

# Our performance in 2023

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

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

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

## TPI performance

### Priorities

#### Safety

*Net safety score: 96.2 (target: 95)*

The percentage of days without serious incidents<sup>1</sup> minus the percentage of days with serious incidents<sup>2</sup>. This includes all safety-related incidents.

#### Sustainability

*CO<sub>2</sub>e emissions Royal Schiphol Group: -65% (target: -62%<sup>3</sup>)*

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

#### Network

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

Number of direct intercontinental destinations for passengers and cargo<sup>6</sup>.

### Priorities

#### Passengers

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

The Net Promoter Score (NPS) measures how likely passengers are to recommend Schiphol as an airport. Passengers are asked to rate Schiphol on a scale from 1 to 10, passengers who give a score under or equal to 6 are detractors, 9 or 10 are promoters. The score is determined by subtracting the percentage of customers who are detractors from the percentage who are promoters. The result is a score between -100 and +100<sup>7</sup>.

#### Airlines

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

Punctuality of outbound traffic derived from the percentage of commercial flights that depart on time<sup>8</sup> (this is based on the sector-wide standard D15).

#### Local residents

*TPI Local residents: 6 (target: 7)*

The TPI Local residents is based on the Reputation Score survey (responsible for 80% of the final TPI score) and the number of people that filed one or several reports with Bewoners Aanspreekpunt Schiphol (BAS) (responsible for 20% of the final TPI score)<sup>9</sup>.

#### Employees

*Employee Promoter Score: 24 (target: 20)*

The Employee Promoter Score (EPS) measures how likely employees are to recommend Schiphol as an employer. On a scale from 1 to 10, employees who give a score under or equal to 6 are detractors; 9 or 10 are promoters. The Employee Promoter Score is determined by subtracting the percentage of employees who are detractors from the percentage who are promoters to generate a score between -100 and +100, which is similar to the Net Promoter Score<sup>5</sup>.

#### Shareholders

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

Financial return for shareholders based on net result adjusted for fair value changes and other one offs, divided by average equity<sup>7</sup>.

- 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 CO<sub>2</sub>e.
- 4 The scope of this TPI is the Dutch airports of Schiphol Group excluding Maastricht Aachen Airport.
- 5 As of 2022 the market-based calculation method is applied, since Schiphol Group purchases 100% renewable electricity.
- 6 The scope of this TPI is Amsterdam Airport Schiphol.
- 7 The scope of this TPI is Royal Schiphol Group.

## Performance

The TPIs are primarily centered around our operations at Amsterdam Airport Schiphol (AAS) and the broader influence of the Schiphol hub. This holds true for most topics, with the exceptions being Sustainability and Return on Equity (ROE). Specifically, the TPI Sustainability - CO<sub>2</sub>e emissions pertain to the emissions of our Dutch airports, excluding Maastricht Aachen Airport. On the other hand, ROE addresses the overall performance of the entire Royal Schiphol Group.

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

### Safety – Net safety score

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

### Sustainability – CO<sub>2</sub>e emissions

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

### Network – Intercontinental destinations

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

### Passengers – Net Promoter Score

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

### Airlines – On-time performance

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

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

### Employees – Employee Promoter Score

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

### Local residents – Reputation Score

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

### Shareholders – Return on Equity (ROE)

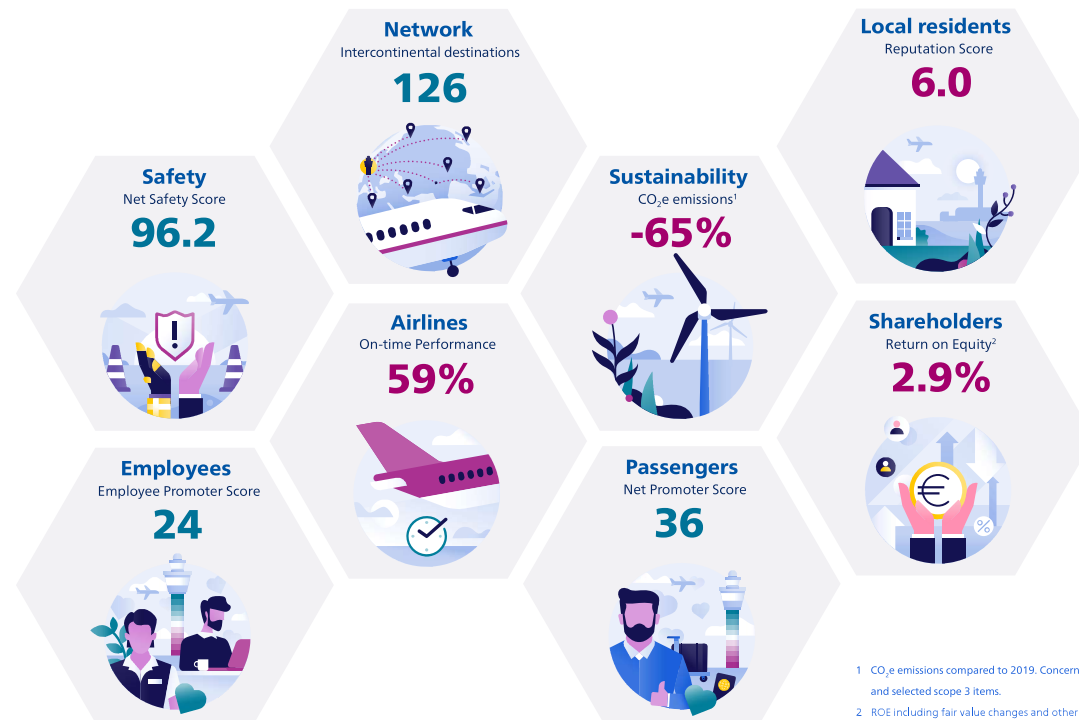
The return on equity (including fair value gains and losses and other one-off adjustments) amounted to 0.4% in 2023. The underlying return, excluding fair gains and losses and other one-offs adjustments, resulted in 2.9%, compared to our target of 4.6% (see note 2 in the [financial statements](#) for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

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

### Major deliverables

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

### TPI performance 2023



1 CO<sub>2</sub>e emissions compared to 2019. Concerns scope 1, 2 and selected scope 3 items.  
 2 ROE including fair value changes and other one-offs: 0.4%

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