	48,247	48,247
Fair value model	1,124,118	409,449	117,892	1,651,459

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 2022.

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: 11.0 million euros as at 31 December 2022 (2021: 11.1 million euros) and trade and other receivables (4 million euros as at 31 December 2022 (2021: 4.0 million euros)).

In course of 2022, 17.4 million euros of assets were reclassified from items of Investment property (buildings and land) to the buildings used for operating activity due to the change of intended use to owner occupied premises and land. Acquisition of 16 million euros relates to Transport building (acquired at fair value), resulted from change in the ownership of the Transport C.V. further described in note 16. [Assets held for sale](#).

As at 31 December 2022, 100% (2021: 100%) of the buildings and 11.2% (2021: 16.4%) 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.

During 2021, an adjustment was made in how the land for the WTC is valued (change in accounting estimate in terms of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*). This resulted in a change in how the WTC building and the land is presented: 52.73% of the land value is presented as part of the WTC building (whereas in the past it was presented as 100% of the land value) since 2021. No changes have been made on the level of overall value and to the percentage applied.

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.

	Average effective contractual rental income per m2		Average market rent per m2		Average net initial yield	
	2022	2021	2022	2021	2022	2021
Schiphol Centre						
Offices	303	298	277	276	5.6%	4.8%
Schiphol North and East						
Offices	150	148	153	152	7.7%	7.4%
Business premises	52	52	52	67	7.0%	6.7%
Schiphol Southeast						
Offices	138	167	140	140	10.0%	10.7%
Business premises	125	120	118	124	4.4%	4.2%
Schiphol South						
Business premises	117	116	97	109	6.2%	5.7%
Rotterdam The Hague Airport						
Offices	197	177	162	162	7.6%	6.9%
Business premises	104	102	90	92	5.0%	4.8%

Significant assumptions for buildings

The significant assumptions used in the valuation model comprise:

Buildings

	2022	2021
Inflation rate	2.00% - 2.50%	1.80% - 2.00%
Average market rent development	6.0% - 4.50%	0.00% - 3.13%
Net initial yield	3.30% - 10.0%	3.70% - 10.70%

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

	2022	2021
Inflation rate	2.09% - 2.18%	1.80% - 2.00%
Discount rate	4.85% - 7.90%	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)	2022		2021	
Result before tax	-135,418		37,658	
Income tax calculated at the domestic tax rate	-34,938	25.8%	9,415	25.0%
Share in results of associates and joint ventures	-8,387	6.2%	518	1.4%
Share in results of associates in limited partnerships that are not independently taxable	-750	0.6%	1,425	3.8%
Changes in corporate income tax rate	416	-0.3%	-6,352	-16.9%
Participation exemption on results from financial asset and liability (Groupe ADP)	-15,801	11.7%	-69,184	-183.7%
Different tax rate for foreign subsidiaries / associates	758	-0.6%	1,231	3.3%
Recognition of previously unrecognised tax losses	-460	0.3%	-3,170	-8.4%
Non-deductible impairment on other transactions	141	-0.1%	-	0.0%
Tax results previous years	-	0.0%	-104	-0.3%
Other	897	-0.7%	169	0.4%
Income tax expense in income statement (effective)	-58,124	42.9%	-66,053	-175.4%

The effective tax rate in 2022 was positive 42.9% (2021: negative 175.4%). This is mainly attributable to the application of the participation exemption on the results from financial assets and liabilities related to Groupe ADP. There were no changes to the nominal income tax rate in 2022. The rate at which an important part of the deferred tax assets and liabilities will be settled is calculated at the current rate of 25.8%. The application of the participation exemption to the results of associates increases the effective tax rate. However, the application of the participation exemption on results from financial assets and liabilities related to Group ADP decreases the effective tax rate. No deferred tax asset is recognised for the unused tax losses incurred in Italy.

The 'Corona Tax Reserve' was introduced as part of the *Belastingplan 2021*. On 1 January 2022, the Dutch corporate income tax loss relief rules were revised (this was included in the *Belastingplan*

2021). Following the revised rules, a tax loss can be carried back one year and carried forward indefinitely subject to a quantitative restriction. Schiphol Group has recognised 198.6 million euros of assessed losses for the 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*. An additional amount of 20.2 million euros was recognised for the 2022 financial year. 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.

Income tax in the statement of income

(in thousands of euros)	2022	2021
Current income tax		
Income tax current year	13,912	5,811
Income tax for prior years	-	104
Total current income tax	13,912	5,915
Deferred income tax		
Origination and reversal of temporary differences	-51,111	34,479
Changes in corporate income tax rate	416	-6,352
Recognition of unutilised tax losses	-21,341	-100,094
Total deferred income tax	-72,036	-71,967
Total income tax	-58,124	-66,053

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%
Non-deductible impairment on other transactions	141	-0.1%	-	0.0%	-	0.0%	141	-0.1%
Tax results from previous years	-	0.0%	-	0.0%	-	0.0%	-	0.0%
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%

2021 - Reconciliation of effective tax rate per tax jurisdiction

(in thousands of euros)	The Netherlands		The United States		Italy		Total	
Profit before tax	18,766		7,530		11,362		37,658	
Income tax calculated at the nominal rate	4,691	25.0%	2,598	34.5%	3,170	27.9%	10,459	27.8%
Results of associates	1,943	10.4%	-	0.0%	-	0.0%	1,943	5.2%
Changes in corporate income tax rate	-6,352	-33.9%	-	0.0%	-	0.0%	-6,352	-16.9%
Participation exemption on results from financial asset and liability Groupe ADP	-69,184	-368.7%	-	0.0%	-	0.0%	-69,184	-183.7%
Recognition of previously unrecognised tax losses	-	0.0%	-	0.0%	-3,170	-27.9%	-3,170	-8.4%
Tax results from previous years	-104	-0.6%	-	0.0%	-	0.0%	-104	-0.3%
Other	354	1.9%	-	0.0%	-	0.0%	354	0.9%
Income tax expense in profit or loss (effective)	-68,651	-365.8%	2,598	34.5%	-	0.0%	-66,053	-175.4%

Deferred tax in the statement of financial position

The following 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;
- 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 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;
- The valuation of employee benefits is different for tax purposes and reporting purposes because of differences in the actuarial assumptions applied;
- Property investments and derivative financial instruments are measured at fair value for reporting purposes and at cost for tax purposes;
- 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.

Deferred tax assets and liabilities are recognised in 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)	2022	2021
Deferred tax assets (fiscal unity)		
Assets used for operating activities	168,156	171,933
Assets under construction or development	55,600	55,600
Derivative financial instruments and borrowings	-2,256	6,483
Employee benefits	3,509	5,004
Investment property	-118,854	-172,719
Contract related assets	1,677	916
Non-deductible interest ¹	41,335	-
Unutilised tax loss ¹	182,448	198,666
	331,615	265,883
Deferred tax assets (outside fiscal unity)		
Investment property	-2,020	1,082
Deferred tax liabilities (outside fiscal unity)		
Contract-related assets	-13,739	-12,629
Derivative financial instruments and borrowings	-	-
	-13,739	-12,629
Total deferred tax	315,856	254,336
Non-current (settlement is not expected)	104,902	54,814
Non-current (expected to be recovered or settled after more than 1 year)	187,166	190,581
Current (expected to be recovered or settled within 1 year)	23,788	8,941
	315,856	254,336

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 ¹	Unutilised tax loss ¹	Total
Carrying amount as at 1 January 2021	182,984	54,661	-153,631	11,253	5,611	-11,265	-	98,572	188,184
Movements in 2021									
Deferred tax recognised in the income statement	-10,952	939	-18,704	286	152	-448	-	100,094	71,367
Deferred tax recognised in equity	-	-	-	-5,056	-760	-	-	-	-5,816
Reclassification	-99	-	699	-	-	-	-	-	601
Total movements in the year	-11,051	939	-18,005	-4,770	-607	-448	-	100,094	66,152
Carrying amount as at 31 December 2021	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 ¹	-36,411	-645
Total movements in the year	-3,777	-	50,763	-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

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.

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	-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
Exchange differences	6,741	-	6,741
Changes in fair value on hedge transactions	21,566	-5,056	16,511
Remeasurements of defined benefit liability	3,576	-760	2,816
Share in other comprehensive income of associates	37,983	-	37,983
Total unrealised 2021	69,866	-5,816	64,051

Current income tax positions

(in thousands of euros)	2022	2021
Income tax receivable		
Dutch subsidiaries outside the fiscal unity	-	-
Income tax in foreign jurisdictions	-	-
Total income tax receivable	-	-
Income tax liability		
Fiscal unity	-4,658	-
Dutch subsidiaries outside the fiscal unity	-570	-
Income tax in foreign jurisdictions	-3,398	-7,010
Total income tax liability	-8,626	-7,010
Total income tax	-8,626	-7,010

The income tax liability is calculated on the profit for reporting 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 2019. 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)	2022	2021
Investments in associates	287,020	234,039
Investments in joint ventures	205,308	221,698
Carrying amount as at 31 December	492,328	455,737

Associates

(in thousands of euros)	2022	2021
Carrying amount as at 1 January	234,039	846,279

Movements in 2022

Result for the year	33,491	-2,962
Dividends	-	-4,174
Acquisitions	1,506	-
Impairment	-547	-
Share of OCI	21,528	16,742
Direct equity movement	-	180
Reclassifications	-	-624,429
Exchange differences	-2,997	2,385
Other	-	18
Total movements in the year	52,981	-612,239

Carrying amount as at 31 December	287,020	234,039
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No significant acquisitions, capital contributions or capital repayments were made by Schiphol Group in 2022.

Joint ventures

An impairment loss of 10 million euros was recognised in 2022 on one of Schiphol's joint ventures. The impairment trigger was identified in 2022, and it was assessed that the carrying amount of the investment in the joint venture is higher than the recoverable amount (value in use).

