



Annual Report 2021

Royal Schiphol Group

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Message from the CEO

The aviation sector is starting to recover from the COVID-19 pandemic, and at Royal Schiphol Group we are determined to 'build back better'. To do so, we are looking at how we can best meet the needs of our different stakeholders. The steps we are taking will position Schiphol Group as a frontrunner for sustainability and quality in the years to come.



Building back better

COVID and traffic

At the beginning of 2021, we were relatively optimistic that, with the support of vaccinations, we would leave the worst phase of **the COVID-19 pandemic** – including lockdowns and severe travel restrictions – behind us. We indicated that this would depend on the occurrence of new mutations, and indeed 2021 became the year of Delta and Omicron. This resulted in a slow start, a ramp-up during and after the summer, followed by a slowdown at the end of 2021 and the beginning of 2022. The re-emergence of the virus, together with lockdowns and restrictions has tested the resilience of everybody, at home and at work. The focus on health and protective measures, from the perspective of both staff and passengers, has continued.

The **business impact** on the pandemic was visible in the 2021 mid-year results. In the second half of the year, the underlying operational result and EBITDA turned positive, though the upward trend stalled due to the latest slowdown. Amsterdam Airport Schiphol has performed relatively well compared with other European airports; often number one in terms of flights, relatively high in passenger numbers and the best-connected airport in Europe in 2021 (source: ACI). Schiphol won two prizes: one for cargo and one for 'best sense of place'. Cargo has been a highlight throughout the pandemic. For 2022, we expect further recovery. It is clear that people will enjoy travelling again when it is possible to do so. However, uncertainty remains, with the race between vaccinations and mutations set to continue globally in 2022.

Ambition

Our ambition is clear. Our airport Group strives to be a **frontrunner** when it comes to **sustainability and quality**. Two big trends will define the way we travel: digitalisation and sustainability. We want to emerge stronger from this crisis. Our organisation has shrunk by 20% but it has become fitter. We are paying careful attention to our expenditure while continuing to make top-level investments with a budget of 750 million euros in 2021 and 2022 allocated to safety, quality, sustainability and innovation. In all our investments sustainability and circularity are embedded.

To the outside world, we look like an infrastructure company, but on the inside we are becoming a **tech company**. We work with an increasing number of digital models in our projects. Maintenance is predicted. Airport processes are managed by the Airport Operations Centre, where all partners – from Air Traffic Control the Netherlands (LVNL) to airlines and handling agents – work together to plan and execute the operation. Passengers can get more and more information from the Schiphol app. The paperwork in cargo handling is being digitalised. Local residents can also receive air traffic forecasts using the Notify app, which shows the amount of air traffic expected at a given location.

Sustainability

Aviation's biggest challenge is the climate crisis and the pace at which the sector can be made more sustainable. It can be done, but it needs to be done faster. As aviation sector, we need to have achieved net zero by 2050 – that commitment is clear. But we need to move as swiftly as possible now, in these first few years. Schiphol wants to lead the way, together with airlines, aircraft manufacturers, scientists and fuel producers.

2022 will be the **year of sustainability** – a kick-start in making flying greener. We have to solve the dilemma we are all facing: wanting to fly, but not at the climate's expense. How will we do that with our stakeholders?

- By **consuming less**. More efficient and cleaner aircraft, taking the train when travelling shorter distances (with Schiphol as a multimodal hub).
- By **making fuel greener**. Using sustainable fuels, just like other sectors are doing. There will be a fuel-blending obligation. We, as a company and as consumers, must strive to stay ahead of this obligation.
- Through the **development of electric flight and hydrogen-powered flight**. There will be new aircraft and new engines.
- By making the airport operation **zero emission and zero waste** by 2030.

Our airport charges reward clean and quiet aircraft. Deploying these planes is up to five times cheaper. We encourage airlines to use sustainable fuels. At least 15 million euros has been made available for this in 2022 and the years to come. We are contributing to sustainable fuel projects – both bio and synthetic – in Delfzijl, Amsterdam and Rotterdam. We are working together with TU Delft, HvA, the Netherlands Aerospace Centre and the Dutch manufacturing industry. Together, we are turning our airports into living labs for aviation innovation. Schiphol is also fulfilling this role for the international 'TULIPS' partnership, for which the European Commission has awarded a subsidy of 25 million euros. The aim of TULIPS is to accelerate the roll-out of sustainable technology in aviation. We will also be setting up an

experience centre at Schiphol to inform travellers about how the aviation industry is becoming more sustainable and to invite them to buy sustainable fuel for (part of) their flight.

Living environment

Flying is not only about the wider world, it is also about the local living environment. The new coalition agreement in the Netherlands rightly speaks of '**certainty and perspective**' for all parties, including local residents. 2022 will be a very important year in this respect too. We are looking forward to the approval of our environmental permit request and to the finalisation of the Airport Traffic Decree. Then we can go from following anticipated rules to following established ones.

With quieter aircraft, the airspace restructuring, fewer night-time flights and the 'minder hinder' noise-reduction programme, there will be fewer people experiencing severe noise-disturbance once Schiphol is back to 500,000 air traffic movements than in 2019. In terms of noise and CO₂, 2018 was a peak year. From 2024 onwards, the number of people severely affected by this will continue on a downward trend. I have been calling for a new Living Environment Fund to improve the living environment for years now. With this new coalition, it appears to be on the horizon. We also have a responsibility to reduce the emissions of nitrogen and ultra-fine particles. We want to have an emission-free airport operation by 2030. That is why we are introducing sustainable taxiing, making all transport at the airport electric and greener, and providing planes with shore power.

Social agenda

Ultra-fine particles are an important topic for employees at the airport. We have been working on research and measures for many years. In light of the TNO report on concentrations at the airport, we will continue to conduct research and are working on accelerating the intended measures and implementing new ones. This is part of Schiphol's **wider social agenda**. We are facilitating

collective labour agreements in all sectors, including for handling agents. We are searching for a new balance between fixed and flexible contracts at the airport; 75 former flex workers engaged in floor management are now in permanent employment. We are in consultation with all partners at Schiphol about the labour market and how to attract people (and what is needed for this, from terms of employment to working conditions).

Business management

The use of **scenario planning** remained important and helps us to understand progress in steering the business through uncertain times. The organisation did an excellent job in managing cost levels in relation to actual traffic numbers. We made important steps in managing our capex funnel and in project execution, which both remain focus areas for 2022. We note the delay to the finalisation of Schiphol's new A-Pier as we work to secure a new contractor for the project.

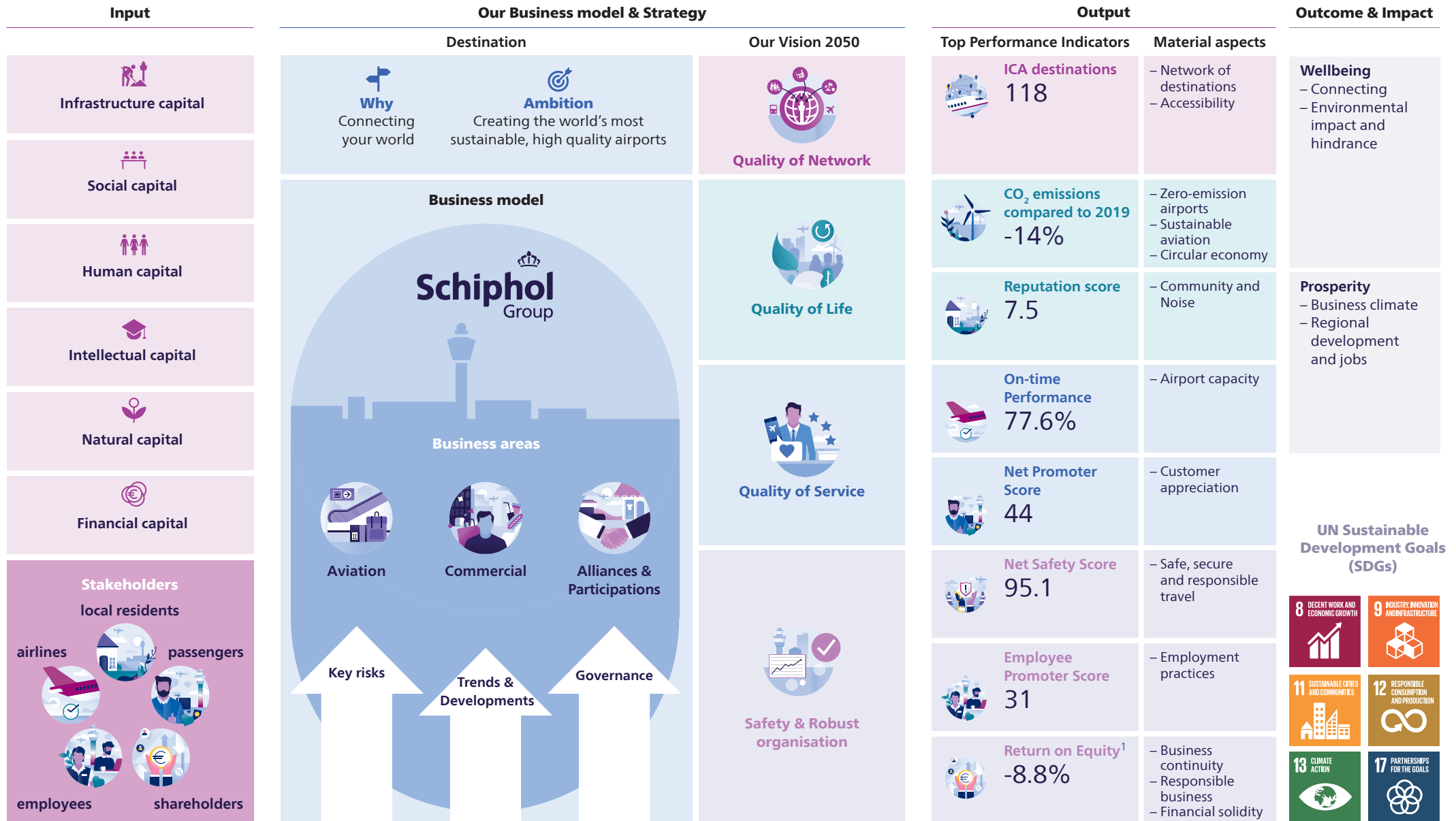
Our financial framework also depends on the tariff structure. Consulting the new three-year period was a major exercise. In December 2021, the Authority for Consumers and Markets (ACM) allowed us to introduce the new tariffs on 1 April, pending a final decision on the complaints.

The coming year

The coming year will be important, with an agenda that shapes the future of the Group and of Schiphol. Within the public debate, we are being challenged to combine our important role for the Netherlands ('crown jewel in the business climate') with drastically reducing our environmental footprint. As a team, we are looking forward to collaborating with all our partners and stakeholders to realise our ambitions.

Dick Benschop
President & CEO of Royal Schiphol Group

This is how we create value



¹ ROE including fair value changes and other one offs: 3.0%

2021: a year of innovation and modest recovery

First half of the year

Sustainable fuel

At the start of February, Schiphol Group announces its participation and ongoing contribution to the start-up ventures Synkero and Zenid to stimulate the development and production of sustainable synthetic kerosene.



New noise-disturbance measures

After consultation with local residents, Schiphol and Air Traffic Control the Netherlands (LVNL) add 16 extra measures to the multi-annual 'Minder hinder Schiphol' programme. The measures – like the overall programme – reduce noise disturbance around Schiphol.

Sustainable taxiing

In March, a feasibility study conducted by Schiphol and sector partners shows that sustainable taxiing can halve fuel consumption during taxiing. In October, a roadmap to make sustainable taxiing standard procedure at Schiphol by 2030 is published.

New CFO

On the first of April, Robert Carsouw joins the Management Board of Royal Schiphol Group as Chief Financial Officer, succeeding Jabine van der Meijs.

New bonds

Royal Schiphol Group launches and prices 1,000 million euros in bonds under the Euro Medium Term Note programme.

Network restarts

At the end of May, the Dutch COVID-induced travel warning comes to an end, meaning that Schiphol's network can gradually return to its pre-COVID state.

Notify launched

Schiphol launches the Notify app, enabling local residents to have real-time insight into air traffic at their location.

Second half of the year

Departures 1 refurbished

The refurbished Departure Hall 1 officially opens at the start of July. Travellers now have more space and comfort, partly due to a new mezzanine floor spanning an area of 5,000 m².

End of hublink collaboration announced

Groupe ADP and Royal Schiphol Group announce that they will not be renewing their HubLink cooperation agreement.

Reducing ultra-fine particles

Schiphol launches a study into an innovative technique to reduce the amount of ultra-fine particles around the runways.

Interim results

The first half of the year sees a moderate recovery in air traffic, but the impact of COVID-19 on the results remains significant. The net result for the first half amounts to -158 million euros (2020: -246 million euros).

A first

An electric plane lands at Schiphol for the first time at the end of August. The Pipistrel flies to several airports in the Netherlands to gain electric flight experience.

New airport charges

In October, Schiphol presents the new airport charges for the period 1 April 2022 to 31 March 2025. The new charges encourage a more sustainable aviation sector.



New look for shopping

Schiphol introduced a new visual positioning strategy for retail and catering outlets at the airport, with famous Dutch icons playing an important role. The new strategy means See Buy Fly will no longer appear as a separate marketing brand in stores.

Second term CEO

Dick Benschop is reappointed as CEO of Royal Schiphol Group for a second term of four years. His second term will begin on 1 May 2022.

Smart window pilot study

In November, DeNoize tests innovative window technology that 'filters' noise from outside in a home in Zwanenburg.

Quebec taxiway

The first phase of the project to make 'Quebec' a dual taxiway is completed in mid-December. This includes a new aircraft bridge over the A4.

Shop closures

As a result of national lockdowns in the Netherlands, non-essential stores at Schiphol are required to close their doors twice in 2021, first during the first four months of the year and again in late December.



About us and our Why

Michiel van Goor, Project Director Redevelopment Terminal 1, on the new mezzanine in Departures 1: 'Travellers have more space thanks to the mezzanine. It helped us stay COVID-proof during the summer and it means we're ready for when it gets busier again.'

Facts and figures

Quality of Network



296
direct
destinations
from Schiphol



266,967
air transport movements at
Schiphol



28.9
million passengers Schiphol
Group



25.5
million passengers at
Schiphol



43.7%
transfer passengers at
Schiphol



1.7
million tonnes of cargo at
Schiphol

Quality of Life



-14%
TPI Sustainability: Decrease
CO₂ emissions Schiphol
compared to 2019



7.8%
achieved
energy savings
as % of total
energy at
Schiphol



48.7%
waste separated at Schiphol

Quality of Service



209
outlets at Schiphol



19.99
€ spend per passenger on
airside at Schiphol



1.8
billion € real estate



94.3%
Real Estate average physical
occupancy rate

Safety and Robust organisation



0.9
Lost Time Injury Frequency
(LTIF) at Schiphol



30.0%
female employees



4.4%
absenteeism



-8.8%
Underlying
ROE



9.9
billion € total assets



0
EBITDA in million euros
(underlying)

Key figures

EUR million unless stated otherwise	2021	2020 ¹	%
Underlying results			
Revenue	816	688	18.6
Other results from investment property	-	-	
Operating expenses (excluding depreciation, amortisation and impairment)	816	894	-8.8
Underlying EBITDA²	0	-206	-100.2
Depreciation, amortisation and impairment	299	300	-0.4
Underlying operating result	-299	-506	-41.0
Financial income and expenses	-92	-92	-0.5
Share in results of associates and joint ventures	-2	-84	-97.5
Underlying result before tax	-392	-682	-42.5
Corporate income tax	104	156	-33.1
Underlying result for the year	-288	-526	-45.3
Underlying result for the year attributable to shareholders	-287	-521	-45.0
<i>Adjustments for:</i>			
NOW government grants and Reorganisation provision	84	49	
Other results from investment property	69	-64	
Impairment	-	-18	
Other results from financial assets	252	-	
Other results from financial liabilities	25	151	
Adjustment from results from associate (ADP)	-	-23	
Tax impact	-38	8	
Total adjustments	392	103	
Result for the year	104	-424	-124.5
Net result for the year attributable to shareholders	105	-419	-125.0
Total equity	3,531	3,363	5.0
Investments in intangible assets and property, plant & equipment	450	774	-41.9
Cash flow from operating activities	-76	-171	-55.5

EUR million unless stated otherwise	2021	2020 ¹	%
Business areas			
Aviation	-405	-556	-27.2
Schiphol Commercial ³	127	100	27.5
Alliances & Participations	-21	-50	-56.6
Underlying operating result	-299	-506	-40.9
Ratios			
Return on equity (ROE) ⁴	3.0%	-11.7%	
Leverage ⁵	60.5%	59.1%	
FFO / total debt ⁶	-0.4%	-3.3%	
FFO interest coverage ratio ⁷	0.75	-0.94	
Solvency ⁸	35.2%	35.9%	
Earnings per share (in EUR 1) ⁹	562	-2,249	

Business volume (in numbers)

	2021	2020	%
Air transport movements ¹⁰	295,026	251,513	17.3
Passenger movements (x 1,000) ¹⁰	28,900	23,471	23.1
Cargo (x 1,000 tonnes) ¹¹	1,670	1,442	15.8
Workforce in full-time equivalents ¹²	2,474 ¹³	2,711	-8.8

- Restated due to the impact of the expiration of the long-term industrial cooperation ('HubLink') and cross-participation agreement with Groupe ADP, the recognition of a financial liability for the share buyback obligation of our own shares as well as an accounting policy change related to intangible assets.
- EBITDA: Operating result plus depreciation, amortisation and impairment.
- The 2020 information has been restated in the table to reflect the change in reporting segments.
- Net result attributable to shareholders / average total equity.
- Leverage: interest-bearing debt / (total equity + interest-bearing debt).
- Funds from operations (cash flow from operating activities before changes in working capital) / interest-bearing debt.
- Funds from operations plus gross interest expense / gross interest expense.
- Total equity attributable to owners / Total assets.
- Based on net result attributable to shareholders.
- Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport.
- Amsterdam Airport Schiphol only.
- Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport.
- On average, 124 employees are included in the reported workforce in full-time equivalents. These employees are part of the Schiphol workforce during 2021, but are non-active as a result of Project Reset. The active workforce is 2,350.

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. Together with our international activities, Schiphol Group's Dutch airports are part of our 'Why' of *Connecting your world*.

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 296 direct destinations. In 2021, the number of passengers served by the Dutch airports in the Group continued to be affected by the COVID-19 pandemic. 2021 passenger volumes at Schiphol were still 64% below 2019 levels at 25.5 million and cargo volumes were 6.2% higher at 1.7 million tonnes.

Nevertheless, Schiphol remains an important marketplace: more than 1,000 organisations are airport-related, located on the airport site or in close proximity with a combined employee base of approximately 62,000 people.

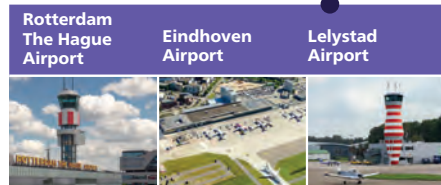
Schiphol Group is the owner and operator of Rotterdam The Hague Airport and Lelystad Airport, and holds a majority share in Eindhoven Airport. These relationships further strengthen our reach and impact, as do our international activities – which account for a substantial share of our Group's financial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

Schiphol Group

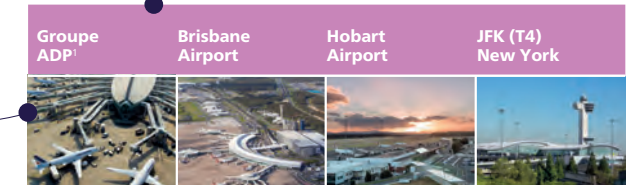
Amsterdam Airport Schiphol



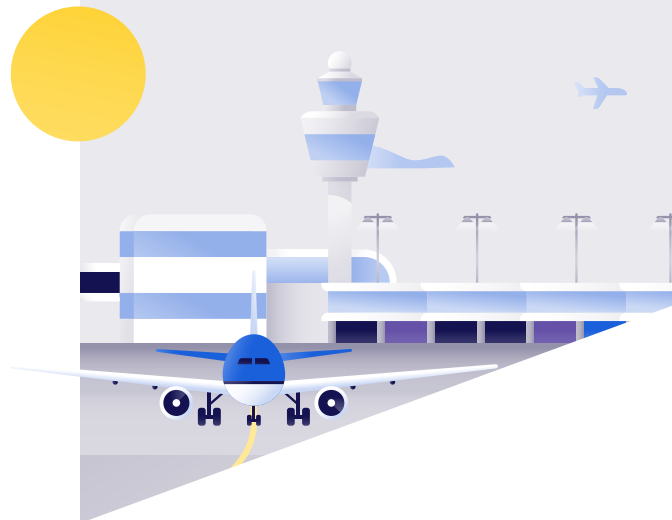
Regional airports



International airports



¹ The HubLink strategic partnership with Groupe ADP ended on 30 November 2021.



Schiphol 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. On 30 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 Royal Schiphol Group, which will conclude ultimately on 30 May 2023.

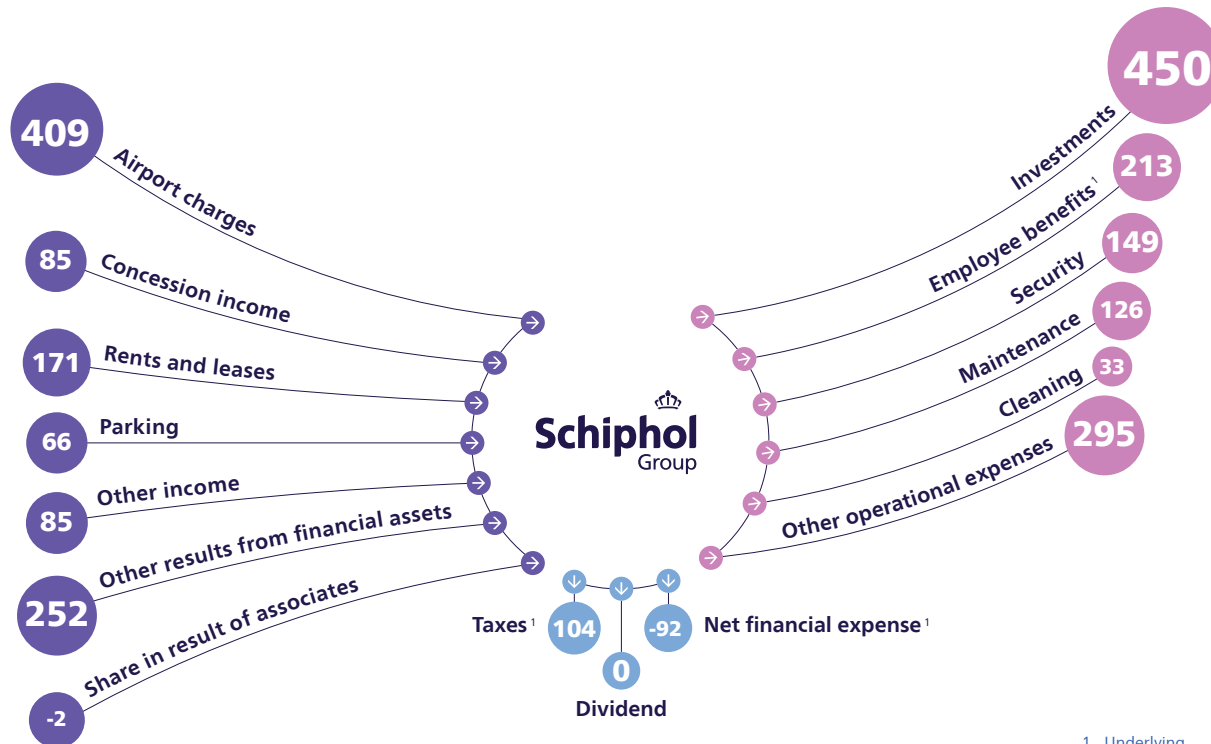
We are investing in infrastructure and facilities across our airports to connect the world for our stakeholders and fulfil our ambition of creating the world's most sustainable, high-quality airports. Our robust financial policy aims to safeguard the independent financing of our business, both today and in the future.

Schiphol Group's core activities are concentrated within three business areas: Aviation, Schiphol Commercial and Alliances & Participations. To fulfil our ambition to emerge stronger from the COVID-19 pandemic in the most efficient way, a new organisational structure came into effect on 1 March 2021 (read more in [Robust organisation](#)).

Royal Schiphol Group has four shareholders: the Dutch state (69.8%), the municipality of Amsterdam (20.0%), the municipality of Rotterdam (2.2%) and Groupe ADP (8.0%).

Business model

(x EUR million)



¹ Underlying

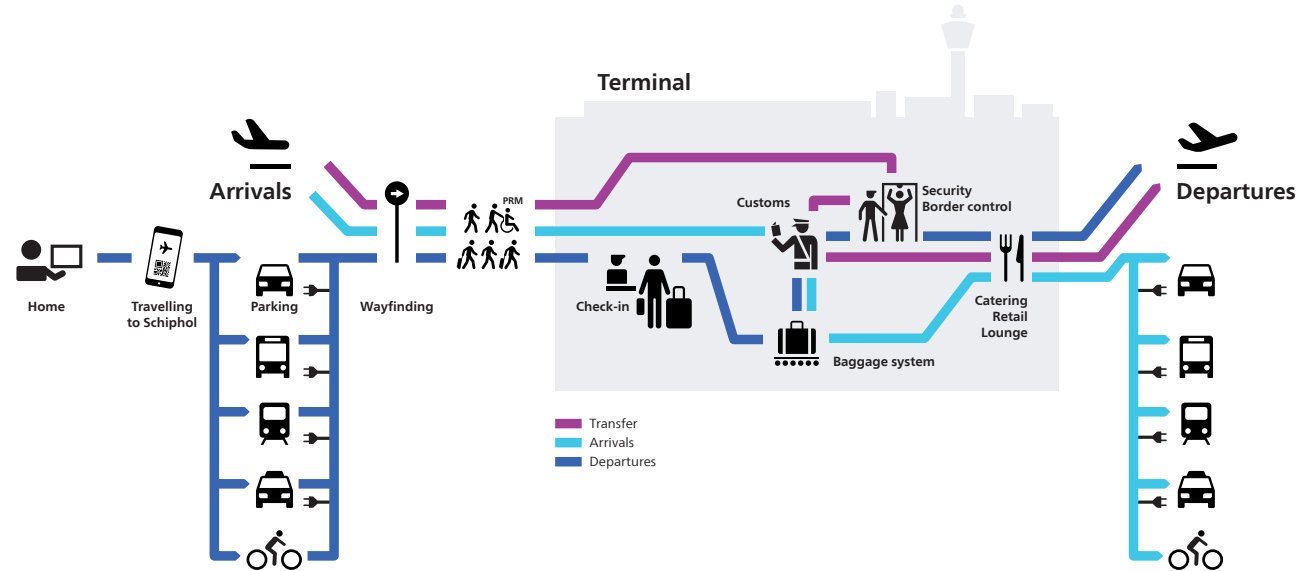
Passenger and airline journey

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



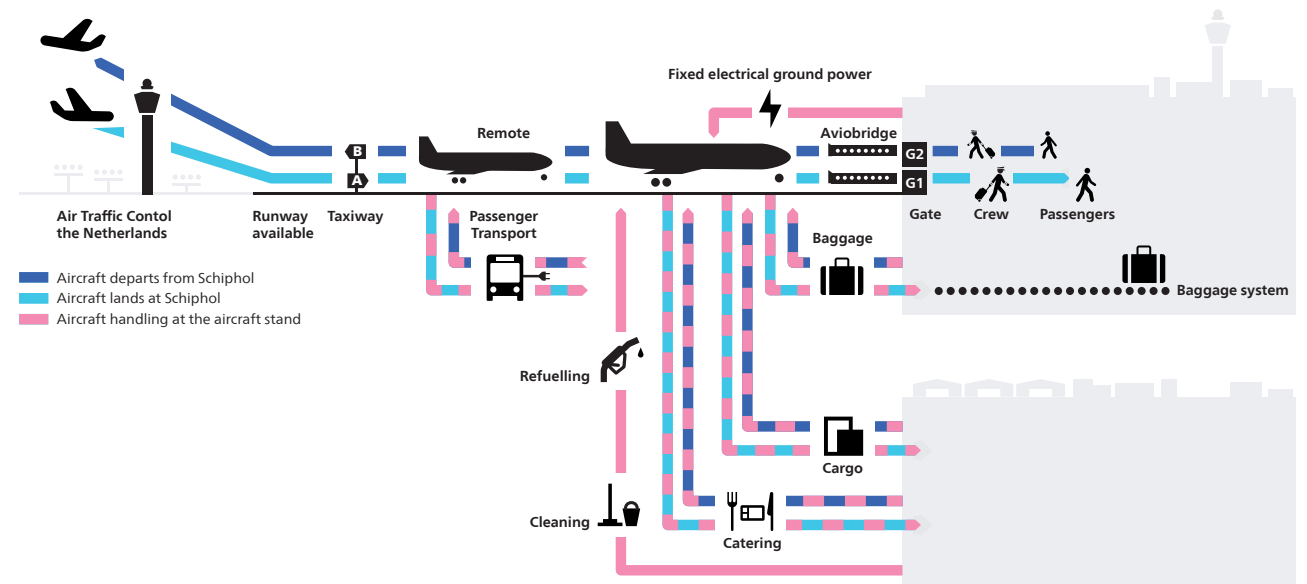
Airline process

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

Schiphol exists to *connect your world*, by orchestrating inspiring journeys and building connections for passengers and other stakeholders. As part of this ambition, we also want to lead the way 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.

The need for strong air connectivity has been brought into sharp focus by the COVID-19 pandemic, during which we have seen a decline in our direct destinations as well as reduced flight frequencies on many routes. Schiphol can support the social and economic recovery from the crisis by restoring essential connections between the Netherlands and the wider world.

However, restoring the quality of our network starts with ensuring safe and responsible air travel for our passengers. From this starting point, we have an opportunity to 'build back better'. We must 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 noise pollution, local air quality and carbon emissions, among other efforts.

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

Royal Schiphol Group's ambition is to operate the world's most sustainable, high-quality airports. 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. All the while, we will continue to play a leadership role in driving sustainability across the aviation sector, aiming for net-zero-emissions aviation by 2050.

Realising our long-term ambitions will depend on our ability to manage the here and now; to adapt to our much-changed operating environment and the many logistical and economic challenges this brings. So far, the course of the pandemic has been highly erratic and unpredictable, and we must be prepared to embrace uncertainty and manage opportunities and challenges as they arise. The traditional qualities of Schiphol and its staff – including our resilience, flexibility and capacity for innovation – will be more important than ever over the coming years as we move closer to our ambition.

Trends and developments

As we work towards Schiphol Group's Vision 2050, we keep a close eye on trends and developments with the potential to influence our operating environment in the short and long term. The COVID-19 pandemic has had a profound impact on the aviation sector, affecting organisations throughout the chain. Some of these effects appear to have been temporary, but others may have long-term repercussions for passenger behaviour and the actions of companies such as Schiphol. At the same time, underlying trends, namely the shift towards a more sustainable approach to aviation, will continue to influence passengers, operators and regulators, and will undoubtedly play an important role in the industry's recovery.

A smooth transition after Brexit

On 1 January 2021, the post-Brexit transition period ended, bringing to a close the previous relationship between the UK and the EU. The extensive preparations made over the past few years, and the contingencies we have put in place, have allowed Schiphol to manage this transition smoothly.

So far, there has been minimal impact on our day-to-day airport operations or on passengers travelling to and from the UK. However, the longer-term impact of Brexit on Schiphol will only become visible once passenger volumes return to pre-pandemic norms.

Increased focus on sustainability

A clear trend in 2021 has been the increased focus on sustainable aviation, from within the sector but also from the political sphere. This is reflected in, among other things, three initiatives: Destination 2050, a roadmap towards net-zero aviation in and departing from Europe; the International Air Transport Association's (IATA) commitment to achieve net-zero carbon emissions by 2050; and the Fit for 55 package under the European New Green Deal. These initiatives were supported by the International Aviation Climate Ambition Declaration signed by 23 nations at the United Nations Climate Change Conference (COP26) in November 2021 in Glasgow. The declaration emphasises the need for aviation to grow sustainably. The initiatives build on previous aviation-related targets introduced via the 2015 Paris Agreement and the 2019 Klimaatakkoord ('Dutch Climate Agreement').

In February 2021, representatives from across Europe's aviation industry outlined Destination 2050, a roadmap to realise net-zero carbon emissions by 2050. The roadmap 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

Schiphol's new airport charges

In 2021, Schiphol proposed new airport charges for airlines for the 2022-2024 period. The proposed charging structure seeks to balance two important goals: helping Schiphol maintain its strong competitive position as a high-value European airport, and regenerating our financial health due to the impact of the COVID-19 pandemic.

The proposed charges represent an average 11% annual increase over 2022-2024, based on a rise of 9% in 2022, 12% in 2023 and 12% in 2024. The increase takes into account the settlement of the airport charges for 2020 and 2021, given that the original airport charges for this period didn't cover the actual aviation-related costs incurred by Schiphol. This discrepancy is due to the fall in air traffic movements since the start of the COVID-19 pandemic in early 2020.

To minimise the financial impact on airlines, Schiphol has taken several steps to reduce costs. These include a series of cost reductions undertaken via our Project Reset reorganisation programme, as well as the cancellation or postponement of several planned infrastructure investments. By alleviating the financial pressure in this way, we have limited the amount that needs to be recouped via settlements. Furthermore, the standard settlement process for recouping lost airport charges has been adjusted to spread the increase in charges over a longer time frame than usual.

Despite our efforts to minimise the financial impact on our airline partners, in 2021 seven airlines submitted complaints regarding the proposed charges to the Netherlands Authority for Consumers and Markets (ACM). The ACM has decided not to delay the planned implementation date for the new charges of 1 April 2022, and is expected to respond to the complaints before this time.

Schiphol's new airport charges include a self-incentive scheme that offers airlines greater encouragement to adopt sustainable practices. Specifically, the proposed charging structure deliberately incentivises cleaner, quieter aircraft, while charges for noisier, more polluting carriers will be up to six times higher. We have also included a nitrogen oxides (NOx) element in our airport charges to incentivise the reduction of aviation-related nitrogen emissions.

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.

Furthermore, the IATA's annual general meeting passed a resolution to achieve net-zero carbon emissions by 2050 across the global air transport industry. Schiphol Group applauds the commitment to reduce emissions while accommodating the growing demand of a world eager to fly. IATA's commitment dovetails with Schiphol Group's Most Sustainable Airports roadmap to reduce emissions and improve Quality of Life.

The Fit for 55 package outlines the climate actions in the European Green Deal, which aims to reduce emissions by at least 55% by 2030. This package also contains three proposals that will have an impact on aviation: a revision of the EU Greenhouse Gas Emissions Trading System; a mandate to speed up the use of sustainable fuels (ReFuelEU); and a revision of the Energy Taxation Directive by introducing a tax on fuel for business and leisure travel.

The new government coalition outlines its aviation ambitions

Following several months of negotiation, on 15 December 2021 the Dutch coalition parties, VVD, D66, CDA and ChristenUnie, presented a coalition agreement.

The agreement outlines the new government's objectives for the 2021-2025 period, including their proposed actions to tackle the challenges of climate change, housing, healthcare and safety. The agreement also proposes measures to deal with the nitrogen emissions crisis in the Netherlands.

Several of the measures relate to Schiphol and the wider aviation sector, reaffirming many of the points set out by the Ministry of Infrastructure and Water Management (I&W) in the Luchtvaartnota ('Civil Aviation Policy Memorandum 2020-2050') approved in November 2020. Specifically, the agreement recognises the connectivity and wider economic benefits that Schiphol provides, and states its ambition to ensure these going forward. Furthermore, the coalition underlines the need for the industry to invest in sustainable aviation fuels (SAF) to accelerate the decarbonisation of air travel in the Netherlands.

The coalition parties stated the need to ensure a level playing field when implementing new (European) measures. However, they also agreed to raise the expected revenues from the so-called 'ticket tax' by 400 million euros, which will be partly re-invested in supporting sustainable aviation and safeguarding the environment around airports. In addition, the agreement reaffirms the coalition's previous commitment to introducing specific CO₂ emission ceilings at individual airports. According to the agreement, a decision regarding the opening of Lelystad Airport will be taken in 2022.

A new aviation environment?

2021 brought positive signs that demand for air travel is recovering as airlines and passengers learn to adapt to the COVID-19 pandemic. The peak summer and autumn holiday periods, in particular, saw high levels of traffic at airports around the world, as accelerated vaccine roll-outs combined with the gradual lifting of travel restrictions have enabled airlines to reopen routes and given passengers the confidence to return to the air. This optimism is shared by aviation forecasters: in October 2021, EUROCONTROL outlined three scenarios for the 2021-2027 recovery period. The forecaster's 'baseline scenario' is for global air travel to return to pre-pandemic levels by the end of 2023. The 'high scenario' expects normal commercial aviation activity to resume around mid-2023, while the 'low scenario' puts the recovery at 2028 or later.

The speed of the recovery will differ per industry segment. Demand for intra-European travel is expected to recover at a quicker pace than intercontinental travel, for example, while the leisure segment, together with demand from people visiting friends and relatives, will recover faster than business travel. A potential obstacle to the recovery is a shortage of labour as airlines seek to fill the gaps left by the widespread redundancies made during year one of the pandemic. In addition, some airlines are requiring staff to be vaccinated.

COVID-19 may also have a lasting impact on airport layout and processes. The concept of space has changed since the pandemic, with passengers wanting more personal space than previously. Indeed, extended periods of social distancing have expanded our personal space requirements. In addition, people feel that a space becomes 'crowded' much more quickly than previously. These developments will affect how airports are designed in the future, as well as the processes that take place in them. Schiphol Group is 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.

Embracing digitalisation

Airports and airlines alike are making greater use of data and advanced technologies to improve their service offering and generate new opportunities for revenue growth. 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 experiences. Meanwhile, airports are 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 further ahead, emerging digital solutions such as autonomous technologies and robotics can potentially help airports to save costs, by eliminating manual processes, while improving safety and efficiency and reducing environmental footprints. In the future, we expect physical airport assets, including real estate, airport terminals, cars or equipment (e.g. 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

- Safe and responsible travel
- Resilient network of destinations
- Strong hub position of Schiphol in Europe
- Sustainability at our premises
- Price-quality ratio
- Economic strength of the Randstad region and attractiveness of airport city
- Financial resilience

Opportunities

- Position Schiphol to recover connectivity during period of increased hub competition
- Single European Sky and Dutch airspace redesign
- Digitalisation, automation and big data
- International activities and partnerships
- Sustainable aviation and innovation initiatives
- Opening of Lelystad Airport

Weaknesses

- Relatively small catchment area without domestic market
- Capacity shortage during peak hours: terminal, stands and railway station
- Dependency on key airline customers

Threats

- Delay in implementation of Civil Aviation Policy Memorandum
- Lack of international coordination on topics such as COVID-19 and sustainability
- Slower than expected recovery from COVID-19
- Recurring pandemic crises
- Terrorism and cyber threats
- Pressure on cargo volumes due to slot allocation system once traffic recovers
- Possible impact of nature permits



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. Together, these fundamental pillars will guide our organisation. Together, these fundamental pillars will guide our Group through the challenging period ahead. Vision 2050 lays the foundation for our upcoming business strategies and the new Master Plan, serving as the point of reference for discussions with our partners and stakeholders.

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. The COVID-19 pandemic has further highlighted Schiphol Group's key role in this broader ecosystem: strong airport connections are needed to support the ongoing economic recovery that began to take shape in 2021.

The quality of Schiphol's network was extremely high before the pandemic. However, a sharp decline in air passenger numbers led many airlines to cancel routes while others continue to operate with reduced flight frequencies. Nevertheless, we have managed to maintain the vast majority of our destinations and with them our connectivity. Indeed, Schiphol is still first in the 'direct connectivity ranking' of European airports. Over time, we aim to fully restore our network in a safe and timely manner by working with airlines and our other industry partners to reintroduce destinations and further increase flight frequencies. The key to further recovery will be to maintain our focus on ensuring health and safety across our airports.

Schiphol also advocates responsible actions on behalf of governments and regulators to support the 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.



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 the circular economy and ensure a healthy living environment for local residents and communities. Please refer to section [Quality of Life](#) for an overview of our 2030 and 2050 ambitions. The COVID-19 pandemic has not altered these ambitions; rather, the past two years have focused the aviation sector's attention even more strongly on sustainability (see Trends and developments).

We now have an opportunity to make sustainability a central element of our recovery from the pandemic; for example, by introducing additional incentives for airlines, including more frequent fleet renewal and increased use of sustainable fuel sources. As we 'build back better', we must also prioritise the needs of local communities by ensuring noise pollution around the Schiphol site remains well below pre-pandemic levels even when air traffic returns to normal.

Our Vision also sees Schiphol leading the development of a responsible and sustainable aviation sector. Our approach starts with our own airports: Schiphol's proposed airport charges for 2022-2024 include a self-incentive scheme that is focused on sustainability and that encourages airlines to use cleaner, quieter aircraft. More widely, Schiphol continues to work with a range of aviation partners to accelerate sustainable aviation innovations such as bio-based fuel and electrified modes of transport, and to advocate sustainable aviation practices and decision-making at a national and regional level.

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 do this by orchestrating smooth and inspiring passenger journeys, supported by efficient, digitally enabled airport processes. However, 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.

While we remain committed to our long-term ambitions, we have needed to reprioritise how we approach Quality of Service, due to the COVID-19 pandemic. Safety and reliability have become the starting point for every customer experience, and have led us to improve certain aspects of the service we provide. While Schiphol's on-time performance has improved since the start of the outbreak, our challenge is now to retain these high standards as global air traffic volumes start to normalise.

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. Similarly, programmes such as Seamless Flow provide close oversight of our passenger processes and create smoother journeys for our visitors through our airports. 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. Since being established in early 2020, APOC is the first step towards a total airport management approach that will put cross-sector collaboration at the heart of all our airport processes.



Safety

Since 2020, safety has become increasingly important as an enabler of our three qualities as the COVID-19 pandemic continues to threaten the health and safety of all those using our airports. As an operator of airports, places where people come together, Schiphol has a particular responsibility to safeguard the health of our passengers, employees and other visitors by carefully managing our facilities and processes. Over the past two years, we have taken concrete steps in the name of health and safety, starting by following best practice in terms of hygiene and social distancing.

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. As passenger numbers increased during the period before the pandemic, we introduced safety-focused measures to help support our goals. Our medium-term safety objectives are outlined in the Safety Improvement Roadmap Schiphol put in place via the Integral Safety Management System (ISMS). The shared goals of the ISMS 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 frontrunner 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 at Schiphol Group.

An important initiative that forms part of the roadmap is a multi-phase project to convert Schiphol's Quebec taxiway into a dual-taxiway system. In 2021, we completed the first phase of the project, which will significantly improve the safety of our airside operations. Meanwhile, we continued to implement new safety measures and monitor the progress of ISMS while taking further steps to strengthen our safety culture.



Robust organisation

Schiphol's continued '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.

Our unique brand of robustness has seen our organisation thrive amid the fast-changing aviation environment, and these qualities will be especially important during the coming years. In particular, our flexibility and ability to adapt to changing circumstances will be crucial as we look to manage the ongoing COVID-19 pandemic. Schiphol's recently completed reorganisation programme, Project Reset, has provided a strong foundation for us to face the next stages of the pandemic and to 'build back better' from the crisis during the years ahead.

