

Robust organisation

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

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

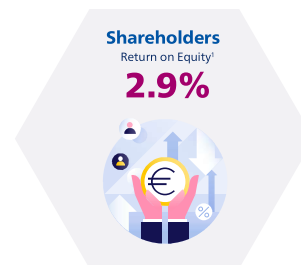
➔ Business ethics and corporate culture

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

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

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

Top performance indicator Robust organisation



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





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Acting responsibly in the workplace

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

Integrity as a central part of our organisation

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

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

Integrity reports

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

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

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

Bribery and corruption

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

➔ Supplier and procurement practices

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

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

Maintaining quality of work and quality of service

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

New principles of cooperation

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

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

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

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

Partner events

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

Social dialogue

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

Outlook for 2024

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

➔ Financial solidity

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

Creditworthiness

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

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

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

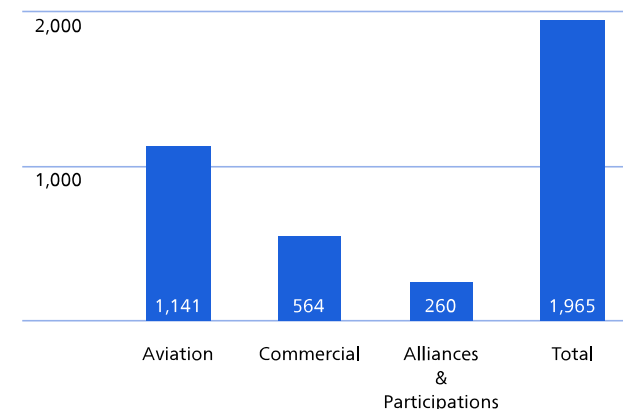
the voluntary €380 million notional debt repayment in May 2023. The rating by S&P was upgraded from 'A-' with a stable outlook to 'A' with a stable outlook. Following the upgrade, the rating at S&P is now at par with the rating of Moody's (A2 with a stable outlook) and compliant with Royal Schiphol Group's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

Return

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

Revenue 2023

(EUR million)



Underlying EBITDA 2023

(EUR million)