As a result of finalising the cooperation with Group ADP in July 2022, a joint venture Transport C.V., held jointly with ADP, became a 100% owned subsidiary of Schiphol Group. A former RSG share of 60% in the net asset of the entity, in the amount of 10.5 million euros, was disposed when the

Joint ventures

(in thousands of euros)	2022	2021
Carrying amount as at 1 January	221,698	221,334
Movements in 2022		
Result for the year	9,068	889
Dividends	-1,896	-2,432
Sales	-2,627	-
Changes in the consolidation	-10,466	-
Impairment	-10,000	-
Capital contributions	45	50
Exchange differences	-514	1,875
Other	-	-17
Total movements in the year	-16,390	365
Carrying amount as at 31 December	205,308	221,698

control was obtained by the Group. Please see note 16 [Assets held for sale](#) for more information on change in ownership of Transport C.V. and the disposal of the shares in SCI VAI 1, reflected in the line Sales in the above movement schedule.

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 BACH and TGHC can be regarded as material.

		2022	2021
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 Brisbane, 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.

Since 2008, Royal Schiphol Group has had a long-term industrial cooperation ('HubLink') and cross-participation with Groupe ADP. It was announced on 28 July 2021 that Groupe ADP and Schiphol Group will not renew the HubLink industrial cooperation agreement (which expired on 30 November 2021). This had a significant impact on the 8% cross-participation, which was accounted for as an investment in associate and has been subsequently classified as an asset held for sale in terms of IFRS 5 *Assets held for sale* in 2021.

After the termination of the agreement on 30 November 2021, both ADP and RSG have given up their respective (supervisory) board seats. Schiphol no longer exercised significant influence over Groupe ADP and the investment in associate (in ADP), previously accounted for using the equity method in terms of IAS 28 *Investments in Associates and Joint Ventures*, was recognised as a financial asset and measured at fair value (through profit or loss) in terms of IFRS 9 *Financial Instruments*. The financial asset has been remeasured at each reporting date.

The investment was classified as held for sale on 28 July 2021 when the criteria of IFRS 5 were met. The investment was measured at the lower of its carrying amount and fair value less costs to sell. The carrying amount of the investment as at 31 December 2021 amounted to 869.7 million euros. Schiphol has subsequently disposed of the 8% shares held in Groupe ADP during November and December 2022. As a result, the asset held for sale has been derecognised as at 31 December 2022. Please see note 16 [Assets held for sale](#).

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 2022 includes 70 million euros (2021: 70 million euros) of goodwill relating to Brisbane Airports Corporation Holding Ltd (of which 42.5 million euros relate to the purchase price allocation in respect of the acquisition of the additional share of 0.89% in 2019). The carrying amount of the joint ventures at 31 December 2022 includes 125 million euros (2021: 125 million euros) of goodwill relating to Tasmanian Gateway Holdings Corporation Pty Ltd. The value of goodwill of both entities in Australian dollars has not changed and is subject to conversion to euros at each reporting date.

The share in the results of associates in 2022 includes a positive result of 30.1 million euros from Brisbane Airports Corporation Holding Ltd (2021: 8.7 million euros loss) and 7.6 million euros of a positive result from TGHC (2021: 4.4 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).

Groupe ADP was classified as an Asset held for sale and as a result, no results were recognised in 2022. ADP contributed a loss of 16.3 million euros for the period January to July 2021 to Schiphol Group's financial result, which also includes the impact of adjustments recorded by Schiphol Group. These adjustments relate primarily to the differences in the accounting policies in respect of investment property.

The shares of 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 2022, it was concluded based on the assessments performed that no impairment is required for Hobart Airport and Brisbane Airport. The fair value of each investment will exceed the invested capital. Judgement is required in projecting future cash flows for the investments given the fact that these airports are still in traffic recovery from COVID-19.

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.

Despite volatility in traffic in the beginning of 2022 due to the Omicron (COVID-19 variant) outbreak in Australia, domestic traffic at Brisbane and Hobart Airport recovered strongly from March to June, and this continued for the remainder of 2022. Since the international travel restrictions in Australia were eased in early 2022, international traffic at both airports has ramped up again. When comparing Hobart Airport's performance with the business case used in the most recent impairment analysis, the performance in 2022 is in line with expectations. No impairment was considered for Hobart and Brisbane Airport.

For Hobart Airport, it is expected that passenger volumes will recover to 2019 levels by 2023. The business plan and forecasts have been updated to reflect the impact from COVID-19 and include a revised strategy, an updated terminal expansion programme, as well as new aeronautical and commercial forecasts. However, changes in developments 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 fair value and carrying value since its acquisition. As a result, any future fair value 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	
	2022	2021	2022	2021
Income statement				
Revenues	325	283	36	21
Interest income and expenses	-101	-88	2	-5
Depreciation, amortisation and impairments	-101	-108	-8	-8
Income tax	-26	-2	-4	3
Result from continuing operations	66	3	10	-8
Other comprehensive income	132	22	-8	5
			-	-
Financial position				
			-	-
Fixed assets	4,254	4,138	402	445
Current assets	62	107	5	7
Cash and cash equivalents	51	47	15	36
Non-current liabilities	2,953	3,068	281	293
Current liabilities	252	252	115	127
Equity	1,163	973	25	25
Equity attributable to owners of the Company				
	1,163	973	25	25
Group's share % of equity	228	191	9	9
Goodwill	70	70	125	125
Other adjustments	-71	-87	-14	-21
Carrying amount as at reporting date				
	227	174	119	113

¹ Based on the audited financial statements as at 30 June 2022

12. Loans to associates and joint ventures

(in thousands of euros)	2022	2021
Carrying amount as at 1 January	143,171	138,628
Movements		
Acquisitions	-	625
Accrued interest	7,085	4,309
Amortisation	812	784
Dividend received	-1,011	-938
Other exchange differences	-546	998
Capital repayment	-13,556	-2,237
Other movements	204	1,002
Total movements in the year	-7,012	4,543
Carrying amount as at 31 December	136,159	143,171

The loans to associates and joint ventures relate to the Redeemable Preference Shares (RPS) held by Schiphol Group in BACH and Interest-bearing and Interest-free Loan Notes in Tasmanian Gateway Holdings Corporation Pty Ltd (TGHC) in Australia.

The RPS 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%.

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 loan notes are treated as financial income. No dividends or interest have been received from BACH during 2022 and 2021 as a result of the negative impact of COVID-19 on the airport. The payments are expected to continue from 2023. The dividends receivable are being accrued for in terms of the agreements. There is no indication of an increase in credit risk. Dividends or interest in the amount of 1 million euros (1.5 million Australian dollars) were received from TGHC during 2022 (2021: 0.9 million euros). A capital repayment to the amount of 12.8 million euros (19 million Australian dollars) was also received on the interest-free loan notes.

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 (including accumulated dividend) on 31 December 2022 is 100.5 million euros (2021: 101.7 million euros) and the effective interest rate is 8.37% (2021: 8.37%) for the RPS in BACH and 2.4% (2021: 2.2%) 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)	2022	2021
Derivatives	32,716	17,537
Lease incentives	10,974	11,119
Prepayments on fixed assets	371	235
Other loans to associates	-	3,452
Purchased long leases	2,424	2,557
Loans to third parties	150	169
Total other non-current receivables	46,635	35,070

Other loans to associates

(in thousands of euros)	2022	2021
Carrying amount as at 1 January	3,452	3,452

Specification of movements in the year

Repayment	-3,452	-
Total movements in the year	-3,452	-

Carrying amount as at 31 December	-	3,452
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The other loans to associates included a loan of 3.5 million euros to SRE Altaï, which was a joint venture with Groupe ADP. The investment in SCI VAI 1 (SRE Altaï) together with the loan was settled as part of the transaction. Please refer to note 16 [Assets held for sale](#) for detailed information.

Purchased long leases are the rent instalments which Schiphol Group paid in advance in respect of land acquired on a long lease.

Lease incentives are the 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.

For information on derivatives, see note 28 [Management of financial risks and financial instruments](#).

14. Trade and other receivables

(in thousands of euros)	2022	2021
Cash deposits	680,000	320,000
Trade receivables	139,726	125,286
Value-added taxes	20,834	11,406
Accrued income	41,920	35,026
Prepaid expenses	24,827	13,589
Receivable from associates	-	41
Other loans to associates	2,001	2,080
Lease incentives	3,624	4,229
Assets held for sale	9,467	-
Other receivables	45,947	50,096
Total trade and other receivables	968,346	561,753

The balance in cash deposits amounting to 680 million euros as at 31 December 2022 (2021: 320 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 2022 was 1.8%.

Other receivables include an amount of 35.8 million euros relating to the NOW government grants to be received. 80% of the subsidies were already received as well as the final settlement for NOW 1 and 2; please refer to note 4 [Employee benefits expense](#).

The balance in trade receivables includes expected credit losses of 8 million euros (31 December 2021: 7 million euros). For a more detailed explanation, please refer to note 28 [Management of financial risks and financial instruments](#).

Asset 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 9.5 million euros, acquired at the end of 2022 with the intention to sell immediately. The property was classified immediately as available for sale with no gain or loss recognised in the income statement on the transaction. The property is actively marketed at the market price determined by real estate brokers. The sale is highly probable within the period of 12 months, in the present condition of the property. No additional (re)development costs are planned or required.

15. Cash and cash equivalents

Cash and cash equivalents amounted to 1,051 million euros as at 31 December 2022 (31 December 2021: 920 million euros), with deposits amounting to 712 million euros included with an original maturity of less than three months at the balance sheet date (31 December 2021: 722 million euros). The average interest rate on the deposits reported under cash and cash equivalents as at 31 December 2022 was 1.8%.

Cash deposits for the amount of 680 million euros as at 31 December 2022 (2021: 320 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 in 2022 to the contract, as described in note 27 [Other contingent assets and liabilities](#), whereas 3.2 million euros are restricted for use.

For a more detailed explanation on the credit risk, please refer to note 28 [Management of financial risks and financial instruments](#).

16. Assets held for sale

Royal Schiphol Group N.V. acquired shares in Groupe ADP in December 2008 for an amount of 530 million euros (and 8 million euros in acquisition costs/fees). Groupe ADP also acquired shares in RSG and paid an amount of 369.6 million euros (and 5.5 million euros in acquisition fees/costs). This resulted in an 8% cross-participation shareholding. RSG held 7,916,848 shares, which was 8% of the issued share capital of ADP. ADP also held 8% of RSG shares, which were classified as B shares (other shareholders have class A shares).