Financial solidity is also an essential component of a robust organisation, and Schiphol Group faces financial challenges. To maintain our strong competitive position as a high-value European airport, Schiphol has proposed new airport charges for the 2022-2024 period. The charges take into account Schiphol's loss of income in 2020 and 2021 following the significant reduction in the airport charges received by Schiphol during this period as a result of the pandemic. While certain airlines have disputed the proposed average increase of 11%, the new charges are essential to ensure Schiphol's long-term financial resilience. Moreover, Schiphol has undertaken various cost-cutting measures to mitigate the impact of lost aviation-related revenues, which have partly alleviated the pressure to increase the airport charges and therefore limited the financial impact on airlines. In addition, the standard settlement process for recouping lost airport charges has been adjusted to spread the charge increase over a longer time frame than usual.

Material aspects Royal Schiphol Group

Schiphol Group has an important socio-economic function and serves a diverse international stakeholder base. Our stakeholders range from passengers to local residents and include sector partners, government authorities and financial institutions. We conduct a materiality analysis to steer and report on the topics that are most relevant for our stakeholders and where our organisation can have the most impact.



Materiality analysis

Context

In our annual report, we report on the material aspects that relate to Royal Schiphol Group. We apply the Global Reporting Initiative (GRI) guidelines, which indicate that an aspect is considered material when it influences the decision-making of our stakeholders or reflects a significant economic, social or environmental impact of our organisation. The latter refers to Schiphol Group's contribution rather than its influence on the aspects. 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

Every three years, Schiphol Group conducts a thorough materiality analysis to identify the most important aspects for our stakeholders. Our most recent extensive update in 2019 comprised a three-phased process. 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 personally as well as their relevance to Schiphol's impact. Respondents were also able to suggest new aspects. To validate the findings, we organised a dialogue with representatives of our various stakeholder groups, during which attendees were asked to discuss the most important topics in the context of Schiphol. The combined quantitative and qualitative results from the survey and subsequent follow-up discussions were used to create

the 2019 materiality matrix. In 2020 and 2021, we performed a light update that built on the 2019 analysis. Colleagues from several departments and one of Schiphol Group's regional airports were asked to provide input from their engagements with stakeholders. We also took external developments into consideration through media analysis. Schiphol Group's Management Board approved the materiality matrix for 2021, acknowledging that the matrix provides a fitting overview of the relevant aspects for Schiphol Group and its stakeholders over the year. In 2022, we will execute an extensive update of the materiality analysis.

2021 results

In 2021, no new material aspects were identified. The former *Community and support base* and *Noise* aspects were combined into a single topic, *Community and noise*. This reflects how Schiphol Group's efforts to minimise noise disturbance form part of our wider initiatives to have a positive impact on our local communities. Furthermore, the former *CO₂ and air quality* material aspect has been renamed *Zero-emission airports* to



Community and Noise maintains a high position.

reflect that the scope of our reporting with regard to this topic primarily concerns our own operations. The new name is also in line with Schiphol Group's Most Sustainable Airports. roadmap

The aspects in the materiality matrix are situated in the top-right corner of the matrix and are therefore considered material aspects. The changes compared with the 2020 matrix should therefore be interpreted as relatively minor. While still the most material topic, *Safe, secure and responsible travel* moved down slightly in the matrix as it is considered less pressing than it was at the start of the pandemic. *Sustainable aviation* and *Zero-emission airports* both moved up in the matrix, mainly driven by an increased focus on sustainability in the public and political sphere in 2021 (as shown, for example, by developments such as COP26, Fit for 55 and the IPCC Sixth Assessment Report), making *Sustainable aviation* one of the most material topics. The newly merged *Community and noise* aspect is comparable to the position of *Community and support base* in 2020 and maintains a high position in the matrix.



Safe, secure and responsible travel moved down slightly in the matrix.



Sustainable aviation and Zero-emission airports both moved up, mainly driven by an increased focus on sustainability in the public and political sphere in 2021.










While *Business continuity* was already considered an essential element of Schiphol Group's operations prior to the COVID-19 pandemic, it moved up significantly in the 2020 matrix as COVID-related measures presented challenges to Schiphol's day-to-day activities. This remained an important aspect in 2021, though it fell slightly in the matrix as Schiphol has adjusted to the so-called 'new normal' as well as the sudden introduction of new COVID-19 measures. *Network of destinations* moved up in terms of importance to stakeholders due to increased demand for air travel. In terms of Schiphol Group's impact, its position remained unchanged from 2020, as Schiphol has continued to fulfil its connectivity function during the pandemic. *Financial solidity* moved upwards in terms of impact, reflecting the positive steps taken by Schiphol Group in 2021 to reorganise our organisational structure, attract finance and reduce costs.

Responsible business moved up slightly on the stakeholder axis due to increased stakeholder attention regarding this aspect. *Customer appreciation* also moved upwards in the matrix given the continued focus on this aspect by airlines and travellers and, as such, the increased impact that Schiphol Group can have regarding this topic. *Employee practices* is a topic receiving considerable attention within the aviation sector, and particularly from the perspective of trade unions such as FNV. Schiphol's reputation surveys also highlight this as increasingly important to our stakeholders. In 2021, Schiphol Group had an increased impact regarding this aspect as we transitioned a number of our temporary contracts to permanent contracts, causing the topic to move up in the matrix. Meanwhile, we are in favour of (and open to supporting) the establishment of collective labour agreements for everyone working at Schiphol. More widely, we seek to play a more central role in improving the working conditions for all professionals employed on site.

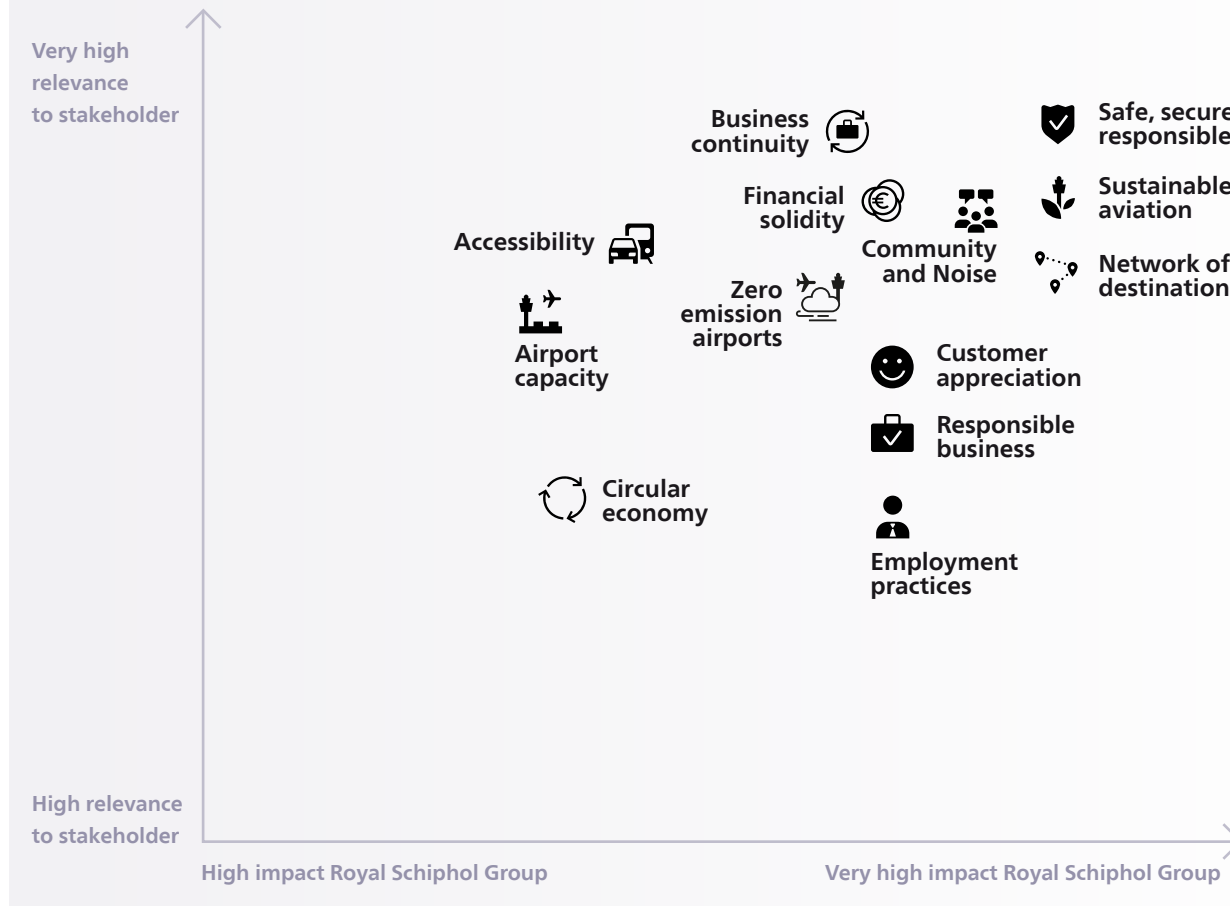
The position of *Accessibility* in the matrix is similar to last year. *Airport capacity* moved up slightly in terms of Schiphol Group's impact due to the increase in air traffic in 2021 compared with the start of the pandemic. *Circular economy* also moved upwards, having become increasingly top of mind for Schiphol's stakeholders and partners. It has also moved up on the impact axis as growing air traffic in 2021 has led to the increased use of materials.



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.



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.
-  **Zero-emission airports**
Emissions from airport operations and ground transport. It should be noted that local air quality emissions cannot be reduced to zero.
-  **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.
-  **Employment practices**
Development and training of employees, vitality and inclusiveness.
-  **Financial solidity**
Financial robustness and shareholder value.

Materiality matrix 2021



-  **Network of destinations**
Quality and frequency of destinations.
-  **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.

Targets 2022

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.

Since 2019, Schiphol Group's target setting has consisted of the Top Performance Indicators (TPIs) and major deliverables, enabling the introduction of a consistent language across 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 2022. The 2022 major deliverables are again grouped in five clusters, which are based on the cornerstones and enablers of Vision 2050: (1) Quality of Life; (2) Quality of Service; (3) Quality of Network; (4) Safety; and (5) Robust organisation. These major deliverables also relate to the regional airports within the Group. When setting targets for 2022, we took into account, among other factors, our longer-term ambitions and the air traffic forecasts for the year. We also considered our performance against the TPIs in recent years.



TPI targets for 2022

Priorities

Safety

Net Safety Score target 2022: 94.5

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

Sustainability

CO₂ emissions Royal Schiphol Group target 2022: -15%³

Decrease in CO₂ 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. We switched from location-based emissions to market-based emissions without scope 2 (electricity), since we purchase 100% renewable electricity.

Network

Number of ICA destinations target 2022: 120

The number of direct intercontinental destinations for passengers and cargo⁵.

Passengers

Net promoter score target 2022: 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 100⁵.

Airlines

On-time performance target 2022: 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 2022: 7.2

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 2022: 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 Score⁵.

Shareholders

Return on equity (ROE) targets 2022: 4.5%

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 CO₂.

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

Amber Rose Heijdens, travelling to Valencia with her friend Laura Contant, on the sustainable redesign of M corridor: 'The circular chairs are very comfortable! And it's great to see what Schiphol is doing with regard to sustainability. I had no idea.'

Our performance in 2021

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 2021 therefore again includes TPIs and major deliverables.

TPI performance

Priorities

Safety

Net safety score: 95.1 (target: 93)

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

Sustainability

CO₂ emissions Royal Schiphol Group: -14 % (target: -20%³)

Decrease in CO₂ emissions compared with 2019 levels, taking into account Scope 1 (natural gas and fuels used by own vehicle fleet), Scope 2 (electricity) and selected items of Scope 3 (electricity and natural gas used by third parties in buildings owned by Schiphol Commercial with their own environmental permits, airside fuels, commuter traffic and business travel by own car or aircraft)⁴.

Network

Number of ICA destinations: 118 (target: 120 ICA destinations)

The number of direct intercontinental destinations for passengers and cargo⁵.

Passengers

Net promoter score: 44 (target: 40)

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.

Priorities

Airlines

On-time performance: 77.6% (target: 80%)

The punctuality of outbound traffic is the percentage of commercial flights that depart on time⁵ (this is based on the sector-wide standard D15).

Local residents

Reputation score: 7.5 (target: 7.4)

This score is based on reputation surveys and the number of people that filed one or several reports with Bewoners Aanspreekpunt Schiphol (BAS)⁵. The reference for BAS is the average of 2019 and 2020, because this is expected to be a more representative benchmark than 2020 alone.

Employees

Employee Promoter Score: 31 (target: 45)

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): Normalised for fair value changes and other one offs the ROE amounts to -8.8% (target: -5.1%). The ROE including fair value gain and losses and the NOW/TVL compensations amounted to 3.0% in 2021.

Financial return for shareholders based on net result adjusted for fair value gains and losses on investment property and other 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 CO₂.
- 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.

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 CO₂ 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 2021, the major deliverables were grouped in five clusters: (1) Safety, (2) 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 2021 Net Safety Score was 95.1, above target (93). The number of serious incidents was lower than anticipated, partly as a result of a smaller increase in the number of aircraft movements and passengers than predicted, and partly as a result of implemented safety improvements.

Sustainability – CO₂ emissions

The result for the sustainability TPI in 2021 was -14%. The target for 2021 (-20%) proved to be too ambitious mainly due to higher-than-expected gas consumption (and non-structural reductions in 2020). Natural gas consumption, which is one of the core drivers of CO₂ emissions, has decreased by a smaller degree than anticipated compared to 2019 levels. In 2021 our gas consumption was higher compared to 2020, which is explained by two reasons:

1. The WKK (combined power and heat, which runs on natural gas) was deactivated during the period between May and December 2020, as part of the decision to operate from a 'core Schiphol' basis.
2. Several ATES installations (WKO) at certain piers (for example B-pier, D-pier) did not function optimally, leading to higher gas consumption.

Network – Intercontinental destinations

The number of intercontinental destinations served from Amsterdam Airport Schiphol in 2021 (118) was close to the target set for the year (120), which took into consideration the effects of the COVID-19 crisis. While the number was much lower than the number of destinations served in 2019 (135 destinations), we were the best-connected airport in Europe in 2021.

Passengers – Net Promoter Score

The Net Promoter Score was +44, above target (+40). Drivers on which the quality perception improved in 2021 include ease of wayfinding, process efficiency and cleanliness. COVID-related measures on hygiene and health, social distancing and information provision were highly appreciated by our passengers.

Airlines – On-time performance

On-time performance was 77.6%, which is below target (80%). Apart from two weeks with extreme weather conditions in February, the OTP was very high (88.8%) up until July, due to travel restrictions and reduced flights and passengers. Thereafter, performance was mostly influenced by the introduction of COVID-19 measures such as document checks, for example, which affected check-in throughput times. This, together with the rapid scale-up of flights and passenger numbers and limited availability of staff, affected the on-time performance.

Employees – Employee Promoter Score

The Employee Promoter Score was 31, below the target of 45. Since the qualitative survey performed after project Reset has been positive, the lower score can possibly be attributed to the uncertainty in the aviation industry. It is understandable that one is reluctant to recommend Schiphol Group as an employer due to this uncertainty.

Local residents – Reputation Score

The reputation score for 2021 was 7.5 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 2021 was 6.9. 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 2021, we adjusted the reference period to the average of 2019-2020, to offset the impact of COVID-19. This is expected to be a more representative benchmark than 2020 alone. The 12 months of operational year 2021 (November 2020 - October 2021) is compared to the average of the 2019 and 2020 operational years (November 2018 - October 2020). The first months of the year still saw a decline of reports, but based on rolling averages, the number has stabilised over recent months, as the 24-month period now almost fully covers the COVID-19 pandemic. Despite the continuous decline, the average score was still high at 10.

Shareholders – Return on Equity (ROE)

The return on Equity (including fair value gain and losses and the NOW/TVL compensations) amounted to 3.0% in 2021. The underlying return, excluding fair value gains and losses and other one-off items, resulted in -8.8%, compared with our target of -5.1% (see note 2, 3, 4 and 16 in the [financial statements](#) for an overview of the fair value gain and losses and the NOW/TVL compensations). As the passenger volumes were 31% below budget, the underlying net result was 287 million euros negative compared to target of 182 million euro negative. The lower revenues were partly compensated by lower operating expenses.

Major deliverables

Twenty-one major deliverables were set by the Management Board for 2021, categorised along our Vision 2050. Due to COVID-19, it was difficult to meet all TPI targets. However, most Major Deliverables were met, especially those within our control. Good progress was made on the further implementation of the Safety Improvement Roadmap, the value realisation after Project Reset, the North-South line, IT & data and the Sustainability Roadmap 2030, among other things. The implementation of the Entry-Exit-System (first increment of Seamless Flow), the 'Omgevingsfonds' and progress in relation to Pier A will require further attention in 2022.

TPI performance 2021



¹ ROE including fair value changes and other one offs: 3.0%

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, 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 despite the continued impact of the COVID-19 pandemic on commercial air travel. Similar to most airports worldwide, the pandemic has meant a severe reduction in the number of destinations offered by Schiphol as airlines operate smaller networks and reduced flight frequencies. With the lifting of travel restrictions, 2021 brought a resurgence in passenger demand and therefore air transport movements (ATMs), particularly in the second half of the year. The upsurge in travellers during the summer and autumn holiday seasons, in particular, presented new challenges as we worked with the airlines to support the sudden increase in demand for air travel. Meeting fluctuating capacity needs has become all the more complex due to the growing range of COVID-related requirements, such as testing and social distancing.

Given the strong global demand for air freight, Schiphol's cargo operations have been a bright spot since the start of the pandemic, becoming an increasingly important contributor to Group revenues. Nevertheless, balancing supply and demand for air cargo services remains an ongoing challenge. In 2021, we continued 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 reintroduce routes and flight frequencies in a safe and timely manner. We also see sustainability as central in ensuring high-quality operations, and Schiphol works hard to closely monitor – and mitigate – the impact of our operations on local communities and the environment.

We will continue to pay close attention to passenger health and safety during the recovery period. This includes making sure robust measures are in place to prevent the spread of COVID-19. At the same time, we must 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.

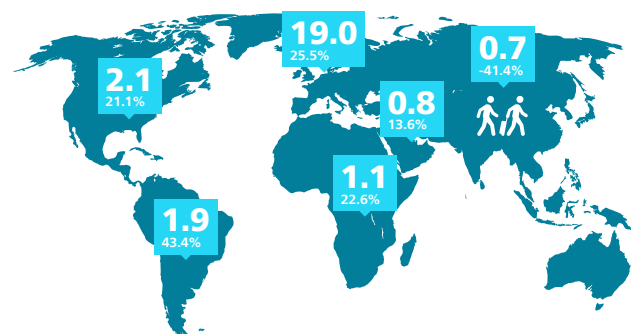
Network of destinations

Schiphol connects the Netherlands with the rest of the world and vice versa. In 2021, our network of destinations was again affected by the COVID-19 pandemic, and the recovery in passenger air travel during the first half of the year was slower than foreseen in late 2020. Demand for air travel began rising once global vaccination rates started to accelerate and airlines began reintroducing services to reopened destinations. Overall, nearly all passenger airlines and destinations that were active before the pandemic were operational during the year, albeit with reduced frequencies in many cases. The total number of destinations to and from Schiphol, including passenger and/or cargo services, reached 296 in 2021, compared with 316 destinations in 2020 and 332 in 2019.

Having recovered a little more than a third of its pre-pandemic volumes, Amsterdam Airport Schiphol ranked first for direct connectivity among European airports in 2021, according to the ACI Airport Industry Connectivity Report, followed by Istanbul, Frankfurt, Paris Charles de Gaulle (CDG) and Moscow Sheremetyevo International Airport (SVO). The 2021 report also positioned Schiphol fifth worldwide for hub connectivity, a drop of two places versus 2020.

Passenger volumes by continent in 2021

Passenger volume at Schiphol in millions (change versus 2020; excluding transit direct)



Traffic and transport in 2021

Passengers

In 2021, Schiphol welcomed 25.5 million passengers (up 22% year-on-year). The airport recorded a total of 266,967 air transport movements (ATMs), an increase of 17% compared with 2020, though a decrease of 46% compared with 2019.

A clear contrast was observed between the first and second halves of the year. 5.6 million passengers travelled via Schiphol during the first six months of 2021, with volumes limited by ongoing travel restrictions, before increasing to 19.9 million in the second half of the year. In March, airlines began trialling innovative 'COVID-free' forms of travel to popular holiday destinations, which enabled them to expand passenger capacity during the traditional peak summer holiday season from June onwards. Schiphol was the busiest airport in Europe during this period, as measured by Eurocontrol. Furthermore, the autumn holiday produced the highest passenger volume per day rather than the summer months of 2021, which is normally the case. During peak moments in the day, the passenger volume was even comparable to pre-COVID volumes. This meant travel in the second half of the year was significantly less affected than during the equivalent period in 2020, a testament to the aviation industry's ability to cope with the pandemic, though the emergence of the Omicron variant in December 2021 softened demand towards the end of the year.

Direct connectivity

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

Rank 2021	Airport	Rank 2020	Rank 2019
1	Amsterdam Airport Schiphol	1	2
2	Istanbul IST	5	5
3	Frankfurt	4	1
4	Paris CDG	2	3
5	Moscow SVO	6	8
6	Madrid	12	7
7	London Heathrow	8	4
8	Barcelona	17	9
9	Istanbul SAW	7	21
10	Munich	9	6

Hub connectivity

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

Rank 2021	Airport	Rank 2020	Rank 2019
1	Dallas Fort Worth DFW	1	2
2	Denver DEN	2	7
3	Frankfurt FRA	7	1
4	Atlanta ATL	5	5
5	Amsterdam Airport Schiphol AMS	3	3
6	Istanbul IST	11	6
7	Orlando ORD	8	9
8	Charlotte Douglas CLT	4	14
9	Houston IAH	9	16
10	Paris CDG	6	4

Passenger volumes at Schiphol in 2021

Volumes per airline		Change
KLM	14,288,153	26.0%
Transavia	2,397,944	49.1%
easyJet	1,329,897	-10.3%
TUI fly	944,266	113.6%
Delta Air Lines	864,580	33.3%
Turkish Airlines	645,820	81.4%
Vueling	506,147	174.5%
Air France	438,189	2.4%
Pegasus	238,165	69.9%
Corendon Dutch Air	211,522	126.9%
Other airlines	3,626,141	-12.9%

Cargo

Schiphol's cargo operations were once again a valued source of Group revenues in 2021 and a key contributor to the quality of our network. Various factors combined to boost air freight volumes during the year. The relaxation of COVID-19 measures in many parts of the world led to an increase in passenger flights (and hence cargo capacity) in the second half of the year. Furthermore, a sharp rebound in global trade activity following the 2020 economic downturn significantly boosted demand for freight transport, pushing up rates for other transport modes, such as sea freight, and making air transport more competitive.

Air freight demand on charter flights rose strongly throughout the year. Much of this volume was met by full-freighter operations. The use of so-called 'preighter' passenger aircraft to transport cargo decreased, but still supported the cargo volume.

Total cargo volumes at Schiphol amounted to 1.67 million tonnes in 2021 (an increase of 15.7 % year-on-year), cementing our position as one of Europe's top-five cargo hubs. 67% of this tonnage was transported in full freighters.

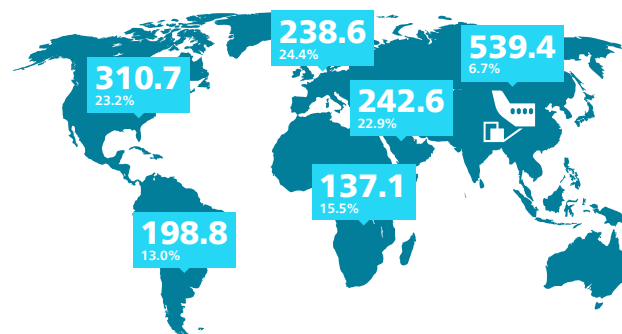


Schiphol's cargo operations were once again a key contributor to the quality of our network.

Cargo moved by full-freighter operations increased by 9.1 % during the year, while belly freight volumes increased by 32.0%. The number of cargo-only passenger flights decreased by 13% to 6,730.

Cargo volumes by continent in 2021

Schiphol cargo x 1,000 tonnes (change versus 2020)



New cargo developments

The Smart Cargo Mainport Programme (SCMP) at Amsterdam Airport Schiphol initiates constant optimisation of air cargo processes in and around Schiphol, in cooperation with our wider cargo community. The response taken by the programme is a clear example of how the Schiphol cargo community has been working collaboratively to mitigate the disruption caused by ongoing COVID-related measures such as government-mandated social distancing. In September 2021, the programme introduced a new way of working whereby upfront data sharing through digital pre-notification minimises contact between truck drivers and warehouse staff.

The US opens its borders

On 8 November 2021, the United States opened its borders to most of Europe. Vaccinated travellers, including those from the Netherlands, were able to fly to the US from Schiphol after 20 months of restrictions.

However, travel to the US was hampered in December due to the high number of infections with the Omicron variant in the US. In late December, the Dutch government advised travellers to only visit the country if absolutely necessary, and it implemented strict measures for the return journey.



A forthcoming project being led by the SCMP involves automated nomination, and will see Schiphol collaborate with handlers, forwarders and Air Cargo Netherlands (ACN) to introduce a digitalised freight station statement in the second quarter of 2022. Currently, forwarders are informed about the arrival of their shipments after an aircraft has been unloaded, whereas the automated process will notify forwarders prior to the aircraft's arrival. The alteration to the process will increase customer satisfaction and help prevent errors and mishandled shipments.

On 1 January 2022, the integration of the Port Community System Cargonaut in the Schiphol organisation was completed. Cargonaut provides a central data hub to help the cargo community exchange data, including with customs. Schiphol will renew the system during the coming period to enable real-time data sharing for reliable and predictable cargo operations. This is a clear step forward in our mission to shape the smartest cargo hub.

Network developments

In 2021, the aviation industry learned to be more responsive to the changing market environment by introducing new destinations or increasing capacity on existing routes. Airlines, in particular, took advantage of new travel developments, such as the introduction of a so-called Vaccinated Travel Lane (VTL) between Amsterdam and Singapore and the opening of the Canadian and US borders to EU citizens, quickly adjusting their schedules and capacity to meet the sudden growth in demand.

New destinations were also added to Schiphol's network during the year, with KLM launching long-haul services to Riyadh (Saudi Arabia), Bridgetown (Barbados), Cancun (Mexico) and Port of Spain (Trinidad and Tobago) as well as new European routes such as Dubrovnik (Croatia), Palma de Mallorca (Spain), Verona (Italy) and Belgrade (Serbia). Meanwhile, Blue Air began operating to and from Cluj-Napoca (Romania), and easyJet added Milan Bergamo (Italy) to its list of destinations from Schiphol.

Schiphol welcomed new passenger airlines: ALK airlines (Yerevan), Kuwait Airways (Kuwait City), Middle East Airlines

(Beirut), PLAY (Reykjavik), SKY express (Heraklion, Kos, Zakynthos), UR Airlines (Erbil) and WestJet (Calgary). And welcomed also new cargo airlines: LATAM Brasil, MIAT Mongolian Airlines, Uzbekistan Airways and Vietnam Airlines. In addition, all of Schiphol's pre-pandemic passenger airline customers resumed operations during the year, apart from one which will return in summer 2022.

Top ten European passenger volumes and market share in 2021

(in millions of passengers, excluding transit direct)

		Change	Market share
Istanbul IST	37.0	58.6%	14.9%
Moscow SVO	30.9	56.5%	12.5%
Paris CDG	26.2	17.8%	10.6%
Amsterdam AMS	25.5	22.1%	10.3%
Moscow DME	25.1	52.9%	10.1%
Frankfurt FRA	24.8	32.2%	10.0%
Madrid MAD	24.1	41.3%	9.7%
London LHR	19.4	-12.3%	7.8%
Barcelona BCN	18.8	48.0%	7.6%
Paris ORY	15.7	45.7%	6.4%

Top ten European cargo volumes and market share in 2021

x 1,000 tonnes of cargo

		Change	Market share
Frankfurt FRA	2,229	20.0%	16.1%
Paris CDG	1,958	19.4%	14.1%
Amsterdam AMS	1,667	15.7%	12.0%
Leipzig LEI	1,589	15.3%	11.4%
Liege LGG	1,412	26.8%	10.2%
London LHR	1,397	22.2%	10.1%
Luxembourg LUX	1,088	20.2%	7.8%
Cologne CGN	967	14.9%	7.0%
Istanbul ISL	814	1.1%	5.9%
Istanbul IST	759	55.0%	5.5%

Digital pre-notification tool

Since September 2021, the Smart Cargo Mainport Programme (SCMP) – in which a broad representation of cargo community participates – has been using a digital pre-notification tool. The tool minimises physical contact between truck drivers and warehouse staff, speeding up the export-handling process.



Development of market share

2021 saw Schiphol become the world's leading international airport in terms of seat capacity, highlighting the continued strength of our network and the importance of Amsterdam Airport Schiphol as a global transport hub. However, we recognise this position may change if airports that have so far been hit harder by the pandemic than Schiphol enjoy stronger recoveries in 2022.

Accessibility

The number of travellers passing through Amsterdam Airport Schiphol in 2021 was higher than in 2020, though still far below pre-pandemic norms. However, the peak summer and autumn break periods saw passenger numbers approach 2019 levels. In combination with the merging of the 'kiss and ride' traffic, this sharp rise in visitors at Schiphol affected accessibility around the entrance and exit to Departures. The situation highlights the long-term landside capacity and subsequent accessibility challenges facing our airport. At the same time, we continued to make use of quieter periods due to the pandemic to accelerate important maintenance work that will improve and modernise Schiphol's landside infrastructure. Taking these steps will help ensure we are ready to manage the return to normal air traffic volumes.

An important accessibility project taking place is the Landside Central Programme (LCP), which was initiated in 2020 to help coordinate and integrate the development of access roads 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 developments surrounding the COVID-19 pandemic.

Schiphol is working with its partners to ensure accessibility-related expansions and developments are always undertaken with sustainability in mind. To underline our sustainability ambitions, in 2021 we continued to promote the electrification of the airport's taxi fleet by expanding the number of electric vehicles among non-concession drivers. 2021 also saw the introduction of the Schiphol Mobility as a Service (MaaS) platform. The platform promotes the use of public transport by allowing Schiphol Group employees and other workers based at the Schiphol site to use various modes of transport via a single subscription, together with a new project to construct a 'fast' cycle lane at Schiphol North.

Looking further ahead, Schiphol will introduce zero-emissions zones at the Schiphol Centre from 2026, after which only lorries and delivery vans that do not produce harmful emissions may use the so-called 'logistics roads' surrounding the terminal. This important step aims to reduce nitrogen and CO₂ and improve air quality.

Improving access by public transport

To realise 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 also in favour of high-speed rail to become a substitute for short-haul flights.

Schiphol train station is a key node in the Dutch national rail network (ranked fourth in terms of traffic and train-to-train transfers), and rail access is an essential part of the airport's ability to function. Before the COVID-19 pandemic, train travel was the primary mode of transport for approximately 45% of origin and destination (OD) passengers and approximately 35% of our airport staff. However, due to health concerns, more visitors are travelling by car, and only 35% of our passengers in 2021 arrived at Schiphol by train.

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. After completing the exploratory phase in 2019, the MIRT plan elaboration phase has begun, providing further detail on the design of the Schiphol Plaza, as well as the airport's train and bus station. In addition, ProRail and Nederlandse Spoorwegen (Dutch Railways; NS) will further improve the timetable: a high-frequency airport sprinter will soon serve Amsterdam Central Station, and all intercity services will be redirected towards Amsterdam South station.

2021 saw the continuation of the initial design phase of the MKS project, which began in 2020. The current MIRT MKS design is positioned as a mid-term solution; studies show that, in the long term, additional infrastructure is required between Amsterdam South Station, Schiphol and Hoofddorp, the so-called 'core corridor', to accommodate projected growth in the use of public transport.

In 2022, ProRail is expected to award the contract for the modernisation of train station access points in Schiphol Plaza. Meanwhile, a project to improve access to the airport's bus station (Arrival Passage) is set to begin in late 2022.

Progress on ZWASH, MASH and the North/South metro line

In 2021, Schiphol continued to contribute to the following mobility research programmes focused on the extension of the North/South metro line from Amsterdam to Hoofddorp via Schiphol:

- **MIRT research ZWASH** (Zuid-West Amsterdam Schiphol Hoofddorp), which is part of the MIRT programme Samen Bouwen Aan Bereikbaarheid ('Building Accessibility Together'; SBAB): in 2021, the project partners focused on the technical substantiation for the extension of the North/South metro line, as required by the national growth fund. This entailed further analysis of the potential positive effect of the project on the current traffic bottleneck in the Schiphol tunnel as well as on transfer safety. A social cost-benefit analysis (maatschappelijke kosten-batenanalyse; MKBA) was undertaken to evaluate the benefit of extending the North/South metro line. The analysis clearly showed that the extension is a valuable solution from an economic and societal perspective.
- **The MASH coalition** (Mobiliteitssysteem Amsterdam Schiphol Hoofddorp): in 2021, the coalition focused primarily on the political coherence and financial proposal. The technical and design content was led by MIRT research ZWASH.

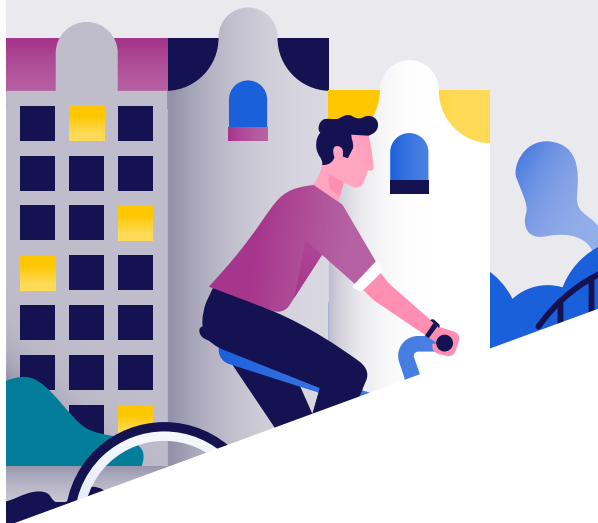
Further information on Schiphol's involvement in the extension of the North-South metro line can be found in Our results, in the [Community and Noise section](#).

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. In 2021, the COVID-19 pandemic continued to significantly affect parking occupancy rates, particularly during the first half of the year. We took this opportunity to undertake large-scale maintenance work at the P3 remote long-term parking facility. Throughout the year, our P4 basic parking facility was used by GGD Kennemerland as a COVID-19 testing and vaccination facility.

Quality of Life

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



Schiphol Group aims to operate the world's most sustainable airports. Building on our current sustainability performance, we have 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. Despite the impact of the COVID-19 pandemic, in 2021 we continued to implement the actions outlined in the roadmap. Once again, we recognise that many of our perceived sustainability achievements during the year, including the recent reductions in Schiphol's greenhouse gas emissions and local noise-disturbance levels, were due to the current downturn in air traffic.

As we recover from the crisis, we have an 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 is a priority during the recovery period. We aim to operate our Group airports in a safe and responsible manner and embrace innovation that has the potential to support environmentally friendly operations. 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



Accelerating sustainable aviation

Building on our current sustainability performance, in 2021 we took steps to accelerate the process of making aviation more sustainable with the support of the TULIPS and Bright Sky funds.

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. Of the 17 SDGs, 6 are highly relevant to our activities and our role in the value chain. We are working to increase our positive impact and reduce our negative impact with regard to each of these 6 SDGs as part of our ongoing contribution to a future-proof aviation industry. For the underlying SDG KPIs and our activities supporting these goals, please refer to [Reporting guidelines](#) in Socio-economic Accountability.

-  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 17 Partnerships for the goals

'Most sustainable airports' roadmap

Zero-waste airports 2030 towards circular in 2050

- 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.

Zero-emissions airports 2030 towards energy-positive in 2050

- All new vehicles are zero emissions, including ground support equipment on airside.
- 'Older' 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.

Facilitate the sustainable passenger journey towards net-zero carbon aviation in 2050

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

Improved balance between communities and airport in 2030

- Improve balance between communities and airports.
- Improve local air quality and biodiversity.
- Empower our strongest asset – our inclusive, diverse and motivated workforce – and offer sustainable workspaces.

We also made enquiries about a potential contribution from the National Growth Fund.

Led by Royal Schiphol Group, TULIPS is a consortium that forms part of the European Green Deal and involves a 25 million euro subsidy from the European Commission. TULIPS aims to speed up the roll-out of sustainable airport and aviation technologies. Amsterdam Airport Schiphol will be the proving ground for 17 demonstrator projects that result from this partnership. The TULIPS project kicked off in January 2022 and will run until December 2025. The collaboration between airports, airlines, knowledge institutes and industrial partners in this unique European consortium will give sustainable aviation a significant boost.

Located at Schiphol East, Bright Sky is a place where professionals and students from the aviation industry and beyond can work together to achieve a shared mission: making aviation cleaner and more sustainable. Partners include Schiphol Group, Luchtvaart Community Schiphol ('Schiphol Aviation Community'; LCS), Air Traffic Control the Netherlands (LVNL), JetSupport, Regional Training Centres (ROCs) of Amsterdam and Flevoland, and the Delft University of Technology. In 2021, the Bright Sky partners successfully applied for a public grant (R&D mobility fund) consisting of work packages related to maintenance repair and overhaul, airport security, ground-handling and airport systems. Schiphol will serve as a testing ground for two of these work packages: 1) autonomous airport, which involves digitising and making processes such as baggage handling more sustainable, and 2) smart access, which aims to digitise the security process at airports using digital sensors and artificial intelligence.

Schiphol Group is also part of a consortium consisting of LRN, SkyNRG, Royal Netherlands Aerospace Centre, Delft University of Technology and other partners. The valorisation of promising research and innovations is accelerated when bottlenecks are resolved and new innovation infrastructure is created. The consortium has asked for a contribution from Nationaal Groeifonds ('National Growth Fund'), which is expected to be

earned back fourfold. The leading consortium, the Ministry of Infrastructure and Water Management (I&W), has submitted the application, supported by the Ministry of Economic Affairs and Climate. The outcome of the application is expected to be received in the second quarter of 2022.

At the start of 2022, Schiphol received a letter from Dutch environmental organisation Milieudefensie, which included a request to present a CO₂ reduction plan towards 2030. We have welcomed this request as an opportunity to review our sustainability efforts, including the Most Sustainable Airports roadmap, and to implement improvements where needed.

Read more about the steps we are taking to ensure sustainability and our achievements here www.schiphol.nl/en/schiphol-group/page/a-sustainable-future/.

Zero-emission airports

Schiphol Group's four Dutch Airports are on track to become zero-emission airports by 2030, while our long-term goal is to become an energy-positive organisation by 2050. We are sticking to these targets despite the COVID-19 pandemic. We continue to focus on becoming a more energy-efficient organisation by transitioning from fossil fuels to renewable energy sources.

Schiphol Group endorses the national, European and international aviation 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'). We do this by strictly adhering to the 'Smart and Sustainable' action plan, developed by Schiphol together with the Dutch aviation sector.

Recognising that our impact is greatest on our airports, we have set out concrete measures at our airports, such as the electrification of Schiphol's vehicle fleet and switching to sustainable taxiing by 2030. However, Schiphol Group also plays an influential role in the wider aviation sector, and we encourage measures such as the use of synthetic or bio-kerosene, the transition to electric flight and the substitution of air travel for train travel for shorter distances. Furthermore, in 2021 the decision was made to make the logistics roads around the Schiphol terminal zero-emission zones by 2026, as part of our action plan to become a zero-emission airport by 2030.

In October, the ISO 50001 certification for all four of our Dutch airports was reviewed and renewed following positive feedback from the auditor, especially regarding the progress made by the Schiphol Group airports on energy management through collaboration. Schiphol's overall energy usage rose from 1598 TJ in 2020 to 1609 TJ in 2021. The increase was due to increased natural gas usage as 2021 was colder than 2020, though Schiphol's electricity usage fell once again due to a number of energy saving activities. In 2019, Schiphol Group introduced Top Performance Indicators (TPIs), including a sustainability TPI with

the aim of monitoring our progress towards our 2030 zero-emission goal. While the sustainability TPI target was not met in 2021, our zero-emission goal for 2030 remains unaltered as it still deemed feasible. To achieve this ambition, emissions in the category gas and airside fuels, in particular, will need to decrease for Schiphol Airport. Projects to realise the phasing out of gas and airside fuels are planned after 2022.

Renewable energy

Renewable energy supports our carbon-reduction programmes. All electricity purchased by Schiphol Group comes from wind farms in the Netherlands, while green gas accounts for 17% of total Group gas purchases and 100% of the gas used by Eindhoven Airport. We aim to eliminate our use of natural gas by 2030. In 2021, solar panels at Schiphol Airport produced a total of 2.3 million kWh, with the panels on the roof of the new P3 car park fully operational throughout the full year for the first time. We also began installing solar panels on the roof of the new A-Pier, as well as in a field next to the runway at Rotterdam The Hague Airport.

CO₂ management

In 2009, Airports Council International (ACI) introduced a CO₂ benchmark for airports, which Schiphol helped to develop. In February 2021, Schiphol's application for the renewal of its carbon-neutral certification (level 3+) within the Airport Carbon Accreditation (ACA) programme was approved for the eighth consecutive year.

The accreditation requires the airport's own activities to be CO₂-neutral. This certification has been prolonged by a year, as the ACA programme decided to discount 2020 due to COVID-19.

Schiphol Airport aims to reach the new level 4+ (transition) introduced in late 2020 in the short term, joining RTHA.

Specially selected solar energy projects in India and the Philippines help offset our remaining carbon emissions (from natural gas and other fuels), as a result of which Schiphol Group has been carbon-neutral since 2012.



Rotterdam The Hague Airport turns energy-positive

In 2021, work began on a new solar park at Rotterdam The Hague Airport (RTHA), which will be built alongside the airport runway. With more than 37,000 solar panels, the park will generate 14 GWh of green energy each year, meeting the annual energy needs of RTHA three times over. Excess energy will be distributed to local homes and businesses.

The solar park is a key reason RTHA has been awarded the highest level (Level 4+) of the Airport Carbon Accreditation (ACA), becoming the fifth airport in the world to reach this level and the second in Europe. The solar park is expected to be completed in 2022.



CO₂ emissions at Amsterdam Airport Schiphol

(in tonnes)

in tonnes	2021		2020	
	Location-based	Market-based	Location-based	Market-based
Scope 1 ¹	14,720 ²	12,181 ³	12,162 ²	9,662 ³
Scope 2 ⁴	73,930 ⁵	0	74,768 ⁵	0
Total Scope 1 and 2 CO₂ emissions	88,650	12,181	86,930	9,662
Scope 3 - Gas and electricity used by third parties in Schiphol commercial buildings, airside fuel used by third parties, own staff commuter traffic & business trips by air / own car ⁶	36,987	36,987	35,091	35,091
Total CO₂ included in Sustainability TPI for Amsterdam Airport Schiphol⁷	125,637	N/A	122,021	N/A
Scope 3 - other items ⁸	-	-	651,676	651,676
Total Scope 3⁹	-	-	686,767	686,767
CO ₂ emissions from total kerosene tanked in the Netherlands ¹⁰	-	-	6,709,500	6,709,500

- 1 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. CO₂ emissions from gas includes a correction for standard weather conditions ('graaddagcorrectie'). Please note that TTW emission factors apply for airside fuels (where previously WTW emission factors were applied), the 2020 figures have been updated accordingly.
- 2 Grey gas emission factors have been applied for location based purposes.
- 3 Since 2019, Amsterdam Airport Schiphol has been purchasing green gas for part of its consumption.
- 4 Consists of electricity consumption by Amsterdam Airport Schiphol.
- 5 Grey electricity factors have been applied for location based purposes.
- 6 Please note that TTW emission factors apply for airside fuels (where previously WTW emission factors were applied), the 2020 figures have been updated accordingly.
- 7 Consists of Scope 1, Scope 2 and selected items from Scope 3 (Gas and electricity used by third parties in Schiphol Commercial buildings, airside fuel used by third parties, own staff commuter traffic and business trips by air/own car). The Top Performance Indicator is calculated on basis of the location based approach. The Group CO₂ emissions included in the Sustainability TPI is 133,5kt, including Amsterdam Airport Schiphol, Rotterdam The Hague Airport, Eindhoven Airport and Lelystad Airport.
- 8 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. 2021 data will be reported with a one year delay.
- 9 2021 total scope 3 data is reported with a one year delay.
- 10 Source: CBS. 2021 data will be reported with one year delay.