The long-term industrial cooperation ('HubLink') and cross-participation had an initial duration of 12 years which expired on 30 November 2021 (after it was decided that it will not be extended for another year). In July 2021, the management of Schiphol and Groupe ADP committed to a plan to sell (and buy back) the cross-participation shareholding. The sale and transfer of the Schiphol shares and ADP Shares should be completed within 18 months as of the termination date (i.e. before 30 May 2023).

Asset held for sale

The sale of the investment (shares) in ADP became highly probable on the date that the Board decision was taken and communicated (28 July 2021). Management of both ADP and Schiphol made it clear that their plan and intention is to sell their shares in each other and discontinue the cooperation. On that date, the investment (shares) became available for immediate sale in its present

condition. Based on the assessment performed by management, the investment in ADP met the requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* on 28 July 2021.

Schiphol stopped applying the equity method of accounting (per IAS 28) from the date when its investment in ADP ceased to be an associate, i.e. from the moment the investment was classified as an asset held for sale (when the criteria for IFRS 5 were met). The investment was treated and measured as an asset classified as held for sale at the lower of its carrying amount and fair value less costs to sell (in terms of IFRS 5). This resulted in all gains or losses previously recognised in other comprehensive income to be reclassified to profit or loss on the reclassification of the investment. While the asset was classified as held for sale, it was not amortised.

Initial measurement

The carrying amount of the investment (asset held for sale) as at 28 July 2021 amounted to 624.4 million euros. Losses in the amount of 21.2 million euros were recognised in OCI and have been reclassified as a result.

Loss of significant influence

The nature of the investment in ADP changed on 30 November 2021 due to the loss of significant influence as a result of the expiration of the board seats. This resulted in a change in measurement of the asset held for sale in terms of IFRS 9 *Financial Instruments* per 30 November 2021. The financial asset in ADP was remeasured at fair value through profit and loss. This also resulted in all gains or losses previously recognised in other comprehensive income to be reclassified to the profit or loss. Losses in the amount of 21.2 million euros were recognised in OCI and reclassified as a result. The fair value of Groupe ADP derived from the market price of the share at 31 December 2021 was 11.2 billion euros. Schiphol Group's share in this is 897 million euros. Based on this, a net result from the discontinuation of equity accounting (including the fair value gain on the financial asset and release of OCI to the profit or loss) of 252 million euros was recognised in 2021.

Schiphol has continued to measure the asset held for sale (investment in ADP) at fair value (through profit and loss) in terms of IFRS 9 until the date of disposal. It was assessed that the criteria remained to met as per IFRS 5 in 2022 and that the investment in ADP can continue to be classified as a current asset held for sale until the disposal date.

Disposal

Schiphol has disposed of the 8% shares in 3 separate transactions during November and December 2022. Substantially all the rights, risks and rewards of the shares have been transferred to the respective buyers in their entirety as Schiphol will no longer receive any cash flows from these shares. The gain on the remeasurement of the asset held for sale at fair value and the loss on the disposals are recognised in profit or loss as part of finance income and expenses.

An amount of 135.2 million euros was recognised as part of finance income in profit or loss in 2022. As a result of disposing the total 8% of the shares in ADP, the Asset held for sale relating to the Investment in ADP has been derecognised and had a zero balance as at 31 December 2022.

Other matters

During 2012, ADP and Schiphol established two joint ventures (collaborations) to strengthen the cooperation with respect to the real estate market in both France and the Netherlands, as part of the HubLink agreement. The cross-participations were structured in a way whereby ADP holds 40% interest in the Transport building located at Schiphol East ('Transport'), and Schiphol holds a 40% interest in the Altaï building located at CDG airport ('SCI VAI 1'). The joint venture structures have a contractual link with the HubLink agreement and the expiration thereof had an impact on the cross participating entities.

The two entities were accounted for as joint ventures and measured in accordance with the equity method in terms of IAS 28 *Investments in Associates and Joint Ventures*. In April 2022, both ADP and Schiphol exercised the respective call options to repurchase their own shares in the entities and as a result, the cross-participations ended.

Schiphol continued to equity account for Transport until control was obtained. Schiphol has control over Transport at the moment of the actual transfer of the 40% interest from ADP (the acquisition date). Only from that moment will Schiphol have the ability to direct the relevant activities of the Transport operations, which will affect the returns and be exposed to variable returns. An amount of 7 million euros was settled by Schiphol on the transfer date for the Transport shares (including the leasehold interest). Transport included only one asset, which related to the Transport building (acquired at fair value), resulting in no goodwill being recognised on obtaining control. The transaction was finalised at the end of July 2022.

The investment in SCI VAI 1 was classified as an Asset held for sale in terms of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* from April 2022 (when the requirements were met). Schiphol has discontinued the use of the equity method from the date when its investment in SCI VAI 1 ceases to be a joint venture. The investment was measured at the lower of its carrying amount and fair value less costs to sell.

The carrying amount of the investment as at 29 April 2022 amounted to 2.6 million euros, which was classified as an asset held for sale. A loan to SCI VAI 1 to the amount of 3.6 million euros as at 29 April 2022 was also settled as part of the transaction and was therefore also classified as an asset held for sale. No gains/losses were recognised as part of OCI. The transaction was finalised at the end of July 2022.

17. Issued share capital and share premium

The authorised share capital as at 31 December 2022 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%
Treasury shares	14,892	6,761	8.00%
Municipality of Rotterdam	4,099	1,861	2.20%
Total	186,147	84,511	100%

There were no changes in the issued share capital and the share premium in 2022, other than the finalisation of the share buyback transaction with Groupe ADP explained below.

Groupe ADP held 8% of RSG shares, which are classified as class B shares. Due to the expiration of the cooperation agreement and cross-shareholding with Groupe ADP, RSG bought back the 8% of the shares (14,892 shares) that ADP held for a total consideration of 420 million euros (during December 2022). The 8% shares that were bought back from ADP are classified as treasury shares. Per IAS 32 *Financial Instruments: Presentation*, the treasury shares will be deducted from Schiphol's equity until the shares are cancelled or reissued.

Schiphol's AGM will determine what to do with the treasury shares.

Please see note 22 [Financial liability - Share buyback obligation](#) for a detailed explanation.

18. Retained profits

No dividends will be paid out for the 2022 and 2021 financial years.

19. Other reserves

(in thousands of euros)	Exchange differences reserve	Hedge reserve of associates	Share in OCI	Actuarial gains and losses	Total
Balance as at 1 January 2021	3,237	-45,749	-58,671	-11,775	-112,957
Movements in 2021					
Exchange differences	6,741	-	-	-	6,741
Currency and interest hedge JPY loan payable					
Exchange differences on hedged borrowings	-	5,715	-	-	5,715
Deferred tax on fair value changes on hedged borrowings	-	-1,429	-	-	-1,429
Fair value movements on derivatives	-	6,126	-	-	6,126
Deferred tax on fair value movements on derivatives	-	-1,532	-	-	-1,532
Hedging of cash flow interest-rate risk					
Recycling cash flow hedges to profit and loss	-	9,725	-	-	9,725
Deferred tax on recycling cash flow hedges	-	-2,358	-	-	-2,358
Currency hedge AUD loan receivable					
Other comprehensive income associates	-	-	16,742	-	16,742
Actuarial gains and revaluations	-	-	-	3,576	3,576
Tax effect on actuarial results	-	-	-	-894	-894
Other					
Impact of change in corporate income taxes	-	263	-	134	398
Release of OCI balance due to discontinuation of equity accounting for the investment in Groupe ADP	-	-	21,241	-	21,241
Total movements in the year	6,741	16,511	37,983	2,816	64,051
Balance as at 31 December 2021	9,978	-29,239	-20,688	-8,958	-48,907

(in thousands of euros)	Exchange differences reserve	Hedge reserve of associates	Share in OCI	Actuarial gains and losses	Total
Balance as at 31 December 2021	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
Equity movement associates	-	-	-	-	-
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 as at 31 December 2022	9,161	-3,016	840	-3,549	3,436

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

This 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 31 [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](#).

In the hedging reserve, the following hedging instruments and relationships are recognised. If the hedging has an impact on the income statement, this is indicated in the table below.

(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 Yen loan	24,273	-	24,273	-	24,273
Total	3,016	-6,399	3,383	-1,163	4,546

(in thousands of euros)	Total 2021	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	13,101	7,000	6,101	6,101	-
Lehman derivative - settlement 2008	4,821	291	4,530	1,163	3,367
Exchange difference on hedged JPY loan	24,329	-	24,329	-	24,329
CCIRS derivative hedge JPY loan	-13,012	-	-13,012	-	-13,012
Total	29,239	7,291	25,026	7,264	17,762

20. Non-controlling interests

Non-controlling interests on 31 December 2022 represent the shares of third parties in the net assets of group company Eindhoven Airport N.V. An abridged balance sheet for this company is presented under [Related party disclosures](#).

21. Borrowings

(in thousands of euros)	Carrying amount		Fair value		Year of maturity	Interest rate
	2022	2021	2022	2021		
EMTN programme	4,409,335	4,422,340	3,706,521	4,585,031	2025-2038	1.12%-3.09%
European Investment Bank	621,500	630,500	585,289	667,939	2024-2031	0.12%-4.14%
KfW IPEX-bank	289,805	289,756	254,188	294,303	2024-2028	0.18%-2.08%
Namensschuldverschreibung	24,997	24,958	26,061	27,535	2023	5.07%
Other borrowings	4,570	22,342	-	18,000		
Total	5,350,208	5,389,896	4,572,059	5,592,810		

(in thousands of euros)	Currency	Face value	Carrying amount		Fair value		Year of maturity	Interest rate
			2022	2021	2022	2021		
XS1900101046	EUR	500,000	494,575	493,866	412,695	538,555	2030	1.5%
XS1301052202	EUR	400,000	402,125	402,675	373,376	431,104	2026	2.0%
XS0378569247	JPY	20,000,000	142,270	152,607	117,394	184,881	2038	3.16%
XS2069329451	AUD	255,000	162,663	163,420	147,041	150,419	2034	2.89%
XS1437013870	EUR	150,000	149,884	149,862	126,309	151,832	2028	1.12%
XS2019889778	AUD	70,000	44,469	44,662	40,833	43,388	2034	3.09%
XS0983151282	EUR	40,000	39,981	39,974	38,630	43,417	2025	3.08%
XS0997565436	EUR	30,000	29,979	29,974	28,688	32,482	2025	2.94%
XS2019891915	AUD	30,000	19,066	19,147	17,972	18,861	2027	2.40%
XS2153459123	EUR	750,000	746,817	746,397	668,070	825,930	2029	2.0%
XS2227050023	EUR	700,000	696,143	695,317	593,383	699,692	2027	0.38%
XS2227050379	EUR	500,000	495,316	494,831	369,185	497,320	2032	0.88%
XS2333391303	EUR	300,000	295,340	299,793	274,167	296,973	2025	0.0%
XS2333391485	EUR	700,000	690,708	689,816	498,778	670,177	2033	0.75%
EMTN programme			4,409,335	4,422,340	3,706,521	4,585,031		

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, making it possible at present to raise funds of up to 5.0 billion euros as required, provided the prospectus is updated annually. The prospectus was updated in April 2022. 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 2022. As at 31 December 2022, borrowings under the programme totalled 4,409 million euros (31 December 2021: 4,422 million euros), of which 1,750 million euros (2021: 1,750 million euros) specifically relate to green bonds. No additional debt was issued under the EMTN programme and no repayments were made in 2022.

Schiphol 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 2022, 621.5 million euros is outstanding and 175.0 million euros is available as committed financing. Schiphol Group paid 9 million euros in 2022. 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 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 four years, as well as an agreement with *Namenschuldverschreibung* for the amount of 25 million euros. No new facilities were entered into during 2022.

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 2022, no funding was drawn under these facilities. 18 million euros was repaid on the loan for Eindhoven Airport during 2022. The covenants are met as at 31 December 2022.

Of the total loans, an amount of 142.3 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.

RSG 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 RSG's outstanding 2025 bond. Under the swap, RSG 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, RSG is hedging the fair value movements of the bond.

The hedge is accounted for as fair value hedge and was effective in 2022. As market interest rates change over the term of the bond, the fair value of the bond will change. RSG applies hedge accounting to the fair value hedge relationship. RSG designated the hedging relationship as a fair value hedge. An amount of 4.5 million euros was recognised as part of the change in fair value of the bond as at 31 December 2022. RSG 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. Please also see note 28 [Management of financial risks and financial instruments](#) for a detailed explanation.

The current portion of borrowings at 31 December 2022 of 31 million euros (31 December 2021: 6 million euros) is recognised under current liabilities.

In 2022, 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 with the European Investment Bank whereby this solvency ratio must be higher than 30%. The solvency ratio for Royal Schiphol Group over 2022 was 36% (2021: 35%). The average interest rate of outstanding borrowings in 2022 was 1.4% (2021: 1.5%).

The remaining terms of the borrowings as at 31 December 2022 are as follows:

(in thousands of euros)	Total	<= 1 year	> 1 year	> 1 year and <= 5 years	> 5 years
EMTN programme	4,409,335	-2,857	4,412,192	1,472,900	2,939,291
European Investment Bank	621,500	9,000	612,500	406,000	206,500
KfW IPEX-bank	289,805	-53	289,858	99,926	189,932
Namenschuldverschreibung	24,997	24,997	-	-	-
Other borrowings	4,570	-175	4,746	-571	5,317
Total borrowings	5,350,208	30,912	5,319,296	1,978,255	3,341,041

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 2021	4,403,874	444,092	4,847,966
Movements in 2021			
New borrowings	996,114	-	996,114
Transferred to current liabilities	-16,456	16,456	-
Repayments	-	-455,447	-455,447
Exchange differences	-2,440	-	-2,439
Other movements	2,506	1,198	3,703
Total movements in the year	979,724	-437,793	541,931
Carrying amount as at 31 December 2021	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

For more details regarding the fair value movement, please refer to note 28 [Management of financial risks and financial instruments](#).

22. Financial liability - Share buyback obligation

Groupe ADP held 8% of Schiphol shares, which were classified as B shares (other shareholders have class A shares). As a result of the expiration of the cooperation agreement and cross-shareholding, Schiphol bought back the 8% of the shares (14,892 shares) that ADP held during December 2022, and thereby completed the last step in the unwinding of the cross-shareholding (also see note 17 [Issued share capital and share premium](#)).

Measurement

The financial liability was initially recognised at the net present value of the redemption amount, and is reclassified from equity.

Subsequently, the financial liability is measured in accordance with IFRS 9 *Financial Instruments* through financial income and expenses. All changes in the estimate of the redemption amount and the amortisation of the liability are recognised through profit or loss.

The terms of the sale process of the 8% participation Schiphol and ADP held in the share capital of the other party are clearly stated in the exit mechanism (agreement). This is in accordance with the shareholders' agreement between Schiphol and Groupe ADP. The price of the Schiphol shares is based on a price mechanism (as included in the exit mechanism) and was based on the principle that the sale of the ADP shares was completed first in order to determine the price of the Schiphol shares. The sale price of the Schiphol shares was set on the basis of a fair market value determined as part of an expert appraisal procedure and subsequently took into account the discount or premium realised on the sale of the Groupe ADP stake versus the Groupe ADP fair market value that was determined as part of the expert appraisal procedure.

Buy back of shares

At the end of 2022, Schiphol has bought back the 8% RSG shares that were held by ADP (14,892 shares), representing 8% of RSG's share capital for a total consideration of 420 million euros. Finance costs to the amount of 74 million euros (2021: 25.1 million euros finance income) were recognised in the profit or loss due to the remeasurement of the financial liability before settlement. As a result, the share buyback obligation was settled as part of the transaction and has a zero balance as at 31 December 2022.

23. Employee benefits

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
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
Carrying amount as at 31 December 2021				
Provision	27,286	26,238	-	53,524
Liability in the balance sheet	27,286	26,238	-	53,524

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 2022, 2.7 million euros (2021: 7.5 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)	2022	2021
Carrying amount as at 1 January	27,286	29,830
Total net benefit expense for the year	698	854
Benefits paid during the year	-1,473	-846
Actuarial changes presented in OCI	-5,922	-2,552
Other movements	-	-
Total movements in the year	-6,697	-2,544
Carrying amount as at 31 December	20,589	27,286

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 2022	31 December 2021
Discount rate	3.1% - 4.1%	0.6% - 1.1%
Return on plan assets	3.2%	1.5%
Inflation	2.5% (subsequent years: 1.5%)	1.5%
General salary increase	2.5% (subsequent years: 1.5%)	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 AG2021, 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 67)	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 2023 is 40.2 million euros. ABP's funding ratio was 110.9% as at 31 December 2022 (110.2% as at 31 December 2021).

24. Provisions

(in thousands of euros)	Decommissioning provision	Environmental provision	Reorganisation Provision	Other	Total
Carrying amount as at 1 January 2021	7,126	29,125	7,484	-	43,735
Movements in 2021					
Addition to provision	-	-	-	4,600	4,600
Use of provision	-	-8,266	-7,484	-	-15,750
	-	-8,266	-7,484	4,600	-11,150
Carrying amount as at 31 December 2021	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
Current	-	-	-	19,924	19,924
Non-current	6,901	19,270	-	2,990	29,161
Carrying amount as at 31 December 2022	6,901	19,270	-	22,914	49,085

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 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 6.9 million euros (2021: 7.1 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. The environmental provision of 19.2 million euros (2021: 20.9 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 22.9 million euros as at 31 December 2022 (4.6 million euros as at 31 December 2021) and includes topics such as the cost compensation, a project relating to noise reduction ("Project Geluidsreductie"), which was recognised as a contingent liability in the annual financial statements 2021, and claims received from companies providing services to Schiphol. The cost compensation refers to specific costs agreed by Schiphol relating to specific requests on specific days during specific periods in 2022 to alleviate security at Schiphol because of the labour shortage at security. There is uncertainty regarding the amounts to be settled for these topics. It is expected that the majority of the provisions will be settled in the next 12 months.

25. Other non-current liabilities

(in thousands of euros)	2022	2021
Prepaid long leases	86,895	89,645
Lease liabilities	9,392	11,332
Derivatives	4,665	-
Unrealised profit on contribution in kind	2,269	2,269
Other	141	62
Total other non-current liabilities	103,363	103,308

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 3.8 million euros relating to lease incentives.

The balance in unrealised profit on contribution in kind relates to land contributed to GEM A4 zone West C.V. (2.3 million euros as per 31 December 2022). 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.

RSG 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 RSG's outstanding 2025 bond. The hedge is accounted for as fair value hedge and was effective in 2022. An amount of 4.6 million euros was recognised as part of the change in fair value of the swap as at 31 December 2022. Please also see note 28 [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 lease was used. If that rate could not be readily determined, the incremental borrowing rate was used. As such, the weighted average rate applied is 1.73% (2021: 1.85%).

(in thousands of euros)	Buildings	Other assets	Total
Liability < 1 year	265	5,199	5,465
Liability 1 year and < 5 years	1,586	7,806	9,392
Carrying amount of lease liabilities	1,851	13,005	14,856

For information on derivatives, see note 28 [Management of financial risks and financial instruments](#).

26. Trade and other payables

(in thousands of euros)	2022	2021
Trade payables	195,033	156,301
Accruals	168,097	101,050
Termination benefits	-	2,500
Deferred income	50,404	55,904
Lease liabilities	5,465	5,766
Interest payable	30,196	32,013
Wage tax and social security contributions	857	352
Prepaid long leases	3,283	3,499
Payable in respect of pensions	347	-
Flight tax	33,959	23,557
Other payables	43,773	33,859
Total trade and other payables	531,412	414,800

Accruals include, among other things, settlements for the cost compensation mechanism, passenger claims and charges for the social plan. These topics were not relevant for 2021.

Termination benefits related to a portion of the restructuring provision that was recognised in 2020 for the amount of 63 million euros. An amount of 2.5 million euros was settled in 2022.

The deferred income includes, among other things, 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.

Further details on the financial instruments can be found in note 28 [Management of financial risks and financial instruments](#).

27. Contingent assets and liabilities

Airport charges settlement

In May 2022, the Regulatory Accounts 2021 was published, which included a final settlement on the sector of 520 million euros. As in the year 2020, the year 2021 was heavily impacted by the COVID-19 crisis, qualifying as exceptional and unforeseen circumstances. As a result, Schiphol decided to exercise its discretionary power in case of exceptional and unforeseen circumstances to adopt the new articles in the Operation Decree to postpone the traffic and transport related part of the 2021 settlement with one year (and therefore spread over 2024-2026) and spread this part in unequal parts. The non-traffic and transport related part of the settlement remains spread in three equal parts and is not postponed with one year (and therefore spread over 2023-2025).