Energy efficiency

In 2021, Schiphol Airport's energy-efficiency rating rose to 7.8% 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. In 2021, Schiphol Group's ISO 50001 certification was renewed following the expiration of the Meerjarensafspraken (Multi-year agreement;

MJA) agreement between Schiphol and the Ministry of Economic Affairs and Climate Policy. In 2021, it became known that Schiphol had achieved an energy-efficiency rating of over 28% for the 2017-2020 MJA agreement, thereby exceeding the initial target of 12%.

Phasing out natural gas

The heat and cold storage systems installed in Terminal 3 and The Base now function even more effectively than in 2020, though it takes about three years for the systems to reach their optimal

efficiency level. Due to this process, less energy was needed for the heat pumps, which has further optimised the heat and thermal energy storage system at D-Pier. In 2021, we also installed a new thermal-energy storage system for the WTC Schiphol Airport 1 multi-tenant building, though the resulting energy savings will only start to be seen during 2022-2024.

Emissions in our value chain

The majority of CO₂ emissions at Schiphol 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. CO₂ emissions resulting from kerosene used by aircraft landing at or taking off from Schiphol are included within the Scope 3 emissions figures in the CO₂ table on this page.

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 2021 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 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, 2) and reducing overall fuel consumption.

Buses

In 2015, electric buses began operating on Schiphol's aprons. An additional 16 were introduced in early 2020, which means all 53 buses on airside are now electric. On landside, all 206 public transport buses in the Connexion Amstelland Meerlanden concession (including Schiphol Airport) are zero-emission buses. This makes this public transport concession the largest emission-free fleet in the Randstad region. Our next step will be to electrify the bus fleet serving Schiphol's P3 remote parking facility.

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 (mostly Tesla) and 40 biogas-powered taxi vans from the official taxi stand. 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 397 zero-emissions vehicles, amongst which 28 zero-emission vans. In total, 514 electric taxis are currently operating from the official taxi stand. This number has declined by more than 200 since 2019, reflecting reduced demand due to the COVID-19 pandemic.

Ground support equipment

Special vehicles, known as ground support equipment (GSE), operate on and around the airport aprons to handle aircraft. Schiphol encourages users to replace traditional GSE (which use fossil fuels) with electrically powered equipment. To support this ambition, we are investing in additional charging facilities, in addition to the 750 currently available on airside, to reach the 2030 target of zero-emission ground operations.

To expand the use of electric GSE, Schiphol has introduced an operational pilot with mobile electric ground power units (E-GPU). These E-GPUs are being tested as a replacement for traditional diesel gas-to-liquid (GTL)-powered GPUs. The current

GPU pool is responsible for almost half of the total GTL used in ground services processes. The pilot is being carried out in cooperation with all six handlers at Schiphol as well as the owner and maintainer of the current diesel GPU pool, KLM Equipment Services (KES). In recent years, Schiphol has successfully tested several operational-handling models on narrow-body aircraft, and in late 2021 we also began testing them on wide-body aircraft. The pilot will continue until mid-2022; if the E-GPUs are determined to be technically and operationally suitable as a replacement for traditional GPUs, it will have a major impact in terms of improving air quality and reducing noise and CO₂ emissions.

Airlines operating at Schiphol must comply with various requirements related to air quality. For example, pilots are asked to use only one engine as they taxi to the gate and use fixed power units when available. Schiphol has 243 aircraft stands for passenger aircraft, cargo aircraft and buffer positions. These include 128 aircraft stands with a direct connection to the terminal and 115 stands without a direct connection. So far, 72 aircraft stands have been equipped with fixed power units and are operationally available.

Cleaner fuels

In June 2019, KLM Equipment Services switched from GTL fuel to improve air quality on airside. All airside equipment now runs on this synthetic fuel made from natural gas, which emits hardly any sulphur oxides and significantly reduces ultra-fine particles (UFPs) as well as nitrogen emissions.

Supporting electric vehicles

To facilitate emission-free mobility in publicly accessible areas, Schiphol equips an average of 10% of its parking spaces (an increase of 35%) with charging points for tenants and visitors. The implementation of the E-GPUs and the required charging points is taken into account in the 'Electrification of Airside' strategic plan. Implementation, of course, depends on the final outcome of the current E-GPU pilot.

Ultra-fine particles

Relatively little is known about the concentrations and possible health impacts of UFPs. Therefore, the Dutch National Institute for Public Health and the Environment (RIVM) is currently investigating the possible health risks of aviation-related UFPs to local residents, though an earlier RIVM study did not indicate that mortality rates in local communities differ from socio-economically comparable regions in the Netherlands. The forthcoming RIVM study, which will be published in 2022, will identify the UFP exposure of local inhabitants and any associated long-term health risks. More information is available on the [RIVM website](#).

In a recent Integrated Science Assessments (ISA) published in September 2021, the Health Council of the Netherlands concluded that there are indications that long-term exposure to UFPs increases the risk of cardiovascular disease. There are also indications of an increased risk of developing respiratory diseases and of a negative influence on foetal growth. In addition, the committee advises the limiting of UFP emissions and, where possible, increasing the distance between exposed individuals and the source of the emissions. In addition, the Council advises mapping exposure to UFPs by structurally measuring UFPs in the National Air Quality Monitoring Network.

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 are reason to set up a task force together with sector parties to conduct an exposure study among platform workers and investigate short-term measures to limit employees' exposure to UFPs. Schiphol will also conduct research on protecting people from the potential health effects of UFPs and the possibility of accelerating the Most Sustainable Airports roadmap, including by intensifying the electrification of airside equipment. We also plan to optimise operational processes (for example, with the 'taxibot', which limits the use of the APU) and continue our focus on sustainable aircraft fuels (SAF).

UFP Action Plan

In anticipation of the RIVM's research 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 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. For example, we are looking to develop technology that uses mist to capture UFPs.

Nitrogen emissions (NOx)

Schiphol commits to reducing our nitrogen emissions, an ambition supported by the Actieprogramma stikstof ('Nitrogen action plan') launched in early 2020. In addition to NOx, the plan will have a mitigating effect on CO₂ and UFPs. 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'). Based on the draft nature conservation permit, Schiphol's NOx emissions, and their resulting deposits, are within the legal limits. We are expecting a decision on the draft permit in early 2022.

Sustainable aviation

Sustainability is central to aviation sector discussions on how to move forward after the COVID-19 pandemic. Positive steps are already being taken: governments have included clear environmental and sustainability elements in many of the financial support packages awarded to airlines affected by the pandemic. Carriers are also retiring older aircraft sooner than expected. These new developments support the long-term course set out by Royal Schiphol Group, 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 to stimulating measures such as the use of synthetic or bio-kerosene, introducing electric flights and encouraging train travel for shorter distances.

The airport charges for the 2022-2024 period introduced for Amsterdam Schiphol directly support our ambitions, by incentivising airlines to use cleaner, quieter aircraft. The new charges also include a nitrogen oxides (NOx) element, to support the reduction of aviation-related nitrogen emissions.

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, the next step in developing Total Airport Management will be the introduction of the 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 2021, the first step has been taken with the introduction of an initial AOP, which will be extended in the coming years. 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.

Sustainable aviation fuel

Flying with sustainable aviation fuel (SAF) 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



Power Up

How feasible is electric flight? What do airports need to facilitate it? And is an electric-only network connecting European regions possible? To answer these questions, Eindhoven Airport, Rotterdam The Hague Airport (RTHA), Groningen Airport Eelde and Maastricht Aachen Airport launched Power Up, the living lab for electric flight.

Power Up is supported by Schiphol Group and the Koninklijk Nederlands Lucht- en Ruimtevaartcentrum (Royal Netherlands Aerospace Centre; NLR). The first electric passenger flights between airports in the Netherlands are expected to become feasible within the next five years. Power Up wants to put this process in motion by testing four- to nine-seater planes in the Netherlands, with a view to flying with larger aircraft in years to come and creating a European network of electric-only flight routes.

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 2021, Schiphol Group continued to support the development of a new bio-kerosene plant in the province of Groningen by SkyNRG. Schiphol Group will also encourage Neste, Shell and Argent Energy in their plans to invest in new production capacity for SAF based on hydrotreated vegetable oils if sustainable and scalable feedstocks are used. Over the coming years, Schiphol plans to invest 15 million euros to subsidise the use of SAF by airlines operating at Amsterdam Airport Schiphol.

In 2020 and 2021, all work trips taken by Schiphol Group employees via KLM flights were CO₂-neutral, 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 CO₂ emissions resulting from these trips.

Rotterdam The Hague Airport (RTHA) also supported the development of SAF markets in 2021 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, and will be launched in early 2022.

Schiphol Group plans to further encourage the use of SAF for passenger flights. In 2022, we will set up an experience centre at Schiphol to showcase the initiatives we are undertaking in this space, together with airlines and the aviation fuel industry. Passengers visiting the centre will be able to learn about sustainable aviation and sustainable fuel, and purchase SAF for their trip.

Supporting long-term solutions for sustainable aviation

We recognise the need to support other sources of sustainable energy in addition to SAF. In February 2021, the Ministry of Infrastructure and Water Management hosted a high-level conference on synthetic SAF. Following the conference, a

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

Schiphol Group was involved in the creation of the European Roadmap Destination 2050, together with other European aviation sector organisations such as ACI Europe, A4E and ASD. The plan paves the way towards a net-zero European aviation sector by renewing fleets, using sustainable aviation fuels and increasing airspace efficiency. This European agreement dovetails with Schiphol Group's Most Sustainable Airports roadmap, through which we aim to achieve net-zero carbon emissions by 2050.

World Economic Forum (WEF) and COP26

At the COP26 Summit in Glasgow in November 2021, Schiphol Group called for the acceleration of sustainable aviation. Schiphol Group's CEO, Mr Dick Benschop, participated in the Sustainable Aviation Fuel Ambassadors event organised by the World Economic Forum and the UK government. He also joined WEF Mission Possible Partnership's newly-established board. The partnership aims to transform some of the world's most carbon-intensive sectors. Schiphol Group is one of the leaders of the WEF Clean Skies for Tomorrow coalition, which aims to ensure sustainable aviation fuel (SAF) comprises at least 10% of the total aviation fuel mix by 2030.

Fit for 55

The EU Fit for 55 package unveiled by the European Commission in July 2021 is a comprehensive set of interconnected proposals to achieve the EU Green Deal goal of reducing EU-wide CO₂ emissions by 55% by 2030. The package contains measures that will support Europe's climate policy framework and put the EU on track for a 55% reduction in carbon emissions by 2030. Overall, Schiphol is positive about the proposals, in particular about the proposed blending obligation for sustainable aviation fuels and strengthening of the European Union Emissions Trading System (EU ETS).

The Fuelling Flight Initiative

Schiphol Group is part of a group of major European aviation companies – including KLM, easyJet, Air France and International Airlines Group – as well as research organisations and environmental groups, calling for a more stringent policy approach to sustainability and the sector's climate impact. The Fuelling Flight Initiative has issued a statement with recommendations on sustainability for the EU's policy design to support the use of SAF.

consortium consisting of RTHA, Rotterdam The Hague Innovation Airport (RHIA), SkyNRG and Climeworks launched Zenid, a demonstration plant producing fully circular SAF with 100% CO₂

captured from the air. The estimated daily production capacity will be about 1,000 litres of fuel.

Together with the Port of Amsterdam, SkyNRG and KLM, Schiphol Group has also helped to set up Synkero B.V, a start-up focused on developing a commercial facility for synthetic kerosene in Amsterdam. Production is scheduled to begin in 2027, after which the aim is to produce 50,000 tonnes of synthetic kerosene a year. These initiatives require considerable amounts of renewable energy and new supply chains. Schiphol Group is working with various supply chain partners to scale up regional availability of green hydrogen in the coming decade.

Use of sustainable aviation fuel at Schiphol

In 2021, almost 10,000 tonnes of SAF were delivered to Amsterdam Airport Schiphol. The fuel was used on a number of flights, including the first cargo flight operated by Malaysia Airlines from Schiphol, as well as by KLM’s SAF programme.

Sustainable taxiing roadmap

Schiphol is exploring options for sustainable taxiing, a process where aircraft taxi without the use of their own engines. The reduced runtime of aircraft engines can drastically lower fuel consumption, greenhouse gas emissions and noise disturbance. This method is already being used on empty aircraft, but Schiphol is collaborating with sector partners to also sustainably taxi aircraft with passengers, fuel and cargo on board. The results of a feasibility report published by Schiphol suggest that sustainable taxiing would require changes to the equipment, airside infrastructure and operational processes. In 2021, Schiphol, Corendon, Transavia, KLM, LVNL and dnata jointly published a roadmap for the gradual roll-out of sustainable taxiing between now and 2030.

Policy on human and wildlife trafficking and smuggling

Schiphol Group works with various sector partners and Airports Council International (ACI) to fight human and wildlife trafficking and smuggling. As traffickers often use aircraft to smuggle their goods, airlines and airports are ideally positioned to help combat trafficking and smuggling 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 2021, we published our first zero-tolerance policy against human and wildlife trafficking and continued to chair the Wildlife Trafficking Prevention Taskforce of ACI. We also participated in the 'Partner Spotlight' video series created by WWF and ROUTES; a unique opportunity to speak directly about our efforts to combat wildlife trafficking.

 **Circular economy**

Schiphol Group strongly believes in the circular economy principles of consuming fewer natural resources, using environmentally friendly materials, and making resources last longer by giving them a new lease of life. These are the principles driving our goal to operate a zero-waste airport by 2030. While the impact of the COVID-19 pandemic on the aviation industry has slowed certain activities, we have used this time to create baselines that will help us measure our circular targets and define actions to lead us closer to our goals. We are also taking concrete steps to implement those circular solutions that are already feasible.

Circular innovation at Schiphol

Implementing the Building Circularity Index

Schiphol has used the Building Circularity Index (BCI) to measure circularity in the different design stages of 13 building projects in our terminal building, resulting in an average score of 57%. The BCI helps us determine the environmental impact of the materials by examining their origin and potential next-life use to improve future designs. Schiphol has generated a materials passport for one project (Privium ClubLounge West) using the BCI input as a pilot for the near future.

Circular furniture on M Corridor

The M Corridor, connecting Lounge 4 with M-Pier, was given a sustainable upgrade in 2021. All of the seats used in the corridor have been previously used at Schiphol and reupholstered using discarded leather. In addition, former Schiphol information desks



From grass to construction materials

The runways at Schiphol are surrounded by about 1,000 hectares of grassy fields – almost 2,000 football pitches. The mowing of these fields produces thousands of tonnes of grass cuttings. As part of our ambition to be a zero-waste airport by 2030 and become fully circular by 2050, Schiphol has teamed up with ECOR, a company that presses panels from materials, including grass clippings, to find a sustainable use for these cuttings.

The first batch of grass was planted in spring 2021 and, after a thorough clean, the remaining grass fibres were turned into panels. The first panels were pressed during a test run in October, with production set to be scaled up during 2022. The panels are used to make a range of new products. They include construction materials such as ceiling tiles and partition walls that will be used for different construction projects around the Schiphol site.

and a KLM Boeing 747 were used to make planters and two windmill-shaped battery charging facilities.

Eliminating plastic bottles

To reduce the number of plastic bottles, new sensor-based water taps are being installed around Schiphol for reusable water bottles. We have also placed 70 'donation bins' throughout the terminal, where passengers can deposit used PET bottles for recycling and donate to support a drinking water project in Africa (Amref & Made Blue Foundation).

Embedding circularity in our partnerships

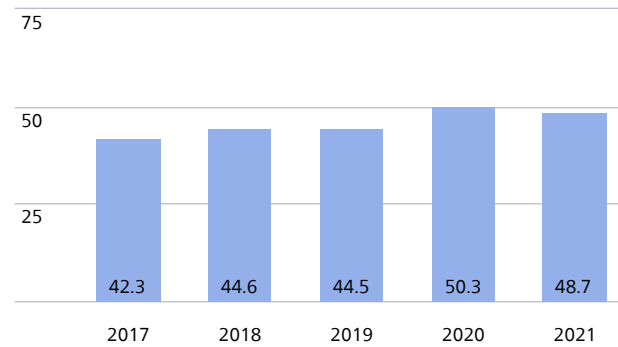
In 2021, together with several of our main contractors, we explored the possibility of using resources from the different parcels for future strategic planning. We organised communities of practice with Schiphol's three main infrastructure partners to increase the recycling of asphalt and concrete by challenging Schiphol's specific system requirements. As a result, we were able to reuse 60% of the original asphalt from the Polderbaan runway renovation during maintenance. At D12, we used a top layer consisting of 30% recycled asphalt, and at Sloterweg we reused as much as 70% of the asphalt. At the P3 car park, we reduced the environmental impact by 60%, in part by using 50% recycled asphalt and hydrotreated vegetable oil as fuel for our equipment. At underpass E2, we worked with an innovative light-reflecting asphalt mixture to reduce the number of public lighting fixtures.

In 2020, circular design principles were applied during the design of security checkpoint 90. Though the project was put on hold in 2021 due to COVID-19, the 'urban-mined' parts were stored for re-use during the construction phase. In 2022, the design will be further developed, and in 2023 construction of the project will take place using the salvaged parts.

BAM, one of Schiphol's main contractors, organised a sustainability day with its supply chain partners and Schiphol in C-Bèta at Schiphol Trade Park. The aim was to encourage our supply chain to commit to the zero-waste and circular goals outlined in Schiphol Group's Vision 2050. The primary focus was on zero-waste logistics, the registration of surplus materials for reuse and the refurbishment of components. The sustainability days produced a tangible result: a jointly developed trolley for the zero-waste exchange of air filters.

Percentage of separated operational residual flows¹

(per year at Amsterdam Airport Schiphol)



¹ Excluding CAT1 aircraft waste.

In 2021, BAM Bouw Schiphol also developed an app to register surplus materials stored in several technical areas to be used for future construction work in the terminal. Better separation of construction waste and collaboration between the different parcels and their value chain partners has reduced the amount of waste in the terminal overall.



60% of the original asphalt from the Polderbaan Runway was reused as it underwent maintenance.

Community and Noise

2021 was a period of gradual recovery for the wider Schiphol community, and our focus remained on being a good neighbour to people living near the airport as well as our passengers and all those who work at the Schiphol site. It was also the year when we began to 'build back better' by strengthening our focus on sustainability and taking steps to reduce noise and other emissions. Together with our regional partners, we are exploring initiatives that will benefit the entire community. These include advancing the development of noise-cancelling technology and the extension of the North-South metro line from Amsterdam to Hoofddorp via Schiphol.

Engaging with our neighbours

We believe direct contact with our stakeholders is the most effective way to discuss important topics. However, the COVID-19 pandemic and subsequent restrictions meant that working visits to Schiphol were again reduced to a minimum in 2021, while our traditional 'Neighbours' days were also postponed. Because of this, we focussed on other ways for our neighbours to connect with Schiphol online, including our website for local residents, 'Schiphol als buur', as well as a monthly newsletter and the weekly Schiphol air traffic outlook, which provides projections for air traffic movements and runway use.

2021 saw the launch of Notify, a smartphone app providing local residents with location-based air traffic predictions. The Notify app uses a special forecast model to make the predictions as accurate as possible. This model processes a wide range of information, such as radar data and information about the wind and weather conditions (KNMI). So far, the app has been downloaded by around 18,000 people and has more than 3,000 monthly users. In 2022, we plan to further develop the app's functionality and enlarge the coverage area.

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 2021, our reputation score among local residents was 7.5. The research also shows that local residents view Schiphol in much the same way as the general public, but that our efforts to improve management visibility, CSR and relationship building are increasingly appreciated by local residents.

Together with tracking the number of people who file reports with Bewoners Aanspreekpunt Schiphol ('Local Community Contact Centre Schiphol'; BAS) each month, our reputation score among local residents is a key driver of our 'Local Residents' Top Performance Indicator (TPI). In 2021, we also commissioned research to better understand the communication needs of different resident groups. These insights will help shape our communications activities in 2022.

Reducing noise disturbance

Schiphol and Air Traffic Control the Netherlands (LVNL) have launched a noise-disturbance reduction programme, [minderhinderschiphol.nl](https://www.schiphol.nl/minderhinderschiphol.nl). The programme consists of 44 measures to reduce noise disturbance in the region surrounding the airport. The measures have been put together in consultation with local authorities, local residents and other stakeholder groups.

In March 2021, Schiphol presented the programme to the Ministry of Infrastructure and Water Management (I&W), which also commissioned an additional review of the programme. This review will be completed in early 2022. We will keep our community informed and actively involved in the development of the programme as we continue to research, implement and introduce new measures over the coming years. In 2021, eight measures were entirely or partially implemented. One of the measures is the proposed introduction of the new airport charges which provide a real incentive for more silent aircraft types.

In 2021, LVNL indicated to the Minister that the COVID-19 crisis could have an impact on their project portfolio, due to travel restrictions and quarantine measures for international suppliers, as well as reduced availability of air traffic controllers for development, test and training activities. In 2022, LVNL will provide detailed information to the minister about the impact of COVID-19 on the project portfolio, and consequently on the [minderhinder.nl](https://www.minderhinder.nl) programme.

Engaging with young people

We see the next generation as future users – or potential employees – of our airports, and they also offer inspiration and fresh perspectives on topics such as innovation and sustainability. Each year, Schiphol receives hundreds of information requests from young people. We have increased our efforts to respond to the many questions we receive, as well as requests for interviews, materials and information. Meanwhile, Schiphol has begun working on research and development projects in partnership with local secondary schools. Together, we have explored topics ranging from flow-balancing to reducing emissions. Students have also challenged Schiphol on its design choices and made suggestions to improve the passenger experience in the terminal.

Collaboration and dialogue with the value chain

Schiphol participates in various collaborations aimed at making the airport industry more sustainable and advancing multimodality at Amsterdam Airport Schiphol. In 2021, we continued working with our partners to strengthen international rail connectivity and to make rail a more attractive alternative to short-haul flights.

Schiphol is also a member of the Logistics Alliance, and in May 2021 we became the newest member of the Mobility Alliance that aims to sustain and improve mobility and infrastructure in the Netherlands. Furthermore, we are part of the Mobiliteitssysteem Amsterdam Schiphol Hoofddorp ('Mobility System Amsterdam Schiphol Hoofddorp'; MASH) coalition, established to identify and promote solutions for current bottlenecks in the public transport network, with a focus on the Amsterdam Metropolitan Area (MRA). MASH agrees on the need to extend the North/South



Kids reporters go in search of answers

2021 brought an exciting new feature to Schiphol's YouTube channel. 'Kids reporter' invites children to visit the airport site and to go and find the answers to their questions about our airport and aviation in general.

metro line to Schiphol and Hoofddorp. In April 2021, the Nationaal Groeifonds ('National Growth Fund') announced setting aside funding of up to 1.5 billion euros, or 50% of the estimated costs for the extension. This adds to the 1.025 billion euros pledged by Schiphol Group, regional governments and national companies to contribute to the extension of the Amsterdam Metropolitan Area's metro network, including the extension of the North/South metro line. Before the contribution of the National Growth Fund is available, the MASH coalition must provide additional substantiation of the project and find the remaining funds.

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



Schiphol Fund

The Schiphol Fund encourages sports activities. A few times per year, it hands out donations to public, non-profit sports associations in the area surrounding Schiphol to help pay for facilities and equipment. In 2021, the regular budget of the Schiphol Fund was reduced by 25% to 375,000 euros, of which 278,276 euros was donated to 57 initiatives during this year. The Schiphol Fund will have 375,000 euros at its disposal in 2022.

If you would like to know more about the Schiphol Fund, visit [our website](#).

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 2021 onwards, though the foundation will no longer accept applications for area-specific initiatives. In 2022, the foundation will launch a new funding programme focused on techniques and innovations aimed at improving quality of life. Further details can be found at [stichtingleefomgeving.nl](#).

Schiphol Local Community Council

2021 was a transitional year for the Omgevingsraad Schiphol ('Schiphol Local Community Council'; ORS) as we awaited a final

decision on a future model. In December 2020, a future governance model for the ORS was presented by the chairman, Mr Pieter van Geel, on which the new Dutch government coalition is expected to rule in due course. In the meantime, practical arrangements have already been implemented to ensure the dialogue continues in a constructive manner. Schiphol remains committed to maintaining an open dialogue with all local and regional stakeholders and will continue its active involvement in the ORS during this interim period.

Supporting local employment

Schiphol stimulates regional employment through initiatives such as the Luchtvaart Community Schiphol ('Aviation Community Schiphol'; LCS) partnership. The Community brings together companies as well as educational and government organisations to strengthen the labour market at Schiphol. Schiphol's participation in LCS supports our ambition to be an attractive regional employer as part of an open and collaborative community. The community also plays a coordinating role in the Luchtvaart Inclusief ('Aviation Inclusive') programme, which supports individuals who are having difficulty finding employment.

In January 2020, Schiphol began working with the municipality of Amsterdam and other partners to help individuals experiencing difficulty accessing employment to find work at the airport, with nearly 250 placements secured to date. Since the COVID-19 outbreak, the focus of the partnership has evolved towards helping current airport employees find roles in other sectors, and an office of the Regionaal Werkcentrum Groot-Amsterdam ('Regional Work Centre Greater Amsterdam') has been set up at Schiphol.

Political advocacy and stakeholder engagement

Schiphol Group engages with political stakeholders on a local, national and international level regarding a wide range of topics. Over the last year aviation as well as Schiphol and Lelystad Airport have featured in many public debates, both in politics and the media, with every aspect of the debate covered. While we recognise that not all stakeholders have the same views regarding

aviation and its future, we strongly believe that an open dialogue is the way forward. In 2021, Schiphol, together with leading aviation value chain partners, presented political parties and government officials two position papers outlining how the industry is taking clear steps towards a sustainable future. Both papers call for government policy, innovation and investment to be more closely aligned, including through the establishment of a sustainable innovation fund and a community fund. Schiphol and its partners are also seeking the ratification of the Luchthavenverkeersbesluit ('Airport Decree'; LVB) and the opening of Lelystad Airport, among other developments.

Noise

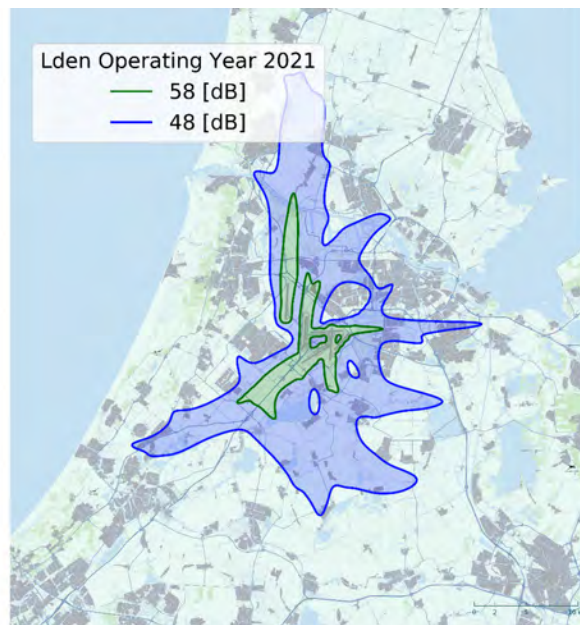
Noise disturbance due to air traffic remained a central topic in our discussions with the local community in 2021. Schiphol adheres to the agreements in place to minimise the impact of our activities on local residents, such as keeping the number of annual air transport movements (ATMs) below 500,000 (of which 32,000 may take place between 23.00 and 07.00). Due to COVID-19, only 238,758 ATMs were recorded during the 2021 operational year (versus 497,303 in the most recent pre-COVID year, 2019), of which 16,450 were at night. Schiphol is monitoring developments around the pandemic and its impact on air travel. Based on our most recent recovery scenarios, we do not expect the current 500,000 ATM ceiling to be reached before the mid-2020s.

Noise disturbance

The Dutch Ministry of Infrastructure and Water Management (I&W) is working 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 2021 (between 1 November 2020 and 31 October 2021) 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.

Lden noise contours



The limit for the number of severely affected people living within the 48 dB(a) contour is set at 180,000. In 2021, significantly fewer people (59,600) 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 reduced air traffic in 2021, the noise contours in the figure shrunk considerably, while the total number of severely affected people also decreased significantly compared to the pre-COVID situation.

Two factors typically 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

Number and nature of reports to BAS

	Focus group ¹		Habitual complainants	
	2021	2020 ²	2021	2020 ²
Number of complainants	7,645	7,314	61	36
Number of complaints				
Specific reports ³	60,618	32,564	105,402	62,986
Period reports ³	50,084	27,096	8,645	4,569
General reports ³	4,833	1,350	230	200
Total number of reports	115,535	61,010	114,277	67,755

- 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 A correction was made in February 2022 in an addendum to the BAS Annual Report 2020 after research showed that approximately 2% of the total number of complaints and 0.6% of the number of complainants had not been properly registered. For more information, see Rapportages 2020 - BAS (bezoekbas.nl)
- 3 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.

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: reports by local residents

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.

Impact of registration system flaw

Between November 2019 and April 2020, BAS’s registration system went offline as a result of a reported potential security flaw in the system (responsible disclosure). During this time, BAS was only able to process complaints via telephone, email and a

temporary online form. In 2021, it emerged that a small number of complaints had not been properly processed during this period and, as such, not included in the annual report. Further investigation showed that this involved approximately 2% of the total number of complaints and 0.6% of the number of complainants. Based on this information, a correction was made in February 2022 in an addendum to the BAS Annual Report 2020. The discrepancy of around 2% has not resulted in changes to the annual report’s general conclusions and recommendations.

Rise in number of complaints

In 2021, the number of complaints increased by almost 80% compared to 2020, while the number of complainants increased by less than 5%. The number of flight movements hardly increased in 2021 compared to the previous year. The proportion of complaints relative to the total number of flight movements therefore increased. An explanation for this may be that the decrease in air traffic since the start of the COVID-19 pandemic has made local residents more aware of noise nuisance caused by aircraft. For more information and an analysis of the figures, visit bezoekbas.nl.

Quality of Service

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.

The COVID-19 pandemic has led us to re-examine our perception of quality and to prioritise the immediate needs of our customers. Our passengers require safe and responsible travel, and our real estate tenants need safe and healthy places to work. 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 2021, we took further steps to strengthen our IT and data infrastructure, providing us with a strong foundation for the coming years.

Adding value to consumers

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, we continue to invest in the passenger experience and ensure safe, interesting and comfortable journeys. In January, Schiphol welcomed Tony's Chocolonely, the chocolate maker whose mission is to make all chocolate 100% slavery-free, as it opened its first duty-free single-brand shop at the airport. Later in the year, a new Gucci store opened in Lounge 2, serving the high-end customer segment with handbags, luggage and other luxury goods. In June, Schiphol opened the newly renovated Privium ClubLounge West for non-Schengen travellers. The expanded

Top performance indicator Quality of Service



Italian fashion house Gucci opened a store in Lounge 2, serving the high-end customer segment with handbags, luggage and other luxury goods.

lounge, located between E-Pier and F-Pier, has been fitted out with individual workstations, improved food and drink services, a shower, a hand spa and other facilities.

Finding new ways to connect with customers

Amsterdam Airport Schiphol has entered an advertising collaboration with the regional airports of Royal Schiphol Group, making it possible for advertisers to reach visitors across all Dutch passenger airports with media and brand promotion options via a single point of contact. The merger of the airports' media operations will serve the national advertising market even more effectively and offers excellent opportunities for brands to

connect with potential customers. In 2021, Schiphol also introduced a new visual positioning strategy for retail and catering outlets focused on the total online and offline shopping experience and international consumers, with well-known Dutch celebrities playing a central role. This novel approach will allow the airport to offer passengers a multifaceted shopping and dining experience that is unique to the Netherlands. The change means that See Buy Fly, which was mainly associated purely with price promotions, will no longer appear as a separate brand in stores.

Safe and inspiring facilities for our tenants

The Schiphol site supports a wide range of working professionals, and we aim to create a safe and inspiring work environment for all our tenants. We believe one of the lasting impacts of the COVID-19 pandemic will be more people working from home and the office shifting from a traditional workplace to a place where people can meet, learn and share ideas. In line with our 'Why' of Connecting your world, we are enhancing our commercial real estate facilities and creating inspiring public spaces where people can achieve valuable connections during the working day. In 2021, we upgraded the public facilities and meeting space in the WTC Schiphol Airport multi-tenant building and added outdoor space to the public areas with a spacious balcony overlooking the airport, as well as a new food and beverage outlet.

Meanwhile, we continued to guide and support Schiphol's real estate tenants through the pandemic. Efforts ranged from helping companies maintain safe 1.5-metre social distancing with floor markings in offices to providing health and safety information and hand gel dispensers, and extending our (COVID-19) payment plan. We welcomed several new real estate customers to Schiphol during this period and also extended rental agreements with existing tenants.

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 2021, we installed a thermal energy storage system in the WTC and began preparations for another centralised thermal energy storage system that will serve the Outlook and Avioport buildings as well as our head office. Schiphol supports 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 2021, we have seven buildings in our portfolio with a BREEAM In-Use Certificate, most with a 'Very Good' or 'Excellent' rating. In 2021, Avioport was certified for the first time, receiving an 'Excellent' score, and we upgraded the Outlook and The Base B and C buildings to 'Very Good' and 'Excellent', respectively.

Schiphol's Smart Airport City 2030 provides direction on how we collect data from our smart Internet of Things (IoT) assets such as energy and water meters, and building-management systems. This gives our tenants and colleagues valuable insights into building occupancy and utilisation, which we present in our Smart Building Scorecard. This scorecard also forms the basis on which we will link new information sources and present information in the future.

Enabling quality airport experiences through technology

At Schiphol, we see technology and data as key differentiators that can enhance the airport experience and ensure Quality of Service for our passengers and other visitors, from short-term improvements in areas such as safe and healthy travel to our ultimate goal of a fully autonomous airport. Our ambition to continuously invest in value-adding digital solutions and innovations is central to Schiphol's Vision 2050, and in 2021 we defined our IT and data strategy and project portfolio for the 2021-2023 period.



Welcome back!

Summer 2021 saw a welcome increase in the number of travellers using the Schiphol terminal. To celebrate this, we organised a series of campaigns throughout July and August. Passengers were presented with baggage labels bearing a special 'Welcome back' message. At the 'kiss and ride' zone, departing travellers were able to have polaroid photos taken with the people dropping them off as a souvenir, while returning travellers received a bunch of flowers. Last but not least, 'Schiphol's Summer Playlist' was added to Spotify to help people get into (or stay in) the holiday spirit.

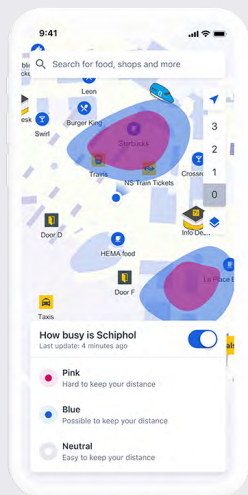
As a starting point, we restructured our IT and data organisation around three main building blocks:

Foundation: maintaining a robust, resilient and flexible technology foundation that delivers high levels of performance in terms of infrastructure, storage, data platforms, warehouses and connectivity.

Business Platforms: providing value-adding solutions for all stakeholders, by integrating technology and data in all business areas and departments.

Maintaining a safe distance with the crowdmap

Since the start of the COVID-19 pandemic, avoiding airport crowds has become an important concern for Schiphol's travellers. In April 2021, we added a map feature to the Schiphol App that shows users where quieter and busier areas are in the terminal after security. The new feature means travellers can easily find a safe and comfortable place to relax before their flight.



Guardrails: safeguarding the quality of the services we deliver; for example, regarding cybersecurity, architecture, service management and data governance.

With this strong basis in place, in 2021 we continued to explore new, technology-driven ways to support our customers and other airport visitors. A key focus was extending our data communications capacity and upgrading essential operational infrastructure. With the installation of a unique indoor common-use wireless infrastructure throughout the Schiphol site, we have extended coverage to all public and non-public areas including all terminal buildings, the piers and the basements. Over the next 15 years, the new network infrastructure will support several wireless network applications, including a 4G and 5G public mobile network for all passengers, as well as mobile broadband that will support critical airport applications.

We also introduced several new customer-focused digital innovations. In February 2021, Schiphol car park became one of the first facilities in the Netherlands to allow contactless payments using a QR code on a smartphone. We also extended the food and beverage feature on the Schiphol App to allow passengers to order food and drinks and make contactless payments within the terminal and collect their orders after security. Similarly, we launched a 'Click & Collect' pilot in collaboration with Schiphol Airport Retail and Kappé that allows passengers to view and reserve products online up to two hours before departure and collect them from designated pick-up points in the Schiphol terminal.

Airport capacity

Meeting growing customer demand and providing a safe, reliable 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 and development work continuing despite the COVID-19 pandemic. Schiphol's capacity-related investments include steps to improve Schiphol's landside access road system, the construction of a new pier and the redevelopment of Lounge 1. Furthermore, we are doubling the Quebec taxiway to further improve safety and efficiency.

Master Plan

Schiphol is creating a new development framework to guide future airport developments in line with our Vision 2050. The Master Plan targets a stronger integration with regional developments, through specific developments, such as extending the North/South metro line to Schiphol. The plan also aims for more sustainable aviation, setting out the required infrastructure that is needed to make the transition towards more silent and cleaner future aircraft operations.

Mid-Term Plan 2030

The strict financial constraints now facing our Group due to COVID-19 have prompted Schiphol to undertake a critical reassessment of our investments. This has resulted in the Mid-Term Plan 2030, setting out our development path for the next 10 to 15 years. Clear trigger points are included within the plan to indicate when certain developments should take place, based on how demand recovers from the pandemic, as well as the developments that are needed beyond this period.

The new pier and terminal

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

The new pier was not delivered in 2021 as expected and was only 60% complete by the end of the year. Given the delay to the project, Schiphol and the contractor, Schiphol's construction joint-venture partner Ballast-Nedam TAV, agreed to end their cooperation and terminate the contract. After the termination of the contract, Schiphol Group and the contractor will continue to solve their dispute. Schiphol will now begin a new tender procedure to complete the pier. Once a new contractor has been appointed, a new schedule will be determined to finish the project.

In 2021, no design or construction work took place on the new Schiphol terminal, following our decision in 2020 to defer these works due to COVID-19.



The new A-Pier will give Schiphol's capacity a boost.

Redevelopment of Departure Hall 1 and Departure Lounge 1

2021 saw the completed redevelopment of Departure Hall 1. The new security filter on the mezzanine floor, with 21 new security lanes equipped with CT scanners, came online at the start of the summer season and has alleviated operational pressure on the departure hall as well as on the hall's security processes. A new route for passengers travelling with check-in baggage was also introduced, supplementing the (internet check-in) no-bag route, which opened in 2020. Security filter 1 can now be used to handle the overflow from filter 2, and vice versa, enabling a more efficient security operation that offers higher overall capacity during peak times.

The European tendering process for the redevelopment of Departure Lounge 1 also began during the year, with construction due to start in the third quarter of 2022. The construction work will take place over several phases, so that the lounge remains fully operational. The redevelopment of the lounge will improve passenger quality perception, create opportunities for increased commercial returns and optimise operational on-time performance.

Additional aircraft stands

In 2021, Schiphol postponed the renovation and expansion of its remote-handling capacity for both wide-body and narrow-body aircraft, though modification of the A-Platform took place to accommodate larger regional aircraft. This has resulted in the first three larger aircraft stands being delivered, out of a final total of eleven. We also plan to extend the Sierra Platform at Schiphol South-East in the future by adding three additional positions for cargo aircraft.

Completion of dual taxiway system (Project Quebec)

The project to convert the Quebec taxiway at Schiphol into a dual taxiway system remained fully on course in 2021. Throughout the airport, there is a structure of dual taxiways for taxiing aircraft around the whole terminal complex, with the exception of taxiway Quebec. By turning Quebec into a dual taxiway system, we are resolving two issues at once: first, the process of directing taxiing aircraft will become more manageable for Air Traffic Control the Netherlands (LVNL) and, second, planes will no longer have to wait in line. In this way, we are increasing safety at Schiphol and improving our service at the airport at the same time.

In December 2021, the first phase of Project Quebec was delivered on schedule and within budget, and involved the major technical complexity of constructing a new aircraft bridge (250 by 60 metres) over the A4 motorway and on top of the railroad and bus tunnels. Furthermore, a number of taxiways were realigned, under challenging operational conditions, and reconstructed landside roads and multiple utilities.

Schiphol's sustainability goals were considered throughout the project. Buildings were demolished in a circular way, so that parts could be reused. For example, 22,000 square metres of roof covering taken from surrounding buildings was turned into 8,800 tonnes of asphalt. Furthermore, 52,000 kilometres of transport movements were avoided, thanks to a temporary concrete mixing plant set up at Schiphol. Health and safety remained the number-one priority during the construction process, and so far no accidents have occurred over a period totalling more than 470 days.

The next phase of the project, which will begin in 2022, will introduce additional taxiways for even better routing, while remote-holding positions will also be constructed. In addition, a new security post will be built using parts of demolished buildings from the same area. Phase 2 is scheduled to be completed by the end of 2025.

Customer appreciation

We monitor the satisfaction levels of our passengers and other customers as part of our efforts to maintain a high Quality of Service. This process mainly takes place internally, for example through customer experience surveys, though we also keep a close eye on how Schiphol is perceived in comparison with other leading airports. Our goal is to make Schiphol one of Europe's top three hub airports by 2025, as measured by the Airport Service Quality (ASQ), a key industry quality benchmark. As most hubs did not participate in the ASQ assessment during 2021 (or at least not for the full year), a reliable comparison cannot be made between 2021 and other years (we expect to be able to present a benchmark score again in 2022).

In September 2021, Schiphol was recognised by the Travel Retail Awards as the airport with the 'best sense of place'. The award highlights our continued efforts to offer our visitors a unique shopping and catering experience. Earlier in the year, Schiphol won the 'Cargo Airport of the year' award as part of the Air Cargo Week World Air Cargo Awards. Readers of Air Cargo Week recognised Schiphol's commitment to developing the cargo sector, as well as our outstanding facilities and the efficiency of our cargo operation.

Passenger experience

To measure the satisfaction levels of Schiphol's passengers, we divide the Schiphol experience into three journeys: OD (Origin and Destination) departure, transfer and arrivals. Across these journeys, we measure different 'quality drivers', in which we also measure a Net Promoter Score (NPS).