In October 2022, Schiphol adjusted the charges for 2023 by incorporating the effect of settlement 2021. Two complaints have been submitted to the regulator (Dutch Authority for Consumers & Markets) about the adjusted charges for 2023. At the moment, the regulator is in the process of assessing these complaints. Schiphol expects the regulator to take a decision before 1 April 2023.

The amount to be settled for 2022 is expected to be a deficit of approximately 105-140 million euros. The final settlement will be included and explained extensively in the Regulatory Accounts 2022. The Regulatory Accounts 2022 will be published on 31 May 2023 (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 2024 to 2026-2027, depending on how both elements (traffic and transport-related versus non-traffic and transport-related) will be spread over years. Therefore, a substantial part will be postponed to the next tariff period of 2025 to 2027.

In 2021, the airport charges were set for the years 2022-2024. A number of airlines and representative organisations have submitted complaints to the regulator in response to these charges. The regulator concluded in April 2022 that the airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act. A number of airlines disagree with the decision of the ACM and have appealed to the CBb (College van Beroep voor het bedrijfsleven). The CBb is in the process of assessing the appeal, of which a ruling is expected in 2023.

Airline claims

Several claims have been received from airlines in 2022 for compensation of damages stated to be caused by the impact of the operational challenges experienced by Schiphol Group during specific periods in the year. Schiphol does not consider itself to be liable for damages and no provision has been taken.

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 which is approximately 0.2 million euros for the period 2022. In 2023, parties plan to reassess the future control measures. The amount of the potential costs is yet to be determined.

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 A Pier A. Since the termination, both parties have undertaken a formal process of mediation with the aim of resolving all disputes. At the end of July 2022, it was decided by Schiphol to withdrawal from the mediation.

To the reporting date BN-TAV has filed a contractual interim claim of 115 million euros to Schiphol, relating to a change in the scheduled completion date, also called an extension of time claim. BN-TAV has also submitted parts of its final account, which includes interim claims for additional work ('meerwerk'). In January and February 2023, BN-TAV has submitted additional claims increasing the contractual interim claim to 135 million euros. Furthermore, BN-TAV submitted additional claims for "unlawful termination" of 53 million euros and "miscellaneous claims of subcontractors" of 17 million euros.

In return, Schiphol has submitted to BN-TAV a 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. Schiphol is also entitled under the contract to submit claims for the costs

of rectifying defective work, further delays and the additional costs to complete the project after the termination. Contractors have been appointed to complete emergency works to protect the asset and complete the project, records from these contracts will be compiled for cost-to-complete claims. The finalisation of Schiphol's counterclaims is dependent on the completion of the project.

It is currently uncertain if more claims will be submitted by either BN-TAV or Schiphol. BN-TAV keeps challenging the legal basis of the termination. Schiphol disputes the claims submitted by the former contractor. There is no change to the legal status of the dispute process and as a result no change to a contingent liability as at 31 December 2022.

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.

Commitments arising from long-term contracts

(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

(in thousands of euros)	Total 2021	< 1 year	> 1 year and < 5 years	> 5 years
Commitments relating to:				
Security, maintenance and cleaning	1,213,539	166,780	1,040,687	6,072
Development of Schiphol	349,288	202,544	146,705	39
Development of Lelystad Aiport	7,730	-	7,730	-
Electricity and gas	143,872	15,786	67,292	60,794
Rents and leases (operating lease)	4,606	1,221	3,385	-
Other capital projects	6,028	3,778	2,250	-
Total	1,725,064	390,109	1,268,050	66,905

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 2022 are mainly included under 'Security, maintenance and cleaning' and 'Development of Schiphol' in the table above.

'Luchtvaart in Transitie' for the Dutch National Growth Fund

In previous years, Schiphol Nederland B.V. expressed its commitment to the proposal 'Luchtvaart in Transitie' for the Dutch National Growth Fund and the ambitions to accelerate towards sustainable aviation, strengthen the aviation sector and the economy in the Netherlands, and realise the leading sustainable aviation ecosystem in Europe. This was in line with the European sustainability goals in general and the ambitions of Royal Schiphol Group specifically. The application contains concrete initiatives up to 2030 to innovate on aircraft fuel, aircraft components and airport operations. The programme, with the commitment of 17.7 million euro disclosed in the 2021 annual financial statements, was not approved by the Dutch National Growth Fund. The partnership and participation in a similar program can be re-entered at any time but there is no open active commitment at the reporting date.

Extension of North-South metro line

Schiphol is unique as a multimodal hub. To keep Schiphol accessible by public transport in the long term, Schiphol is committed to extending the North-South metro line. In the course of 2022, the national government and seven regional parties agreed on a joint investment to keep the Metropolitan Region Amsterdam (MRA) accessible, as a part of the Dutch Multi-Year Programme for Infrastructure, Spatial Planning and Transport (MIRT programme). A total of 5.5 billion euros will be invested in keeping the MRA accessible, 3.4 billion euros of which are destined for the extension of the North-South metro line (Noord-Zuid), from Amsterdam South station to Hoofddorp with a stop at Schiphol Airport. This will change the way citizens and visitors move around the MRA. The

extension of the metro line directly from Schiphol to the centre of Amsterdam will make the journey and landside access even more convenient. The metro is estimated to be operational in 2036.

Currently, the project is in an exploration stage. The exploration phase will finish with a substantiated financial agreements in coming years. Schiphol has made no financial commitments yet at this stage.

Other contingent assets and liabilities

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. A new bank guarantee amounting to 3.2 million euros relating to 'Connection to a 150kV-station Rozenburg-Zuid' was granted to TenneT TSO B.V. in 2022.

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.

Contingent commitments for insulation programme on 'Reduction of ground noise' and a 'Covenant on improvement of local environment in the medium term' which were presented in 2021 annual report are included as a part of provisions at 31 December 2022, under the note 24, as the criteria for provision were met.

28. 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)	2022	2021
Interest and other financial income		
Loans to associates	7,085	4,309
Exchange differences receivables from associates	-	998
Other results from financial assets	135,281	251,609
Amortisation on loan notes	812	784
Cash and cash equivalents	14	9
Other results from financial liabilities	2,153	39,983
Exchange differences on cash and cash equivalents	135	23
Exchange differences on other assets and liabilities	80	-
Other financial results	4,312	24
	149,872	297,738
Interest and other financial expenses		
Borrowings	-76,801	-84,169
Derivatives	-9,418	-9,725
Unwinding of discounting and finance costs of share buyback obligation	-74,038	-14,856
Exchange differences receivables from associates	-546	-
Lease liabilities	-279	-326
Capitalised construction interest	8,140	7,561
Exchange differences on other assets and liabilities	-	-1,374
Investment losses on deposits	-7,766	-2,935
Other financial results	-5,550	-6,798
	-166,258	-112,622
Total financial income and expenses	-16,386	185,116

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.

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, credit risk, the use of derivative and non-derivative financial instruments, and the investment of temporary 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 swap contracts. The financial risk management policy is that virtually 100% of the expected cash flows are hedged. As at 31 December 2022, 6.8% of group financing had been drawn in foreign currency: one loan with a carrying amount of 142.3 million euros (JPY 20 billion nominal value) and three loans with a carrying amount of 226.2 million euros (AUD 355 million nominal value) compared with 7.1% of total borrowings (one loan with a carrying amount of 152.6 million euros and a nominal amount of JPY 20 billion and three loans with a carrying value of 227.2 million euros and a nominal amount of AUD 355 million) a year earlier. The JPY position is fully hedged by means of a 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 7.7 million euros positive in 2022 (after deferred tax). 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 377 million euros as at 31 December 2022 (317 million euros as at 31 December 2021), 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 2022, the negative effect on equity amounted to 0.9 million euros, leading to a decrease of the translation reserve from 10 million euros as per 31 December 2021 to 9.1 million euros as per 31 December 2022.

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'. 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 2022, the maximum net position of JPMorgan amounted to 10 million euros (10 million euros as at 31 December 2021) and the maximum net position of Royal Schiphol Group to 5 million euros (10 million euros as at 31 December 2021), while the market value of the swap was approximately 32.7 million euros positive (17.5 million euros as at 31 December 2021) at Schiphol Group. As at 31 December 2022, 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 109.4 million euros. A 10% decrease in the NIY would increase the value by approximately 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 no significant 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 29 million euros (0.5%) in the fair value of borrowings. An average increase of 0.5% point in market interest rates would lead to a fall of 28 million euros (0.6%) in the fair value of borrowings. 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 2022, 93% of borrowings were fixed-interest, excluding subsidiaries and associates (31 December 2021: 100%).

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.

RSG 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 RSG's outstanding 2025 bond. Under the swap, RSG 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 RSG is hedging the fair value movements of the bond.

The hedge is accounted for as a fair value hedge and was effective in 2022. As market interest rates change over the term of the bond, the fair value of the bond will change. RSG applies hedge accounting to the fair value hedge relationship. RSG designated the hedging relationship as a fair value hedge. RSG 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.

Type	Counterparty	Interest rate	Currency	Notional amount (x1000)	Maturity date	Fair value in thousands of euros	
						31 December 2022	31 December 2021
Currency swap	JPMorgan	5.64%	JPY	20,000,000	2038	32,716	17,537
						32,716	17,537
Recognised in the balance sheet under:							
Non-current assets						32,716	17,537
Current assets/ liabilities						-	-
						32,716	17,537

Type	Counterparty	Interest rate	Currency	Notional amount (x1000)	Maturity date	Fair value in thousands of euros	
						31 December 2022	31 December 2021
Interest rate swap	ING Bank	0.00%	EUR	180,000	22-4-2025	4,665	-
						4,665	-
Recognised in the balance sheet under:							
Non-current liabilities						4,665	-
Current assets / liabilities						-	-
						4,665	-
						2022	2021
Change in fair value of derivative						4,665	0
Change in fair value of liabilities for ineffective assessment (hedged items)						(4,500)	0
Net profit / (loss) recognised in profit or loss statement						164	0

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 2022 was 200 million euros (151.7 million euros as at 31 December 2021). At year-end 2022, Schiphol Group has a counterparty risk exposure of 69 million with AAA rating, 192 million with AA rating and 963 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 2022, trade receivables amounted to 140 million euros (31 December 2021: 125 million euros), after a provision for expected credit losses of 8 million euros (31 December 2021: 7 million euros) and including 5.2 million euros in security deposits received (31 December 2021: 4.2 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 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.

COVID-19 had a material impact on Schiphol Group's trade receivables due to the travel restrictions that were previously implemented across the world. In response to the COVID-19 pandemic, management had been performing more frequent reviews of outstanding balances in 2020 and 2021 as the industry as a whole has been impacted. Since 2022, reviews are being performed monthly by the credit committee. In 2020 and 2021, Schiphol Group temporarily extended the credit terms to customers. This ended during 2022. The average expected loss rates were increased across all credit terms in response to the increase in credit risk for the 2020 and 2021 financial years. The expected loss rates were adjusted back to normal in 2022.

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 are being accrued for in terms of the agreement and will be paid out in the coming years. There is no indication of an increase in the credit risk. TGHC has paid out dividends to the amount of 1 million euros in 2022 (0.9 million euros in 2021). A capital repayment to the amount of 13 million euros was also received on the interest-free loan notes (2021: 2.2 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 2022, Schiphol Group holds 38.6 million euros in bank guarantees and security deposits (31 December 2021: 35.2 million euros). Koninklijke Luchtvaartmaatschappij N.V. (KLM) has an individual balance in excess of 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%	112,864	-25	112,839
1-30 days past due	-0.4%	18,007	-67	17,940
31-60 days past due	-2.9%	3,849	-112	3,736
61-90 days past due	-16.2%	655	-106	549
91-180 days past due	-34.6%	5,088	-1,760	3,328
181-365 days past due	-63.6%	3,079	-1,959	1,120
>365 days past due	-96.1%	3,985	-3,828	157
Bankruptcies	-87.0%	438	-381	57
	-5.6%	147,964	-8,239	139,726

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 21 [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 2022, this figure was 0.6% (31 December 2021: 0.2%).

(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
Financial liability - Share buy back obligation	-	-	-	-	-	-
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

(in thousands of euros)	Total 2021	Contractual cash flows	<= 1 year	> 1 year	> 1 year but <= 5 years	> 5 years
Borrowings	5,389,896	6,310,152	15,242	6,294,910	1,815,677	4,479,233
Financial liability - Share buy back obligation	346,282	346,282	-	346,282	346,282	-
Trade payables	156,301	156,301	156,301	-	-	-
Lease liabilities	17,099	17,099	5,766	11,332	11,332	-
Interest payable	32,013	32,013	32,013	-	-	-
Accruals	101,050	101,050	101,050	-	-	-
Total	6,042,639	6,962,895	310,372	6,652,523	2,173,290	4,479,233

Financial instruments can be classified as follows, according to the measurement policy applied:

(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
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	-	-
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.

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 2021	Amortised cost	Fair value through equity	Fair value through profit and loss	Fair value disclosure
Borrowings	1	4,042,504	4,042,504	-	-	4,187,482
Borrowings	2	1,347,392	1,347,392	-	-	1,405,327
Financial liability - Share buy back obligation	2	346,282	346,282	-	-	346,282
Trade payables	n/a	156,301	156,301	-	-	156,301
Interest payable	n/a	32,013	32,013	-	-	32,013
Liabilities		5,924,491	5,924,491	-	-	6,127,404
Loans to associates	2	-143,171	-143,171	-	-	-159,029
Other loans	2	-169	-169	-	-	-169
Derivative financial instruments	2	-17,537	-	-17,537	-	-
Other loans to associates	2	-3,452	-3,452	-	-	-3,452
Asset held for sale	1	-896,979	-	-	-896,979	-896,979
Trade receivables	n/a	-125,286	-125,286	-	-	-125,286
Cash and cash equivalents and deposits	n/a	-1,239,760	-1,239,760	-	-	-1,239,760
Assets		-2,426,354	-1,511,838	-17,537	-896,979	-2,424,674
Total		3,498,137	4,412,653	-17,537	-896,979	3,702,729

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 practises. 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)	2022	2021
Operating result	-151,541	-145,385
Depreciation and amortisation	327,042	295,428
Impairment loss	3,983	3,501
Result on disposal of investment property	-	-145
Other result from investment property	191,632	-68,707
Other non-cash changes in other receivables and liabilities	-16,739	3,137
Change in employee benefits and other provisions	2,504	-20,906
Income tax paid	-13,138	-3,020
Interest paid	-80,242	-95,591
Interest received	1,809	438
Dividend received	1,896	6,606
Funds From Operations	267,207	-24,644

'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 2022](#). FFO is the cash flow from operating activities adjusted for operating capital. In 2022, FFO increased from negative 25 million euros to positive 267 million euros.

(in thousands of euros)	2022	2021
Borrowings	5,319,296	5,383,598
Lease liabilities	9,392	11,332
Non-current liabilities	5,328,688	5,394,930
Borrowings	30,912	6,299
Lease liabilities	5,465	5,766
Current liabilities	36,377	12,066
Total debt	5,365,065	5,406,996

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 2022, equity was 3,506 million euros (31 December 2021: 3,531 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
Schiphol Airport Retail B.V.	Concession income	Revenue
ABP	Pension contributions	Employee benefits Trade and other payables
Groupe ADP	Investment in shares* / Associate (until 28 July 2021) / dividends <i>*All shares have been sold during November and December 2022</i>	Assets held for sale / Investments in associates and joint ventures Issued share capital and share premium Financial liability - Share buyback obligation
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 / interest and interest on receivable	Investments in associates and joint ventures Loans to associates and joint ventures
State of the Netherlands	Shareholder / dividends / government grants (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 a three-year period (2019-2021).

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)	Committees					Total 2022
	Remuneration	Audit	People	Safety, Sustainability & Stakeholders	Capital Programme, Operations & Investments	
J. Winter ¹	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

¹ First appointed in 2022.

(x EUR 1)	Committees					Total 2021
	Remuneration	Audit	People	Safety, Sustainability & Stakeholders	Capital Programme, Operations & Investments	
L.J. Gunning-Schepers	39,486	-	5,409	5,409	-	50,304
J.G. Wijn	10,818	2,705	2,254	-	-	15,777
E. Arkwright	-	-	-	-	-	-
E. van Galen	19,472	4,652	-	3,876	-	28,000
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	173,629	20,338	18,481	20,103	16,227	248,779

All members of the Supervisory Board also receive an annual expense fee of 1,643 euros on top of the remuneration for Supervisory Board members referred to above. Mr Arkwright stated that he did not wish to receive any remuneration and expense fee in connection with his membership of the Supervisory Board and its committees. No shares, share options, loans, advances or guarantees have been or will be granted to members of the Supervisory Board.

Jaap Winter joined the Supervisory Board of Royal Schiphol Group on 6 January 2022. He replaced Joop Wijn.

For more information on the Supervisory Board, refer to [Supervisory Board](#).

Remuneration for Management Board members

(x EUR 1)	Salary	Variable remuneration	Pension costs (supplementary)	Pension costs (supplementary)	Other payments ¹	Severance pay ²	Total 2022
L.M. Sondag ³	73,934	-	5,656	10,837	8,408	-	98,835
D.A. Benschop ⁴	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 ⁵	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

¹ 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.

² In line with the reorganisation (project Reset) carried out by RSG and the desire for a more efficient business operation, the Supervisory Board decided to reduce the size of the Management Board from four to three members. Therefore, Birgit Otto left as Executive Vice-President and Chief Operations Officer a few months earlier (31 May 2022) and was not replaced.

³ Since 1 November 2022. Appointed for a term of one year.

⁴ D.A. Benschop was President & CEO until 31 October 2022.

⁵ B.I. Otto was Member of the Management Board & COO until 31 May 2022.

(x EUR 1)	Salary	Variable remuneration	Pension costs	Pension costs (supplementary)	Other payments ¹	Total 2021
D.A. Benschop	443,604	-	34,102	72,016	35,562	585,284
R.J. Carsouw	282,798	-	23,695	29,779	34,995	371,267
J.T.M. van der Meijs	141,981	-	10,531	14,515	12,326	179,353
B.I. Otto	377,064	-	31,593	47,757	22,265	478,678
H.L. Buis	377,063	-	31,593	31,732	28,542	468,930
Total	1,622,510	-	131,514	195,799	133,689	2,083,513

¹ 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.

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.

The Management Board has not received any variable remuneration for the 2021 or 2020 financial year (which is usually paid in May the following year) and will not receive any variable remuneration for the 2022 financial year. This is part of the NOW government grant requirements.

The other payments in 2022 concern allowances for representation expenses and the employer's share of social security contributions.

Ruud Sondag was appointed as President & CEO a.i as of 1 November 2022 for a term of one year. He succeeded Dick Benschop.

Robert Carsouw was appointed as Chief Financial Officer (CFO) as of 1 April 2021. He succeeded Jabine van der Meijs.

In 2022, Birgit Otto's second and final term as Chief Operations Officer (COO) at Royal Schiphol Group ended. She left Royal Schiphol Group on 1 June 2022.

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. The subsidiaries 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)	2022	2021
Assets		
Non-current assets	55,816	57,250
Current assets	10,296	8,813
	66,112	66,064
Equity and liabilities		
Total equity	58,478	49,516
Non-current liabilities	246	8,735
Current liabilities	7,389	7,813
	66,112	66,064

The abridged income statement for this company:

(in thousands of euros)	2022	2021
Revenue	39,126	17,557
Other income and results from investment property	-46	97
	39,081	17,655
Total operating expenses	26,694	18,601
Operating profit	12,386	-947
Financial income and expenses	-332	-340
Profit before tax	12,054	-1,287
Corporate income tax	3,092	-328
Profit for the year	8,962	-959

Events after the balance sheet date

There are no events after the balance sheet date.