Schiphol's 2021 NPS was +44, up from +39 in 2020. This was significantly above our minimum target of +40 for the year, and we were pleased to see positive increases for most drivers. As in 2020, a key influencing factor was the importance of safe and responsible travel given the ongoing COVID-19 pandemic. Our efforts to support health and hygiene were, on the whole, well received by our passengers, as were the measures taken to

maintain social distancing and provide COVID-related information around the airport terminal. Additional contributors to our improved quality perception included positive passenger feedback for wayfinding, waiting times, hygiene, waiting comfort and the number of chairs available at gates. Other contributing factors included reduced crowding (especially in the first half of the year), as well as a larger share of transfer passengers (who typically give higher quality ratings than OD passengers).

The NPS process also revealed room for improvement in several areas. In the second half of the year, the perception of waiting times at the check-in desks declined due to the introduction of additional document checks due to the specific COVID-19 documentation requirements of individual countries. For the arrival journey, waiting times at baggage reclaim were highlighted as an issue. The lack of atmosphere in the departure lounge also emerged as an issue, as many shops and food and beverage (F&B) outlets remained closed throughout the early months of the year. However, passenger perceptions improved once outlets reopened, and overall satisfaction levels of retail and F&B subsequently improved compared with 2020.

Airline customer satisfaction

Schiphol takes steps to closely monitor the satisfaction levels of its airline customers. Regular discussions, together with quarterly meetings, surveys and journey mapping, all provide insight into how we can improve the customer experience. A key challenge in 2021 involved helping airlines meet the sudden increased demand for air travel once travel restrictions were lifted in the second half of the year. By sharing expectations, relevant data and by keeping each other informed through regular meetings with stakeholders and providing updates, we remained in close contact with our airline customers and ensured good levels of airport efficiency during the busy summer period.

Accountability and improved decision-making are also current focus areas as we look to improve the customer experience. Schiphol's reorganisation programme, Project Reset, has led to the redistribution of roles and responsibilities, and there is greater emphasis on the airline customer. As part of our reorganisation, Schiphol's Airline and Cargo Partnerships department, part of the Airport Operations & Aviation Partnerships business unit, focuses on enhancing the passenger airline and cargo airline journey to improve customer satisfaction.

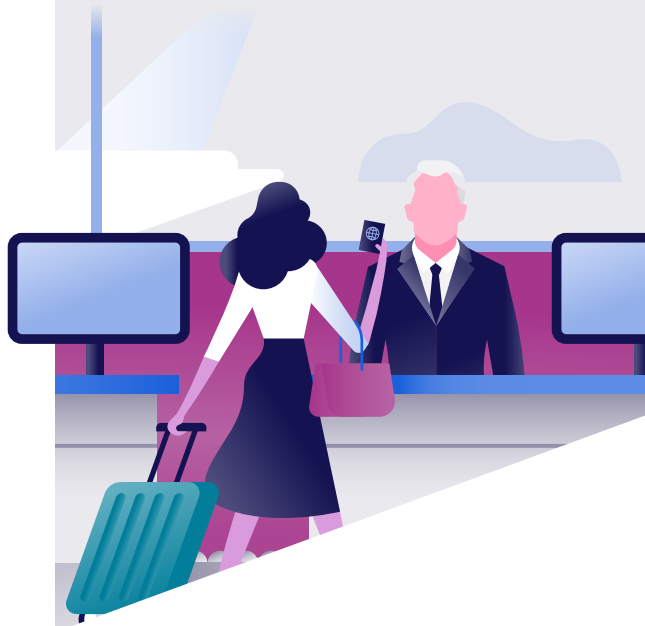
In 2022, we will continue to prioritise airport efficiency, which is a key driver for our airline customers and other stakeholders. With further recoveries in air traffic volumes expected, we expect on-time performance (OTP) to remain under pressure, highlighting the need for mutual focus from both Schiphol and the airlines, as well as further improvement initiatives. We also aim to strengthen our reporting on disruptions and manage feedback from our customers to improve problem-solving during the year ahead.

Tenant satisfaction

Schiphol Commercial Real Estate (SCRE) conducts an annual survey to see how satisfied our real estate customers are with their rental partnership and the service we deliver. Given the different set-up of the 2021 survey, the results of the survey cannot be directly compared with those of other years. Over 2020 and 2021, the SCRE team provided additional support to tenants to help them navigate the COVID-19 pandemic. This contributed to an overall satisfaction score of 85% 'good, very good or excellent' in our 2021 Tenant Satisfaction Survey. In the 2021 survey, we also asked our tenants about the impact of COVID-19 on their organisation and place of work. The responses indicate that many companies plan to introduce hybrid working models to facilitate employees returning to the office, and we aim to support our customers as they transition to this new way of working.

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 hard to develop a strong safety culture that unites Schiphol employees and partners in a common objective.



Safe, secure and responsible travel

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 ongoing COVID-19 pandemic has reinforced our focus on safety and on providing a healthy and hygienic airport environment. Despite the crisis, in 2021 we continued to make progress with improving safety around the Schiphol site, including by completing the first phase of the 'Quebec' taxiway 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 on 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).

Top performance indicator Safety



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.



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 2021, there were nine serious incidents at Schiphol, resulting in an NSS of 95.1 (the target value for 2021 was 93). 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 occurrences and the functioning of key controls. Schiphol's Safety Performance is reported each quarter.

Ensuring safe travel during COVID-19

In 2021, Schiphol adapted its security processes on several occasions to keep in step with developments relating to the COVID-19 pandemic. These changes were made to ensure the health and safety of both passengers and staff, based on the most recent government guidelines. Hygiene measures were in place throughout the year and social distancing was enforced until restrictions were eased in September, though airport visitors were still advised to maintain a safe distance from each other and passengers and staff were required to wear face masks in most areas of the airport.

Throughout the year, we remained in close contact with all our stakeholders, including local and national authorities, to keep operations running safely and gradually scale them up again. Schiphol supported the Digital COVID-19 Certificate, which allows passengers to move freely and safely as long as they have a certificate of vaccination or recovery or can produce a negative test. We also supported local health authorities with screening passengers arriving from high-risk countries.

Self-docking incidents

In the summer of 2021, there was an upsurge in aircraft movements and passenger numbers after a long period of reduced activity. Schiphol monitored the safety performance on a weekly basis to quickly identify any safety issues related to this



COVID-19 self-test kits were handed out to passengers throughout July, August and September.

upsurge. The only type of occurrence that increased significantly during this period was 'self-docking', which involves pilots docking without guidance from the visual docking guidance system in locations where this practice is not permitted. During July and August, Schiphol witnessed about 40 self-dockings per month. In comparison, in 2019, the maximum number of self-dockings in any month was 16. These numbers did subside after August, however. Schiphol will continue to monitor self-dockings. We are also consulting with airlines to point out the risks associated with self-dockings and to ask them to make their flight crews aware that pilots are prohibited from self-parking aircraft at Schiphol.

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. In 2021, we held a Safety Day focused on 'good housekeeping', namely keeping your workplace clean and tidy, and an important precondition for a safe working environment.

Objectives, tasks, responsibilities, authorities and working agreements for managing health, safety and environmental (HSE) risks at Schiphol are outlined in our company safety management systems. 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 2021, 9,185 (near) incidents and potentially dangerous situations were recorded in the Schiphol Incident Learning System (SILS). We made it even easier to report incidents by installing a digital reporting function in the Schiphol Airport Community app. The data in our safety database allows us to analyse incidents and trends and to investigate more serious incidents. Schiphol investigated seven incidents during the year with a view to learning and improving the safety of our processes.



Safety Cleanup Day

A clean and tidy airport is a safe airport. Dirt and mess can pose risks: leftover food attracts birds and mice, while litter left lying around can end up in an aircraft engine. On 12 November 2021, Schiphol ran the first ever 'Safety Cleanup Day', during which employees were encouraged to roll up their sleeves to help make the airport site that little bit cleaner and safer for everybody.

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 Board, 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 99% on ground-handling inspections, 99% on APU inspections and 100% on temporary obstacles inspections.



Improving visibility for firefighters

In 2021, Schiphol took steps to help our on-site fire brigade carry out its work safely, by providing visual support when navigating the airport site during bad weather. Our new driver-enhanced visibility system, complete with a tablet with advanced software, enables firefighters to drive safely to incidents and also provides real-time information on incidents as they occur.

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. ILT has performed a baseline measurement to provide insight into the maturity of the Integral Safety Management System. The overall management system is currently rated as 'Operational Level 2', which is considered more than adequate for this initial assessment.

Safety at work

Schiphol works hard to safeguard the well-being of airport workers and all those who visit our facilities. Schiphol periodically carries 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. However, while measuring lost time is essential, we believe any accident is one too many.

In 2021, Schiphol (excluding the fire department) recorded an LTIF of 0.9 (2020: 0.3), while the LTIF score for the fire department was 4.5 (2020: 29.2). 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 9, giving an average of 6.8 (2020: 7). The LTIF for construction work was 3.5 and for maintenance work 3.2. In 2021, 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

168 incidents involving injuries to passengers and visitors at Schiphol, which were attended by our in-house emergency response service where necessary, were reported in 2021 (2020: 96). Regrettably, there was one fatal incident in 2021 involving a passenger who fell from the stairs.

Quebec taxiway

In 2021, Schiphol completed the first phase of the Quebec taxiway construction project. The expanded taxiway will equip Schiphol with a fully circle-shaped, double taxiway system, making it easier for air traffic controllers to handle aviation traffic. Ultimately, this will make the airport safer.

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 refuelling services. 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 (read more at www.integralsafetyschiphol.com).

The implementation of the Safety roadmap continued throughout 2021. The planning for the second phase of the project to double the Quebec taxiway was reviewed from a safety perspective, supported by a risk assessment by ISMS. It was decided to proceed with the current plan. As the integration of tow control into LVNL's processes was delayed due to COVID-19, the decision was taken to investigate additional mitigations for the risk of uncontrolled manoeuvres on airside.

During the year, the ILT established an oversight programme for ISMS. A second audit was performed and interviews were held with the members of the ISMS Safety Review Board. The results are published in the 'Staat van Schiphol'. Equipment pooling has continued, and the ground-handlers and Schiphol are preparing a pilot that will be launched in the first half of 2022. The ISMS partners supported the safe increase of traffic in the summer of 2021 by sharing safety information on a bi-weekly basis.

The ISMS partners implemented the following safety improvements in 2021:

- measures to reduce the risk of a runway incursion due to incorrect line-up;
- several measures to reduce ground-handling risks;
- measures to reduce the risk of a taxiway take-off;
- measures to reduce the risk of a collision during pushback;
- traffic distribution page at tower to improve runway planning process;
- Area Navigation (RNAV) approaches installed at Amsterdam Airport Schiphol and Rotterdam The Hague Airport.

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 2021:

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 2021, two runway incursions (2020: 0) with a potential safety consequence occurred at Schiphol, out of a total of 24 (2020: 25). 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 2021, we experienced 8.1 bird strikes per 10,000 air transport movements (2020: 6.9), 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.

Ground-Handling Taskforce

Consisting of representatives from various ground-handling companies, the Ground-Handling Taskforce aims to minimise risks involving the use of aircraft stands and service roads. In 2021, the taskforce implemented a significant number of actions on the roadmap to reduce ground risks. These include better airside lighting, speed limiters on vehicles and the exchange of best practices. In 2021, a total of 15 incidents of aircraft being damaged occurred during ground-handling (2020: 17). The ISMS

also initiated a temporary taskforce to reduce the risk of uncontrolled manoeuvres on airside in 2021.

Other ISMS developments

In 2021, the ISMS improved its safety dashboard. The dashboard shows the safety performance regarding the top-five flight risks and the top-five ground risks in terms of the number of occurrences, their severity and their causes. ISMS continued to evaluate the effectiveness of the implemented measures where possible, given the low air traffic volumes due to COVID-19. A risk analysis of towed aircraft was conducted as well. This process has led to the exploration of new safety measures and helped to strengthen existing safety levels.

Finally, the Ministry of I&W conducted a second evaluation of the follow-up of the recommendations of the Onderzoekraad Voor Veiligheid ('Dutch Safety Board'; OVV), the results of which are expected February 2022.

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. In 2021, the COVID-19 pandemic continued to present challenges to our security operations as unpredictability in passenger numbers caused waiting times at security to fluctuate. Despite necessary cost reductions in other areas, Schiphol continued to invest in several projects to further improve security as well as passenger satisfaction.

Security-related construction continues

Security-related infrastructure projects are in progress at Schiphol to improve the speed and efficiency of our passenger processing operations. In July 2021, the final area of the new mezzanine in Departures 1 was opened to the public, and all 21 lines of the new

security filter are now fully operational. The new filter can be reached via two entry points, as well as being connected with departure filter 2. It is equipped with 3D Computer Tomography (CT) technology, so that passengers can leave laptops and liquids in their bags during screening. With the completion of the new mezzanine in Departures 1 Schiphol has introduced the CT technology at all security filters. This means that all passengers can leave their laptop and liquids in their bags at security points. Schiphol is the first international hub who offers this service to departure and transfer passengers.

In Departures 2, a new, 14th, security lane was completed in November 2021, bringing the total number of lanes across Departures 1 and 2 to 35, and providing additional flexibility during the summer months. The capacity of the border area was also expanded in 2021, and Departures 2 and 3 were extended with the addition of four desks at each filter. In addition, we further optimised the automated passport control area, together with our government partners. Approximately 1.93 million passengers used this option in 2021, compared with approximately 2.8 million in 2020. Schiphol's baggage-screening equipment was also further upgraded during the year, and we plan to replace the final five machines in 2022.

Innovations in security

Schiphol is pursuing technological innovation to improve our security processes along the axes 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 help lower the number of false alarms (which trigger additional time-consuming inspections) and support the work of airport security staff. In 2021, we also continued our research and development activities focused on automating repetitive security-related tasks and introduced an automated solution to direct passengers to their security preparation positions in departure filter 1.

Creating a seamless passenger process

Since 2017, Schiphol has been working with the Dutch government and our aviation partners to improve passenger flows through the airport. Seamless Flow uses facial recognition software, known as biometrics, on a voluntary basis to identify passengers based on a scanned image of their face. This process allows passengers to move quickly through the various 'touch points' in the airport terminal without the need to show their passport and boarding pass each time. Given the introduction of the European Entry-Exit System (EES) legislation in 2022, Schiphol has decided to pause the further roll-out of Seamless Flow and focus on the implementation of the EES.

Meanwhile, the Dutch government is negotiating a treaty to enable pre-clearance operations at Schiphol that will streamline the passenger journey to and from US destinations. The development of an operational concept for pre-clearance at Schiphol is a joint effort involving Schiphol, airlines, governments and other parties. While negotiations were delayed due to COVID-19, work on designing the pre-clearance facility continued in 2021.

Cybersecurity: becoming more resilient by the day

Schiphol is a critical part of the Netherlands' economic infrastructure, so it is important we take steps to continuously improve our cybersecurity. Year by year, the cyber threat landscape continues to evolve, and the Log4j vulnerability experienced at Schiphol in December 2021 is a clear example of this. In 2021, we expanded our cybersecurity management system and introduced new capabilities in light of new technological developments and threats. As part of this approach, we extended our employee-focused micro-learning programmes on cybersecurity and privacy to improve individuals' awareness of their cyber responsibilities. Furthermore, our Privileged Access Management service enabled us to strengthen our cybersecurity measures and gain better control over valuable IT assets, by protecting accounts that have the most privileges (and therefore the potential to cause the most damage). Schiphol employees also took part in ISIDOOR 2021, a nationwide cybersecurity training exercise organised by the Dutch government, as well as similar exercises aimed at improving our response to threats. These and numerous other activities helped ensure that no cybersecurity incidents with a material impact occurred at Schiphol during the year.



Combating subversion, together

In November 2021, Schiphol launched the 'Don't give criminals a chance' campaign – a collaboration with the government and other partners. The aim of the campaign was to make Schiphol employees more resilient to subversion (which is when criminals take advantage of buildings, companies or staff to conduct criminal activities). Posters and an e-learning course helped employees to better understand how criminals operate, where the red flags are and where suspicious behaviour can be reported. Employees were also encouraged to discuss subversion with each other.

The campaign was one of the activities in a national anti-subversion programme (Programma Ondermijning), a collaboration between the public and private sectors in which Schiphol participates. The aim of the programme is to join forces and create barriers to organised crime at Schiphol. Other partners include the Public Prosecution Service, the municipality of Haarlemmermeer, Dutch Customs, Royal Netherlands Marechaussee and KLM.

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 high-quality workforce and strong financial base. Another important quality is our agility, which enables us to seize new opportunities and manage challenges effectively.



The COVID-19 pandemic has put the long-standing resilience of Schiphol Group and its workforce to the test. It is a sign of our resourcefulness and adaptability that we have continued to operate safe and reliable services throughout the pandemic. These qualities will be just as important as we look to 'build back better' during the recovery period over the coming years.

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. 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.

Financial solidity is another key ingredient of a robust organisation. Schiphol Group has a prudent financial policy that seeks to maintain strong creditworthiness and absorb the impact of economic shocks and other financially disruptive events. Schiphol has a strong financial base that enables us to continue investing in our airport infrastructure and processes year after year.

Top performance indicator Robust organisation



¹ ROE inc. fair value changes and other one offs: 3.0%

It also makes us well-positioned to recover from the COVID-19 crisis, which has had a significant impact on our revenues. Our financial solidity has been further supported by Schiphol's 'Project Reset' reorganisation programme.

Project Reset

During 2020-2021, Schiphol began executing our reorganisation programme, Project Reset, to help us improve as a company and adapt to our much-changed operating environment. Project Reset has led us to reprioritise our investment portfolio and operational expenditures and to make structural improvements to mitigate the anticipated longer-term impact of COVID-19 on demand for air travel.

As of 1 March 2021, Schiphol has a simpler, more streamlined structure in place that leaves us well-positioned to manage future challenges and opportunities. We define the success of Project Reset not only in financial terms, but also in terms of employee value. Before implementing the programme, we made sure Schiphol employees understood and accepted the need for change, and that we followed a fair process with regard to undertaking redundancies and job transfers. Our 'Reflect & Learn' survey shows that 93% of Schiphol Group employees accepted the need for change, while many people valued the levels of transparency and communication shown during the reorganisation. Areas for improvement include the need for greater personal attention as well as increased employee involvement in redesigning our organisation.

While we are proud of the progress we have made during the recent months, there is no doubt that 2021 was another difficult year for Schiphol's employees, including those leaving as well as those remaining with the organisation.

Despite the lockdowns, we did our utmost to say a proper goodbye and thank departing colleagues for their contributions. Since March, our priority has been to realise the improvements we set out to achieve, which were based on input and suggestions from Schiphol's employees. Key focus areas include strengthening leadership development, exploring new ways of working, and developing our culture.

In addition, Schiphol has been working to turn approximately 75 temporary Passenger Assistant positions, which are part of Airport Operations, into permanent positions. This is to ensure that permanent employees (rather than temporary agency workers) carry out structural work wherever possible. We have also promised the trade unions that we will take a more critical look at how we use flexible workers. The new Passenger Assistants will be onboarded between 1 January and 31 March 2022.

Business continuity

Our passengers and other customers depend on our ability to provide reliable and resilient airport operations. Ensuring effective crisis and disruption management is therefore essential, and requires us to prevent and respond swiftly to incidents wherever possible. Thanks to our robust safety management processes, serious incidents have fortunately become less frequent at our airports in recent years. Nevertheless, major disruptions have seen business continuity become an important topic for our stakeholders, and Business Continuity Management is one of our top-10 risk factors.

We apply a cohesive package of measures to maintain robust and reliable airport processes. As well as operational emergencies and disasters, it is important we put provisions in place to manage severely disruptive incidents such as voltage drops or system breakdowns, which can have a far-reaching impact. After a major incident, normal operations cannot always be immediately resumed and it can take days to return to a normal schedule.

Schiphol has developed foreseeability scenarios to respond to emergencies, crises or disruptions and recover effectively: mitigation – response – and recovery, learn and review.

In 2021, we introduced a process to systematically investigate business continuity risks throughout the service delivery chain. 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. During the year, we also took steps to strengthen Schiphol's crisis management organisation. Training sessions were given from a strategic to an operational level, disruption protocols were updated and collaboration between sector partners in the area of disruption management was strengthened.

Schiphol has an internal 'calamity organisation' that incorporates trainings, scenarios and structures that are applied in the event of a major disruption or crisis. In 2021, the 'calamity organisation' was activated internally on 22 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 four occasions. No aviation accidents requiring an emergency response took place during the year.

Climate resilience

The climate is changing, and the current pace of change suggests that we may see substantial climate-related disruptions to our operations going forward. 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 causing an increasing number of extreme weather events: sea-level rise, more extreme summer showers, prolonged drought

Driving collaboration through APOC

Collaboration between aviation partners is crucial to ensure business continuity during periods of uncertainty. The Schiphol Airport Operations Centre (APOC), which opened in 2020, 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 2021, intensive collaboration enabled the upscaling of the Schiphol ecosystem in a controlled way despite the volatile operating environment due to COVID-19. Key partners, including KLM, Corendon, dnata, Menzies, Viggo, Swissport, AviaPartner, the Royal Netherlands Meteorological Institute, the Royal Netherlands Marechaussee and Dutch Customs, joined APOC and are now working with the original partners from a shared operational plan, known as the Airport Operations Plan (AOP).

and heat, subsidence, changing wind patterns and changing water levels.

Tackling global warming is a complicated and long-term challenge. Until then, we need to deal with the impact of climate change and adapt our airport environment accordingly. Cooling the terminal and other buildings puts a serious strain on the electricity grid. More thunderstorms mean more disruptions over safety concerns. Heavier rain means having to take sudden action to prevent flooding in the baggage basements or car parks. Indeed, increasingly heavy rainfall is one of Schiphol's most urgent problems.

Schiphol has increased its awareness of climate resilience. The Strategic Investment Plan for Water, drafted in 2020, determined how much needs to be invested in Schiphol's water system until 2030 so the airport can adapt better to increasingly heavy rainfall. In 2021, we launched several projects in the framework of our Strategic Investment Plan for Water. For example, we are increasing the capacity of our sewerage system on Handelskade, close to Schiphol Centre. We will also begin to discharge the water captured on our terminal roof outside the terminal through larger drains. This will make it easier for us to handle more intense rainfall in the future. In addition, green roofs are becoming increasingly common at Schiphol. These special roofs act as sponges and make sure that water is drained gradually. In the coming years, we will also be rolling out additional measures covering all facets of climate adaptation.

Responsible business

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

Schiphol Group adheres to OECD guidelines for responsible business conduct for multinational organisations where applicable. In 2021, we developed a company-wide human rights policy, supported by human rights elements that are embedded within other company policies. The policy was approved in January 2022. 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's code of conduct, we seek to ensure a robust culture of integrity whereby all Group colleagues conduct business responsibly and behave ethically at all times. Employees must refrain from unwanted behaviour, including discrimination, sexual harassment and bullying, and must adhere to competition, public procurement, privacy, fraud, and anti-corruption and bribery laws. We are improving awareness around these important topics within our organisation, including by developing a new code of conduct e-learning platform for Schiphol Group employees.

Integrity as an integral part of our organisation

Schiphol has analysed the outcome of the 2021 annual employee survey on several integrity themes – such as 'Speak Up', the exemplary role of management and unwanted behaviour – in detail. The findings reveal positive developments. For example, more colleagues completed the survey and know where to report integrity issues, while significantly fewer colleagues experienced unwanted behaviour. Additionally, in 2021 a customised action plan was set up to address the specific needs of a particular business area or team. The plan will provide leadership with targeted support to further strengthen our integrity culture.

Integrity reports

Integrity reports are submitted to the Integrity Committee, which investigates and advises on the necessary actions. 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; however, the Management Board is informed immediately in the event of a serious incident.

In 2021, 33 issues were reported to the Integrity Committee (2020: 35), none of which concerned bribery, corruption or material fraud. The reports have been investigated and followed up on, and necessary actions have been taken where appropriate. In 2021, we communicated key figures around integrity reporting internally to colleagues for the first time, while our 'Speak Up culture' has helped Schiphol employees report issues more easily.

Managing supply chain disruption and uncertainty

In 2021, the COVID-19 pandemic created disruption across the global supply chain. In close collaboration with our supply chain, we found ways to become more agile and deal with fluctuating supply and demand while maintaining quality, capacity and business continuity. Schiphol's Procurement & Contracting (P&C) department was reorganised to enhance efficiency, create more value for the business, and improve control over projects and contracts. Furthermore, operational procurement was phased out, the Procure-2-Pay process was robotised, procurement clusters and categories were merged, contract management was centralised and the Cost Expertise Centre transferred to Schiphol Projects. In addition, a new Chief Procurement Officer was appointed.

During the year, we also implemented a uniform way of working for contract management with a standardised policy. The new process includes reporting by certified contract managers and enables us to deliver more effective and efficient contract management that contributes to achieving Schiphol's Top Performance Indicators (TPIs). Furthermore, the P&C department consolidated the supply base using the framework agreements for Strategic Technology Partners and Security Agents concluded in 2020. These frameworks have created more value while also enabling a shorter time to market, increased flexibility and better solutions.

Employment practices

At Schiphol Group, we take pride in our talented and diverse workforce, and we want all our employees to feel welcome, at ease, valued and inspired. To ensure this, we aim to provide a stimulating working environment in which Schiphol's innovative spirit shines through and where collaboration, personal and professional development, taking ownership and having fun are part of everyday working life.

Supporting employee well-being during COVID-19

In 2021, helping our employees stay healthy and well remained a key priority during the ongoing COVID-19 pandemic. Building on the measures introduced the previous year, we distributed free COVID-19 self-test kits to employees and introduced speed-testing equipment in partnership with GGD Kennemerland. We also offered workshops and webinars to help staff cope with stress and remain healthy while they adapted to hybrid working.

2021 Employee Promoter Score

Our Employee Promoter Score (EPS), which measures how likely employees are to recommend Schiphol as an employer, gives Schiphol employees a prominent place in achieving our goals as an organisation. In 2021, the EPS was measured for 73.1% of our employees via the My Schiphol Survey. The timing of the survey (during COVID-19 and shortly after the implementation of the 'Project Reset' reorganisation programme) probably had an impact on the EPS, which fell by 12.3 points from 2020 to 31 and was below our 2021 target of 45. However, Schiphol scores high across the themes of 'employership', 'psychological safety' and 'leadership', as measured by the Effector Index, a benchmark offered by Effector that sheds light on how employees feel about their work environment, managers and colleagues. We have identified 'collaboration', 'efficiency' and 'learning from each other' as specific areas for improvement going forward, and we are taking steps to address each of these points.

Building a stimulating and inspiring work environment

At Schiphol, we see the shift towards hybrid working as an opportunity to improve work-life balance, reduce daily commuting and strengthen Schiphol's work environment and culture. Our hybrid-working model follows a principle-based approach for which the guiding principles are activity-based working and giving ownership to our teams. We also incorporate feedback from our employees into our plans. In 2021, we introduced a series of measures to support our hybrid-working approach: we launched a toolkit to help teams design new rituals to support hybrid working and adapted our offices to accommodate different kinds of activities, such as meetings and more concentrated work. During the year, our IT teams worked to further enhance Schiphol's digital work environment; for example, by introducing a new intranet and strengthening cybersecurity.

Already a foundational element of our culture, leadership has become a key focus at Schiphol Group during the pandemic. In 2021, we undertook a number of leadership development activities, including delivering training sessions for new managers and relaunching our Talent Development Programme. We also took steps to improve how we deliver feedback to leaders, making it easier to measure progress and strengthen our leadership development.

A number of other employee-focused initiatives were introduced during the year. These included our new mobility concept, Schiphol Go, which helps people to make informed decisions about their work commute by providing detailed insights about the costs of different transport modes. Schiphol Go encourages the use of sustainable transport options and also includes a working-from-home allowance. 2021 also saw the launch of the Schiphol Learning Hub, a one-stop shop for all our learning and development activities.

All Schiphol Group employees receive a personal budget that can be used to support their personal and professional development and maintain their health and vitality. In 2021, Schiphol set aside



Introducing our new workwear

Since April 2021, they have been seen at more and more locations around the airport: Schiphol employees in our new workwear. The eye-catching colours, which include magenta pink and sky blue, help make staff members instantly recognisable to travellers. The new workwear was manufactured as sustainably as possible and is made from fabric developed using lyocell (containing tree bark fibres) and recycled polyester.

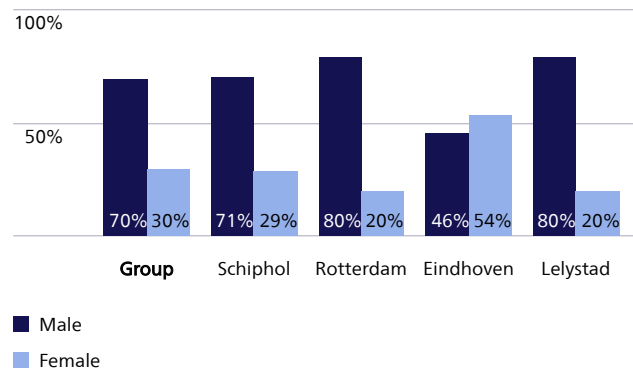
2.7 million euros for our employees, and as of 31 December the total funds available to our workforce was 12.1 million euros. During the year, our employees invested 29.4% of the total in training, education and (career) coaching, 50.9% in vitality, 17.6% in paid leave and 2% in pensions advice or savings.

Strengthening Diversity & Inclusion

Diversity & Inclusion (D&I) is an important element of our culture, going hand in hand with the broad role Schiphol plays in society as well as our 'Why' and our ambition to create the world's most sustainable, high-quality airports. We want to be an organisation that is truly representative of society and provides a work environment where everyone feels at home. We also believe building diverse and inclusive teams will make us stronger as a company.

Gender split in 2021

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

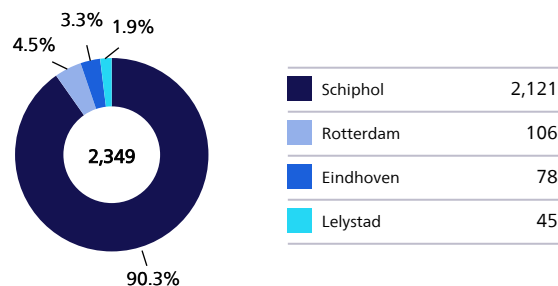


In 2021, we redefined our D&I ambition, formulated our strategy and strengthened our D&I governance. These actions were overseen by Schiphol’s dedicated D&I Board. A highlight of the year was our Diversity Day on 5 October. During the day, we officially announced our D&I ambition and sought insights from across the organisation on this important topic. We also presented the different communities that form our D&I approach, which include VisAble, Bi-Cultural, 50-UP!, Youth, Women on Air and LGBTQI+. Our Bi-Cultural and the Youth community groups have delivered an ‘ambition document’ that outlines their objectives for the coming years, with the other communities set to follow suit next year.

As measured by the Efectory Index benchmark, Schiphol already scores above average for the survey question 'At work, I am accepted for who I am'. In 2022, we plan to measure the D&I status of our organisation more closely, together with introducing a fully D&I-conscious recruitment strategy and a more inclusive collective labour agreement.

Total workforce in 2021

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



Employees in 2021

Numbers by location	Joined	Internal mobility	Left
Group	116	178	503
Schiphol	106	174	486
Rotterdam	8	4	8
Eindhoven	2	0	3
Lelystad	0	0	6

Sustainable employability

Following a period when many employees at Schiphol lost their jobs, demand for personnel has been steadily increasing since the spring of 2021. Combined with growing talent shortages in the Netherlands and elsewhere, attention has shifted to recruiting new employees. This change of approach also provides scope for us to provide job opportunities for people who face difficulty accessing employment. Since January 2020, Schiphol has been working as part of the Luchtvaart Community Schiphol ('Schiphol Aviation Community'; LCS) to provide work for people via the Aviation Inclusive programme. In 2021, 158 positions¹ were found for individuals at the Schiphol site.

Finding new opportunities through the Job Transfer Hub

Schiphol Group has been helping colleagues affected by the Project Reset reorganisation programme, which has resulted in many employees leaving our organisation or transitioning to new roles within the Group. In 2021, a redundancy package was agreed with the unions, which included a fair compensation package and a voluntary leave programme.

Affected employees also receive access to Schiphol's dedicated Job Transfer Hub, to help them find new positions with other employers. The hub offers personalised employment advice and guidance on re-entering the workforce. By early December, 130 former Schiphol Group employees had found opportunities with new employers via the hub, while 44 had found positions in other departments within Schiphol Group. People who have not yet found a new role have been supported beyond the end of their contract with Schiphol.

¹⁾ 260 positions have been filled so far since 2020.

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 important to maintain 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 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, safety and sustainability. Schiphol raises financing independently through capital markets and banks. To further strengthen its liquidity position, in 2021 the Group issued 1 billion euros in bonds and repaid 439 million euros in maturing bonds. Schiphol Group has access to a sizeable liquidity position due to financing realised in both 2020 and 2021, as well as the committed credit facilities in place.

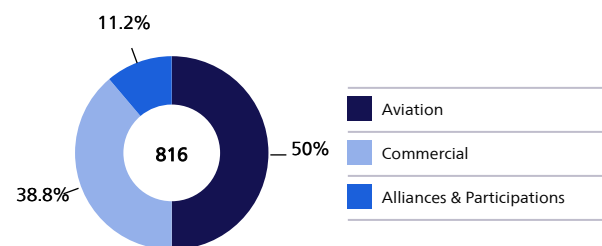
Due to the financial impact of COVID-19 on the aviation sector, the long-term credit rating issued for Schiphol Group by S&P Global Ratings was downgraded from A+ to A with a negative outlook in 2020 and remained unchanged in 2021. The long-term credit rating issued by Moody’s also remained unchanged at A1 during the year, after the outlook had been changed from ‘stable’ to ‘negative’ in 2020.

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. In 2021, Schiphol Group reported a net loss and, therefore did not satisfy the minimum return requirement.

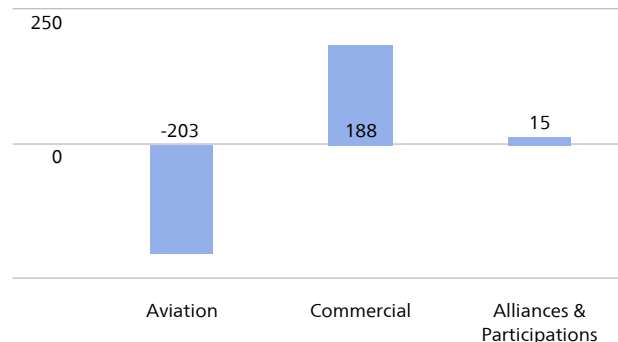
Revenue 2021

(EUR 816 million)



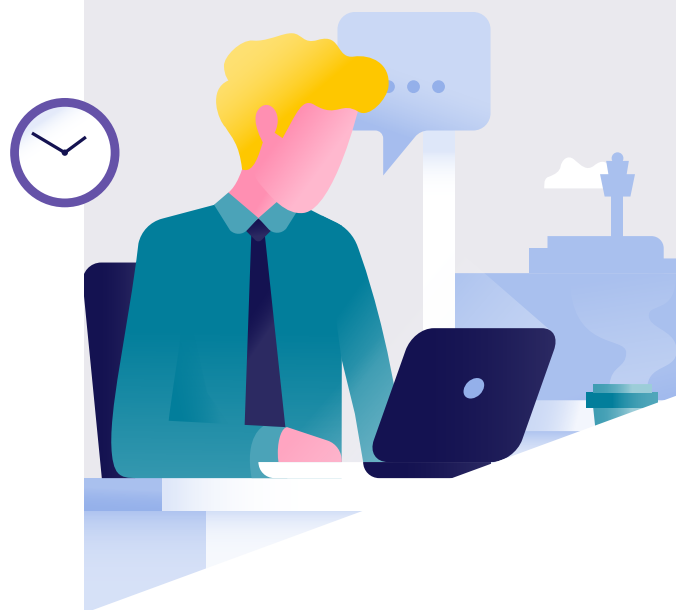
Underlying EBITDA 2021

(EUR million)



Financial performance

Schiphol Group has adapted to COVID-19 by reducing overall operational expenses by scaling back operations and implementing cost-saving measures, including services and contracts, while continuing its strategy of 'building back better'.



In 2021, Royal Schiphol Group's underlying net result amounted to a loss of 287 million euros compared with a loss of 521 million euros in 2020. This was due to a slight recovery from the impact of COVID-19 on our business and the aviation industry. A significant fair value gain of 252 million euros on our investment (shares) in Groupe ADP as a result of the expiration of the HubLink agreement was recognised in 2021. Market developments in the real estate sector also improved, which led to an increase in the fair value of Schiphol's real estate portfolio and, as such, a gain on other results from investment property of 69 million euros (compared with a loss of 64 million euros in 2020). Furthermore, Schiphol Group has recognised the NOW government grants (Noodmaatregel Overbrugging Werkgelegenheid; temporary governmental compensation for labour costs) to the amount of 84 million euros.

These adjustments, including the results of the investment property (mainly non-cash fair value gains), fair value gain on financial assets (ADP) and several other one-off results (including the NOW government grants), resulted in a positive net result attributable to shareholders of 105 million euros in 2021 (2020: loss of 419 million euros).

Revenue

In 2021, revenue increased by 128 million euros (19%), rising from 688 million euros in 2020 to 816 million euros. Higher revenue was driven by an increase in passenger numbers and ATMs. The total number of passengers using Schiphol Group's airports increased by 23% to 28.9 million (2020: 23.5 million).

Revenue from airport charges is generated by Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport. In 2021, revenue from airport charges at Amsterdam Airport Schiphol increased by 28% to 376 million euros (2020: 293 million

euros). This is attributable to an increase in the number of passengers and ATMs as well as a slight increase in the airport charges. Passenger numbers increased by 22.1% to 25.5 million (2020: 20.9 million).

The number of ATMs at Amsterdam Airport Schiphol increased from 227,304 in 2020 to 266,967 in 2021. Cargo volumes also increased by 16% compared with 2020 to 1.67 million tonnes (2020: 1.44 million tonnes).

Passenger numbers at Eindhoven Airport increased by 27% to 2.7 million in 2021, and the number of ATMs also increased by 15% compared with 2020 to 21,704. Revenue from airport charges increased by 43% to 21.8 million euros (2020: 12.4 million euros), also due to an increase in airport charges.

The number of passengers served by Rotterdam The Hague Airport rose by 56% to 0.8 million in 2021, while the number of ATMs increased by 1,041 to 6,355. These positive developments led revenue from airport charges at Rotterdam The Hague Airport to increase by 34% to 10.9 million euros (2020: 8.2 million euros).

The total revenue generated by Schiphol Group through concessions increased by 25% to 85 million euros in 2021 (2020: 68 million euros) following an increase in passenger numbers at Amsterdam Airport Schiphol as well as our regional airports. The average spend per passenger on retail airside at Amsterdam Airport Schiphol increased by 2.3%, from 13.70 euros in 2020 to 14.02 euros in 2021. This was due to changing customer profiles (share of leisure passengers dropped), which resulted in a higher average transaction value per conversion of departing passenger, combined with lower terminal crowdedness leading to higher sales in shops. Food and beverage spending per departing passenger also increased by 14.8%, from 5.20 euros to 5.97 euros.

Revenue

EUR million	2021	2020	%
Airport charges	409	314	30.4
Concessions	85	68	24.9
Rent and leases	171	173	-0.6
Parking fees	66	53	23.4
Advertising	9	12	-26.3
Services and activities on behalf of third parties (incl. ST)	19	15	24.1
Other	56	53	7.0
Net Revenue	816	688	18.6

Given that landside food & beverage outlets were closed for parts of the year due to the COVID-19 regulations, food & beverage sales shifted to outlets at airside, resulting in an increase in spend per departing passenger.

Total revenue from rents and leases decreased slightly in 2021, falling by 0.6% from 173 million euros to 171 million euros. This decrease was primarily caused by the demolition of three cargo buildings to free up space for the new Quebec taxiway as well as additional vacancies in the WTC office. The average occupancy rate of Schiphol's total real estate portfolio in 2021 was 94.3%, which is slightly lower than the average occupancy rate of 95.0% in 2020. This decrease in occupancy can be attributed to several contract terminations in the office portfolio.

Total parking revenue increased by 23.4% to 66 million euros in 2021. Parking revenue at Amsterdam Airport Schiphol increased by 9 million euros to 58 million euros. This is attributable to an increase in the number of passengers (22.1%) at Schiphol and price optimisation. Staff parking saw a decrease of 8.7% due to the cancellation of subscriptions by customers. The rise in passenger numbers at Eindhoven Airport and Rotterdam The Hague Airport also resulted in an increase in parking revenues of 3 million euros compared with 2020.

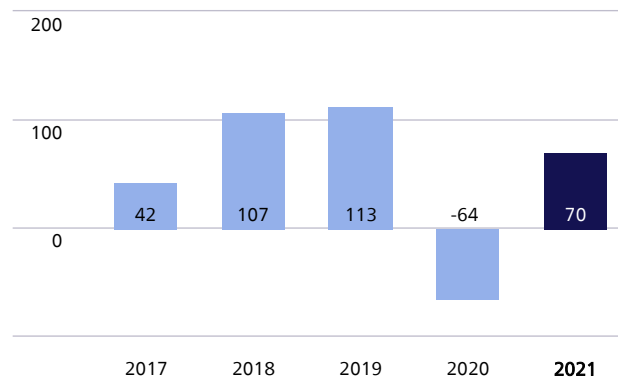
Other revenue increased by 3 million euros, primarily driven by an increase in passengers with reduced mobility and distributions received from our international contract related investments.

Other income and results from investment property

In contrast with prior years, a mix of favourable and unfavourable market conditions contributed to a fair value gain on our commercial real estate portfolio of 69 million euros in 2021 (2020: loss of 64 million euros). This is mainly explained by the strong performance of the logistics real estate market; the net initial yield (NIY) decreased, which led to a gain of 46 million euros. Also the Italian portfolio benefitted from a decreasing NIY on logistic real estate, which caused a gain of 12 million euros. However, rising yields in the office market, and in particular the secondary office market, caused by the COVID-19 pandemic and the changing environment, led to a fair value loss of 50 million euros. Fair value gains of 40 million euros were recognised on investment property under construction due to the change in construction plans and the signing of a new lease contract. Fair value gains of 24 million euros were recognised on land positions due to favourable market developments for this segment.

Fair value gains and losses on the real estate portfolio

(EUR million)



Operating expenses and depreciation, amortisation & impairment

The underlying operating expenses decreased by 78 million euros in 2021, falling from 894 million euros to 816 million euros. The decrease in operating expenses was partly due to various cost-saving actions that were implemented throughout the company.

Outsourcing and other external costs decreased to 454 million euros in 2021 (2020: 489 million euros), primarily as a result of decreased operational costs due to the downsizing of operations (Project Reset). The cost of maintenance activities decreased by 7 million euros in 2021 to 126 million euros (2020: 133 million euros), mostly due to cost saving measures.

Employee benefits decreased by 37 million euros compared with 2020. This was mainly the result of a reduction in the number of employees (and costs) due to Project Reset (reorganisation).

Security costs in 2021 were 6 million euros lower than the previous year (149 million euros compared with 155 million euros for 2020).

Depreciation, amortisation and impairment is in line with 2020 and amounts to 299 million euros in 2021. Depreciation increased slightly, rising by 3 million euros due to new assets taken into operation as well as the impact of accelerated depreciation and assets being fully depreciated. Amortisation is in line with 2020 and includes the impact of expensing software related assets as a result of a change in accounting policy (amortisation costs were reversed in 2020). Excluding the impairment costs of 18 million euros (mostly relating to land positions), impairment costs slightly decreased (from 5 million euros to 4 million euros) for 2021.