Company income statement for the year ended 31 December 2022

(in thousands of euros)	note	2022	2021
Revenue		-	-
Cost of outsourced work and other external costs		50	62
Employee benefits expense		2,249	1,924
Other operating expenses		664	795
Total operating expenses		2,963	2,781
Operating profit		-2,963	-2,781
Financial income and expenses		-523	205,578
Share in results of associates and joint ventures	29	-	-16,376
Share in results of subsidiaries	29	-90,909	-100,236
Result before tax		-94,395	86,186
Income tax expense	34	8,139	18,485
Result attributable to shareholders (net result)		-86,256	104,671

Company balance sheet as at 31 December 2022

(in thousands of euros)	Note	31 December 2022	31 December 2021
Assets			
Investments in subsidiaries	29	3,777,330	3,840,205
Investments in associates	29	-	-
Derivatives	28	32,716	17,537
Deferred tax assets	34	15,743	43,993
Non-current assets		3,825,789	3,901,735
Receivables	30	6,782,703	5,096,954
Cash and cash equivalents	30	2,124	26,606
Asset held for sale	16	-	896,979
Current assets		6,784,827	6,020,539
Total assets		10,610,616	9,922,274

(in thousands of euros)	Note	31 December 2022	31 December 2021
Equity and liabilities			
Issued share capital		84,511	84,511
Share premium		362,811	362,811
Treasury shares		-420,320	-
Retained profits		2,618,741	1,765,688
Other reserves		3,436	-48,907
Revaluation reserve		587,497	981,781
Other statutory reserves		296,988	230,766
Net result of the year		-86,256	104,671
Shareholders' equity	31	3,447,408	3,481,321
Deferred tax liabilities	34	1,448	-
Loans and borrowings - EMTN programme	21	4,412,193	4,424,705
Financial liability - Share buyback obligation	22	-	346,282
Derivatives	25	4,665	-
Non-current liabilities		4,418,306	4,770,987
Current liabilities	33	2,744,902	1,669,967
Current liabilities		2,744,902	1,669,967
Total liabilities		7,163,208	6,440,954
Total equity and liabilities		10,610,616	9,922,274

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 26 as well as [management of financial risks and financial instrument](#) in note 27.

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.

29. Non-current assets

Movement of subsidiaries and associates were as follows:

(in thousands of euros)	Subsidiaries	Associate	Total
Carrying amount as at 31 December 2020	3,912,166	634,967	4,547,132
Movements in 2021			
Result for the year	-100,236	-16,376	-116,611
OCI Movement	13,721	5,837	19,559
Reclassification	-	-624,429	-624,429
Translation differences	6,741	-	6,741
Changes in the hedging transactions reserve	7,814	-	7,814
	-71,959	-634,967	-706,926
Carrying amount as at 31 December 2021	3,840,205	-	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
	-62,875	-	-62,875
Carrying amount as at 31 December 2022	3,777,330	-	3,777,330

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. The associate related to the 8% interest of Royal Schiphol Group in Groupe ADP. Since 2008, Royal Schiphol Group has had a long-term industrial cooperation ('HubLink') and cross participation with Groupe ADP. In 2020, Schiphol Group and Groupe ADP extended the

agreement by one year until 30 November 2021 with the aim to investigate a potential new long-term industrial cooperation agreement. However, it was announced on 28 July 2021 that Groupe ADP and Schiphol Group will not renew the HubLink industrial cooperation agreement (which expired on 30 November 2021). This had a significant impact on the 8% cross participation which was accounted for as an investment in associate.

The investment in associate was reclassified as an Asset held for sale during 2021 and has been subsequently disposed of during 2022, please refer to note 16 [Assets held for sale](#) more a detailed explanation.

30. 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)	2022	2021
Group companies balances	6,782,703	5,096,954
	6,782,703	5,096,954

31. 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 2021	84,511	362,811	-	2,420,052	-112,958	683,494	293,247	-418,559	3,312,599
Movements in 2021									
Appropriation of result for previous year	-	-	-	-418,559	-	-	-	418,559	-
Distribution of dividend	-	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	6,741	-	-	-	6,741
Movements in hedge reserve	-	-	-	-	16,511	-	-	-	16,511
Net result	-	-	-	-	-	-	-	104,671	104,671
Addition statutory reserves	-	-	-	-235,801	-	298,281	-62,480	-	-
Other	-	-	-	-5	-	6	-	-	1
Other comprehensive income from associates	-	-	-	-	37,983	-	-	-	37,983
Actuarial gains and revaluations after taxation	-	-	-	-	2,816	-	-	-	2,816
Total movements in the year	-	-	-	-654,365	64,051	298,287	-62,480	523,230	168,723
Balance as at 31 December 2021	84,511	362,811	-	1,765,688	-48,907	981,781	230,766	104,671	3,481,321

(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
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	-	0
Acquisition of treasury shares	-	-	-420,320	420,320	-	-	-	-	-
Other comprehensive income from associates	-	-	-	-	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
Balance as at 31 December 2022	84,511	362,811	-420,320	2,618,741	3,436	587,497	296,988	-86,256	3,447,408

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 328 million euros was added to Retained profits (2021: 219.3 million euros subtracted) and Other Statutory Reserves and subtracted from the Revaluation reserve in 2022.

Proposed result appropriation

No dividends will be paid out for the 2022 and 2021 financial years.

32. 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.

33. Current liabilities

(in thousands of euros)	2022	2021
Group companies	2,723,064	1,647,539
Accruals	21,838	22,336
Other liabilities	-	92
	2,744,902	1,669,967

See note 3 [Outsourcing and other external costs](#) to the consolidated financial statements for a breakdown of auditor's fees.

34. 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)	2022		2021	
Result before tax	-94,395		86,186	
Income tax calculated at the domestic tax rate	-24,354	25.8%	21,547	25.0%
Share in results of associates and joint ventures	-	0.0%	4,094	4.8%
Share in results of subsidiaries	32,016	-33.9%	25,059	29.1%
Participation exemption on results from financial asset and liability (Groupe ADP)	-15,801	16.7%	-69,184	-80.3%
Income tax expense in income statement (effective)	-8,139	8.6%	-18,485	-21.4%

The deferred tax asset amounts to 15.7 million euros (2021: 44 million euros) which relates to the unutilised tax losses (2021: 40 million euros) (due to company operating losses). The deferred tax liability amounts to 1.4 million euros (2021: 0 million euros) and relates to the derivatives (2021: 3.9 million euros deferred tax asset).

Please refer to the consolidated tax note for a detailed description (note [10 Income taxes](#)).

Schiphol, 16 February 2023

Supervisory Board

J. Winter, Chair

R.J. van de Kraats

S.G. Brummelhuis

D. Collier

A.B.M. Olsson

E. van Galen

For the company financial statements for 2022:

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 2022 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 2022 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted 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 2022 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 2022 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 2022;
2. the following consolidated statements for the year ended 31 December 2022: the statements of income, comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as 31 December 2022;
2. the company income statement for the year ended 31 December 2022; 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 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 11 million
- 0.9% of average consolidated revenue over the 5-year period 2018-2022

Group audit

- Audit coverage of 94% of total assets
- Audit coverage of 92% of revenue

Risks related to Fraud/Noclar, Going concern and Climate

- Fraud & Non-compliance with laws and regulations (Noclar): we identified fraud risks related to 'potential management override of controls' and 'tendering and contracting of assets under construction or development'. Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.
- Going concern: no going concern risks identified.
- Climate related risks: no risk of material misstatement for the financial statements identified.

Key audit matters

- Financial consequences of the operational disruption at Amsterdam Airport Schiphol
- Valuation of investments in Amsterdam Airport Schiphol and Hobart
- Valuation of investment property
- Revenue from regulated airport charges

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 11 million (2021: EUR 11 million). The materiality is determined with reference to the average consolidated revenue over the 5-year period 2018-2022, of which it represents 0.9%. We have used a 5-year average as the 2022 revenues were still partially impacted by COVID-19 related travel restrictions and we expect that users of the financial statements have a primary focus on the long-term

financial performance of the Company. 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 0.55 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 other auditors for the audit of selected foreign activities in the business area Alliances & Participations. This includes investments in the associate Brisbane Airport Corporation Holdings Ltd. and the joint venture Hobart International Airport Pty. Ltd. We have prepared instructions with procedures to be performed and evaluated the outcome of the procedures performed by other auditors including a review of the findings reported to us.

For other group entities, including the activities at Terminal 4 of JFK IAT, Eindhoven Airport, Lelystad Airport, and Rotterdam The Hague Airport, and the disposal of the shares in Groupe ADP, we performed specific audit procedures ourselves. Further we have centrally performed audit procedures on the valuation of all group entities 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:

Total assets

89%

Audit of the complete reporting package

1%

Audit of specific items

4%

Specified audit procedures

Revenue

92%

Audit of the complete reporting package

0%

Audit of specific items

0%

Specified audit procedures

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 risk management, including 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 assessed the design and implementation of 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. 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 part of our audit procedures, we:

- assessed other positions ('nevenfuncties') held by the Management Board and Supervisory Board members and paid special attention to procedures and governance in view of possible conflicts of interest;
- investigated publicly held information in relation to negative publicity;
- evaluated investigation reports on indications of possible fraud and non-compliance;
- evaluated correspondence with supervisory authorities and regulators, such as the Authority for Consumers and Markets (ACM), as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to Schiphol and identified the following areas as those most likely to have a material effect on the financial statements:

- Dutch Aviation Act;
- European tendering regulation;

- Environmental regulation;
- "Tijdelijke noodmaatregel overbrugging voor behoud van werkgelegenheid" ('NOW').

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

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, including the relevant presumed risks laid down in the auditing standards, 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 'Financial consequences of the operational disruption at Amsterdam Airport Schiphol', 'Valuation of investments in Amsterdam Airport Schiphol and Hobart' and 'Valuation of investment property'.
- We incorporated elements of unpredictability in our audit, including in our occupancy testing procedures, challenging of different inputs of the impairment models and by performing data analytics on the revenue-to-cash cycle.



Tendering and contracting of assets under construction or development

Risk

Potential conflicts of interest when awarding major contracts, scope changes regarding assets under construction or development.

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 in the termination of the contract with the previous main contractor of the A-Pier to evaluate the appropriateness of the related disclosures.

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 150 of the financial statements and has not identified any going concern risks. Our main procedures to assess the Management's 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 questioned the Management Board on the key assumptions and principles underlying the Management Board's assessment of the going concern risks;
- we inspected the financing agreements in terms of conditions that could lead to going concern risks, including the term of the agreement 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 and is committed to reaching the targets set out in the Paris climate agreement, which are translated into the 2019 Klimaatakkoord ('Dutch Climate Agreement').