Operating expenses

EUR million	2021	2020 ¹	%
Outsourcing and other external costs	454	489	-7.2
Employee benefits	213	250	-14.9
Security	149	155	-3.7
Underlying operating expenses (excl. Depreciation, amortisation and impairment)	816	894	-8.8
Depreciation, amortisation and impairment	299	300	-0.4
Underlying operating expenses	1,115	1,194	-6.7
<i>Adjustments for:</i>			
NOW government grants and Reorganisation provision	84	49	
Impairment	-	-18	
Total adjustments	84	31	
Operating expenses (excl. Depreciation, amortisation and impairment)	732	845	-13.4
Operating expenses	1,031	1,163	-11.4

¹ Restated due to the impact of the expiration of the long-term industrial cooperation ('HubLink') and cross-participation agreement with Groupe ADP, the recognition of a financial liability for the share buyback obligation of our own shares as well as an accounting policy change related to intangible assets.

Operating result

The underlying operating result improved in 2021, generating a negative result of 299 million euros compared with a loss of 506 million euros in 2020. This was mostly as a result of the combination of an increase in passenger numbers and ATM's as well as a decrease in operating expenses due to various cost saving measures.

Effective 1 March 2021, Schiphol Group was restructured into three business areas: Aviation, Schiphol Commercial (previously: Consumer Products & Retail and Real Estate) and Alliances & Participations. This change had an impact on the (segmentation) reporting of Schiphol, including the table presented above. No significant changes occurred in Aviation and Alliances & Participations. Schiphol Commercial consists of the following main business activities: Concessions, Commercial Real Estate, Terminal Real Estate and Parking.

The underlying operating result from Aviation increased by 151 million euros, resulting in an operating loss of 405 million euros in 2021 compared with a loss of 556 million euros in 2020. This is attributable to an increase in the number of passengers and ATMs as well as a slight increase in the airport charges.

The underlying operating result of Schiphol Commercial increased in 2021, from 100 million euros to 127 million euros. This is as a result of an increase in revenue of Concessions and Parking, both due to an increase in passengers numbers compared to 2020.

The underlying operating result for Alliances & Participations increased by 29 million euros mainly due to the increased revenue from domestic airports and lower expenses by Schiphol Telematics and Utilities.

Operating result

EUR million	2021	2020 ¹	%
Aviation	-405	-556	-27.2
Schiphol Commercial ²	127	100	27.5
Alliances & Participations	-21	-50	-56.6
Underlying operating result	-299	-506	-40.9
<i>Adjustments for:</i>			
NOW government grants and Reorganisation provision	84	49	
Other results from investment property	69	-64	
Impairment	-	-18	
Total adjustments	153	-33	
Operating result	-146	-540	-73.0

¹ Restated due to the impact of the expiration of the long-term industrial cooperation ('HubLink') and cross-participation agreement with Groupe ADP, the recognition of a financial liability for the share buyback obligation of our own shares as well as an accounting policy change related to intangible assets.

² The 2020 information has been restated in the table to reflect the change in reporting segments.

Financial income and expenses

The underlying net financial income and expenses is 92 million euros negative and in line with 2020. However, excluding the impact of the conversion of the redeemable preference shares held in Hobart International Airport (TGHC) in 2020, the net financial expense increased by 7 million euros due to an increase in borrowings. Net financial income and expenses increased by 127 million euros to 185 million euros in 2021. This was mostly as a result of the 252 million euro fair value gain recognised on our investment in ADP due to the expiration of the HubLink agreement as well as the impact of the remeasurement of the financial liability relating to the share buy-back obligation of 25 million euros in 2021 (2020: 150 million euros).

Share in results of associates and joint ventures

Share in results of associates

EUR million	2021	2020	%
Groupe ADP	-16	-78	-78.9
Brisbane Airport Corporation Holdings	9	-12	>100
Hobart International Airport (TGHC)	-4	2	>-100
Other results of associates	10	3	>100

Underlying result of associates and joint ventures

	-2	-84	-97.5
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Adjustments for:

Adjustment from results from associate (ADP)	-	-23	
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Total adjustments	-	-23	
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Result of associates and joint ventures

	-2	-107	-98.1
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The underlying share in the results of associates and joint ventures increased by 82 million euros, leading to a loss of 2 million euros in 2021 (2020: 84 million euros negative). The fluctuations in the share of the results of associates and joint ventures was mainly driven by an increase of the results on our international activities. The international airports were also heavily impacted by the travel restrictions and border closures due to COVID-19, though some improvements in passenger numbers were seen during 2021. The results from Groupe ADP for the 2021 financial year include the January to June period, compared with the full year in 2020. This is due to the expiration of the HubLink agreement between Schiphol and Groupe ADP. Taking into account the adjustment relating to the impairment from the results from ADP of 23 million euros in 2020, the share in results of associates and joint ventures increased with 105 million euros.

Corporate income tax

The underlying corporate income tax amounted to 104 million euros in 2021 compared with 156 million euros in 2020. This excludes the tax impact of the taxable adjustments with a total impact of 38 million euros for 2021 (8 million euros for 2020).

Underlying net result

As a result of the developments outlined above, the underlying net result for 2021 increased by 234 million euros to 287 million euros loss (2020: 521 million euros 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) and several other one-off results (including NOW government grants), the net result for 2021 amounted to a positive result of 105 million euros. The return on equity (ROE) amounted to 3.0% positive in 2021 (2020: 11.7% negative adjusted for the impact of the correction of accounting error and change in accounting policy).

NOW government grant contributions and reorganisation provision

Schiphol has applied for the NOW government grant contributions to the amount of 84 million euros for 2021 (2020: 112 million euros), of which Schiphol Group has already received a portion thereof in advanced payments. It also includes the reorganisation provision of 63 million euros due to Project Reset in 2020. Including the support received and reorganisation provision of 2020, operating expenses (excl. depreciation, amortisation and impairment) decreased by 113 million euros.

Other income and changes in the value of investment property

In contrast with prior year, a mix of favourable and unfavourable market conditions contributed to a fair value gain on our commercial real estate portfolio of 69 million euros in 2021 (2020: loss of 64 million euros). This is mainly explained by the strong performance of the logistics real estate market; the net initial yield (NIY) decreased, which led to a gain of 46 million euros. Also the Italian portfolio benefitted from a decreasing NIY on logistic real estate, which caused a gain of 12 million euros. However, rising yields in the office market, and in particular the secondary office market, caused by the COVID-19 pandemic and the changing environment, led to a fair value loss of 50 million euros. Fair value gains of 40 million euros were recognised on investment property under construction due to the change in construction plans and the signing of a new lease contract. Fair value gains of 24 million euros were recognised on land positions due to favourable market developments for this segment.

Other results from financial assets and financial liabilities

A significant fair value gain of 252 million euros on our investment (shares) in Groupe ADP as a result of the expiration of the HubLink agreement was recognised in 2021. As a result of the recognition of the share buy-back obligation, financial income to the amount of 25 million euros in 2021 was recognised due to the remeasurement of the financial liability. In 2020 the remeasurement amounted to 151 million euros financial income.

Tax impact

Corporate income tax amounted to 66 million euros income in 2021 compared with 164 million euros in 2020. The negative results (excluding the impact of the fair value gain of 252 million euros as this is non-taxable) provide us with a tax benefit, as the losses can be compensated by future benefits. In 2021, the tax burden was higher than the domestic income tax rate of 25%. The higher 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 2021 financial year was therefore 175.4%. At the end of 2021 the

House of Representatives and the Senate approved the Belastingplan 2022 including an increase of the nominal income tax rate from 25.0% to 25.8% in 2022 onwards. The rate at which an important part of the deferred tax assets and liabilities will be settled is calculated at the new current rate of 25.8%. The changes in the nominal income tax rate applicable as from 2022 caused revaluations of deferred tax assets and liabilities. The higher rate at which differences will be settled also resulted in a positive deferred tax effect.

Investments

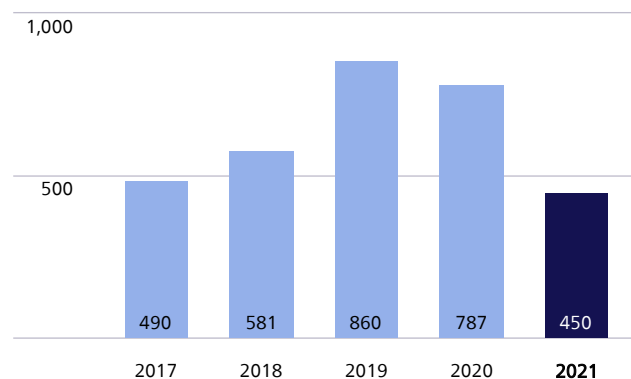
In 2021, Schiphol invested 450 million euros, a decrease of 41.9% compared with 2020 (2020: 774 million euros). This was due to how the investment portfolio was managed in response to the COVID-19 pandemic.

The most significant investments in 2021 were:

- development of the new pier;
- redevelopment of Departure Hall 1;
- execution of maintenance on runway 18R-36L (Polderbaan) (and other airside assets);
- upgrading piers; and
- completion of the dual taxiway system.

Schiphol Group investments

(EUR million)



Movement in the consolidated statement of financial position

The balance sheet total as at 31 December 2021 amounted to 9,891 million euros. This figure increased by 653 compared with 31 December 2020 9,238 million euros (2019: 7,797 million euros). Total equity increased by 168 million euros to 3,531 million euros, largely due to the accumulated 2021 financial year profit of 105 million euros. No dividends were paid during 2020 and no dividends are expected to be paid over 2021.

Non-current assets decreased by 297 million euros to 7,512 million euros as at 31 December 2021. The decrease was mainly due to the decrease in investments in associates and joint ventures of 612 million euros to the reclassification of the investment in ADP to an asset held for sale. Assets under construction or development decreased by 128 million euros, largely due to the assets that were commissioned during 2021. Within investment property, fair value gains of 69 million euros are included. The deferred tax asset includes an additional amount of 67 million euros mostly related to the assessed losses for 2021.

Current assets increased by 950 million euros compared with 2020, largely as a result of the reclassification of and the fair value gain on our investment in ADP (previously classified as an associate) to an asset held for sale. Cash and cash equivalents also increased by 166 million euros, which was mainly due to an increase in bank deposits. As at 31 December 2021, Schiphol Group held 198 million euros in cash and 1,042 million euros in bank deposits, of which Schiphol has invested 646.8 million euros in money market funds. The cash was generated from issuing bonds in April 2021 under the EMTN programme for a total amount of 1,000 million euros. During April 2021, bonds to the value of 438 million euros were repaid. 9 million euros was also paid on loans from the European Investment Bank.

Non-current liabilities includes the share buyback obligation of 346 million euros in 2021. This relates to the obligation for Schiphol to purchase its own equity instruments (shares) for cash (or another financial asset) and resulted in a financial liability to be recognised at the present value of the redemption amount. Groupe ADP currently holds the 8% of our shares.

With shareholders' equity of 3,481 million euros and interest-bearing debts of 5,407 million euros, the leverage is 60.5% (compared with 59.1% as at 31 December 2020).

Cash flow developments

Cash flow from operating activities amounted to an outflow of 76 million euros in 2021 compared with an outflow of 171 million euros in 2020. This decrease was attributable to a higher outflow of working capital during 2021. Schiphol also received a tax refund from the Belastingdienst during 2020, which resulted in an inflow. No tax receipts occurred during 2021.

Total cash flow from investing activities amounted to an outflow of 302 million euros in 2021 compared with an outflow of 1,278 million euros in 2020. This was mainly due to a reduced outflow of investments in property, plant and equipment, as well as an inflow from deposits in the current year.

Net cash flow from operating and investing activities – free cash flow – amounted to an outflow of 379 million euros in 2021 compared with an outflow of 1,449 million euros in 2020.

Cash flow from financing activities amounted to 545 million euros positive (2020: 2,048 million euros inflow), mainly as a result of 996 million euros in proceeds from issuing bonds of 1,000 million euros and repaying bonds and loans to the value of 455 million euros.

Mainly as a consequence of the aforementioned developments in the operating result and the positive cash flow from financing activities, the net cash flow in 2021 amounted to an inflow of 166 million euros (2020: 598 million euros inflow). As a result, the net amount of cash balances, taking into account exchange and translation differences, increased from 753 million euros as at 31 December 2020 to 920 million euros as at 31 December 2021.

In addition to these cash balances, Royal Schiphol Group has access to 675 million euros in committed and 330 million euros uncommitted undrawn bank facilities.

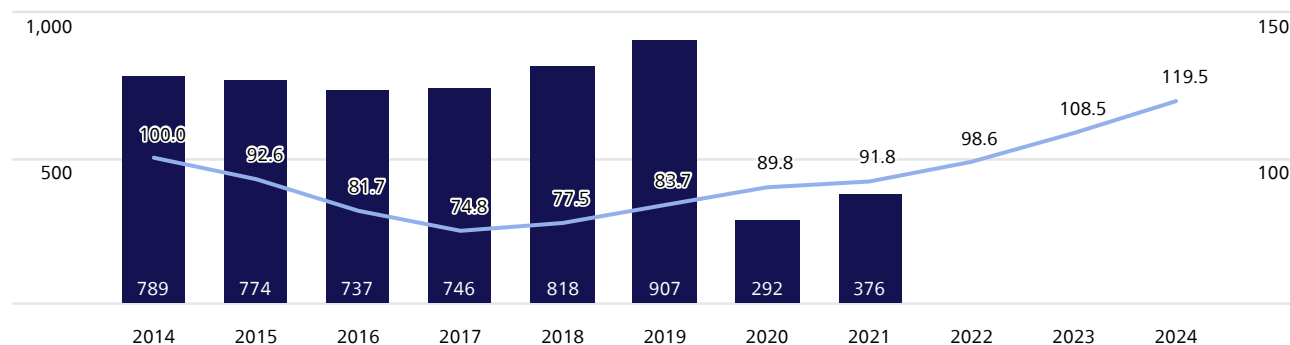
Financing

The total amount of outstanding loans and lease liabilities increased by 541 million euros in 2021 to 5,407 million euros (2020: 4,866 million euros). The increase was mainly the result of issuing two bonds in 2021 under the Euro Medium Term Note (EMTN) programme for a total amount of 1,000 million euros. Bonds to the value of 438 million euros were repaid during 2021. 9 million euros was also paid on loans from the European Investment Bank. At present, it is possible to raise funds of up to 5 billion euros under the EMTN Programme, of which 4,415 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, BNG, EIB, SMBC and Rabobank. The solid financing position provides Schiphol with significant access to liquidity to manage the negative impact of COVID-19 on the business as a whole.

Development of airport charges

(EUR million)



■ Revenue from airport charges (EUR million)

■ Development of indexed average airport charges normalised for Consumer Price Index (2014 = 100)

Ratios

The most important financing ratios set out in our financing policy are FFO/total debt, FFO/interest coverage ratios and leverage ratios. Funds From Operations (FFO) relates to cash flow from operating activities adjusted for operating working capital. In 2021, FFO increased from 159 million euros negative to 21 million euros negative. The FFO/total debt ratio reached 0.4% negative at the end of 2021 compared with 3.3% negative at the end of 2020.

The FFO/interest coverage ratio in 2021 was 0.75x positive, an increase from the 0.94x negative recorded in 2020. In addition to these two ratios, the leverage ratio is also determined (both a net leverage ratio of interest-bearing debt minus cash to EBITDA and a gross leverage ratio of interest-bearing debt to total equity plus interest-bearing debt). Due to the low EBITDA number in 2021, the net leverage ratio provides for a less meaningful number. At the end of the 2021 financial year, Schiphol group's gross leverage ratio stood at 60.5% (2020: 59.1%). The solvency ratio for the Group over 2021 was 35% (2020: 36%), which is above the required minimum of 30% per the covenants of the European Investment Bank.

Economic regulation

The aviation activities of Amsterdam Airport Schiphol and Eindhoven Airport are regulated, unlike the other 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 limited to the costs related to aviation activities, 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).

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

Airport charges 2022-2024 – Building back better

After consulting with the airlines, the charges for 2022-2024 were set on 29 October 2021 and will take effect from 1 April 2022. When setting its charges for 2022 until 2024, Schiphol has 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 until 2024 is the settlements over 2020 and 2021. The new charges have resulted in an increase of 9% in 2022, 12% in 2023 and 12% in 2024, resulting in an 11% average annual rise in charges in anticipation of the 2021 settlement.

We have also adjusted our charges structure to take into account the issues of nitrogen oxide (NOx) emissions and noise disturbance caused by aircraft operating at Schiphol. NOx emissions are a pressing environmental concern in the Netherlands while noise disturbance remains a major impediment to our airport operations as well as our prospects for developing the Schiphol site in the future. To encourage quieter and more fuel-efficient aircraft, we have introduced a NOx charge per kilogramme of NOx emissions into our landing and take-off charges and updated the structure by which we rank different aircraft types in terms of noise production.

COVID-19 and relief measures

Through our airport charges, Schiphol has introduced various steps to support airlines in response to the COVID-19 pandemic. The cost of these measures relate entirely to Schiphol's account and will not be settled at a future time. In addition to those introduced in 2020, in 2021 Schiphol put in place the following measures to support airlines:

- The airport charges increase of 5.0 % provided for 2021 (effective 1 April 2021) was not invoiced for six months (from 1 April 2021 until 1 October 2021).
- From 1 January 2021 until 1 April 2021, Schiphol applied a discount of 12.5% on landing and take-off charges.
- From 1 April 2021 until 1 January 2022, Schiphol applied a discount of 5% on landing and take-off charges.
- From 1 January 2021 until 1 January 2022, Schiphol applied a payment discount for payments within 30 days (-/- 2%) and payments within 45 days (-/- 1%).
- From 1 January 2021 until 1 July 2021, Schiphol applied a discount of 50% on parking charges.

Dutch aviation tax

On 1 January 2021, an aviation tax of 7.85 euros (rounded figure) per departing passenger was levied and has since been adjusted to 7.95 euros (rounded figure) as of 1 January 2022. As demonstrated by the government's own research, Schiphol believes the tax has a minimal impact in terms of reducing CO₂ 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 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	2021	2020	%
Total revenue	409	321	27.4
Operating expenses	612	666	-8.1
Underlying EBITDA	-203	-345	-41.2
Depreciation	202	211	-4.3
Underlying operating result	-405	-556	-27.2
Average fixed assets	3,407	3,185	7.0

EUR million	Aviation			Security		
	2021	2020	%	2021	2020	%
Total revenue	274	217	26.3	135	104	29.8
Operating expenses	369	412	-10.4	243	254	-4.3
Underlying EBITDA	-95	-195	-51.3	-108	-150	-28.0
Depreciation	156	165	-5.5	46	46	0.0
Underlying operating result	-251	-360	-30.3	-154	-196	-21.4

Direct destinations from Schiphol

296

2020: 316

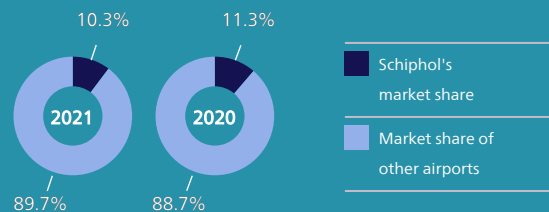
IR rate for baggage handling
(amount of baggage items delayed
per 1.000 passengers)

16.6

2020: 10.8

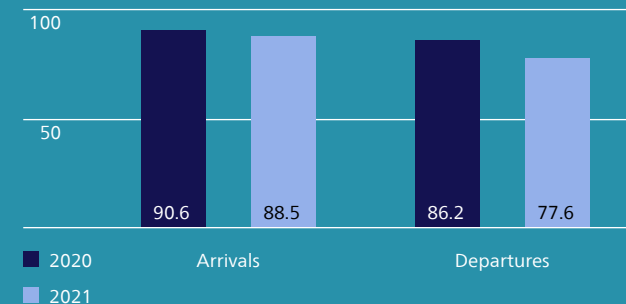
Schiphol's market share in passenger volume

in top-10 European airports



Punctuality of air transport movements

(%)





Aviation (continued)

Underlying operating result

The COVID-19 pandemic continued to have an impact on the operating result of Aviation, which in 2021 increased from a negative underlying operating result of 556 million euros in 2020 to a loss of 405 million euros in 2021. Revenues also slightly recovered, increasing by 88 million euros mainly due to an increase in the number of passengers and air traffic movements (ATMs).

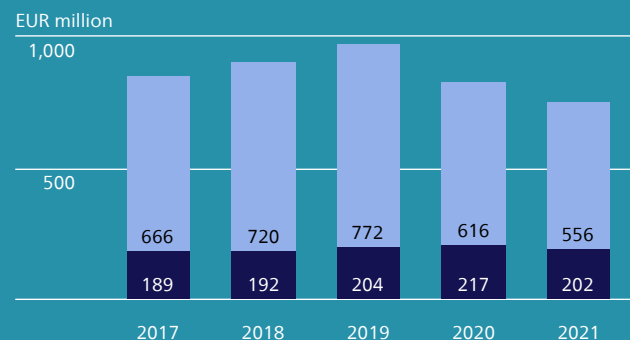
Expenses decreased by 54 million euros due to a combination of factors, including a decrease in employee benefits due to Project Reset (reorganisation), costs for outsourced work, the NOW government grant contributions, and adapting and improving to the current situation by implementing costs saving measures where possible.

In 2021, Aviation continued to provide support measures to business partners, including by providing discounts on charges, extending payment terms and offering discounts on early payments. With a regulatory WACC of 3.21% (after tax), the maximum allowed return on net assets is limited.

Airport charges 2022-2024

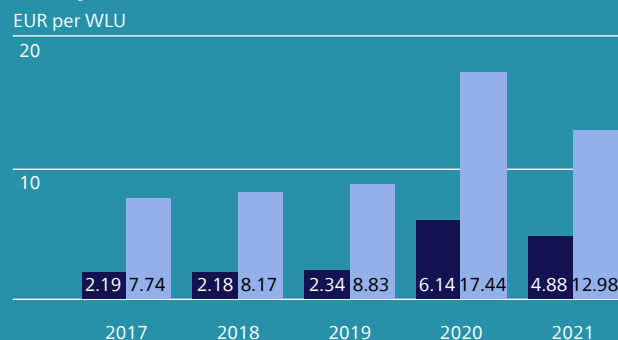
In 2021, the charges were set for the years 2022-2024. Due to the significant decrease in traffic in 2020 and 2021, the charges will increase by 9%, 12% and 12% in 2022, 2023 and 2024 respectively.

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



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 & Beverages, Financial Services, Terminal Real Estate, Privium, VIP and Media) and Commercial Real Estate.

Schiphol Commercial

EUR million	2021	2020 ¹	%
Total revenue	346	334	3.6
Other income and results from investment property	-	-	0.0
Operating expenses	159	175	-9.1
Underlying EBITDA	187	159	17.6
Depreciation	60	59	1.7
Underlying operating result	127	100	27.0
Average fixed assets	2,856	2,783	2.6

¹ The 2020 information has been restated in the table to reflect the change in reporting segments.

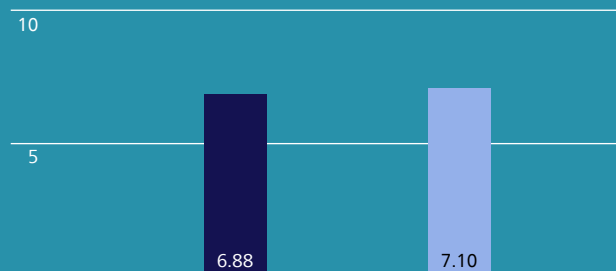
(in EUR 1.000)	Concessions		Parking & Mobility Services		Commercial Real Estate		Rental Terminal		Other	
	2021	2020 ²	2021	2020 ²	2021	2020 ²	2021	2020 ²	2021	2020 ²
Total revenue	83	68	59	48	183	194	51	55	-30	-30
Operating expenses	31	35	36	40	78	87	27	30	-13	-16
Underlying EBITDA	52	33	23	8	105	107	24	25	-17	-14
Depreciation	15	18	18	19	22	19	19	17	-13	-13
Underlying operating result	37	15	5	-11	83	88	5	8	-4	-1

Spend per departing passenger at Schiphol (in EUR)

	2021	2020
Airside retail	14.02	13.45
Airside catering	5.97	4.85
Total	19.99	18.30

Public parking revenue

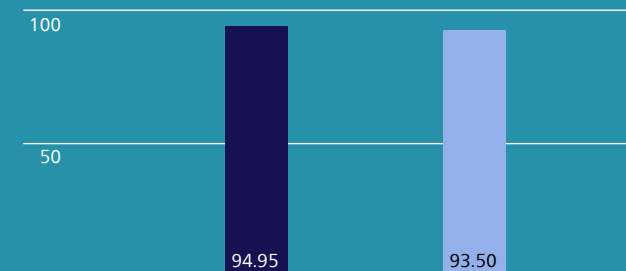
(EUR per arriving passenger OD/NL)



■ 2020
■ 2021

Real estate average physical occupancy rate

(in %)



■ 2020
■ 2021



Schiphol Commercial (continued)

Underlying operating result

In 2021, the underlying operating result for Concessions increased by 22 million euros to 37 million euros due to the recovery in passenger numbers (increase of 23.1%). The average spend per passenger on retail airside at Amsterdam Airport Schiphol increased by 2.3%, from 13.70 euros in 2020 to 14.02 euros in 2021 due to a relative change in customer profiles (share of leisure passengers dropped) which resulted in a higher average transaction value per conversion of a departing passenger, combined with lower terminal crowdedness leading to higher sales in shops. Food and beverage spending per departing passenger also increased by 14.8%, from 5.20 euros to 5.97 euros. Given that the food and beverage landside outlets were closed for parts of the year due to the COVID-19 regulations, food and beverage sales shifted to outlets at airside, resulting in an increase in spend per departing passenger.

Media activities were impacted by COVID-19 with a lagging effect: revenues decreased by 3 million euros to 9 million euros, which had an impact on the operating result.

Premium activities showed two faces: revenues from VIP activities recovered quickly with pre-COVID-19 delegates visiting the lounge, while the number of Privium members decreased (also lagging impact). Total revenues from Premium services decreased slightly, from 13 million euros to 12.8 million euros.

The offices and lounges in the terminal are managed as operational assets, meaning they are mostly rented to companies with activities directly to Schiphol's airport processes. With an occupancy of 89% (2020: 91%) and a footprint of 107,000 sqm, the terminal offices contributed 44.9 million euros to Schiphol Commercial's total rental income in 2021. The occupancy rate decreased slightly by 2%, as a result of aviation-related tenants reducing their activities and cutting costs.

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 2021 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 from Parking increased, from a loss of 11 million euros in 2020 to a profit of 5 million euros in 2021. This was mainly driven by an increase in passenger numbers (23.5%), though partly offset by a negative development of the modal split (number of travellers who arrive by car). Staff parking experienced a decrease of 8.7% due to the cancellation of subscriptions by customers.

The underlying operating result from Commercial Real Estate increased by 27 million euros in 2021 to 127 million euros. Fair value gains to the amount of 69 million euros in 2021 were recognised in comparison with a fair value loss of 64 million euros in 2020. A mix of favourable and unfavourable market developments in the real estate sector contributed to the increase in the fair value of Schiphol's real estate portfolio. Due to the lagging effect of long-term contracts, the consequences of the pandemic are reflected in the occupancy levels of our office portfolio, which dropped by 4% in 2021 to 90%. This is also reflected in the total rental income derived from our office portfolio, which decreased by 5 million euros.

We have made significant efforts to collaborate with all our business partners in order to continue to navigate this unprecedented situation. Support continues to be provided by agreed payment plans. The priority during 2020 and 2021 was to ensure that safe and hygienic working practices, involving floor markings, informative posters and hand gel dispensers, were in place in buildings. We also paid close attention to technical

building installations, especially ventilation systems, to ensure a safe and comfortable environment.

Commercial real estate - Offices

CRE achieved an average occupancy of 90% in 2021 (2020: 94%) for the office portfolio, which has a total footprint of 213,000 sqm. The change in occupancy was seen in multi-tenant buildings such as WTC (-6%) and The Base (+3.5%), which had a topline impact of 2.5 million euros. Schiphol almost finalised a major renovation of the A tower of The Base. The building's office spaces and communal areas are being upgraded, including with the installation of a new climate control system and sustainable LED lighting. Energy-efficient installations will generate energy savings, enabling The Base to achieve an 'A' for energy performance.

Commercial real estate - Logistics

Schiphol's logistics real estate portfolio consists of first- and second-tier warehouses. In 2021, the average occupancy rate across the logistics portfolio was consistently high at 99% (2020: 99%), with a total footprint of 274,000 sqm. The logistics portfolio contributes 31 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 32 million euros on an annual basis. Due to terminations and one bankruptcy in 2020, revenues fell by 3 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, Aruba and Groupe ADP.

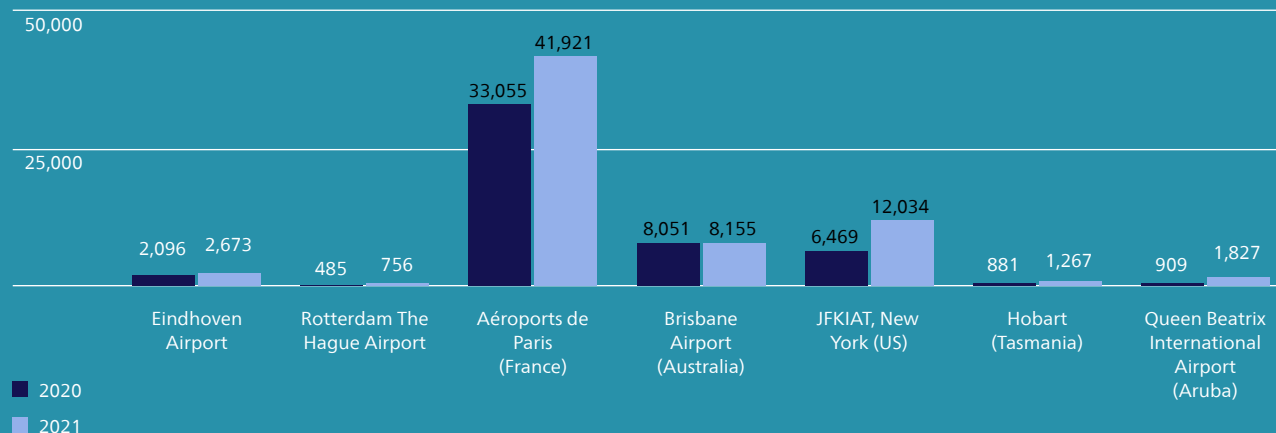
Alliances & Participations

EUR million	2021	2020	%
Total revenue	152	130	16.9
Other income and results from investment property	-	-	0.0
Operating expenses	137	150	-8.7
Underlying EBITDA	15	-20	>100
Depreciation	36	30	20.0
Underlying operating result	-21	-50	-58.0
Share in result of associates, including interest income	-2	-84	-97.6
Average fixed assets	1,265	1,557	-18.8

EUR million	Regional airports		International airports		Other activities		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	61	39	12	11	79	80	152	130
Operating result	-31	-51	6	4	3	-3	-21	-50
Share in result of associates	-	-	-2	-84	-	-	-2	-84
Finance income	-	-	-	-	-	-	-	-
Underlying total result	-31	-51	4	-80	3	-3	-24	-134
Average asset base	326	313	846	1,153	92	91	1,265	1,557

Number of passengers

(x 1,000)





Alliances & Participations (continued)

The total underlying result for Alliances & Participations amounted to a loss of 21 million euros in 2021 compared with a loss of 50 million euros in 2020. 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 2021, Eindhoven Airport's operating result increased by 12 million euros, leading to a loss of 2 million euros (2020: loss of 14 million euros). This was due to a 27% increase in the number of passengers.

Rotterdam The Hague Airport's operating result also increased by 7 million euros, resulting in a loss of 9 million euros (2020: loss of 16 million euros) amid a 56% increase in passenger numbers.

Lelystad Airport's operating loss decreased by 10 million euros, leading to a loss of 1.1 million euros compared with 2020 (2020: loss of 9 million euros loss).

International airports

Groupe ADP's negative contribution to Schiphol's financial results was negative 16 million euros in 2021 (for the period 1 January 2021 to 30 June 2021) (2020: negative 101 million euros). The long-term industrial cooperation ('HubLink') and cross-participation between Groupe ADP and Schiphol ended on 30 November 2021. However, the investment was classified as an asset held for sale as of 28 July 2021. As a result of the loss of significant influence the investment in these listed shares is accounted for at fair market value as of 30 November 2021. Brisbane Airport's contribution to Schiphol's financial results increased to 12 million euros in 2021 (2020: loss 4 million euros). JFK's contribution to Schiphol's financial results increased to 13 million euros (2020: 4 million euros). Hobart Airport contributed a negative result of 3 million euros (2020: 2 million euros positive).

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 2021, Schiphol Telematics' operating result was 5 million euros. The operating result for Schiphol Utilities amounted to 3 million euros.

Total result of regional airports (EUR million)

	2021	2020
Eindhoven Airport	-2	-14
Rotterdam Airport	-9	-16
Lelystad Airport	-10	-9
Allocation of overhead	1	-10
Total result	-19	-48

Total result of international airports (EUR million)

	2021	2020
Groupe ADP, Paris	-16	-101
Brisbane Airport	12	-4
JFKIAT, New York	13	4
Hobart International Airport	-3	2
Allocation of overhead	1	-2
Other	0	0
Total result	-7	-100

Total result of other activities (EUR million)

	2021	2020
Schiphol Telematics	5	1
Utility services	3	0
Allocation of overhead	-1	-2
Total result	7	-1

Our regional airports

Eindhoven Airport



Key figures	2021	2020	change
Number of passengers	2.7 million	2.1 million	+27.5%
Direct destinations	79	79	0
Air transport movements	21,704	18,882	+14.9%
TPI Sustainability (reduction in CO ₂ compared to 2019)	-16.3%	-17.0%	-0.7%
TPI Net Safety Score	98.9%	98.4	+0.5
TPI On-time performance	69.9%	86.8%	-16.9%
TPI Net promoter score	40	41 ¹	-1
TPI Employee promoter score	36	25	+11
LTIF	0	0	-
Runway incursions	7	6	+1
Bird strikes per 10,000 air transport movements	14.3	7.9	+6.4
Percentage of operational waste separated ²	35%	19%	+16%

1 Concerns average of the months in 2020 in which there was enough passenger traffic to measure the NPS.

2 Including CAT1 aircraft waste.

Although COVID-19 impacted operations and activities at Eindhoven Airport for most of the year, 2021 was not a complete carbon copy of 2020. Indeed, passenger movements started to recover in the second half of 2021. Meanwhile, the airport continued to focus on quality, sustainable development and its communities. In 2021, 2.7 million passengers were welcomed on 21,704 flights.

Quality

In 2021, Eindhoven Airport made several major improvements to the passenger journey. A new entrance to the security area provides travellers with more ease and comfort. It uses natural materials and colours, provides more space and occupies a more central position in the terminal. A new and fully covered walkway was opened on the airport's apron outside the terminal. This gallery will help keep passengers dry as they walk to and from airplanes and the terminal building and the arrival hall. Besides supplementing the airport's services and facilities, this gallery acts as a gateway to the wider Eindhoven area as it is designed around various icons and symbols inspired by the spirit of this region.

The airport's quality investments correspond with a newly introduced brand promise called 'Easy on your way'. This promise informs all planned and completed improvements in the customer journey at Eindhoven Airport. It also reflects how the airport has responded to the government's COVID-19 measures. For instance, the airport has employed more Safety Hosts in the terminal building. Also, the brand promise has driven the organisation's efforts to keep the terminal building and facilities open to the public for as long as possible.

Sustainability

For the seventh consecutive year, in 2021 Eindhoven Airport was awarded level 3+ neutrality accreditation by ACI for its commitment to neutralise carbon emissions. Investments were made to increase the amount of electric ground service equipment. The airport introduced a new tariff system to encourage airlines to operate sustainable airplanes to and from Eindhoven. Looking to the future, Eindhoven Airport initiated the Power Up project, the industry's maiden attempt to test electric flying at airports. The aim is for participating airports to gain knowledge of the feasibility, potential and handling of electric flights. This knowledge will help Eindhoven Airport prepare for the task of fully electrifying its operations by 2030.

Communities

2021 marked the start of a new platform to jointly structure the development of Eindhoven Airport with regional stakeholders and shareholders. Various working groups are discussing and developing solutions to reduce noise nuisance, improve air quality, better connect with regional initiatives and build on community engagement. In addition, Eindhoven Airport extended its own activities on community involvement with almost half of its staff participating in various regional initiatives. The airport continues to interact with its region through an extensive communication programme on various developments, such as the extension of the freeze on flight movements for 2022, based on the 2019 level of 41,500. Although COVID-19 hampered opportunities to engage with airport partners on joint activities, in 2021 the airport was able to further strengthen relationships with national football club PSV, art museum Van Abbe and regional events such as the GLOW light festival.

Read more at www.eindhovenairport.nl

Lelystad Airport



Key figures	2021	2020	change
Air transport movements (general and business aviation)	77,759	76,955	1,0%
TPI Sustainability (reduction in CO ₂ compared to 2019)	+28.6%	+22.2%	+6.4%
TPI Net safety score	99	81	+18
TPI EPS	11.3	N/A	-

Under the 2008 Alders Agreement, Lelystad Airport is intended to serve as an overflow airport for Schiphol for non-mainport traffic. Lelystad Airport currently only 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, as part of a plan of steady, controlled growth.

The opening of Lelystad Airport has been postponed several times, most recently as a result of COVID-19. On 15 December 2021, the new coalition agreement was presented. In 2022, the new cabinet will decide on the opening of Lelystad Airport for commercial air traffic. The decision will be made in the context of an integral solution that offers certainty and perspective for both the mainport Schiphol and the environment of the airport.

In February 2021, the Traffic Distribution Rule was sent to Parliament. Also in February 2021, the Ministry of Agriculture, Nature and Fisheries issued a draft nature conservation permit under the Environmental Conservation Act for Lelystad Airport, permitting up to a maximum of 10,000 ATMs a year. To date, no definitive permit has been issued. Furthermore, Lelystad Airport is waiting for the Ministry of Agriculture, Nature and Fisheries (LNV) to make its final decision on the legalisation of a previous notification under the Integrated Approach to Nitrogen (PAS) on the opening and further growth of Lelystad Airport to 45,000 ATMs. This is expected early in 2022.

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 Command (CLSK). During 2021, as the airport waited for a decision on the opening for commercial air traffic, the air traffic control services operated by CLSK, which are necessary for IFR flights, were adjusted from fixed hours to IFR service on demand, during weekdays. This change will be evaluated in early 2022. Evaluation of the general aviation routes has taken place. These routes were found safe and will be maintained.

In 2021, Lelystad Airport registered almost 78,000 ATMs of GA and BA traffic, an increase of 1% in comparison with 2020. In anticipation of the airport's opening to commercial air traffic, all notifications regarding noise disturbance are followed up by reports, which are then discussed with local residents. Lelystad also analyses the notifications to support the development of new noise-reduction measures.

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 saving 500 tonnes of carbon emissions. The airport aims to make the region energy-neutral or even energy-positive. To this end, the airport partners with local organisations such as the province of Flevoland, the municipality of Lelystad, the Zuiderzeeland water authority, the Lelystadse Boer and Lelystad Airport Business Park to achieve present and future sustainability targets since December 2019, together with the province of Flevoland and the municipality of Lelystad, the airport aims to explore opportunities and address bottlenecks in renewable energy, climate action, health, ecology and the economy.

Promoting local sustainable employment is one of Lelystad's core values, and the airport aims to hire at least 30% of its workforce from within a 30-kilometre radius. An additional 163 local jobs are created during the construction phase of the airport and when it opens to commercial air traffic. Lelystad is also working with Stichting Campus Amsterdam Lelystad Airport (SCALA) and the regional training centre, ROC van Amsterdam, to offer training initiatives and work placements at the airport or with its partner companies. This partnership was renewed in December 2021 for a period of five years.

Read more at www.lelystadairport.nl

Rotterdam The Hague Airport



Key figures	2021	2020	change
Number of passengers	0.8 million	0.5 million	+56.0%
Direct destinations	36	36	0
Air transport movements	6,355	5,314	+19.6%
TPI Sustainability (reduction in CO ₂ compared with 2019)	-12%	-12.5%	-0.5%
TPI On-time performance	78%	89%	-11%
TPI Net promoter score	58.6	47	+11.6
TPI Employee promoter score ¹	36.6	26	+10.6
Net safety score ²	3.5	4.4	-0.9
LTIF	11.6	0	+11.6
Runway incursions	20	8	+12
Bird strikes per 10,000 flight movements	2.6	1.2	+1.4
Percentage of operational waste separated ³	49.7%	37.8%	+11.9%

¹ Since 2021, RTHA reports EPS in line with the definition as 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 birdstrikes 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.

Just as in 2020, Rotterdam The Hague Airport (RTHA) saw a sharp decline in passenger numbers and fewer aircraft movements in 2021 compared with 2019. However, the airport was able to make

significant progress in terms of innovation and sustainability. RTHA started constructing our new solar park with its partners. Partly as a result of this solar park, the airport was awarded level 4+ in the ACI Airport Carbon Accreditation benchmark in 2021. RTHA is the fifth airport in the world to achieve this level and the second in Europe.

The COVID-19 pandemic continued to dominate operations at RTHA throughout the year. The summer months were positive with higher occupancy rates than in our benchmark year 2019. Unfortunately, this did not make up for the rest of the year. The airport made progress in the Airport Decree participation process, which is important as it enables RTHA to establish agreements with its stakeholders concerning the operation of the airport in the coming years.

In October 2021, RTHA celebrated both its 65th anniversary and the official opening of the renovated departure hall. Mayor Aboutaleb of Rotterdam and Mayor Van Zanen of The Hague performed the official opening ceremony during a period when events were allowed to be held on a limited scale due to the pandemic.

A quarter of a million more passengers

In 2021, 764,061 passengers travelled to and from RTHA, which is an increase of 54% compared with 2020, and RTHA received almost 267,000 more passengers. In the record year preceding the pandemic, this number was 2.1 million. Flights travelled to 36 destinations, slightly fewer than in previous years. The number of air transport movements (large aircraft >6 tons) rose to 6,355, a 20% increase compared with 2020, while police and trauma helicopter traffic at RTHA rose by almost 12% (19,247 movements). The share of small aviation increased by 15% in 2021 (36,185 flights).

Innovation and sustainability

In 2021, RTHA made significant progress in terms of innovation and sustainability. On 5 July 2021, outgoing minister Cora van Nieuwenhuizen oversaw the installation of the first solar panel for RTHA's Solar Park. This park covers an area of 7.7 hectares and

is being built next to the airport's runway. It is one of the largest in the region and ensures a reliable, safe and sustainable energy supply based on locally produced sustainable energy. The park will generate approximately 14 gigawatt hours of green electricity, which is comparable to the energy consumption of about 5,100 households.

In 2020, RTHA announced, together with Schiphol Group and aircraft manufacturer ZeroAvia, plans to operate a 19-seater hydrogen aircraft powered by propellers between Rotterdam and London in 2024. A smaller prototype, with six seats, has already been successfully tested.

RHIA: 65 partners

RHIA, which was co-founded by RTHA, has grown into an innovation ecosystem of more than 65 partners and is running more than 30 projects. One of the foundation's highlights in 2021 was the partnership between RTHA, RHIA and AeroDelft, which is developing hydrogen-powered aviation in the airport's Next Aviation Field Lab. In addition, the foundation developed a regional vision for sustainable kerosene with its partners and also started to develop new drone applications for the airport.