Management has performed a 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 resilience). 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.

Management prepared the financial statements, including considering whether the implications from climate-related risks and ambitions have been appropriately accounted for and concluded that climate-related risks do not materially impact the financial statements.

As part of our audit we performed a risk assessment of the impact of climate-related risk and the ambitions made by Schiphol in respect of climate change on the financial statements and our audit approach. In doing this we:

- assessed management's assessment and made enquiries of management and those charged with governance to understand the assessment against the background of Schiphol's business and operations and position in the aviation sector 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 2022;
- 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 2022.

Based on the procedures performed above we found that climate-related risks do not result in a risk of material misstatement for the financial statements 2022 and we concluded that these risks have no material impact on our key audit matters.

Furthermore we have read the 'Other information' with respect to climate-related risks as included in the Annual Report and considered the material consistency with the financial statements, 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 'Going concern assumption and disclosure' is not included as no going concern risk are identified, for which we refer to the section 'Audit response to going concern'. In addition, the key audit matter 'Accounting for the expiration of the HubLink agreement with Groupe ADP' is not included, as the completion of the divestment did not include significant judgement or accounting complexities.

Financial consequences of the operational disruption at Amsterdam Airport Schiphol

Description

Since late April 2022 Schiphol has been facing operational disruption at Amsterdam Airport Schiphol. As disclosed in note 27 to the financial statements, Schiphol has been facing claims from airlines, which under IAS 37 may either result in a provision to be recognized or only to be disclosed in the financial statements, for which Schiphol discloses it does not have a legal obligation. As disclosed in notes 24 and 26 to the financial statements, Schiphol has recognised a provision and an accrual for specific costs incurred by airlines as a result of the specific requests from Schiphol to cancel or relocate bookings and/or flights for specific days during specific periods in 2022 ('cost compensation').

The assessment of the existence of the present legal or constructive obligation, analysis of the probability of the related payment and analysis of a reliable estimate, requires management's judgement to ensure appropriate accounting or disclosures. Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.

Our response

Our testing procedures included:

- We evaluated the design and implementation of internal controls around the identification and evaluation of claims, and the recording of the related provisions, contingent liabilities and disclosures.
- We examined the correspondence between Schiphol and the airlines, Schiphol and its in-house and external legal counsel and discussed the status of the claims and cost compensation agreements with management.
- We examined agreements with airlines on the cost compensation and verified the consistency between the agreements and the assumptions used in determining the provision for those airlines for which an agreement for cost compensation has not been made yet.
- We held inquiries with, and obtained confirmation letters from, Schiphol's internal and external legal counsel involved in these matters.

- We tested the mathematical accuracy of the provision and accrual recognized and verified accuracy and completeness of key input data.
- We assessed the potential risk of management bias and the adequacy of the Schiphol's disclosures.

Our observation

We found management's assessment and conclusion in determining the accrual, the provision and aforementioned disclosures to be acceptable.

Valuation of investments in Amsterdam Airport Schiphol and Hobart

Description

The assets of Amsterdam Airport Schiphol represent 48% of total assets on the balance sheet. If these were (partially) to be impaired, this would have a significant impact on the reported profit and the balance sheet position of Schiphol. Assets are subject to an impairment test when triggering events are identified, such as developments in the discount rates or other market circumstances. The announcement by the Dutch Government in June 2022 to intend to cap the maximum air traffic movements from 500,000 to 440,000 as of November 2023 at Amsterdam Airport Schiphol is an indication for impairment.

In addition to Amsterdam Airport Schiphol, Schiphol has several equity stakes in international airports. The valuation of these investments based on IAS 36 is considered to be significant in our audit. Especially the valuation of the stake in Hobart Airport (due to the timing of the acquisition just before the outbreak of COVID-19 in October 2019 and increasing discount rates) 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 the business including key assumptions like discount rate, growth rate etc. The accurate valuation of assets is considered 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 models 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 18% of consolidated total assets. As disclosed in note 2 to the financial statements, the unrealised result from revaluation of investment property in the year 2022 amounts to EUR 192 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 examined 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 61% of total 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 of 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.
- In addition, 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 engaged 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\(nba.nl\)](http://eng_oob_01.pdf(nba.nl)) / [eng_beursgenoteerd_01.pdf\(nba.nl\)](http://eng_beursgenoteerd_01.pdf(nba.nl)). This description forms part of our auditor's report.

The Hague, 16 February 2023

KPMG Accountants N.V.

R.R.J. Smeets RA



Supplementary information

Nilson Ribeiro, security officer G4S, checks travellers and hand baggage so that they can fly safely. 'I have good contact with most travellers. Some were very stressed and impatient this summer. If you showed understanding and kept calm, most of them were able to relax again.'

Historical summary

(in millions of euros, unless otherwise indicated)

	2022	2021	2020	2019	2018 ¹	2017	2016	2015	2014 ²	2013	2012	2011	2010
Profit and loss account													
Revenue	1,491	816	688	1,615	1,509	1,458	1,435	1,423	1,438	1,364	1,353	1,278	1,180
Other results from investment property	-192	69	-64	113	107	80	71	117	35	3	-13	-	22
Total operating revenue	1,299	885	624	1,728	1,616	1,538	1,506	1,540	1,473	1,367	1,340	1,278	1,202
Total operating expenses before depreciation, amortisation and impairment	-1,119	-732	-830	-1,039	-981	-916	-848	-804	-838	-796	-806	-766	-719
EBITDA	179	154	-206	689	635	622	658	735	635	571	534	512	483
Depreciation, amortisation and impairment	-331	-299	-324	-294	-267	-264	-238	-230	-232	-266	-238	-208	-186
Operating result	-152	-145	-530	395	368	359	420	505	403	305	296	304	297
Financial income and expenses	-16	185	-92	-84	-90	-86	-91	-89	-86	-90	-88	-91	-115
Taxation, share in operating result of associates and minority interests	91	64	55	51	8	12	-18	-38	-43	15	-12	-15	-10
Result on ordinary activities after tax	-77	104	-568	362	286	286	311	378	274	230	196	198	172
Minority interests	9	-1	-5	7	7	6	5	4	2	3	-2	3	3
Net result	-86	105	-563	355	279	280	306	374	272	227	198	195	169
Balance sheet													
Non-current assets	7,585	7,512	7,852	7,446	6,512	6,040	5,818	5,646	5,413	4,929	5,108	5,106	5,000
Current assets	2,019	2,378	1,428	350	861	615	608	759	415	772	681	681	506
Total assets	9,604	9,891	9,280	7,797	7,373	6,655	6,426	6,405	5,829	5,701	5,789	5,787	5,506
Equity	3,506	3,531	3,777	4,372	4,136	3,978	3,860	3,716	3,453	3,309	3,203	3,175	3,109
Provisions	71	82	100	104	106	79	57	56	57	46	44	51	65
Non-current liabilities	5,436	5,500	4,521	2,721	2,474	2,225	2,172	2,021	1,987	1,576	1,980	1,980	1,762
Current liabilities	591	433	883	599	656	373	337	612	334	770	562	581	570
Total equity and liabilities	9,604	9,545	9,280	7,797	7,373	6,655	6,426	6,405	5,830	5,701	5,789	5,787	5,506
Operating cash flow³	353	-79	-157	523	526	267	438	508	508	462	399	387	351

1 Comparative figures before 2019 have not been restated due to change in definitions of the following ratios: 1. FFO/Net debt; 2. Net Leverage.

2 Comparative figures before 2012 have not been restated due to adoption of IFRS 11

3 For analysis see the cash flow statement.

(in millions of euros, unless otherwise indicated) **2022** 2021 2020 2019 2018¹ 2017 2016 2015 2014² 2013 2012 2011 2010

Ratios

Operating result as % of revenue	-10.2	-17.8	-77.1	24.5	24.4	24.6	29.3	35.5	27.3	22.4	21.9	23.8	25.1
Return on average equity in % (ROE)	-2.5	3.0	-13.8	8.3	7.0	7.2	8.2	10.4	8.0	7.0	6.2	6.2	5.6
Return on Average Capital Employed in % ³	-1.3	-1.6	-8.1	7.5	7.2	7.2	8.2	10.1	8.4	7.2	7.4	7.5	7.3
FFO/Net debt in % ⁴	7.4	-0.6	-3.9	20.5	18.7	21.6	22.8	22.0	26.5	26.0	24.5	18.5	17.0
FFO interest coverage ratio ⁵	4.5	0.7	-0.6	7.5	6.6	6.9	6.8	6.7	6.4	5.8	5.6	4.5	3.8
Net Leverage ⁶	10.1	n/a	-18.5	3.8	38.9	35.2	34.9	37.0	35.0	36.2	37.8	37.9	37.2

Figures per share

Earnings per share	-509	562	-3,023	1,908	1,496	1,503	1,645	2,010	1,461	1,222	1,068	1,045	908
Operating cash flow per share	1,898	-409	-844	2,807	2,827	1,435	2,354	2,728	2,730	2,446	2,143	2,081	1,883
Dividend per share	-	-	-	813	631	807	797	1,006	744	726	582	524	409

Personnel

Average effective full-time equivalent employees	2,487	2,474	2,711	2,519	2,324	2,180	2,063	2,000	2,039	2,058	2,087	2,115	2,328
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1 Comparative figures before 2019 have not been restated due to change in definitions of the following ratios: 1. FFO/Net debt; 2. Net Leverage.

2 Comparative figures before 2012 have not been restated due to adoption of IFRS 11.

3 As from 2006: Operating result + result and interest associates / average of equity and interest-bearing debt.

4 As from 2019: see calculation FFO / Total debt and FFO/ Interest coverage in the note on Financial Risk Management.

5 As from 2006: see calculation FFO / Total debt and FFO/ Interest coverage in the note on Financial Risk Management Up to and including 2005: Funds from operating activities adjusted for working capital plus interest income / interest costs.

6 As from 2019: (Interest-bearing debt - cash and cash equivalents) / Underlying EBITDA.

*Cash and cash equivalents includes deposits > 3 months.

Glossary

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: Elham Amirkoshravi, Passenger Assistance, ensures the smooth running of the passenger process together with security, the Royal Netherlands Marechaussee, airlines, handling companies and other parties.