Expectations for 2022

RTHA anticipates a further recovery in demand for air travel in 2022. Family visits and holiday flights are expected to increase, and the occupancy rate in aircraft should approach 90% of 2019's peak levels. RTHA's connections to Morocco, Spain, Greece and Turkey will remain strong, though business traffic will take longer to recover and grow again.

In the summer of 2022, Transavia will fly to three new destinations from RTHA: Bastia (France), Milan (Italy) and Kayseri (Turkey). The airport's partner, HMSHost, is also expected to open its Fresh Market in the departure hall.

Read more at www.rotterdamthehagueairport.nl

Our international activities

2021 was a challenging year for Royal Schiphol Group's international activities as our Group partners continued to feel the effects of COVID-related travel restrictions. In addition, many airports found themselves having to introduce extensive measures to safely facilitate the sudden increase in air traffic and passenger numbers during the second half of the year. Despite the challenging circumstances, our diversified international portfolio and activities continued to contribute positively to Schiphol Group in a variety of ways. The 'Group of Airports' concept remained an important focus in 2021, and we continued to exchange knowledge and expertise between the airports in the Group through staff secondments and Knowledge Networks. New Knowledge Networks in the 'Data and Innovation' and 'Commercial' domain were established, which have further strengthened our position as a world-leading airport operator.

The table below shows Schiphol's relationships with each of the airports in our Group.

Participations of Royal Schiphol Group 2021

Airport	Passenger numbers 2021	Change compared to 2020	Our role
Brisbane Airport, Australia	8.2 million	+1%	Shareholding of 19.61%
Groupe ADP, Paris, France	41.9 million	+27%	Cross-shareholding of 8%
- Charles de Gaulle	26.2 million	+18%	
- Orly	15.7 million	+46%	
JFK Terminal 4, New York, USA	12.0 million	+86%	Management contract
Hobart International Airport, Australia	1.3 million	+44%	Shareholding of 35%
Queen Beatrix International Airport, Aruba	1.8 million	+101%	Strategic partnership

Brisbane Airport



In 2021, Brisbane Airport was the busiest airport in Australia despite the challenges presented by the COVID-19 pandemic. The year ended with 7.9 million domestic passengers, up 17.7 % compared with 2020. International passengers, limited almost entirely to returning Australians and essential worker arrivals, totalled just 300,000 passengers, down 78% from 2020.

Brisbane Airport's vision to 'Connect the World' and 'Create the Future' remains stronger than ever. The company continues to accelerate property development, and with 12 projects in progress, this is the largest volume of concurrent property development in its history.

While the airport's immediate focus is on achieving aviation recovery and growth, work is still progressing on key long-term investment opportunities. These include a new third terminal as well as a long-term strategy and roadmaps to support the airport in achieving its 2030 and 2050 sustainability targets. The announcement that the city of Brisbane will host the 2032 Olympic and Paralympic Games also offers an exciting outlook for the future.

Read more at www.bne.com.au

Groupe ADP (Aéroports de Paris)



Groupe ADP is one of the world's largest airport operators, overseeing the three airports that serve the Parisian region and actively involved in 24 airports globally, including via its 46.4% stake in Turkish airport operator, TAV Airports, and its 49% stake in Indian operator, GMR Airports. Over 2021, the Paris airports served 41.9 million passengers, an increase of 27% versus 2020.

On 30 November 2021, the HubLink strategic partnership between Royal Schiphol Group and Groupe ADP came to an end. The agreement provided a mechanism to unwind the cross-shareholding between the two groups. The mechanism ensures the orderly sale of the shares over an 18-month period.

Read more at www.pari.aeroport.fr

Hobart International Airport



Hobart Airport is the largest airport on the island of Tasmania and the eighth-largest in Australia, handling 1.3 million passengers in 2021. As the major gateway to an island state, Hobart Airport is a key economic driver for the State of Tasmania.

In the first half of 2021, passenger volumes recovered quickly to 80% of pre-COVID-19 levels until the outbreak of the Delta variant caused certain interstate borders to be closed for the remainder of the year. The widespread vaccine roll-out led to Tasmania's borders reopening in mid-December, and a swift return of traffic to pre-COVID numbers. Airlines added additional frequencies and new brands to domestic routes including Adelaide and Perth, diversifying the route network away from the major hub of Melbourne.

In April 2021, international services returned to Hobart after 23 years with the launch of flights between Hobart and Auckland (New Zealand). The airport built new international processing facilities in a short time to cater for these flights. The airport also successfully trialled traditional Australian Aboriginal land management techniques, using a 'cool mosaic burn' to manage an area of environmentally significant grassland on the airport as part of its sustainability endeavours.

Read more at hobartairport.com.au

Terminal 4, John F. Kennedy Airport, New York



JFK International Air Terminal LLC (JFKIAT), an affiliate of Schiphol Group, has been the operator of Terminal 4 at John F. Kennedy International Airport since 1997, driven by the mission to become one of the most innovative and memorable air terminals in the United States.

2021 continued to be highly dominated by the impact of the COVID-19 pandemic, and JFKIAT's efforts focused on the recovery of air travel. It was not until November 2021 that the US introduced a new travel policy to open up travel for non-US citizens.

The total number of passengers travelling through T4 in 2021 was 12 million, compared with 22 million in 2019.

In April 2021, JFKIAT, PANYNJ and Delta Air Lines, Inc. reached a renewed agreement for a rescoped expansion and renovation of T4. The project consists of multiple improvements and an expansion of the terminal, together with a 10-gate expansion for the consolidation of the Delta Air Lines operation at JFK.

JFKIAT is committed to maintaining sustainable practices and improvements to reduce carbon emissions. In 2021, the operator acquired new hybrid vehicles for airside, electric buses for transporting passengers on the ramp and the first electric charging stations for ground service equipment. T4 also is the first airport terminal in the world to achieve Level 1 Green Restaurant Certifications for all of its restaurants.

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.

2021 ended with AAA recovering about 67% of its 2019 passenger traffic. The outlook is positive, and in 2022 the airport is expected to recover approximately 90% of the 2019 traffic levels.

The year was marked by the start of the Gateway Phase 1A project, which is set to be completed by mid-2023. The project will expand the Aruba Airport check-in facility and introduce a state-of-the-art baggage handling system, enabling the airport to comply with all US TSA and US CBP requirements and regulations and therefore the US market in this first phase.

AAA also introduced its new strategy in 2021, which will be the basis for the company's vision, its core purpose, and its future role as an airport manager and operator in the years to come.

Read more at www.airportaruba.com

Other international activities

Since 2019, Schiphol has supported St. Maarten Princess Juliana International Airport in the restoration of the airport in the aftermath of Hurricane Irma. We also have strategic partnerships with Incheon International Airport (Seoul) and Beijing Capital Airports Holding Company (CAH), which focus on knowledge exchange in areas such as innovation, capital investment programmes and operational excellence. Schiphol also participates in logistic real estate activities at Milan Malpensa Airport in Italy and in a logistic service centre at Hong Kong International Airport.



Governance

Filiz Tunc, heading to Antalya for a holiday in the sun, on the special PET bins: 'It's a great idea to donate the deposit on PET bottles to Amref Flying Doctors and Made Blue. It combines being more sustainable with helping our fellow human beings.'

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 the way it has 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 partly on these discussions, the Supervisory Board has determined that this 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.

The Supervisory Board approves the financial statements. Since the underlying net result depicts a loss as a consequence of the impact of the COVID-19 pandemic on passenger numbers, and in accordance with the conditions set in relation to the NOW regulations, it will be proposed that no dividend over 2021 will be distributed to the shareholders.

The financial statements will be submitted to the General Meeting for adoption on 12 April 2022. 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

2021 was a year still heavily dominated by the COVID-19 pandemic, as traffic volumes kept going up and down throughout the year. The recovery in 2021 was only moderate, with ongoing travel restrictions, COVID-19 measures and the emergence of new COVID-19 variants still having a major impact. The Supervisory Board remained closely involved, challenging the Management Board on the summer operations, the liquidity and solvency developments, the capital expenditures and the airport charges setting.

Schiphol Group continues to focus on recovery, giving passengers and staff confidence in safe and responsible travel. This includes information for passengers, the use of test and/or vaccination declarations, the obligation to wear a face mask, further improved ventilation and cleaning as well as the installation of sanitising equipment. The company still believes in, and is working on, international alignment on measures in relation to travel.

Despite the continuous impact of COVID-19, Schiphol Group made some important progress regarding innovation and project execution. The redevelopment of Departure Hall 1 was delivered, as well as the new aircraft bridge (avioduct) in relation to the Dual Taxiway System. On top of that, Schiphol Group worked on an autonomous baggage tractor, sustainable taxiing, participation in the e-fuel plan and electric flying initiative and several initiatives reducing hindrance for Schiphol Group's neighbours and environment.



The big interest of society in and the importance of the aviation sector is visible and tangible, often leading to media coverage as well. The coalition agreement ('regeerakkoord') of the Dutch government discusses the importance of Schiphol for the Dutch economy as well as the importance of sustainability. The Supervisory Board will continue to urge the Management Board to accelerate projects in relation to sustainability and health of staff and neighbours.

Main points of attention

Financial position

The COVID-19 pandemic is still having an unprecedented impact on the financial position of Schiphol Group, which emphasises the importance of strict yet flexible financial steering. Several measures were implemented to reduce the cost base in a responsible manner.

Funding and liquidity

Schiphol Group developed a financial strategic framework, providing an overview of items driving financial and strategic decision-making. To cope with the impact of COVID-19, Schiphol Group issued another 1 billion euros of new debt in bonds to be able to cope with the revenue decline. The financial strategic framework, including traffic scenarios and funding plans, have been discussed extensively with the Liquidity and Solvency Committee.

Capital expenditures portfolio 2022-2026

In the first half of 2021, Schiphol Group assessed its capital expenditures (CAPEX) portfolio for 2022 to 2026. The aim of this project was to develop a prioritised portfolio based on clear, shared logic underpinned by aligned risk and value criteria with a coherent narrative for portfolio rationale for internal and external stakeholders and ability to dynamically adjust the portfolio going forward. With a CAPEX target setting until 2026 of EUR 750m per year, the business demand needed to be reduced. This was done via a structured CAPEX optimisation methodology: all projects were classified within six categories. For

each classification the must-do projects were determined, as well as prioritisation. The Master Plan, on which work is ongoing, and the updated Mid Term Plan were used as guidelines. The company prioritised safety and compliance and continues to invest in maintenance, sustainability, quality of service and innovation. Part of the trajectory included a cultural shift, which was realised through capability-building sessions. The Supervisory Board supports the process and strategic rationale and noted the importance of flexibility in the portfolio.

In 2019, Schiphol Group strengthened its control over its capital expenditures and capabilities in the airport development planning by means of a capital lifecycle. This year, an evaluation was done, which led to several improvements: clear handover moments have been defined as well as clear ownership. The Supervisory Board believes the company is progressing well in terms of project control, but that continuous improvement is needed. The capital lifecycle will therefore be evaluated on an annual basis.

Operating expenditures

In 2021, Schiphol Group further reduced its operating expenditures (OPEX) by approximately 20%. This was realised by scaling down operations and implementing cost-saving measures. In March, the company finalised the restructuring of the organisation (Project Reset), adapting to the new circumstances, simplifying the organisation and improving the way of working. The Supervisory Board is satisfied with the new organisation, but is aware of the heavy workload employees are experiencing and keeps following the developments in this respect.

To support its business partners in dealing with the consequences of COVID-19, Schiphol Group extended several relief measures, such as an airport charges discount and extended payment terms.

Airport charges

In 2021, Schiphol Group set its airport charges for the period between 1 April 2022 and 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 meeting, which ultimately led to a cumulative airport charges increase of 37%. The Supervisory Board was closely involved and believes that the airport charges set by Schiphol Group are the right balance between financial recovery, encouraging sustainable aviation and remaining a competitive hub airport.

As per the Aviation Act, the shareholders must set a non-aviation contribution. The Ministry of Finance, in its capacity as representative of the Dutch government as majority shareholder of Schiphol Group, shared a proposal for the contribution amongst all shareholders, who adopted the contribution as per this proposal of the Dutch government.

Master Plan and Mid Term Plan

The Master Plan 2050 and Mid Term Plan 2030 were discussed with the Supervisory Board on several occasions during 2021. The Master Plan aims to create a sustainable multi-modal hub that strengthens the Dutch Global City Region and strongly reduces the local and global environmental footprint towards net-zero aviation by 2050, also taking into account the implications of the COVID-19 pandemic. The Mid Term Plan is part of the Master Plan, setting out the major developments required over the next ten years, such as Pier A and the delayed new terminal. The Supervisory Board provided its advice on the key issues and adaptability of the plans in relation to the financial position and important external developments, such as sustainability.

Development of the Group

In December 2021, the Dutch Cabinet shared its coalition agreement, reaffirming the Luchtvaartnota ('Civil Aviation Policy Memorandum 2020-2050'): recognition of the value of the hub, worldwide connectivity and its economic benefits; the necessity to invest in sustainable aviation fuels and the need for a level playing field when implementing new (European) measures in relation to charging aviation. The agreement also illustrates the expected raise of ticket taxes and the introduction of a CO₂ ceiling per airport. Decisions on the opening of Lelystad Airport and future development of Schiphol have been postponed to 2022.

In 2022, Schiphol Group will focus on 'certainty and perspective' for the aviation sector. The Supervisory Board was updated on the political developments regularly, which will continue in 2022.

Nitrogen

Schiphol Group has been working intensively on the Wnb-vergunningen ('nature permit applications') for all Dutch Schiphol Group airports. In February 2021, the Ministry of Agriculture, Nature and Food Quality published the draft nature permits for all airports. During a six-week period, zienswijzen ('formal views') were provided to the Ministry. These formal views are currently being addressed. The trajectory remains difficult with a lot of uncertainties. The Supervisory Board is well aware of this and thanks the Management Board for all its hard work on this complex matter.

Strategic issues and projects

Schiphol projects

The Supervisory Board, specifically the Capital Programme, Operations and Investments Committee, has been updated on the running and upcoming projects regularly. In April and November, the shareholders were updated on the major projects as well, in attendance of several Supervisory Board members.

A-Pier

As for a number of years, the completion of the A-Pier was not proceeding as expected, the cooperation with the contractor (joint venture Ballast Nedam-TAV) ended in November 2021 after extensive discussions between both parties. After the termination of the contract, Schiphol Group and the contractor will continue to solve their dispute. The termination of the contract was fully supported by the Supervisory Board. Schiphol Group is preparing a new tender procedure for the remainder of the works. Once the tender procedure has been completed, Schiphol Group and the new contractor will make a schedule for the delivery of the asset.

The Capital Programme, Operations and Investments Committee is closely involved; the project was discussed on a monthly basis in 2021 and will be closely monitored going forward.

In June 2021, the shareholders and the Supervisory Board approved a new A-Pier budget, due to the delay and complexities in relation to this project.

Departure Hall 1

The redevelopment of Departure Hall 1 was finalised in 2021, improving the operational performance by increasing security and flow capacity and being able to comply with new security regulations. The Supervisory Board believes this project was well-managed from a financial and timing perspective.

Dual taxiway system

The first phase of the Dual Taxiway System project (Project Quebec) was delivered in December 2021, on schedule and within budget. The new aircraft bridge (avioduct) over the A4 motorway is now being used by taxiing planes at the airport. Turning Quebec into a dual taxiway increases safety at Schiphol and improves the infrastructure. Completion of the dual taxiway system is postponed by 24 months as a result of the financial consequences of the pandemic.

Entry-Exit System

The European Entry-Exit System (EES) is a mandatory new EU wide border management system, which will contribute to preventing irregular migration and help protect the security of European citizens. Given the complexity of the project, the Capital Programme, Operations and Investments Committee is closely involved; the project was discussed on a monthly basis, which will be continued in 2022.

International developments

COVID-19 still has a material impact on Schiphol Group's international alliances and shareholdings as well. Schiphol Group has regular contact with its alliances to support each other and to exchange experiences. International developments are closely monitored.

Schiphol Group has continued working on its international strategy to, among other objectives, 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 will be unwinded in line with the exit agreement. The consequences of the termination were regularly discussed with the Supervisory Board. The Audit Committee will be closely involved going forward.

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 Pier A, one other project proposal was approved by the Supervisory Board in 2021:

- *Maintenance Aalsmeerbaan*: as part of the runway maintenance strategy, one runway renovation is completed per year. The maintenance of the Aalsmeerbaan is scheduled for 2022. The project secures the runway's operational availability 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 elected on nomination of the Works Council, attended meetings with the Works Council. These meetings were considered to be of great value and a positive experience from both sides. The respective Supervisory Board members have reported back to the full Supervisory Board and, if necessary, to the Management Board on these meetings.

No conflicting interest

There were no transactions in 2021 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 2021, the Supervisory Board had three female and three male members. The Supervisory Board is currently aiming to include another member. The Management Board had two female and two male members at year-end 2021. 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 refer to 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; these 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 Swedish nationality and Mr Collier has Irish nationality. The other members have Dutch nationality.

In April 2020, Mr Bert van der Els was 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, in 2021 various topics were discussed with the Supervisory Board to provide its members with greater insight into issues relevant to Schiphol Group, such as the future of aviation, international strategy and opportunities and the airside retail and food & beverage strategy. On top of that, the Supervisory Board visited several projects, such as the A-Pier and the Dual Taxiway System.

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

	L. Gunning-Schepers ¹ (Chair)	S.G. Brummelhuis	D. Collier ¹	E. van Galen ¹	R.J. van de Kraats	A.B.M. Olsson ¹	J.W. Winter ¹
Year of birth and nationality	1951, Dutch	1965, Dutch	1955, Irish	1961, Dutch	1960, Dutch	1957, Swedish	1963, Dutch
First appointed in	2014	2018	2018	2021	2015	2015	2022

Fields of knowledge

1. Aviation business			•	•			
2. Commercial		•	•	•	•	•	
3. Finance / Accountancy / Risk Management		•	•		•		
4. International experience	•	•	•	•	•	•	•
5. Digitisation	•	•			•	•	•
6. Government and stakeholders Schiphol	•		•	•			•
7. Corporate governance	•	•	•	•	•	•	•
8. Human Resource Management				•	•	•	•
9. Corporate responsibility	•	•	•	•	•	•	•
10. Project management			•				

¹ CEO experience

C. Other matters

Appointments and reappointments

Management Board members

On 1 April 2021, Robert Carsouw succeeded Jabine van der Meijs as Chief Financial Officer (CFO) and member of the Management Board. The Supervisory Board considers Mr Carsouw very well suited to this position. He has broad experience in both the private and public sector (including aviation) and the area of financial analysis, risk management and M&A.

The Supervisory Board thanks Ms Van der Meijs for her significant and valuable contribution to the airport during her term as CFO.

Birgit Otto will resign as Executive Vice-President and Chief Operations Officer as of 31 May 2022. The Supervisory and Management Board has decided to reduce the amount of Management Board members from four to three. Following the organisational change and the restructuring of the governance during Project Reset, the Management Board members have fewer direct reports and a different way in which the senior management is responsible has been implemented. The Supervisory Board believes that this is the best way forward, but will closely monitor the new way of working.

Supervisory Board members

At the general meeting of 13 April 2021, Ms Van Galen was appointed as a Supervisory Board member for a first term of four years. Ms Van Galen has broad experience within the aviation industry, the commercial and international field and sustainability and corporate responsibility. The expertise and experience that Ms Van Galen will bring in the field of sustainability will help the Supervisory and Management Board in achieving the ambition in that field in the coming years.

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 6 January 2022. Mr Winter has broad experience within the boardroom, the political environment and a complex stakeholder field. Furthermore, he has excellent

Composition of the Supervisory Board committees

	L.J. Gunning-Schepers (Chair)	S.G. Brummelhuis	D. Collier	E. van Galen	R.J. van de Kraats	A.B.M. Olsson
Supervisory Board	•	•	•	•	•	•
Audit Committee			•	•	•(c)	
People Committee	•	•				•(c)
Capital Programme, Operations & Investments Committee		•	•(c)			•
Safety, Sustainability & Stakeholders Committee	•	•(c)		•		•
Liquidity & Solvency Committee			•		•(c)	

Attendance in 2021

Attendance	L.J. Gunning-Schepers (Chair)	J. Wijn (Vice-Chair)	E.R.P. Arkwright	S.G. Brummelhuis	D. Collier	E.van Galen	R.J. van de Kraats	A.B.M. Olsson
Supervisory Board	8 of 8	3 of 3	5 of 8	8 of 8	8 of 8	6 of 6	8 of 8	8 of 8
Audit Committee	n/a	1 of 1	0 of 4	n/a	4 of 4	3 of 3	4 of 4	n/a
Capital Projects, Operations & Investments Committee	2 times as observer	n/a	n/a	14 of 14	14 of 14	n/a	n/a	13 of 14
People Committee	14 of 14	8 of 8	n/a	14 of 14	1 time as observer	n/a	2 times as observer	14 of 14
Safety, Sustainability & Stakeholders Committee	3 of 3	n/a	n/a	3 of 3	n/a	2 of 2	n/a	3 of 3
Liquidity & Solvency Committee	n/a	4 of 4	n/a	n/a	4 of 4	n/a	4 of 4	n/a

knowledge of (Dutch) governance, compliance and regulatory issues. The expertise and experience that Mr Winter will bring will help the Supervisory and Management Board in 'building back better' and achieving the ambitions as set for the coming years.

On 31 May 2021, the third term of Mr Wijn expired. The Supervisory Board thanks Mr Wijn for his valuable and significant contribution to Schiphol Group during his terms as Supervisory Board member. On 30 November 2021, the Supervisory Board

position of Mr Arkwright expired due to the termination of the HubLink agreement between Groupe ADP and Schiphol Group. The Supervisory Board also thanks Mr Arkwright for his contribution to Schiphol Group during his terms as Supervisory Board member.

The composition of the committees changed in 2021, as shown in the table.

Meetings

The Supervisory Board met on eight occasions in 2021. The Management Board members attended all of these meetings. Prior to the regular meetings, the Supervisory Board held private consultations. The various committees held 39 formal meetings in total in the course of 2021. Extra meetings were held in 2021 due to the developments around the COVID pandemic and the A-Pier. It is expected that the amount of meetings will turn back to its normal pace in 2022. 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 several occasions. Various members of the Supervisory Board also had contact on a number of occasions with the senior management of Schiphol Group and with stakeholders both within and outside Schiphol Group, including the shareholders.

Meetings of the Supervisory Board committees

Audit Committee

The Audit Committee held four meetings in 2021. 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 airport charges setting, enterprise risk management, claims and integrity reporting, internal controls, progress and outcomes with respect to the internal audit annual plan and the follow-up on audit findings. The committee furthermore prepared the Supervisory Board's decision-making on the Budget and Funding Plan 2022. 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 point in 2021. Deeper information and discussion sessions took place in relation to the project execution risk. Prior to three regular Audit Committee meetings, the Chairman held a separate discussion with the CFO, 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 Board members.

Capital Programme, Operations & Investments Committee

The Capital Programme, Operations and Investments Committee held monthly meetings. The committee met 14 times in 2021. The main focus of the committee has been the major projects, specifically the A-Pier and Entry-Exit System. The committee was quarterly updated on the status and progress of the major projects. In addition, the committee was informed about the Multimodal Node Schiphol (MKS) and the CAPEX portfolio 2022-2026. The quality assurance in CAPEX execution was discussed as well. The committee was updated monthly on the operational and commercial developments in relation to COVID-19 and was informed about the Summer 2021 preparations, the Airport Operations Centre, the passenger journey and scaling and commercialising. Since 2020, the Committee has been advising the Supervisory Board on approval of preliminary investment decisions of all asset related projects. In 2021, the committee advised in favour of all submitted preliminary investment decisions.

People Committee

The People Committee held 14 meetings in 2021. The main focus of the Committee has been the succession of the Supervisory Board, the succession of the Chief Financial Officer (CFO) and the reappointment of the Chief Executive Officer (CEO). In August 2021, the Supervisory Board adopted a diversity policy, which was extensively discussed in the committee previously. Other topics were 2020 and 2021 performance, Project Reset, social contract and operating model, 2022 objectives and the My Schiphol Survey results (in relation to the Employee Promotor Score).

Safety, Sustainability & Stakeholders Committee

The Safety, Sustainability and Stakeholders Committee met three times in 2021. Much attention was paid to safety in a broad sense.

The HSE reports, the progress in relation to ISMS and a review of safety in 2020 were discussed. A few members of the committee joined the 'Cleanup Day' which 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 Fit For 55 and the developments around sustainable aviation fuels. Airport charges in relation to sustainability were discussed as well. The Airport Decree and nature permits were discussed extensively in each committee meeting. The committee hopes that a solution will be found for this issue on short term. The committee also paid attention to corporate social responsibility and the noise-disturbance reduction plan.

Liquidity & Solvency Committee

A temporary Liquidity and Solvency Committee, consisting of the CFO, two Corporate Finance Managers and most of the committee members, was formally established to ensure proper liquidity management on both the short and longer-term. The Committee met on four occasions in 2021, discussing the strategic financial framework, liquidity and solvency developments and bond issuance. In August 2021, it was decided to merge this committee with the Audit Committee. Liquidity and solvency were since then recurring topics in the Audit Committee, which will continue in 2022.

Meetings	Number ¹
Supervisory Board	8
Additional Supervisory Board meeting without Management Board members attending	4 ²
Audit Committee	4
Capital Programme, Operations & Investments Committee	14
People Committee	14
Safety, Sustainability & Stakeholders Committee	3
Liquidity & Solvency Committee	4
Total	47

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 wishes to compliment the Management Board, as it believes the Management Board has taken the first important steps towards 'building back better'. A special word of thanks is expressed to all who kept operating and improving Schiphol Group, including its employees, co-workers and business partners, in what was again a challenging year.

Schiphol, 17 February 2022

The Supervisory Board

Louise Gunning-Schepers, Chair

Simone Brummelhuis

Declan Collier

Elfrieke van Galen

Robert Jan van de Kraats

Mikael Olsson

Jaap Winter

Supervisory Board



Ms L.J. Gunning-Schepers

(1951, Dutch nationality)

Chair

First appointed in 2014

Second term expires in 2022

- Chair of the Supervisory Board of ONVZ
- Chair of the KHMW
- Chair of the Supervisory Board of RegMed XB
- Chair of the Dr. Saal van Zwaneburg Foundation
- Chair of the Elzenga-van Oosten fund Foundation
- Chair of the Jan Brouwer Foundation
- Member of the Supervisory Board of the Eindhoven University of Technology
- Member of the Supervisory Board of Top Sport Community
- Board member of Adore Foundation
- Former Crown-appointed member of the Executive Board of the Netherlands Social and Economic Council
- Former CEO and Dean of UvA AMC
- Former Chair of the Executive Board of the University of Amsterdam



Ms S.G. Brummelhuis

(1965, Dutch nationality)

First appointed in 2018

First term expires in 2022

- Managing Director at Borski Fund
- Member of the Supervisory Board of Mediahuis Nederland
- Member of the Supervisory Board of Rabo Amsterdam
- Board of Advice Augeo



Mr D. Collier

(1955, Irish nationality)

First appointed in 2018

First term expires in 2022

- 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



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 van Holding Maatschappij Zuid-Holland
- Member of the Supervisory Board van Triodos fondsen
- Former Senior Vice President Corporate Social responsibility at KLM
- Former CEO KLM Cityhopper & KLM UK Ltd
- Former Vice President KLM Cargo customer services



Mr R.J. van de Kraats

(1960, Dutch nationality)

First appointed in 2015
Second term expires in 2023

- Non-Executive Chairman of TMF Group
- Director Randstad Beheer
- Non-executive Director of OCI N.V.
- Non-executive Director of VEON Ltd.
- Vice-Chairman of the Advisory Board of the Goldschmeding Foundation
- Member of the Advisory Board of Suitsupply B.V.
- Former CFO and Vice-Chair of the Executive Board of Randstad N.V.



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.



Mr J. Winter

(1963, Dutch nationality)

First appointed in 2022
First term expires in 2026

- Partner at Phyleon leadership & governance
- Former chairman of Executive Board at Vrije Universiteit Amsterdam
- Chairman of the Board at the Van Gogh Museum
- Chairman of the Supervisory Board at Erasmus Universiteit Rotterdam
- Chairman of the Board at ADORE foundation

Management Board



D.A. Benschop

(1957, Dutch nationality)

President & CEO

Since 1 May 2018

First term expires on 30 April 2022

- Chair of the Board of Oranjefonds Foundation
- Non-executive member of the Board of Directors of Brisbane Airport Corporation PTY Ltd¹
- Co-Chair of the Schiphol Security and Public Safety Platform
- Member Daily and General Board VNO-NCW
- Member Supervisory Board Stichting Bevordering kwaliteit leefomgeving Schipholregio
- Member Amsterdam Economic Board

Responsibilities

- Corporate Affairs²
- Corporate Legal²
- Human Resources²
- Regional airports



H.L. Buis

(1976, Dutch nationality)

Member of the Management Board and CPAO

Since 1 June 2020

First term expires on 31 May 2024

- Supervisory Board member Stedin Holding N.V.
- Supervisor Dutch Bach Association
- Secretary to STAK W.Th. Zandstra Beheer B.V.
- Member of the board of the Hoogeschoolraad Erasmus University

Responsibilities

- Asset Management³
- IT & Data³
- Schiphol Projects³
- Strategy & Airport Planning⁴
- A-Pier Project³



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 Ltd¹

Responsibilities

- Finance²
- Procurement & Contracting²
- Risk & Audit²
- Schiphol International³



B.I. Otto

(1963, Dutch nationality)

Member of the Management Board and COO

Since 1 September 2014

Second term expires on 31 August 2022

- Supervisory Board member of Eindhoven Airport N.V.
- Supervisory Board member Royal FloraHolland U.A.
- Chair of Schiphol Security and Public Safety Steering Group
- Member of the Schiphol Security and Public Safety Platform
- Chair of the Joint Sector Safety Review Board
- Board member ACI Europe
- Member of the Executive Committee of the ACI Europe Board
- Board member Next Generation Infrastructures
- Supervisor of the Dutch Federation of Professional Soccer Organisations

Responsibilities

- Airport Operations & Aviation Partnerships³
- Safety, Security & Environment³
- Schiphol Commercial³

¹⁾ 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.

²⁾ Governance structure: Support.

³⁾ Governance structure: Operate.

⁴⁾ Governance structure: Plan & innovate.



Susanne Buijs, one of the 75 passenger assistants whose contracts went from flexible to fixed: 'I am delighted with the fixed contract, especially during the pandemic. I feel valued and like a real part of the Schiphol family. It's something I'm proud of!'

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 four shareholders: the State of the Netherlands, the municipality of Amsterdam, Groupe ADP 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.

Management Board

Schiphol Group's Management Board consists of four members, a President and Chief Executive Officer (CEO), a Chief Financial Officer (CFO), a Chief Operations Officer (COO) and a Chief Projects and Assets Officer (CPAO). 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.

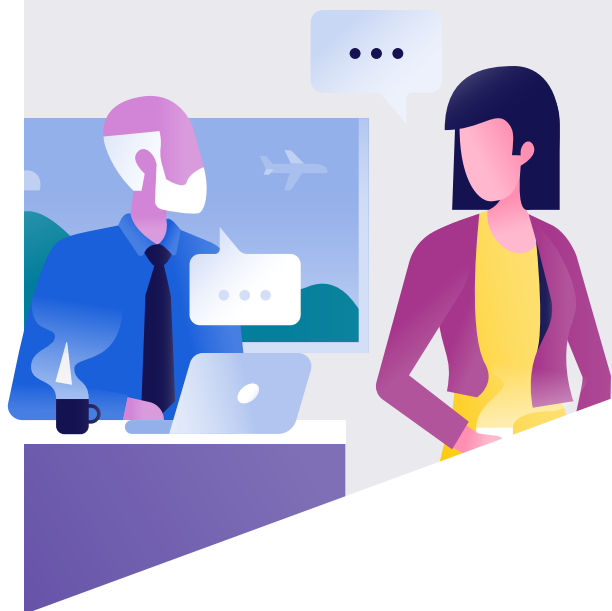
Ms Otto will resign as Executive Vice-President and Chief Operations Officer per 31 May 2022. The Supervisory and Management Board decided to reduce the amount of Management Board members from four to three, consisting of a Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. Following the organizational change and the

restructuring of the governance during Project Reset, the Management Board members have fewer direct reports and a different way in which the senior management is responsible has been implemented.

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.

1. The Supervisory Board has four permanent committees: 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.
2. The Capital Projects, Operations & Investments Committee prepares and discusses matters relating to the Supervisory Board's decision-making on the approval of preliminary investment decisions for asset projects requiring the Supervisory Board's approval (as stated in the articles of association and internal regulations). The committee is closely involved in the major projects (amongst which A-Pier, doubling the Quebec taxiway) as well as the (general) operational and commercial developments at the airport (including summer 2021 preparations, retail and food and beverage strategy, scaling and commercialising).
3. The People Committee prepares and discusses the Supervisory Board's decision-making on nomination, appointment and remuneration. The committee also engages in topics relating to diversity and inclusion as well as succession planning and employee-related matters.



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

In 2021, the formal temporary Liquidity & Solvency Committee was established to ensure proper liquidity management for both the short and longer term. In August 2021, the decision was taken to merge this temporary Committee with the Audit Committee. Liquidity and solvency are now being addressed as a recurring agenda item during Audit Committee meetings.

The committees meet independently and carry out preparatory work as governed in the charters, which are part of the Supervisory Board rules. The committees report on the outcome of their meetings in a Supervisory Board meeting. The Supervisory Board as a whole makes decisions based on these reports. The Supervisory Board rules, including the Committee charters, are published on www.schiphol.nl.

Corporate Governance Structure



Shareholders

Groupe ADP and Schiphol Group have not renewed the HubLink industrial cooperation agreement, which has expired on 30 November 2021. The HubLink agreements provide a mechanism to unwind the cross-shareholding between Groupe ADP and Schiphol Group, enabling an orderly sale of the shares over a period of a maximum of 18 months, i.e. until 30 May 2023.

Diversity Policy

In August 2021, 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.

Schiphol Group has an important role in society and therefore the responsibility to actively pursue diversity and inclusion. The company actively works with its employees on developing the culture and processes of the company, to create an organisation where diversity and inclusion are self-explanatory; that is a representation of society and attractive to work for; where everyone feels at home; and works together in diverse and inclusive teams.

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 the 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 three female and three male members. Schiphol Group therefore complies with this objective.
- Maintain the 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 two female and two male members. Schiphol Group therefore complies with this objective.
- Maintain the 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 six female and nine male members. Schiphol Group therefore complies with this objective.
- Increasing the 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 five (out of twenty-five) members that either have an international (three) or bi-cultural (two) background. Schiphol Group

- therefore complies with this objective, but shall nonetheless continue striving 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.

In 2021, Schiphol Group was the frontrunner in 'diversity at the top' for the third time, mainly driven by its gender diversity. Furthermore, based on our most recent research, there is no gender pay gap at Schiphol Group.

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 bonds 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 the 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 in order 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 environment, is complied with. 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 department. 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 to operate circular and energy-positive airports by 2050. Each quarter, 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 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 Board, 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 2022.

Following the identified areas with room for improvement by the ACM in January 2020, Schiphol Group performed an internal audit on the compliance with the commitments in 2021. The outcome of the internal audit is positive and there is a limited number of recommendations to further strengthen the compliance programme. These will be followed up on.

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"> – Travel restrictions due to COVID-19 – Competition from other airports 	Network of destinations
 Airport capacity	COO CEO CPAO	<ul style="list-style-type: none"> – Maintain operations during construction – Opening of Lelystad Airport – Delivery of A-Pier 	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	COO CPAO	<ul style="list-style-type: none"> – Ensuring safe and responsible travel environment during and after COVID-19 – Development of safety culture – Seamless Flow/Entry-Exit System – Double taxiway Quebec 	Safe, responsible and secure travel
 Customer appreciation	COO CFO	<ul style="list-style-type: none"> – Maintain and enhance quality perception (despite COVID-19 measures, construction and renovation) – Setting 2022-2025 airport charges 	Customer appreciation
 Zero-emission airports	CEO	<ul style="list-style-type: none"> – Development to become zero-emissions airports by 2030 – Research/developments in 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	<ul style="list-style-type: none"> – Effective and professional contracting practices – Compliance and promotion of integrity 	Responsible business
 Circular economy	CPAO 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 hindrance perception during and after air traffic recovery from COVID-19 	Community and Noise
 Financial solidity	CFO	<ul style="list-style-type: none"> – Pressure on financial ratios due to COVID-19 – Maintain good credit ratings – End of hub-link agreement 	Financial solidity
 Business continuity	COO	<ul style="list-style-type: none"> – Reliability of assets – Complexity of processes – Involvement of other sector parties 	Business continuity
 Employment practices	CEO	<ul style="list-style-type: none"> – Tight labour market – Diversity and inclusion to be self-explanatory 	Employment practices

¹ This overview is not exhaustive.

This remuneration report sets out the remuneration policy for the Schiphol Group Management Board and Supervisory Board.

Remuneration

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 2021, the Management Board comprised the following persons:

	Position	Term	Term ends on
Dick Benschop	CEO	First	30 April 2022
Jabine van der Meijs	CFO	First	30 April 2021
Robert Carsouw	CFO	First	31 March 2025
Birgit Otto	COO	Second	31 August 2022
Hanne Buis	CPAO	First	31 May 2024

Mr Benschop and Mr Carsouw have a fixed-term employment contract with Royal Schiphol Group N.V. Ms Otto and Ms Buis are employed by Royal Schiphol Group N.V. on the basis of an open-ended employment contract, as they were already employed by Royal Schiphol Group before joining the Management Board.

Mr Benschop has been reappointed for a second term starting 1 May 2022. Ms Van der Meijs chose not be reappointed for a second term. Her employment contract was terminated as of 1 May 2021. She was employed based on a fixed-term employment contract.

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 2013 ('2013 state participations policy'), including the April 2016 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 2021 are provided below.

Fixed salary

Based on the current remuneration policy, the CEO's fixed salary¹ amounts to 443,604 euros in total. In 2021, 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 2021, were as follows:

	Position	Total fixed salary (EUR)
Dick Benschop	CEO	443,604
Jabine van der Meijs ¹	CFO	141,981
Robert Carsouw ²	CFO	282,798
Birgit Otto	COO	377,064
Hanne Buis	CPAO	377,064

¹ Until 30 April 2021.

² As of 1 April 2021.

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 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 2020

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 over 2020, due in 2021, 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 112,189 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 88,084³ euros in 2021 (2020: 74,908 euros), based on the assumption that all employees work 40 hours a week. The actual median is lower.

This amount compared with the total fixed salary (as no variable remuneration was paid in 2021), pension costs and pension allowance received by Mr Benschop in 2021, totalling 549,722³ euros (2020: 523,498 euros), equates to a remuneration ratio of 1:6.2 (2020: 1:7.0).

Management Board Remuneration for 2021

Despite the unprecedented impact of the COVID-19 pandemic on the company, Schiphol Group performed relatively well with regard to its qualitative targets. 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 and in view of the financial situation, no variable remuneration was awarded over 2021 to the Management Board.

The total remuneration received by Management Board members in 2021 is specified in the [Remuneration for Management Board members](#) section of the financial statements.

The 2022 Management Agenda, again consisting of 8 TPIs and 21 'major deliverables', has been adopted by the Supervisory Board.

¹⁾ Fixed gross annual salary, including holiday allowance.

²⁾ The maximum amount for tax purposes applicable in 2021.

³⁾ Since this year, we have added the pension costs in this ratio calculation. Therefore, the amount is higher than in previous years.

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 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 2021 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 2021

Information on the remuneration of the Supervisory Board for 2021 can be found under ['Related parties' in the notes to the consolidated financial statements](#).

Schiphol, 17 February 2022

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 management

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

As an airport owner and operator, our risk profile is determined by ensuring our vital role is executed in line with national interests and expectations. Providing safe, reliable and available travel 24/7 remained critical during 2021, as the pandemic continued to have a significant impact on people's lives, particularly with new COVID-19 variants coming to light. Together with our partners, we remained focused on adapting to changing needs and circumstances while also taking our learnings from the past two years into account. Our new organisation, in place since March 2021, is a key enabler to improving our resilience. By prioritising and increasing collaboration, we are 'building back better' since the pandemic, supported by more efficient and effective working.

The need for resilience is also critical to respond effectively to external influences on our business such as cybercrime, extreme weather and climate change. Sophisticated cyber threats are on the increase, posing a major concern especially given the reliance on increasingly connected IT & Data systems supporting our core operations and in turn business continuity. Meanwhile, as a central player in the wider aviation sector, our ability to undertake our business in a sustainable and responsible manner towards the environment and society is increasingly one of the foundations of our licence to operate, requiring 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 reach the targets we have

set. These include our *CO₂ emissions* Top Performance Indicator (TPI), which is independently audited and reported on externally. Maintaining momentum is critical, supported by identifying and working on technical innovations that contribute to acting more sustainably. Combining and leveraging of both Schiphol's ambitions and that of partners including contractors and airlines is essential

Explicitly acknowledging and acting responsibly to the impact of climate change is critical on a global scale. This is demonstrated by the recent agreements between governments at COP26, the EU Fit for 55 proposals, and more local to the Netherlands, the request by Eumedion, representing Dutch institutional investors on governance and sustainability topics, for companies to share more information and activities on how climate risk is specifically taken into account, also with the involvement of the statutory auditor.

Extreme weather, climate change and related compliance risk

It is vital that Schiphol remains resilient to extreme weather conditions such as severe rainfall and other climate-related risks. Trends and impacts are monitored. Our risk-identification process enables us to identify those areas of the airport that are most vulnerable and, through our business continuity management programme, we take steps to ensure critical infrastructure and operations are protected, not only today but also in the longer term. Improvements to increase our resilience are ongoing. Furthermore, Schiphol's staff takes part in regular training with specific regard to extreme weather conditions to ensure business continuity.

Compliance remains critical with Schiphol having a very low risk appetite for non-compliance. Environmental compliance is increasingly gaining prominence specifically on topics related to responsible aviation and climate change. The draft nature conservation permit (natuurvergunning) outlines the current permissible emission (nitrogen oxide) levels to which our current level of ATMs comply.

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 2021 remained unchanged from the previous year.

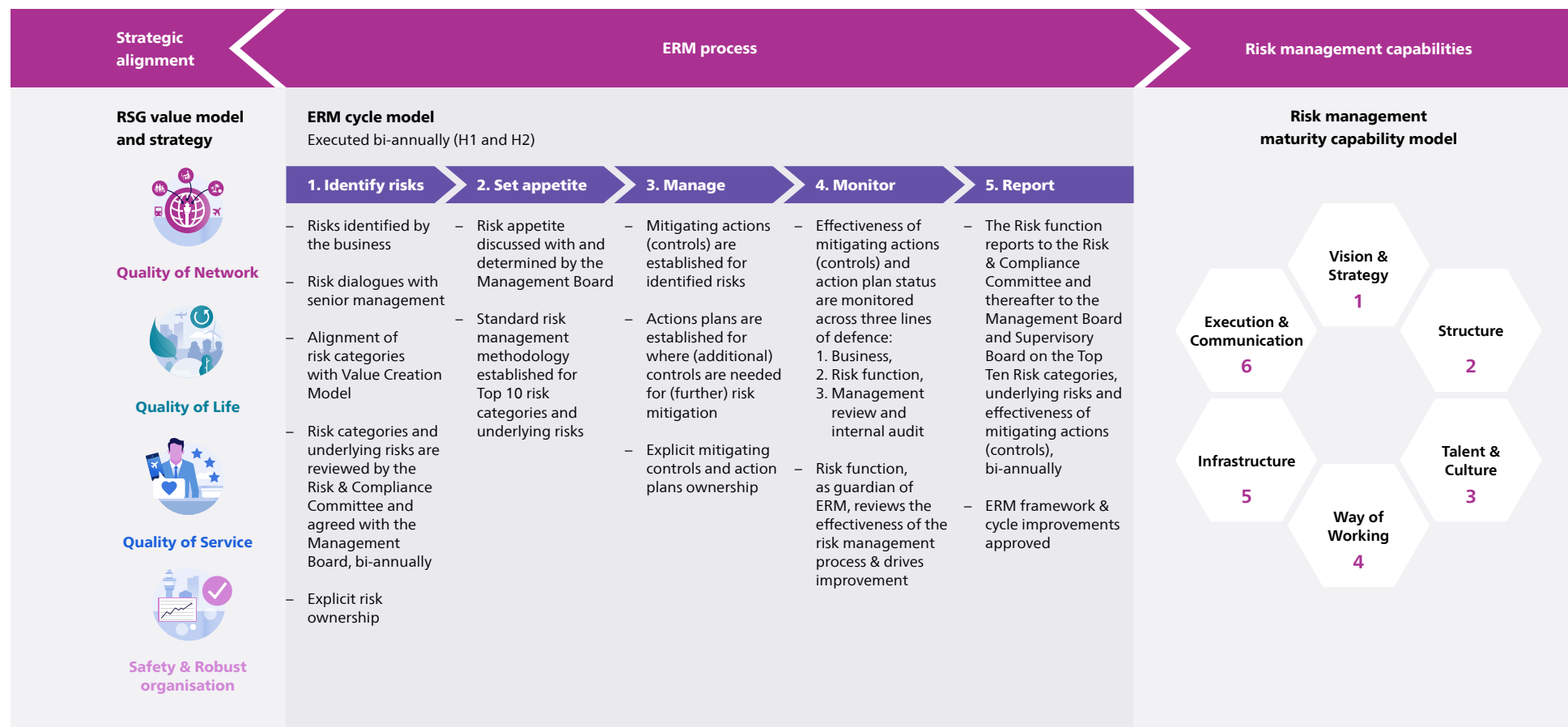
Risk Grouping (COSO)	Risk Appetite	Description
Strategic	moderate	We recognise that a balance is needed between our socio-economic role (low risk acceptance) and our commercial ambitions (higher risk acceptance).
Operational	very low	Our primary focus is ensuring the continuity of our operations in a safe and secure manner regardless of 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 '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 continuity of our aviation activities and business requirements such as EASA, health and safety, security environmental, competition, tendering and 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 further improved during 2021. The improvements made included:

- Further alignment with the Company Strategy. Each of the 10 risk categories is explicitly linked to one of the cornerstones of our Strategy. Category naming has been updated to reflect the strategy where possible. For example, the category named 'Connectivity Performance' in 2020 has been renamed Quality of Network in 2021.
- Reflecting organisational changes either due to Project Reset and/or dialogues, identifying the most appropriate risk owners.
- Increasingly aligning enterprise risk management with operational risk management activity within individual businesses.
- Further documentation and updating of guidelines and templates to support the enterprise risk management process.
- Development of a risk management maturity model built around six capabilities.

Enterprise Risk Management approach



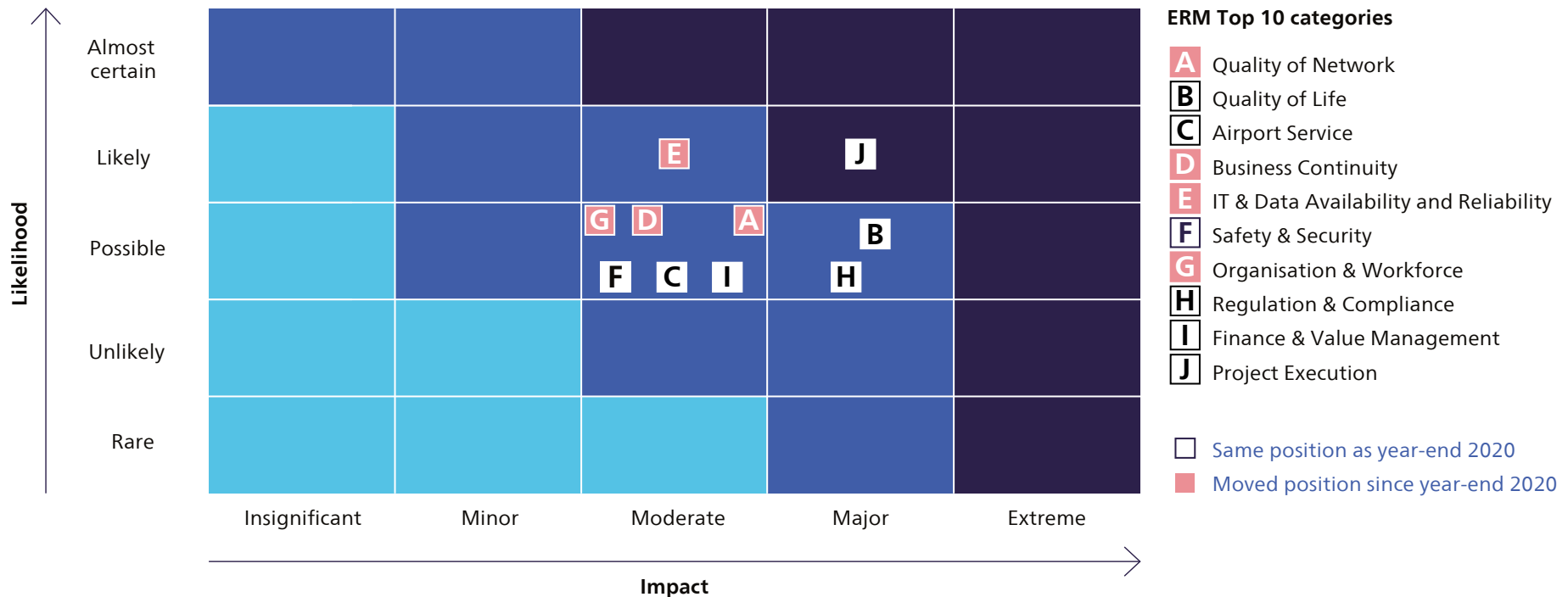
The top ten risk categories: an enterprise risk assessment

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 latest 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).

Potential impact is measured either financially (e.g. more than 25 million euros EBITDA) or non-financially (e.g. reputational impact). The position indicates the residual risk reflecting the effectiveness of mitigating actions. Changes since 2020 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, slot allocation mechanism	<ul style="list-style-type: none"> Quality of Network roadmap including Strategic plan for post-COVID-19 recovery Passenger journey and airline journey roadmaps 	↓	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"> Sustainability Roadmap Monitoring & reporting framework 5. Progress report Noise Hindrance (minder hinder) plan, UFP (Ultra Fine Particles) action plan execution 	=	Reputation Score CO ₂ 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"> Landside central programme, 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 (KOPSS) Sectoral crisis management and resultant action plans Contractor performance management IT disaster recovery plan Data & AI roadmap Integral Fire Safety Plan Climate change action plan review Drone detection system 	↓	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 Cyber attack 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 	↑	On-time Performance Net Promoter Score
F. Operational	Safety & Security	<ul style="list-style-type: none"> Runway incursion and bird strikes Terrorist and/or cyber attacks Fire, construction failures and construction safety incidents Uncontrolled crowd dynamics 	<ul style="list-style-type: none"> Integral fire safety plan Wildlife hazard management plan Integrated safety programme Safety construction standards Landside security mitigation measures 	=	Net Safety Score
G. Organisation	Organisation & Workforce	Suboptimal organisation, attracting and retaining staff, productivity, work pressure	<ul style="list-style-type: none"> Employee Satisfaction Survey Schiphol Branding Addressing ways of working (building back better) 	↑	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	Lack of liquidity and low earnings, 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 – Additional funding – Capital Lifecycle Process 	=	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 – Gold Standards for project execution – Contractor performance management 	=	All TPis

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. 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 aim to reduce the likelihood of errors, wrong decisions and the impact of surprises due to unforeseen circumstances as much as possible. However, there are no absolute guarantees and we cannot exclude the possibility of being exposed to risks that we are currently unaware of, or which may not yet be considered important at this time. 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.

In addition, as an airport, Schiphol is susceptible to adverse weather conditions and other natural phenomena; we simply cannot prevent or influence these. We can, however, 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 give 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 date of the report;
- the annual report gives 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

Hacer Uslu, Security Officer, on the deployment of CT scanners throughout Schiphol: 'Having CT scanners at every security filter is a big step forward. The scanners are an extra service for our travellers and contribute to a safer Schiphol.'

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 in accordance with the Global Reporting Initiative (GRI) Standards (core option) 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 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 upon 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.

Reporting method

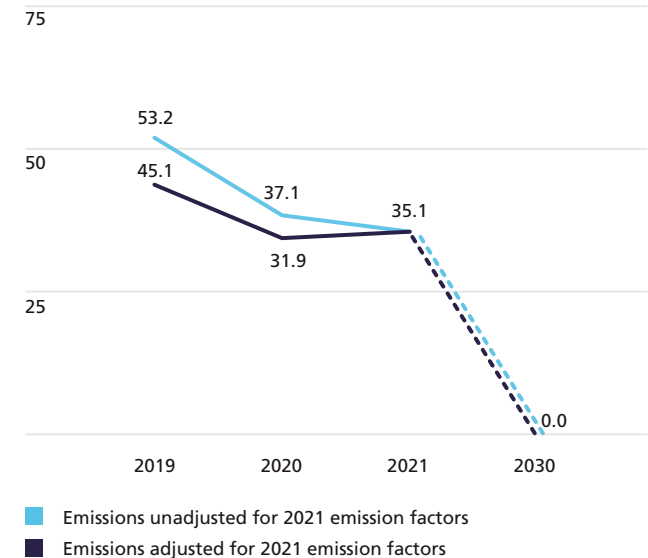
Our ambition is to create the world's most sustainable and high-quality airports. The results regarding our financial, operational and social performance are presented in a single annual report. Our annual report and the related data and content are structured according to our Vision 2050, which consists 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 2021, the COVID-19 pandemic continued to impact the aviation sector; however, 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 CO₂ emissions, there is the concept of emission factors, which can change from year to year. In our CO₂ reporting, we generally restate figures from previous years to make more tangible comparisons. For informational purposes, we have stated our CO₂ emissions for gas and fuels, two categories that we aim to bring to zero in 2030, in the graph on this page

Towards zero emissions 2030 Amsterdam Airport Schiphol

Realised emissions in CO₂ in kilo tonnes for fuel airside and natural gas



both adjusted and unadjusted for emission factors. For more information about Schiphol's CO₂ emissions in 2021, please refer to [Zero-emission airports](#).

Scope

In the 2021 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 2021, we performed a light 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 2021, no new material

(dis)investments occurred that were eligible for inclusion or exclusion 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






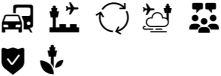




Schiphol Group begins drafting its annual report in autumn each year. Based on the internal materiality analysis, theme experts are tasked with compiling textual input or data for each material aspect. The internal annual reporting team, assisted by external copywriters, then compiles the draft text 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 2021 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 table below lists contact moments for 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
 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
 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

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 2021
 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
 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>Airport capacity Availability and quality of (infrastructural) capacity.</p>	 <p>Business continuity Reliable and resilient operations.</p>	 <p>Circular economy Sustainable resources and ensuring next-life applications.</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>	 <p>Community and Noise Direct community engagement and the impact of aircraft and ground noise on surrounding communities.</p>	 <p>Customer appreciation Meeting the needs of airport users.</p>	 <p>Employment practices Development and training of employees, vitality and inclusiveness.</p>	 <p>Financial solidity Financial robustness and shareholder value.</p>	 <p>Network of destinations Quality and frequency of destinations.</p>	 <p>Responsible business Transparent and fair business practices.</p>	 <p>Safety and security Safe and secure airport operations and environment.</p>	 <p>Sustainable aviation Driving sector-wide sustainable initiatives and international advocacy.</p>
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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. In 2016, Schiphol identified six 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 in this year's 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 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: 62,000 <p>8.8 Protect labour rights and promote safe and secure working environments for all workers</p> <ul style="list-style-type: none"> LTIF: 0.9 	<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>Safe, secure and responsible travel</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 wellbeing, 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: 25.5 million passengers and 1.7 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: 7.8% 	<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 	<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 2021 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"> Seperation rate: 48.7% <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"> Building Circularity Index score of 57% for 13 building projects in terminal Circular refurbishment of M corridor Placement of 70 PET donation bins 	<p>Circular economy</p>
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 Schiphol operates on 100% renewable wind energy 	<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 within airport charges 	<p>Business continuity</p> <p>Sustainable aviation</p>
SDG 17	<p>Partnerships for the goals</p> <p>17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.</p> <ul style="list-style-type: none"> Work closely with partners to achieve net-zero carbon aviation in 2050 	<ul style="list-style-type: none"> Member of TULIPS consortium Bright Sky Partner Chair of the Airports Council International (ACI) Wildlife Trafficking Taskforce Co-initiator of net-zero carbon 2050 resolution ACI Europe Agreement Dutch Sustainable Aviation Founding partner of Mission Possible platform of World Economic Forum 	<p>Quality of Life</p> <p>Sustainable aviation</p> <p>Material aspects for stakeholders</p>

GRI Content Index

GRI guidelines for sustainability reporting

Ref.	Description	Chapter	Information and reference	External assurance section
Strategy				
G102-14	Statement from senior decision-maker	Message from the CEO		No
G102-15	Key impacts, risks, and opportunities	Trends and developments		No
		Risk management		
Corporate profile				
G102-1	Name of the organisation	Financial Statements		Yes
G102-2	Activities, brands, products and services	Our company		No
G102-3	Location of headquarters		Evert van de Beekstraat 202, 1118 CP Schiphol	No
G102-4	Location of operations	Our company		No
G102-5	Ownership and legal form	Corporate governance		No
G102-6	Markets served	Our company		No
G102-7	Scale of the organisation	About us and our Why		No
G102-8	Information on employees and other workers	Employment practices	Average FTEs per region & division Business areas Aviation: 1,238 Schiphol commercial: 147 Operating Unit ICT: 272 Schiphol Projects: 111 Staff: 346 Amsterdam Airport Schiphol total: 2,121 Entities Lelystad Airport: 45 Eindhoven Airport: 78 Rotterdam The Hague Airport: 105 Other information is not material	Yes
G102-41	Collective bargaining agreements		91,2% of employees covered by CLAs	No
G102-9	Supply chain	Passenger and airline journey		No
G102-10	Significant changes to the organisation and its supply chain	Socio-economic accountability		No Yes
G102-11	Precautionary principle	Risk management	See also: http://www.schiphol.nl/nl/jij-en-schiphol/pagina/een-duurzame-toekomst	No
G102-12	Externally developed economic, environmental and social charters, principles or other initiatives		Diversity Charter, 'Aviation Inclusive' collaboration project, Smart and Sustainable action plan	No

Ref.	Description	Chapter	Information and reference	External assurance section
G102-13	Membership of associations and/or national or international interest organisations	Supervisory Board Management Board Socio-economic accountability	Industry association Airports Council International , World economic Forum	No No Yes
Material topics				
G102-45	Entities included in the consolidated financial statements	Financial Statements		Yes
G102-46	Process for defining report content and scope	Material aspects for stakeholders Socio-economic accountability		Yes Yes
G102-47	Overview of material topics to determine report content and scope	Material aspects for stakeholders Socio-economic accountability		Yes Yes
G102-48	Re-statements of information provided in previous annual reports	Socio-economic accountability		Yes
G102-49	Significant changes in scope relative to the previous reporting period	Socio-economic accountability		Yes
Stakeholder involvement				
G102-40	List of stakeholder groups engaged by the organisation	Material aspects for stakeholders Socio-economic accountability		Yes Yes
G102-42	Basis for identifying and selecting stakeholders with whom to engage	Material aspects for stakeholders		Yes
G102-43	Approach taken to engaging stakeholders	Material aspects for stakeholders Socio-economic accountability		Yes Yes
G102-44	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns	Material aspects for stakeholders Socio-economic accountability Community and Noise		Yes Yes Yes
Reporting details				
G102-50	Reporting period	Socio-economic accountability	01-01-2021 - 31-12-2021	Yes
G102-51	Date of most recent previous report (if any)	Published on 8 March 2021	www.schiphol.nl/nl/schiphol-group/pagina/jaarverslagen/	No
G102-52	Reporting cycle		Annual	No
G102-53	Contact information		investor_relations@schiphol.nl	No
G102-54-55	GRI Content Index	Reporting guidelines		Yes
G102-56	Assurance report	Assurance report		Yes
Governance				
G102-18	Organisational governance structure	Report of the Supervisory Board Corporate Governance Supervisory Board Management Board		No No No No
Ethics and integrity				
G102-16	Values, principles, standards, and norms of behaviour	Responsible Business		Yes
G102-17	Mechanisms for advice and concerns about ethics	Responsible Business		Yes

Ref.	Description	Chapter	Information and reference	External assurance section
Management approach				
G103-1	Topic boundary within and outside the organisation for each material subject	Material aspects for stakeholders Socio-economic accountability Value creation model		Yes Yes Yes
G103-2	Management approach and underlying components	Material aspects for stakeholders Socio-economic accountability Network of destinations Accessibility Airport capacity Customer appreciation Sustainable aviation Community and Noise Zero-emission airports Circular economy Safe, secure and responsible travel Financial solidity Business continuity Responsible business Employment practices	We exist to connect your world by creating the world's most sustainable and high-quality airports. In 2019, we formalised our Vision 2050 along which our annual report and the related data and content are structured. Vision 2050 consists of three qualities and two underlying enablers: quality of life, quality of network and quality of service supported by a safe and robust organisation. We design our strategy in response to trends and developments. We have also analysed our key risks. The most important strengths, weaknesses, opportunities and threats are specified in the SWOT analysis. For further details, see Vision 2050.	Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes
G103-3	Evaluation of management approach	Material aspects for stakeholders Our results Corporate Governance Socio-economic accountability	Schiphol Group consciously weighs the quality of network, quality of life and quality of service. This approach is reflected in our investment decisions, calls for tenders and a range of other activities. Our results show how we shoulder our responsibilities and seek to strike a balance between the positive and negative effects of our operations.	Yes Partially No Yes
Material topics				
Network of destinations				
AO1	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	Amsterdam Airport Schiphol excl. transit-direct Passengers: 25,490,824 European: 18,981,096 Intercontinental: 6,509,728 OD passengers (total): 14,362,224 European OD: 11,590,561 OD Intercontinental: 2,771,663 Transfer (total): 11,128,600 European transfer: 7,390,535 Intercontinental transfer: 3,738,065 Transit-direct passengers: 3,618	Yes
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	Amsterdam Airport Schiphol Air transport movements (total): 266,967 Cargo flights (commercial): 23,997 Passenger flights (commercial): 242,970 General aviation (non-commercial): 18,651 Night-time flights (commercial): 10,791	Yes
AO3	Cargo volume	Network of destinations	Amsterdam Airport Schiphol: 1,667,303,852 kg	Yes
	Number of ICA destinations	TPI performance 2021		Yes

Ref.	Description	Chapter	Information and reference	External assurance section
Accessibility				
	Accessibility	Accessibility	This topic is qualitatively evaluated	Yes
Airport capacity				
	On-time performance	TPI performance 2021		Yes
Customer appreciation				
	Net Promoter Score	Customer appreciation TPI performance 2021		Yes Yes
Sustainable aviation				
	Sustainable aviation fuel contribution	Sustainable aviation	This topic is qualitatively evaluated	Yes
Zero-emission airports				
G302-4	Saving energy	Zero-emission airports		Yes
G305-1	Greenhouse gas emissions - Scope 1	Zero-emission airports TPI performance 2021		Yes Yes
G305-2	Greenhouse gas emissions - Scope 2	Zero-emission airports TPI performance 2021		Yes Yes
G305-3	Greenhouse gas emissions - Scope 3	Zero-emission airports TPI performance 2021		Yes
G305-5	Reduction of greenhouse gas emissions	Zero-emission airports TPI performance 2021		Yes Yes
	Air quality composition	Zero-emission airports SDG table	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.	Yes
Circular economy				
G306-1	Waste generation and significant waste-related impacts	Circular economy Quality of life	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.	Yes
G306-2	Management of significant waste-related impacts	Circular economy Quality of life	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.	Yes
G306-4	Waste diverted from disposal	Circular economy Quality of life	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.	Yes

Ref.	Description	Chapter	Information and reference	External assurance section
Community and noise				
G413-2	Operational activities with a significant (potentially) negative impact on the local environment	Community and noise	The area around the airport is especially likely to experience noise disturbance See also: www.bezoekbas.nl	Yes 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	Expansion of the airport in 2021 did not require any relocations of local residents.	Yes
AO7	Number of people living in noise-affected areas	Community and noise	In the 2021 Usage Forecast, it was anticipated that 117,000 people would experience severe noise disturbance at levels of 48 dB(A) Lden or higher. Ultimately, the actual number was 59,600. The usage forecast for 2021 is also available online.	Yes
	Reputation Score	TPI performance 2021		Yes
Safe, secure and responsible travel				
AO9	Number of animals involved in wildlife strikes per 10,000 air transport movements	Safe, secure and responsible travel Our regional airports	Bird strikes are material	Yes Yes
G403-9	Lost Time Injury Frequency (LTIF)	Safe, secure and responsible travel Our regional airports	Lost Time Injury Frequency and absenteeism are material	Yes Yes
	Net Safety Score	TPI performance 2021		Yes
Financial solidity				
G201-1	Direct economic values	Financial Statements		Yes
G203-1	Development and impact of infrastructure investments and services provided primarily for public benefit	Financial performance	We invested 450 million euros in 2021. 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.	No
G203-2	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 2021		Yes
Responsible business				
	Number of issues reported to the integrity committee	Responsible business		Yes
Business continuity				
	Business continuity	Business continuity	This topic is qualitatively evaluated	Yes
Employment practices				
G401-1	Number of new employees and staff turnover	Employment practices	Division into categories is not material	Yes
	Employee promoter score	TPI performance 2021		Yes

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			
	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 2021

The EU Taxonomy is a sustainable classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. It recognizes as sustainable, economic activities that make a substantial contribution to at least one of the EU's environmental objectives. 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 the categories of *Water and marine resources*, *Circular economy*, *Pollution* and *biodiversity and ecosystems*. For FY 2021, Schiphol is required to report on taxonomy eligible activities. It must be noted that the currently identified eligible activities all are geared towards climate change mitigation. Our efforts in the climate adaptation area can be read in the section on [Business Continuity](#). The climate adaptation activities in 2021 did not translate into Taxonomy-eligible reporting for this objective. It is likely that this will be different for the coming years.

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 recognized 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 FY2021. 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.

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 re-measurements, 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 the Pier A. Sustainability and circular construction are key components in all of our construction activities, including the pier, which is why Pier A is on track of attaining label LEED gold upon delivery. The remainder of CAPEX mostly relates to the construction of a fast cycle lane between Hoofddorp, Schiphol and Amsterdam and installation, maintenance and repair of energy efficiency equipment as part of our Multi Annual Maintenance Plan (MJOP). For coming years, CAPEX is anticipated for the further electrification on airside as part of our ambition to operate the world's most sustainable airports and to operate zero-emission airports by 2030.

CAPEX

Taxonomy-eligible activities	Code	Absolute CAPEX in million euros	Proportion of total CAPEX	Climate change mitigation	Climate change adaptation
Construction and real estate activities	7.7	85.2	18.9%	Yes	-
Other	6.13, 7.3, 7.4, 7.5, 7.6	2.0	0.4%	Yes	-
Total CAPEX taxonomy-eligible activities	-	87.2	19.3%	-	-
Total CAPEX non-taxonomy-eligible activities	-	363.9	80.7%	-	-
Total CAPEX	-	451.1	100%	-	-

OPEX

The OPEX KPI is defined as dividing Taxonomy-eligible OPEX by all direct noncapitalised costs including supporting expenses that are not in CAPEX (relating to R&D, building renovation measures, shortterm lease and maintenance and repair). The EU taxonomy uses a significantly more narrow definition for OPEX than the regular IFRS OPEX definition. As our current financial reporting system set-up does not accommodate reporting against the specific OPEX categories of the EU Taxonomy, the information required to report is currently not readily available. Therefore, please note that for 2021 we have only included maintenance and repair OPEX for the purposes of this EU Taxonomy disclosure, as only this category currently is readily extractable from our financial reporting system.

Current taxonomy-eligible OPEX included in the maintenance and repair category concerns e.g. costs related to maintenance on our electric busses fleet, energy labels and sustainable building certifications. Please note that the EU Taxonomy OPEX disclosure does not include the purchase of our renewable energy (100% wind energy) nor OPEX on separation and reuse of construction and operational waste as this is currently not recognized as eligible for reporting under this category.

Turnover

The EU Taxonomy definition for 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 revenues from our real estate portofolio in line with EU taxonomy category 7.7. The remainder part relates to revenue attained from electric charging points on the airport premises, in line with EU taxonomy category 6.15. Though not recognized in the EU taxonomy, our airport charges comprise of a sustainability component. The use of quieter and cleaner aircraft is promoted as

OPEX (concerns maintenance and repair)

Taxonomy-eligible activities	Code	Absolute OPEX in million euros	Proportion of total OPEX	Climate change mitigation	Climate change adaptation
Other	6.3, 7.3, 9.3	0.6	0.5%	Yes	-
Total OPEX taxonomy-eligible activities	-	0.6	0.5%	-	-
Total OPEX non-taxonomy-eligible activities	-	114.6	99.5%	-	-
Total OPEX	-	115.2	100%	-	-

Turnover

Taxonomy-eligible activities	Code	Absolute turnover in million euros	Proportion of total turnover	Climate change mitigation	Climate change adaptation
Transport	6.15	0.3	0.04%	Yes	-
Construction and real estate activities	7.7	99.6	12.20%	Yes	-
Total turnover taxonomy-eligible activities	-	99.9	12.24%	-	-
Total turnover non-taxonomy-eligible activities	-	716.4	87.76%	-	-
Total turnover	-	816.3	100%	-	-

using the noisiest and most polluting planes can cost airlines five times more than using the quietest and least polluting ones. Furthermore, we have introduced a new levy for nitrogen emissions of 4 euros per kilo of nitrogen that is emitted during landing or takeoff. Additionally, Schiphol also introduced a new incentive for the use of sustainable aviation fuel. Airlines that fill up their planes with biofuel or synthetic fuel will get 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 2021

Our conclusion

We have reviewed the socio-economic reporting in the Annual Report 2021 (hereafter 'Annual Report') of Royal Schiphol Group N.V. (hereafter 'Schiphol Group') based in Schiphol, the Netherlands, for the year ended 31 December 2021 (hereafter 'the 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 2021', '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 2021' 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 Group with regard to corporate social responsibility and the thereto related business operations, events and achievements during the year.

Basis for our conclusion

We have conducted 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'. Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of Schiphol Group 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 Group 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 the GRI Sustainability Reporting Standards: Core option and the applied supplemental reporting criteria as disclosed in the section 'Socio-economic accountability' of the Annual Report.

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 future results 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.

Responsibilities of the Management Board and the Supervisory Board

The Management Board of Schiphol Group 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 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 is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, amongst other things, responsible for overseeing the Schiphol Group 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 scepticism 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 reasonableness 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 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 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 corporate level responsible for the socioeconomic strategy, policy and results;
- Interviewing relevant 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 overall 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, 24 February 2022

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 own 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 consecutively. Our sustainable finance efforts highlight our ambitions regarding sustainability.

This document comprises our 2021 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 per December 31, 2021	#
Number of buildings with A label ¹	16
Number of buildings with B label ²	3
Number of buildings with BREEAM (Very Good, Excellent or Outstanding) certificate	8
Number of buildings with LEED Gold certificate ³	2

- 1 Of which one building that has been refurbished, resulting in at least two steps improvement in 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 per December 31, 2021	#
Number of Electric buses airside	51
Number of charging stations	1,140

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 2021

Eligible Green Project Portfolio

Category	Amount (EUR) ¹
Green buildings	1,764,269,115
Clean transportation	17,863,962
Of which; Electric buses - airside	10,413,635
Of which; Other ²	7,450,326
Total eligible Green Project Portfolio	1,782,133,077

¹ Concerns the book value as per December 31, 2021 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-busses), charging stations for landside e-vehicles (other than landside e-busses) and energy infrastructure for the charging stations for landside e-busses.

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

Percentage of Eligible Green Loan Portfolio Allocated (usage)	98 %
Percentage of Net Proceeds of Green Funding allocated to Eligible Green Loan Portfolio	100 %
Eligible Green Loan Portfolio – Unallocated	EUR 0
Current value of expected eligible green buildings (currently under construction) ¹	EUR 444,111,792

¹ Please note that our current buildings under construction, will be categorized as green building upon finalisation.

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 (m3) avoidance	Total annual CO ₂ (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	1,764,269,115 ^{5,6}	99% ⁷	76,737	4,663,558	1,098,409	3952	137,895

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 €444,111,792, will be categorized as green building upon finalisation.

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. BREEM²: 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 abovementioned criteria have been applied and additionally the following choices were made in the selection of eligible assets:

- The asset base as per 31 December 2021 was used.
- A conservative approach has been applied in determining the book value of the eligible asset base, in order 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 2021 is shown. This is the case for Pier A and Terminal Lelystad.
- 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-savings green buildings.

² BREEM (Building Research Establishment Environmental Assessment Method) is a leading sustainability assessment method for amongst others 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 an European directive to enforce measurement of energy performance of building.

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).

The abovementioned criteria have been applied and additionally the following choices were made in the selection of eligible assets:

- The asset base as per 31 December 2021 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 2021.
- 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 CO₂ 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 is 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 2021

Our conclusion

We have reviewed the Eligible Green Project Portfolio in the Annual Report 2021 (hereafter 'Annual Report') of Royal Schiphol Group N.V. (hereafter Schiphol Group) based in Schiphol, the Netherlands, for the year ended 31 December 2021 (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 have conducted our review in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie). Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of Schiphol Group 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 Group 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 Group Green

Finance Framework (2020) as disclosed and further described in 'Methodology and assumptions' in the section 'Green Bond Progress Report' of the Annual Report.

Based on our professional judgement we determined materiality levels for each relevant part of the eligible green project portfolio. 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 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.

Responsibilities of the Management Board and the Supervisory Board

The Management Board of Schiphol Group 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 is free from material misstatement, whether due to fraud or error.

The Supervisory Board is, amongst other things, responsible for overseeing the Schiphol Group 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 scepticism 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 limited sampling, to determine whether the information in the Portfolio is plausible in line with the Reporting criteria.

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, 24 February 2022

KPMG Accountants N.V.

R.R.J. Smeets RA



Financial Statements

John Johnson, on his way to Beijing via Schiphol, on the renovated Privium Lounge: 'This is a pleasant surprise at the start of my journey. There's a calm, quiet atmosphere here, and the lounge is nice and modern.'

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Consolidated statement of income for the year ended 31 December 2021

(in thousands of euros)	Note ¹	2021	2020 ²
Revenue	1	816,267	688,276
Other results from investment property	2	68,852	-64,459
Cost of outsourced work and other external costs	3	603,209	644,185
Employee benefits	4	128,366	201,036
Depreciation, amortisation and impairment	5	298,929	318,079
Total operating expenses		1,030,504	1,163,301
Operating result		-145,385	-539,484
Financial income		297,738	179,162
Financial expenses		-112,622	-120,386
Financial income and expenses	28	185,116	58,775
Share in result of associates and joint ventures	11	-2,073	-107,247
Result before tax		37,658	-587,956
Income tax expense	10	66,053	164,283
Result for the year		103,712	-423,672
Attributable to:			
Non-controlling interests		-959	-5,115
Shareholders (net result)		104,671	-418,557
Basic earnings per share (in euros)		562³	-2,249
Diluted earnings per share (in euros)		562³	-2,249

1 The notes are an integral part of these consolidated financial statements.

2 Restated, please see the note on Correction of an accounting error and Change in accounting policy.

3 Result attributable to shareholders / number of shares

Consolidated statement of comprehensive income for the year ended 31 December 2021

(in thousands of euros)	Note ¹	2021	2020 ²
Result for the year		103,712	-423,672
Foreign currency translation differences	19	6,741	-2,755
Changes in fair value on hedge transactions	19	16,511	-5,233
Share of OCI of associates after taxes	11, 19	16,742	-21,622
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods:		39,993	-29,610
Remeasurements of defined benefit liability	19	2,816	2,019
Share of OCI of associates after taxes	11, 19	-	-0
Other comprehensive income, net of tax, not to be reclassified to profit or loss in subsequent periods:		2,816	2,019
Other comprehensive income for the year		42,810	-27,591
Total comprehensive income for the year		146,522	-451,263
Attributable to:			
Non-controlling interests		-959	-5,115
Shareholders (net result)		147,480	-424,525

¹ The notes are an integral part of these consolidated financial statements.

² Restated, please see the note on Correction of an accounting error and Change in accounting policy.

Consolidated statement of financial position as at 31 December 2021

(in thousands of euros)	Note ¹	31 December 2021	31 December 2020 ²	31 December 2020 ²	January 2020 ²
Assets					
Intangible assets	6	107,225	93,324		88,928
Assets used for operating activities	7	3,498,289	3,236,980		3,122,072
Assets under construction or development	8	1,183,541	1,312,075		978,734
Investment property	9	1,822,380	1,722,904		1,758,111
Deferred tax assets	10	266,965	199,936		80,119
Investments in associates and joint ventures	11	455,737	1,067,613		1,170,447
Loans to associates	12	143,171	138,628		133,622
Other non-current receivables	13	35,070	38,374		78,690
Non-current assets		7,512,378	7,809,834		7,410,723
Trade and other receivables	14	561,753	673,949		180,573
Current income tax receivables	10	0	465		14,560
Cash and cash equivalents	15	919,760	753,449		155,072
Assets held for sale	16	896,979	-		-
Current assets		2,378,492	1,427,863		350,205
Total assets		9,890,870	9,237,697		7,760,928

¹ The notes are an integral part of these consolidated financial statements.

² Restated, please see the note on Correction of an accounting error and Change in accounting policy.

(in thousands of euros)	Note ¹	31 December 2021	31 December 2020 ²	31 December 2020 ²	January 2020 ²
Equity and liabilities					
Issued share capital	17	84,511	84,511		84,511
Share premium	17	362,811	362,811		362,811
Retained profits	18	3,082,906	2,978,234		3,396,792
Other reserves	19	-48,907	-112,958		-85,368
Equity attributable to owners of the company		3,481,321	3,312,598		3,758,745
Non-controlling interests	20	49,516	50,271		55,386
Total equity		3,530,837	3,362,869		3,814,131
Borrowings	21	5,383,598	4,403,874		2,609,582
Financial liability - Share buyback obligation	22	346,282	371,408		522,282
Employee benefits	23	53,524	63,281		55,202
Provisions	24	27,985	36,251		48,777
Deferred tax liabilities	10	12,629	11,752		13,359
Other non-current liabilities	25	103,308	105,086		98,351
Non-current liabilities		5,927,326	4,991,652		3,347,552
Borrowings	21	6,299	444,092		162,880
Current income tax liabilities	10	7,010	3,565		1,672
Provisions	24	4,600	7,484		-
Trade and other payables	26	414,800	428,035		434,693
Current liabilities		432,708	883,176		599,245
Total liabilities		6,360,034	5,874,828		3,946,797
Total equity and liabilities		9,890,870	9,237,697		7,760,928

¹ The notes are an integral part of these consolidated financial statements.

² Restated, please see the note on Correction of an accounting error and Change in accounting policy.

Consolidated statement of changes in equity for the year ended 31 December 2021

(in thousands of euros)	Note ¹	Attributable to shareholders				Non-controlling interests	Total ²
		Issued share capital	Share Premium	Retained profits	Other reserves		
Balance at 31 December 2019		84,511	362,811	3,954,697	-85,368	55,386	4,372,036
Change in accounting policy	6	-	-	-35,623	-	-	-
Restatement due to accounting error	22	-	-	-522,282	-	-	-
Balance at 1 January 2020		84,511	362,811	3,396,792	-85,368	55,386	3,814,131
Result for the year		-	-	-418,557	-	-5,115	-423,672
Other comprehensive income for the year	19	-	-	-	-27,591	-	-27,591
Comprehensive income for the year		-	-	-418,557	-27,591	-5,115	-451,264
Payments of dividends	18	-	-	-	-	-	-
Other		-	-	-	-	-0	-0
Balance at 31 December 2020		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		-	-	-	-	205	205
Balance at 31 December 2021		84,511	362,811	3,082,906	-48,907	49,516	3,530,837

¹ The notes are an integral part of these consolidated financial statements.

² Restated, please see the note on Correction of an accounting error and Change in accounting policy.

	Dividend for 2020, paid in 2021	Dividend for 2019, paid in 2020
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 2021

(in thousands of euros)	Note ¹	2021	2020 ²
Result for the year		103,712	-423,673
Income tax expense recognised in profit or loss	10	-66,053	-164,283
Share in result of associates and joint ventures	11	2,073	107,247
Financial income and expenses	28	-185,116	-58,775
		-249,096	-115,812
Operating result		-145,385	-539,485
Adjustments for:			
Depreciation and amortisation expenses	5	295,428	294,766
Impairment loss	5	3,501	23,314
Result on disposal of investment property	2	-145	-629
Fair value changes of investment property	2	-68,707	65,088
Other non-cash changes in other receivables and liabilities		3,137	-5,193
Change in employee benefits and other provisions		-20,906	15,308
		212,308	392,654
Operating result after adjustments		66,923	-146,832
Movements in working capital		-54,673	-11,887
Cash flow from operations		12,250	-158,718
Cash flow from operating activities			
Income taxes paid		-3,020	-53,905
Income taxes received		-	111,888
Interest paid		-95,591	-71,805
Interest received		438	449
Dividends received on redeemable preference shares	12	3,175	-
Dividends received	11	6,606	909
Cash flow from operating activities		-76,142	-171,182
Cash flow from investing activities			

(in thousands of euros)	Note ¹	2021	2020 ²
Payments for intangible assets	6	-26,812	-23,767
Payments for property, plant and equipment	8, 9	-422,792	-661,998
Acquisition and disposal of associates and joint ventures	11	-50	-4,619
Loans to associates and joint ventures	12	-	-117,777
Other non-current receivables received	13	104	-
Investments in deposits		-322,935	-470,000
Proceeds from deposits		470,024	-
Cash flow from investing activities		-302,462	-1,278,161
Free cash flow		-378,604	-1,449,343
Cash flow from financing activities			
Proceeds from borrowings	21	996,114	2,636,122
Repayment of borrowings	21	-455,447	-561,095
Proceeds from other non-current liabilities		1,998	425
Payment of lease liabilities		-4,803	-5,902
Cash flows from collaterals		7,030	-21,847
Cash flow from financing activities		544,892	2,047,703
Net cash flow		166,289	598,360
Cash and cash equivalents at the beginning of the year	15	753,449	155,072
Net cash flow		166,289	598,360
Exchange and translation differences		23	-17
Cash and cash equivalents at the end of the year	15	919,760	753,449

¹ The notes are an integral part of these consolidated financial statements.

² Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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 2021, which ended at the balance sheet date of 31 December 2021. On 17 February 2022, 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 12 April 2022.

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.

Correction of an accounting error and Change in accounting policy

Correction of an accounting error relating to the Financial liability - Share buyback obligation

During the preparation of the consolidated financial statements for 2021, an error was identified during the assessment of the impact relating to the unwinding of the long-term industrial cooperation ('Hublink') and cross-participation agreement with Groupe ADP.

Groupe ADP currently holds 8% of Schiphol shares, which are classified as B-shares (other shareholders have class A shares). As a result of the expiration of the cooperation agreement and cross-shareholding, Schiphol will need to buy back the 8% of the shares (14 892 shares) that ADP currently holds in Schiphol (also see note 17. [Issued share capital and share premium](#)).

However, when the agreement was reached during 2008, Schiphol already had the obligation as part of the legal contract between Groupe ADP and Schiphol that the Schiphol shares will be bought back when the agreement ends. As a result, the contract contained an obligation for Schiphol to purchase its own equity instruments (shares) for cash (or another financial asset) and resulted in a financial liability to be recognised at the present value of the redemption amount. The financial liability (due to the share buy-back) was not recognised in 2008 (or the years thereafter) as this error was identified in 2021 due to the unwinding process of the Hublink agreement. As a consequence, the related liabilities have been understated and equity balances overstated. The unwinding of the present value and remeasurement of the redemption amount of the financial liability are recorded in the profit and loss. The error has been corrected by restating each of the affected financial statement line items for prior periods. The tables below summarise the impacts on the Group's consolidated and company-only financial statements.

Change in accounting policy relating to Intangible assets

The IFRS Interpretations Committee (IFRIC) has issued a final agenda decision in 2021 on cloud computing arrangements. The decision further elaborates how an entity may account (capitalise or expense) for the configuration or customisation cost in cloud computing arrangements. The decision clarifies that in a cloud computing arrangement, Schiphol would not recognise an intangible asset because it does not control the software being configured or customised and those configuration or customisation activities do not create a resource controlled by Schiphol that is separate from the software. The impact resulting from this decision has been accounted for retrospectively as a change in accounting policy in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

As a result, Schiphol reassessed all costs that have been capitalised with regards to cloud computing arrangements and assets in order to determine whether the services are distinct leading to a separately identifiable intangible asset that can be controlled by Schiphol and if the costs can be capitalised or should be expensed. The accounting policy change has been corrected by restating each of the affected financial statement line items for prior periods. The tables below summarise the impacts on the Group's consolidated and company-only financial statements.

Consolidated statement of financial position

1 January 2020

(in thousands of euros)	Impact of correction of error and change in accounting policy			
	As previously reported	Adjustments due to accounting error	Adjustments due to accounting policy change	As restated
Intangible assets	136,425	-	-47,497	88,928
Deferred tax assets	68,245	-	11,874	80,119
Total assets	7,796,551	-	-35,623	7,760,928
Financial liability - Share buyback obligation	-	522,282	-	522,282
Total liabilities	3,424,515	522,282	-	3,946,797
Retained profits	3,954,697	-522,282	-35,623	3,396,792
Total equity	4,372,036	-522,282	-35,623	3,814,131

Consolidated statement of financial position

31 December 2020

(in thousands of euros)	Impact of correction of error and change in accounting policy			
	As previously reported	Adjustments due to accounting error	Adjustments due to accounting policy change	As restated
Intangible assets	149,246	-	-55,922	93,324
Assets under construction or development	1,312,719	-	-644	1,312,075
Deferred tax assets	185,795	-	14,142	199,936
Total assets	9,280,122	-	-42,425	9,237,697
Financial liability - Share buyback obligation	-	371,408	-	371,408
Total liabilities	5,503,420	371,408	-	5,874,828
Retained profits	3,392,067	-371,408	-42,425	2,978,234
Total equity	3,776,702	-371,408	-42,425	3,362,869

Consolidated statement of income and comprehensive income

For the year ended 31 December 2020

(in thousands of euros)	Impact of correction of error and change in accounting policy			
	As previously reported	Adjustments due to accounting error	Adjustments due to accounting policy change	As restated
Hired temporary staff	57,497	-	5,412	62,909
Costs related to cloud applications	-	-	7,923	7,923
Advisory and audit fees	16,904	-	1,129	18,033
Employee benefits	200,303	-	733	201,036
Depreciation, amortisation and impairment	324,208	-	-6,128	318,079
Total operating expenses	1,154,233	-	9,069	1,163,301
Operating result	-530,416	-	-9,069	-539,484
Financial income	7,397	171,765	-	179,162
Financial expenses	-99,495	-20,891	-	-120,386
Financial income and expenses	-92,098	150,874	-	58,775
Result before tax	-729,761	150,874	-9,069	-587,956
Income tax expense	162,016	-	2,267	164,283
Result for the year	-567,745	150,874	-6,802	-423,672
Total comprehensive income for the year	-595,336	150,874	-6,802	-451,263
Basic earnings per share (in euros)	-3,023	811	-37	-2,249

Consolidated statement of cash flow

For the year ended 31 December 2020

(in thousands of euros)	Impact of correction of error and change in accounting policy			
	As previously reported	Adjustments due to accounting error	Adjustments due to accounting policy change	As restated
Result for the year	-567,745	150,874	-6,802	-423,673
Income tax expense recognised in profit or loss	-162,016	-	-2,267	-164,283
Financial income and expenses	92,098	-150,874	-	-58,775
Operating result	-530,416	-	-9,069	-539,485
<i>Adjustments for:</i>				
Depreciation and amortisation expenses	300,894	-	-6,128	294,766
Operating result after adjustments	-131,634	-	-15,197	-146,832
Cash flow from operations	-144,687	-	-14,031	-158,718
Cash flow from operating activities	-157,151	-	-14,031	-171,182
Payments for intangible assets	-37,798	-	14,031	-23,767
Cash flow from investing activities	-1,292,192	-	14,031	-1,278,161
Cash flow from financing activities	2,047,703	-	-	2,047,703
Cash and cash equivalents at the end of the year	753,449	-	-	753,449

Company statement of financial position

1 January 2020

(in thousands of euros)	Impact of correction of error and change in accounting policy			
	As previously reported	Adjustments due to accounting error	Adjustments due to accounting policy change	As restated
Investments in subsidiaries	4,358,318	-	-35,623	4,322,696
Total assets	6,580,597	-	-35,623	6,544,974
Financial liability - Share buyback obligation	-	522,282	-	522,282
Total liabilities	2,263,947	522,282	-	2,786,230
Retained profits	2,437,118	-522,282	-35,623	1,879,213
Total equity	4,316,650	-522,282	-35,623	3,758,745

Company statement of financial position

31 December 2020

(in thousands of euros)	Impact of correction of error and change in accounting policy			
	As previously reported	Adjustments due to accounting error	Adjustments due to accounting policy change	As restated
Investments in subsidiaries	3,958,055	-	-42,425	3,915,630
Total assets	9,163,914	-	-42,425	9,121,490
Financial liability - Share buyback obligation	-	371,408	-	371,408
Total liabilities	5,437,481	371,408	-	5,808,890
Retained profits	2,984,360	-371,408	-42,425	2,570,528
Total equity	3,726,433	-371,408	-42,425	3,312,599

Company statement of income and comprehensive income

For the year ended 31 December 2020

(in thousands of euros)	Impact of correction of error and change in accounting policy			
	As previously reported	Adjustments due to accounting error	Adjustments due to accounting policy change	As restated
Financial income and expenses	-70,880	150,874	-	79,993
Share in results of subsidiaries	-403,422	-	-6,802	-410,223
Result before tax	-577,542	150,874	-6,802	-433,470
Income tax expense	14,912	-	-	14,912
Result attributable to shareholders (net result)	-562,630	150,874	-6,802	-418,559

Going concern basis of accounting

The COVID-19 outbreak has continued to develop in 2021 and has further impacted the operations and cash flows of Schiphol Group significantly. A profit of 104 million euros was recognised for the financial year ending 31 December 2021 (compared with a loss of 424 million euros for 2020). This is mainly due to the result from the discontinuation of the equity method of 252 million euros which was recognised on our investment (shares) in Groupe ADP as a result of the expiration of the Hublink agreement. A slight recovery from the impact of COVID-19 on our business and the aviation industry was seen through an increase in passenger numbers and air transport movements during 2021 when compared to 2020. The impact of COVID-19 remains significant as a decrease in passenger numbers of 64% compared to 2019 (and therefore in revenues) are still being experienced.

Schiphol Group continued to focus on financial and operational optimisation by focusing on minimising operating expenses spend and realising structural cost reduction as a result of Project Reset. Continued focus on the size and timing of CAPEX spending and remaining flexible to adjust CAPEX target setting, for example postponing some of the growth investments (such as the new terminal).

The timing, speed and extend of recovery of the results of operations, prospects and financial conditions in the next few months and years from the impact of COVID-19 is uncertain and difficult to predict. Based on current information and forecasts (scenarios) prepared by management, an estimated recovery of passenger volumes to 2019 levels will not occur before 2024.

Management has modelled a number of different scenarios considering a period of minimum 12 months from the date of authorisation of these consolidated financial statements. The assumptions underlying the scenarios are based on the estimated potential impact of the continued COVID-19 restrictions and regulations and expected levels of passenger numbers and air transport movements, along with management's proposed responses over the course of the period.

The scenarios include the benefits of actions already taken by management to mitigate the downsides brought by COVID-19, such as non-payment of dividends and management bonuses. These scenarios also include the repayments of loans and the investments in capital expenditure. These assume a gradual increase of passenger numbers and air transport movements over the coming years. Several countries and airports have set-up speed test streets and quarantine areas, which have stimulated air travel. There is no material uncertainty with regards to scenarios and going concern assumption, but it is based on (significant) judgement. If developments in the near future will negatively differ from expected scenarios, Schiphol can manage the cashflow by controlling the capital expenditure.

Currently, Schiphol Group evaluated its ability to continue as a going concern. Schiphol has sufficient funding available and raised adequate resources in 2021 from the issuance of two bonds totaling 1,000 million euros under the EMTN programme, while continuing 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 financing documentation, across the different scenarios. For the year ending 31 December 2021, Schiphol's net current assets amounted to 2,378 million euros of which 1,240 million euros relate to cash and cash equivalents and short term deposits.

Management therefore expects that Schiphol Group has adequate resources to continue in 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, Schiphol Airport Retail, Eindhoven Airport, Lelystad Airport, Rotterdam The Hague Airport and the investments in associates and joint ventures in terms of IAS 36 *Impairment of Assets*.

Judgement is required in projecting future cash flows for the CGU and investments given the unprecedented volatility and uncertainty of the effects of COVID-19. The duration and the continued impact of the limitations to operate as a result of COVID-19 is still uncertain. The forecasts were prepared under the assumption of a recovery to 2019 passenger volumes between 2023-2025. Critical assumptions relate to, amongst other, 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 4% - 7%.

New and amended standards that are mandatory with effect from 2021

There are a number of amendments to existing standards which are effective as from 1 January 2021 :

- Amendments to IFRS 16: COVID-19-Related Rent Concessions (effective 1 June 2020);
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform (effective 1 January 2021).

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 2022 or later

Schiphol Group has not voluntarily applied in advance new or amended standards or interpretations that will not be mandatory until the 2022 financial year or later.

Other standards

Schiphol Group is currently examining the consequences of other new standards and interpretations and amendments to existing standards listed below, which will be mandatory as from the 2022 financial year or later (as stated):

- 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);
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current (effective 1 January 2023);
- IFRS 17 Insurance Contracts and amendments to 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).

It is expected that these new and / or amended standards will not have a significant impact on the consolidated financial statements.

Intangible assets

Intangible assets include goodwill, contract-related assets and software. 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.

The IFRS Interpretations Committee (IFRIC) has issued a final agenda decision in 2021 on cloud computing arrangements. Please see the detailed explanation included under the following section above: *Change in accounting policy relating to Intangible assets*.

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.

Costs of day-to-day maintenance are recognised in the income statement and cost of planned major maintenance improving the existing assets are capitalised by using the component accounting method.

See note 8. [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. In order 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 1 year) or trade and other receivables (remaining term of less than 1 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 (at 30 June and at 31 December). Land is appraised based on internal valuations and also by independent external valuers. 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 (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 rcial (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 12. [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 a 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 arising. 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 in Groupe ADP classified as Asset held for sale) 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. It is expected that the shares will 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. 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, 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 was also extended in 2021 to assist Schiphol's customers as a result of the continued negative impact of COVID-19. The payment default days has also been extended. 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.

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 amongst 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 relates to the obligation to buy back Schiphol's own shares (8%) currently held by Groupe ADP when the Hublink agreement expires.

The financial liability is 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 publically (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 also extended in 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.

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 statement of the level of service to be provided as measured by the indicators 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 subaccounts 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 which 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. When 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 also extended in 2021 to assist the customers as a result of the continued impact of COVID-19.

Rent and leases

Income from rent and leases relates to the letting of (investment) property and retail space, as in general, next 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 also extended in 2021 to assist the customers as a result of the impact of COVID-19.

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 3. [Outsourcing and other external costs](#) and 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 2021](#) 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, amongst other, 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 10. [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 12. [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;
- 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 11. [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 restructuring provision was also recognised in the 2020 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 have been realised 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 26. [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. The COVID-19 crisis made it necessary for Schiphol Group to adapt and improve the organisation. The organisational structure was simplified by merging a number of business areas and departments to be less complex and to work (together) more efficiently. Effective 1 March 2021, Schiphol Group was restructured into three business areas: Aviation, Schiphol Commercial (previously: Consumer Products & Retail and Real Estate) and Alliances & Participations.

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 2021), 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 (previously: Consumer Products & Retail and Real Estate)

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 revenues from parking charges. The majority of parking revenues comes from passengers and visitors to the airport directly (business to consumers), 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 revenues originate 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, 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.

As a result of this change in organisational structure, Schiphol changed the segmentation presentation and adjusted the prior year presentation to align with the new segmentation.

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
Depreciation and amortisation	-202,162	-60,273	-36,494	-298,929
Impairment ¹	-1,258	-92	-2,151	-3,501
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	9,890,870
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 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.

2020				
(in thousands of euros)	Aviation ¹	Schiphol Commercial ¹	Alliances & Participations ¹	Total ²
Airport charges	292,751	-	21,109	313,860
Concessions	9,020	55,071	3,731	67,822
Rent and leases	404	197,853	5,129	203,386
Parking fees	-	48,904	6,692	55,596
Other activities	18,408	32,625	94,775	145,808
Total revenue	320,582	334,453	131,437	786,472
Intercompany revenue	-1,185	-33,867	-63,145	-98,197
Revenue	319,398	300,586	68,292	688,276
Other results from investment property	-	-64,414	-45	-64,459
Depreciation and amortisation	-210,616	-77,300	-30,167	-318,081
Impairment ³	-3,955	-19,215	-144	-23,314
Operating profit	-521,112	24,610	-42,984	-539,484
Share in results of associates and joint ventures ⁴	5,719	-3,554	-102,938	-100,773
Total assets	4,028,520	3,376,288	1,832,890	9,237,697
Total non-current assets (excl. deferred tax)	3,318,654	2,781,332	1,509,911	7,609,897
Investments in associates and joint ventures	1,954	152,886	912,774	1,067,613
Capital expenditure ⁵	565,019	146,367	63,082	774,469

1 The 2020 information has been restated in the table to reflect the change in reporting segments.

2 Restated, please see the note on Correction of an accounting error and Change in accounting policy. The 2020 information has also been restated in the table to reflect the change in reporting segments.

3 This amount excludes expected credit losses.

4 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.

5 These capital expenditures include assets under construction for operating activities, investment properties and intangible fixed assets.

Aviation

(in thousands of euros)	Aviation		Security		Total	
	2021	2020 restated ¹	2021	2020 restated ¹	2021	2020 restated ¹
Airport charges	247,280	192,432	128,704	100,319	375,985	292,751
Concessions	9,897	9,020	-	0	9,897	9,020
Rent and leases	-	140	-	264	-	404
Other activities	16,803	14,915	6,649	3,493	23,452	18,408
Total revenue	273,980	216,507	135,354	104,076	409,334	320,582
Intercompany revenue	-551	-965	-199	-220	-750	-1,185
Revenue	273,429	215,542	135,155	103,856	408,584	319,398
Depreciation and amortisation	-156,412	-166,846	-45,750	-43,770	-202,162	-210,616
Operating profit	-208,201	-330,797	-140,127	-190,315	-348,328	-521,112
Share in results of associates and joint ventures ²	1,086	5,719	-	-	1,086	5,719
Total assets	3,728,159	3,571,948	529,963	456,572	4,258,122	4,028,520
Total non-current assets (excl. deferred tax)	3,003,377	2,942,536	426,934	376,118	3,430,311	3,318,654
Investments in associates and joint ventures	2,128	1,954	-	-	2,128	1,954
Capital expenditure	199,100	476,249	58,361	88,771	257,461	565,019

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy. The 2020 information has also been restated in the table to reflect the change in reporting segments.

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.

Schiphol Commercial

(in thousands of euros)	Concessions		Parking & Mobility Services		Commercial Real Estate		Terminal Real Estate		Other		Total	
	2021	2020 restated ¹	2021	2020 restated ¹	2021	2020 restated ¹	2021	2020 restated ¹	2021	2020 restated ¹	2021	2020 restated ¹
	Concessions	66,270	51,654	3,411	3,076	599	295	-	41	-	5	70,281
Rent and leases	16,705	15,875	1,165	500	123,052	128,300	50,831	53,175	669	3	192,422	197,853
Parking fees	-1	-	52,566	43,147	5,517	5,757	-0	-	-0	-	58,081	48,904
Other activities	588	678	2,083	1,419	1,536	4,570	134	1,428	21,413	24,530	25,755	32,625
Total revenue	83,562	68,207	59,225	48,142	130,704	138,923	50,964	54,643	22,082	24,538	346,538	334,453
Intercompany revenue	-630	-424	-1,951	-1,747	-17,775	-22,130	-9,054	-9,441	-282	-125	-29,692	-33,867
Revenue	82,932	67,782	57,274	46,395	112,929	116,792	41,911	45,202	21,801	24,413	316,846	300,586
Other income and results from investment property	2,931	-	2,345	-	60,917	-64,414	1,173	-	2,345	-	69,711	-64,414
Depreciation and amortisation	-15,274	-17,783	-17,826	-19,219	-3,092	-20,099	-18,510	-16,825	-5,570	-3,374	-60,273	-77,300
Impairment	423	-2,408	309	-734	363	-15,829	186	-3	-1,372	-242	-92	-19,215
Operating profit	43,023	17,569	9,785	-9,362	140,880	-193	7,949	9,112	7,072	7,483	208,710	24,610
Share in results of associates and joint ventures ²	66	-1,761	-	-	6,412	-1,792	-	-	-	-	6,478	-3,554
Total assets	289,377	271,617	353,586	367,954	2,562,146	2,327,406	388,804	379,303	32,779	30,009	3,626,692	3,376,288
Total non-current assets (excl. deferred tax)	233,120	223,754	284,846	303,115	2,064,046	1,917,287	313,217	312,465	26,407	24,710	2,921,636	2,781,332
Investments in associates and joint ventures	16,039	15,945	-	-	140,764	136,940	-	-	-	-	156,803	152,886
Capital expenditure	22,474	33,925	-6,695	88,336	112,708	-72,284	17,317	89,486	5,128	6,904	150,932	146,367

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy. The 2020 information has also been restated in the table to reflect the change in reporting segments.

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.

Alliances & Participations

(in thousands of euros)	International airports		Domestic airports		Other activities		Total	
	2021	2020 restated ¹	2021	2020 restated ¹	2021	2020 restated ¹	2021	2020 restated ¹
Airport charges	-	-	33,286	21,109	-	-	33,286	21,109
Concessions	-	-	4,522	3,731	-	-	4,522	3,731
Rent and leases	-	-	5,866	5,118	-	11	5,866	5,129
Parking fees	-	-	10,040	6,692	-	-	10,040	6,692
Other activities	12,300	11,201	7,483	2,791	79,235 ²	80,783	99,018	94,775
Total revenue	12,300	11,201	61,198	39,442	79,234	80,794	152,732	131,437
Intercompany revenue	-0	-78	-1,321	-1,090	-60,573	-61,977	-61,895	-63,145
Revenue	12,300	11,124	59,876	38,351	18,661	18,817	90,837	68,292
Other results from investment property	-	-	-858	-45	-	-	-858	-45
Depreciation and amortisation	-1,294	-1,366	-19,344	-16,710	-15,856	-12,091	-36,494	-30,167
Impairment	-	0	-1,379	-4	-772	-140	-2,151	-144
Operating profit	6,822	4,716	-19,162	-47,151	6,574	-549	-5,765	-42,984
Share in results of associates and joint ventures ³	-7,081	-104,312	-	-	3,003	1,373	-4,077	-102,938
Total assets	1,484,630	1,326,552	406,094	393,515	115,332	112,823	2,006,057	1,832,890
Total non-current assets (excl. deferred tax)	473,408	1,092,797	327,147	324,173	92,911	92,942	893,465	1,509,911
Investments in associates and joint ventures	291,554	907,267	-	-	5,252	5,507	296,806	912,774
Capital expenditure	1,836	4,596	23,652	42,214	16,183	16,272	41,671	63,082

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy. The 2020 information has also been restated in the table to reflect the change in reporting segments.

² The other activities include revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

³ The share in results of associates and joint ventures includes the share in profit of associates and joint ventures presented as such in the profit and loss account and the share of interest income presented as part of financial income and expenses that is attributable to investments in and receivables on associates.

Notes to the consolidated statement of income

1. Revenue

Airport charges

(in thousands of euros)	2021	2020
Passenger service charges	152,154	113,382
Security service charges	138,110	106,328
Aircraft-related fees	114,358	89,670
Aircraft parking fees	4,651	4,480
Total airport charges	409,271	313,860

Schiphol Group continued to be significantly impacted by the effects of the COVID-19 pandemic, but has somewhat recovered in 2021. The measures adopted by governments in countries worldwide to restrict (air) travel to contain the spread of the virus had a smaller impact in 2021 (compared to 2020), resulting in an increase in passenger numbers (+23.1%) and air traffic movements (+17%), and as a result on the airport charges, spend per arriving / departing passenger and parking fees.

During 2021, Schiphol continued to offer rebates to the amount of 11 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. In addition, 1.7 million euros of additional support was provided through discounted airplane parking.

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	April 1st 2019	April 1st 2020	April 1st 2021	April 1st 2022	April 1st 2023	April 1st 2024
2017	22.2	-	7.4	7.4	7.4	-	-	-
2018	0.6	-	-	0.2	0.2	0.2	-	-
2019	-19.0	-	-	-	-6.3	-6.3	-6.3	-
2020 Traffic and Transport related and Other	-528.5	-45.6	-	-	-	50.9	-184.3	-349.5
		-45.6	7.4	7.6	1.3	44.8	-190.6	-349.5

As shown in the table, the settlement for 2020 is split into two parts as a result of recently amended legislation. In May 2021 the Regulatory Accounts 2020 were published, which included a final settlement on the sector of 528 million euros, divided in three equal parts in the years 2022-2024. As a direct result of the COVID-19 crisis, the applicable legal framework offered too little flexibility to set the charges in such a way that it safeguards the financial stability on the one hand (by retaining legal entitlements to settle), and on the other hand does not unduly hinder the recovery of the market and the development of the charges. In close consultation with other public stakeholders and Schiphol, the Minister of Infrastructure & Water Management initiated a legislative procedure to amend the settlement method of the Schiphol Airport Operation Decree 2017 (in Dutch: "Besluit exploitatie luchthaven Schiphol 2017") to add a discretionary power for Schiphol which creates more flexibility with regard to settlements that are the result from unforeseen and exceptional changes.

The amendment of the Schiphol Airport Operation Decree, came into force on 3 September 2021 and involves two aspects: firstly for traffic and transport related parts (being both revenues and specific cost items) the timing of settlement to be incorporated in future airport charge rates can be postponed with one year. In addition, the amount can be timed in a flexible way over three consecutive years after the year of postponement. This opportunity differs from the normal timing of settlements in three equal parts. The amendment is not applicable to other, non-traffic related parts that are to be settled.

In setting the airport charges for the period 1 April 2022 to 31 March 2025 (after the consultation process with airlines ended), Schiphol chose to exercise its discretionary power and postponed the traffic and transport related part of the 2020 settlement with one year and (re)allocated this amount to the years 2023 and 2024. In addition, Schiphol decided to voluntarily exclude to incorporate

45.6 million euros of the established settlement amount of 2020 from the new airport charges, mainly consisting of the restructuring provision (45.4 million euros).

A number of Airlines and representative organizations have submitted complaints to the regulator about the new charges in response to Schiphol's final settings of airport charges 2022-2024. At the moment, the regulator (Dutch Authority for Consumers & Markets) is in the process of assessing these complaints. Schiphol expects the regulator to take a decision before 1 April 2022.

The amount to be settled for 2021 is expected to be a deficit of around 500-550 million euros as a result of the continued impact and challenges of COVID-19. The final settlement will be included and explained extensively in the Regulatory Accounts 2021. The Regulatory Accounts 2021 will be published on 31 May 2022 (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 2023 to 2026. Therefore, a substantial part will be postponed to the next tariff period of 2025 to 2027. During consultation with Airlines on airport charges, Schiphol has indicated it will again exercise its discretionary power to postpone the incorporation of the traffic related part of the 2021 settlement with one year and time this amount in such a way it will contribute goals explained during consultation.

The tariffs at Eindhoven Airport are regulated as of 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)	2021	2020
Shops Retail Airside	43,767	33,815
Food and beverage	16,503	12,092
Oil companies	9,897	9,020
Shops Plaza	6,006	5,779
Other	8,527	7,116
Total concessions	84,700	67,822

Schiphol Group's commercial terminal services reporting segment, which is part of the Schiphol Commercial business area, had 95 effective concession contracts in 2021 (2020: 98) 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 revenues and price indices) expected to be received from these contracts, as well as the period to their expiry:

	2022	2023	2024	2025	2026	>2026
Fixed lease payments from current contracts (in thousands of euros)	9,792	8,195	6,819	4,293	2,696	1,797
Percentage of contracts that will expire	31%	22%	12%	17%	7%	12%

Revenue of 10 million euros from concessions included in the Aviation segment (9 million euros in 2020) and 3.4 million euros in the Parking segment (3.1 million euros in 2020) 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 10.4 million euros (2020: 8.4 million euros).

Rent and leases

(in thousands of euros)	2021	2020 ¹
Investment property: buildings, including service charges	84,145	82,157
Operating property, including service charges	58,255	60,907
Investment property: land	29,080	29,441
Intercompany revenue	26,807	30,881
Total rent and leases	198,288	203,386

¹ Please note that a new approach was adopted in presenting the rents and leases revenues. This approach aligns better with the current reporting.

Average occupancy in the Real Estate segment was 94.3% (95.0% in 2020). 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:

	2022	2023	2024	2025	>2026
Fixed lease payments from current contracts (in millions of euros)	141	111	78	68	50
Percentage of contracts that will expire	21%	24%	7%	13%	36%

Property management expenses divided into occupied and unoccupied buildings can be broken down as follows:

(in thousands of euros)	2021	2020
Occupied buildings	47,133	55,437
Unoccupied buildings	2,849	2,918
Total property management expenses	49,982	58,355

If buildings are partially leased, the property management expenses have been apportioned based on floor area.

Parking fees

(in thousands of euros)	2021	2020 ¹
Public parking revenues	34,185	23,033
Business parking	21,895	23,146
	56,081	46,180
Parking at other locations	9,897	7,273
Intercompany revenue	2,143	2,143
Total parking fees	68,121	55,596

¹ Please note that a new approach was adopted in presenting the parking revenues. This approach aligns better with the current reporting.

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 5.5 million euros (2020: 5.8 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)	2021	2020
Advertising	8,725	11,833
Telecommunication services	15,830	11,027
JFK IAT related fees	7,699	5,709
Electricity, gas and water	7,336	6,742
Services and activities on behalf of third parties	2,801	3,991
Hotel activities	1,541	1,280
Other operating income	40,904	40,053
Intercompany revenue	63,387	65,172
Total other activities	148,224	145,808

2. Other results from investment property

(in thousands of euros)	2021	2020
Gain/ (loss) on disposal of land	145	629
Result on sale of property	145	629
Gain/ (loss) on changes in fair value of buildings	6,104	-34,053
Gain/ (loss) on changes in fair value of land	23,889	-29,443
Gain/ (loss) on changes in fair value of assets under construction	38,714	-1,592
Total fair value gains and losses	68,707	-65,088
Total other revenues from investment property	68,852	-64,459

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](#).

In contrast with prior year, a mix of favourable and unfavourable market conditions contributed to a fair value gain on the commercial real estate portfolio of 69 million euros in 2021 (2020: loss of 64 million euros). This is mainly explained by the strong performance of the logistics real estate market; the net initial yield (NIY) decreased, which led to a gain of 46 million euros. Also the Italian portfolio benefits from a decreasing NIY on logistic real estate, which caused a gain of 12 million euros. However, rising yields in the office market, and in particular the secondary office market, caused by the COVID-19 pandemic and the changing environment, led to a fair value loss of 50 million euros. Fair value gains of 40 million euros were recognised on investment property under construction due to the change in construction plans and the signing of a new lease contract. Fair value gains of 24 million euros were recognised on land positions due to favourable market developments for this segment.

3. Outsourcing and other external costs

(in thousands of euros)	2021	2020 ¹
Security	149,013	154,812
Subcontracted activities	76,403	69,927
Maintenance	125,945	132,637
Hired temporary staff	35,252	62,909
Cleaning	33,359	35,040
Advisory and audit fees	11,447	18,033
Insurance and government levies	25,894	25,708
Energy and water	26,166	23,109
Costs related to investments	9,669	21,164
Costs related to cloud applications	7,667	7,923
Commercial expenses	9,954	9,269
Other expenses (such as general expenses, rents and leasing)	92,441	83,655
Total cost of outsourced work and other external costs	603,209	644,185

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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 & found process.

Schiphol Group applied for the maximum amount for the 'Tegemoetkoming Vaste Lasten' (TVL) during the 2021 financial year and have recognised the amounts which are reasonably certain to be received. The grants were recognised as deductions to the related operating expenses in the consolidated statement of profit and loss.

Auditor's fees

(in thousands of euros)	2021	2020
Audit of the financial statements	987	1,171
Other audit services	745	886
Total auditor's fees	1,732	2,057

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, NOW and TVL government grant audits and procedures for the EMTN prospectuses. The fees of KPMG Accountants N.V. amount to 1.6 million euros (2020: 1.9 million euros) while the fees for activities performed by other members of the KPMG network amount to 0.1 million euros (2020: 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 2,474 (2020: 2,711). On average, 124 employees are included in the reported workforce in full-time equivalents. These employees are part of the Schiphol workforce during 2021, but are non-active as a result of Project Reset. The current workforce is 2,350.

Schiphol Group has applied for government grants (Noodmaatregel Overbrugging Werkgelegenheid, NOW) for the amount of 84 million euros in 2021 (196.3 million euros in total for the 2020 and 2021 financial years). For 2021, it consists of NOW 3.2, NOW 3.3, NOW 4 and NOW 5.

These support grants are temporary governmental compensation for labour costs and is granted to companies who lost a substantial amount of income due to the pandemic. Schiphol complied with the following conditions for the 2021 (and 2020) financial years with regards to the NOW subsidies: no distribution of dividends, no buy back of shares, no payment of bonuses to the Board and providing of training and development to personnel. Certain aspects with regards to the decrease in revenue and personnel development costs relating to the government grants (NOW) are subject to an external audit, for which NOW 1 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 2020, a restructuring provision in terms of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* was recognised in order to respond to the negative impact of the COVID-19 pandemic. The restructuring provision amounts to 8.8 million euros as at 31 December 2021 (63.4 million euros in 2020). 46.7 million euros were paid out to the relevant employees in 2021 and the remaining 7.9 million euros were released to the income statement as a result of new information that became available at 31 December 2021 (compared to a best estimate at 31 December 2020).

The provision has been split in 3 parts: the portion allocated to the known employees which will be settled within 12 months are included as part of note 26. [Trade and other payables](#), the portion which include uncertainty and estimates with regards to the number of employees (but which will also be settled within one year) is included in note 24. [Provisions](#) and the remaining portion with regards to the unemployment provision is included in note 23. [Employee benefits](#).

(in thousands of euros)	2021	2020
Short-term employee benefits	94,129	90,005
Post-retirement benefits	32,730	37,355
Other long-term employee benefits	2,821	3,937
Termination and unemployment benefits	-5,478	63,354
Other staff costs	4,164	6,385
Total employee benefits	128,366	201,036

(in thousands of euros)	2021	2020
Salaries	185,033	207,712
Social charges	20,531	22,949
Internal hours capitalised	-27,065	-28,709
NOW government grants received	-84,370	-111,946
Total short-term employee benefits	94,129	90,005

Pension charges (defined contribution plans)	31,334	36,055
Early retirement benefits	1,396	1,300
Total post-retirement benefits	32,730	37,355
Jubilee benefits	146	751
Other employee benefits	2,675	3,186
Total other long-term employee benefits	2,821	3,937

5. Depreciation, amortisation and impairment expenses

(in thousands of euros)	2021	2020 ¹
Contract-related assets	1,281	1,341
ICT development	9,931	9,860
Software licences	7,055	6,366
Intangible assets	18,267	17,567
Runways, taxiways and aprons	32,632	32,713
Paved areas and roads	19,784	18,541
Buildings	62,627	63,825
Installations	115,068	111,734
Other assets	46,088	46,632
Assets used for operating activities	276,199	273,445
Depreciation and amortisation in relation to disposals	962	3,755
Impairments related to financial assets	-299	5,163
Impairments	3,800	18,150
Total depreciation, amortisation and impairments	298,929	318,079

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

During 2020 the useful life of some of the assets used for operating activities was reassessed as a result of the impact of COVID-19 on the operations of Schiphol Group. A number of assets were used and will be used on a limited basis due to the decrease of air transport movements for the period 2020 - 2024. This will result in an increase of one year of use in the life of the assets. The impact of the change in useful life amounted to approximately 1 million euros.

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 ¹
Carrying amount as at 1 January 2020	32,585	20,778	12,307	23,258	88,928
Movements in 2020					
Additions	-	-	-	23,767	23,767
Completions	-	12,993	3,963	-16,955	0
Amortisation	-1,341	-9,860	-6,366	-	-17,567
Reclassification	24	-487	828	537	903
Disposals	-	-62	-65	-	-127
Exchange differences	-2,581	-	-	-	-2,581
Total movements in the year	-3,897	2,584	-1,639	7,349	4,396
Analysis as at 31 December 2020					
Cost	36,556	73,120	49,380	30,607	189,662
Accumulated amortisation and impairment	-7,868	-49,757	-38,712	-	-96,338
Carrying amount as at 31 December 2020	28,688	23,362	10,668	30,606	93,324

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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. It is, however, dependent

on if 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 21.5 years. Income realised under the arrangement is for the most part fixed and reported under 'revenue from other activities'. Schiphol Group is under no obligations 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 2021 financial year.

Change in accounting policy

Please refer to the note 'Correction of an accounting error and Change in accounting policy' as part of the [Accounting Policies](#). The IFRS Interpretations Committee (IFRIC) has issued a final agenda decision in 2021 on cloud computing arrangements. The decision further elaborates how an entity may account (capitalise or expense) for the configuration or customisation cost in cloud computing arrangements. The decision clarifies that in a cloud computing arrangement, Schiphol would not recognise an intangible asset because it does not control the software being configured or customised and those configuration or customisation activities do not create a resource controlled by Schiphol that is separate from the software.

(in thousands of euros)	Contract-related assets	ICT development	Software licences	Software under development	Total ¹
Carrying amount as at 31 December 2020	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	87,140	52,154	43,804	221,708
Accumulated amortisation and impairment	-9,154	-59,679	-45,651	-	-114,483
Carrying amount as at 31 December 2021	29,457	27,460	6,504	43,804	107,225

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

ICT development comprises the capitalised internally developed ICT applications, Software licences comprises the externally acquired ICT applications.

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 2020	442,900	527,428	1,083,574	869,555	198,616	3,122,072
Movements in 2020						
Completions	54,477	85,140	72,982	131,107	48,450	392,155
Lease	-	-	-	-	10,173	10,173
Depreciation	-32,713	-18,541	-63,825	-111,734	-46,632	-273,445
Disposals	-	0	-	-422	-3,206	-3,628
Reclassification	5	-11,970	380	-3,089	4,325	-10,347
Total movements in the year	21,769	54,629	9,537	15,862	13,111	114,908
Analysis as at 31 December 2020						
Cost	974,139	843,379	1,964,360	2,418,128	583,520	6,783,526
Accumulated depreciation and impairment	-509,470	-261,322	-871,249	-1,532,711	-371,793	-3,546,545
Carrying amount as at 31 December 2020	464,669	582,057	1,093,110	885,417	211,727	3,236,980
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	1,059,955	874,794	2,051,235	2,604,548	731,551	7,322,083
Accumulated depreciation and impairment	-542,102	-281,106	-934,006	-1,648,496	-418,083	-3,823,793
Carrying amount as at 31 December 2021	517,853	593,687	1,117,229	956,051	313,468	3,498,289

(in thousands of euros)	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
During the year, the following projects were (partly) completed:						
Completion Dual Taxiway System	39,386	14,236	-	20,908	83,047	157,576
Redevelopment Terminal 1	-	195	41,112	48,757	21,845	111,909
Upgrade Piers (Up)	-	-	13,460	2,933	7,344	23,737
Programme: Major maintenance on aprons, runways and taxiways	25,901	957	-	10,859	-	37,717
Fire Safety Terminal	-	-	2,499	10,248	-	12,747
TSD 2-way	-	140	2,350	10,049	24	12,564
X-ray t.b.v. EDSCB fase 2 / 3 CT scan GH	-	-	-	11,090	-	11,090
CUWI Terminal	-	-	3,593	6,576	-	10,169
Logistics HUB	-	609	185	265	7,609	8,667
Programme: Hold baggage Screening(several locations)	-	-	-	7,879	-	7,879
Self service drop off	-	-	391	5,574	771	6,736
Kmar filters	-	-	4,476	1,951	161	6,589
Privium Club Lounge Holland Boulevard	-	-	1,818	3,083	1,064	5,965
Replacement Access LAN Services	-	-	-	3,872	1,143	5,015
Other	18,382	11,107	9,084	51,118	14,200	103,891
Total completions during the year	83,668	27,245	78,970	195,160	137,209	522,252

The other assets include amongst others inventory and vehicles.

Part of the assets used for operating activities as presented above concerns right-of-use assets. The movement in right-of-use assets during 2021 was as follows :

(in thousands of euros)	Buildings	Other assets	Right of use assets
Carrying amount as at 1 January 2020	2,620	14,929	17,549
Movements 2021			
Additions	98	6,113	6,210
Depreciation	-456	-5,882	-6,338
Derecognition	-	-105	-105
Total movements	-359	126	-233
Carrying amount as at 31 December 2021	2,262	15,055	17,317

8. Assets under construction or development

(in thousands of euros)	Assets under construction for operating activities
Carrying amount as at 1 January 2020	978,734
Movements in 2020	
Capital expenditure	715,679
Capitalised construction period borrowing cost	9,702
Completed assets	-386,290
Reclassification	-5,750
Total movements in the year	333,340
Carrying amount as at 31 December 2020	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	-128,533
Carrying amount as at 31 December 2021	1,183,541

The capitalisation of construction period interest is calculated by applying a percentage rate of 1.06% (2020: the annual rate varied between 1.5% and 1.6%). A total amount of 7.6 million euros was capitalised during the 2021 financial year relating to various construction projects.

At 31 December 2021, the total carrying amount of the Lelystad Airport assets amounted to 99 million euros. (This include 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	105,241
Dual Taxiway System	83,861
Redevelopment Terminal 1	35,422
Programme: Major maintance on apons, runways and taxiways	40,532
Programme: Terminal maintenance	21,258
Programme: Airside maintance	17,159
Programme: Hold baggage Screening(several locations)	20,287
Rotterdam-The Hague Airport	17,600
Eindhoven Airport	6,011
Upgrade Piers (Up)	5,754
Programme : Landside Maintance	5,013
Other	45,403
Total capital expenditures in the year	403,540

On 15 December 2021, the new coalition agreement was presented, stating that the new cabinet will decide on the opening of Lelystad Airport for commercial air traffic in 2022. Based on the actions in the past years, including 2021, reflecting the intentions of the most relevant parties involved, including the Dutch government, management believes that the risk that Lelystad Airport will not be opened for commercial flights in time to recover the investments made, is sufficiently remote as at 31 December 2021. As such, there is no trigger for impairment as at 31 December 2021.

The construction of the new pier is progressing. It has, however, been decided after intensive consultation with the current contractor, Ballast-Nedam TAV construction consortium, to end the collaboration. Schiphol is currently preparing a new tender procedure to complete Pier A. Please also see note 27. [Contingent assets and liabilities](#).

For the years to come, substantial investments were planned to create capacity, quality and accessibility. As a result of the pandemic, the investment portfolio has been adjusted. This also include the postponement of the construction of the new Schiphol terminal. Management is assessing the re-initiating of the project closely.

9. Investment property

(in thousands of euros)	Buildings	Land	Assets under construction	Total
Carrying amount as at 1 January 2020	1,193,765	455,113	109,233	1,758,111
Movements in 2020				
Capital expenditure	-	-	31,977	31,977
Completed assets	16,412	7,049	-23,461	-
Fair value gains and losses	-34,053	-29,443	-1,592	-65,088
Impairments	-	-	-15,400	-15,400
Reclassification	-1,328	10,795	3,836	13,303
Total movements in the year	-18,969	-11,599	-4,639	-35,207
Carrying amount as at 31 December 2020	1,174,796	443,514	104,594	1,722,904
Movements in 2021				
Capital expenditure	-	-	19,711	19,711
Completed assets	17,900	-	-14,965	2,935
Impairment	-	-	-	-
Fair value gains and losses	6,104	23,889	38,714	68,707
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
Measured at				
Cost model	-	-	46,318	46,318
Fair value model	1,245,950	429,402	100,710	1,776,062

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. The majority of the impairment in 2020 of 15.4 million euros relate to an impairment to the amount of 14 million euros on land positions held for future development at Schiphol Oost. No significant impairments were required for 2021.

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 (11.1 million euros as at 31 December 2021 (2020: 13.8 million euros)) and trade and other receivables (4 million euros as at 31 December 2021 (2020: 5.0 million euros)).

As at 31 December 2021, 100% (2020: 100%) of the buildings and 16.4% (2020: 19.4%) 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 the manner of how the land for WTC is valued (change in accounting estimate estimate in terms of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*). This resulted in a change in presentation between the WTC building and land. 52,73% of the land value is presented as part of the WTC building (whereas in the past it was presented at 100% of the land value). No changes have been made on total level.

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 a NIY and is 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	
	2021	2020 ¹	2021	2020 ¹	2021	2020 ¹
Schiphol Centre						
Offices	298	287	276	284	4.8%	4.8%
Schiphol North and East						
Offices	148	143	152	151	7.4%	7.6%
Business premises	52	49	67	67	6.7%	6.9%
Schiphol Southeast						
Offices	167	143	140	140	10.7%	10.0%
Business premises	120	120	124	124	4.2%	4.8%
Schiphol South						
Business premises	116	109	109	109	5.7%	6.2%
Rotterdam The Hague Airport						
Offices	177	190	162	162	6.9%	6.3%
Business premises	102	100	92	92	4.8%	5.2%

¹ Please note that a new approach was adopted in determining these figures. The approach aligns better with the current reporting.

Significant assumptions for buildings

The significant assumptions used in the valuation model comprise:

Buildings

	2021	2020
Inflation rate	1,80% - 2,00%	1,40% - 2,00%
Average market rent development	0,00% - 3,13%	-6,67% - 0,00%
Net initial yield	3,70% - 10,70%	4,00% - 10,00%

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 revenues 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

	2021	2020
Inflation rate	1,80% - 2,00%	1,40% - 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)	2021	2020 ¹
Result before tax	37,658	-587,956
Income tax calculated at the domestic tax rate	9,415 25.0%	-146,989 25.0%
Share in results of associates and joint ventures	518 1.4%	26,812 -4.6%
Share in results of associates in limited partnerships that are not independently taxable	1,425 3.8%	-464 0.1%
Changes in corporate income tax rate	-6,352 -16.9%	-9,825 1.7%
Participation exemption on results from financial asset and liability (Groupe ADP)	-69,184 -183.7%	-37,718 6.4%
Different tax rate for foreign subsidiaries / associates	1,231 3.3%	1,548 -0.3%
Recognition of previously unrecognised tax losses	-3,170 -8.4%	-957 0.2%
Tax results previous years	-104 -0.3%	556 -0.1%
Other	169 0.4%	2,754 -0.5%
Income tax expense in income statement (effective)	-66,053 -175.4%	-164,283 27.9%

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

The effective tax rate in 2021 was negative 175.4% (2020: 27.9%). This is mainly attributable to the application of the participation exemption on the results from financial assets and liabilities related to Groupe ADP. At the end of 2021 the House of Representatives and the Senate approved the *Belastingplan 2022* including an increase of the nominal income tax rate from 25.0% to 25.8% in 2022 onwards. 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 changes in the nominal income tax rate applicable as from 2022 caused revaluations of deferred tax assets and liabilities. The higher rate at which differences will be settled resulted in a decrease in the income tax expense in 2021. 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, which was not the case in prior years. 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*. As from 1 January 2022, the Dutch corporate income tax loss relief rules are 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 98.5 million euros of assessed losses for 2020 (after the set-off against the 2019 profit) as a deferred tax asset in terms of IAS 12 *Income Taxes*. An additional amount of 100.1 million euros was recognised for the 2021 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)	2021	2020 ¹
Current income tax		
Income tax current year	5,811	-45,389
Income tax for prior years	104	-556
Total current income tax	5,915	-45,945
Deferred income tax		
Origination and reversal of temporary differences	34,479	-9,941
Changes in corporate income tax rate	-6,352	-9,825
Recognition of unutilised tax losses	-100,094	-98,572
Total deferred income tax	-71,967	-118,339
Total income tax	-66,053	-164,283

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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%

2020 - Reconciliation of effective tax rate per tax jurisdiction

(in thousands of euros)	The Netherlands		The United States		Italy		Total ¹	
Profit before tax	-596,069		4,287		3,826		-587,956	
Income tax calculated at the nominal rate	-149,017	25.0%	1,478	34.5%	1,067	27.9%	-146,471	24.9%
Results of associates	26,348	-4.4%	-	0.0%	-	0.0%	26,348	-4.5%
Changes in corporate income tax rate	-9,825	1.6%	-	0.0%	-	0.0%	-9,825	1.7%
Participation exemption on results from financial asset and liability Groupe ADP	-37,718	6.4%	-	0.0%	-	0.0%	-37,718	6.4%
Recognition of previously unrecognised tax losses	-	0.0%	-	0.0%	-1,067	-27.9%	-1,067	0.2%
Tax results from previous years	556	-0.1%	-	0.0%	-	0.0%	556	-0.1%
Other	3,895	-0.7%	-	0.0%	-	0.0%	3,895	-0.7%
Income tax expense in profit or loss (effective)	-165,761	27.8%	1,478	34.5%	-	0.0%	-164,283	27.9%

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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)	2021	2020 ¹
Deferred tax assets (fiscal unity)		
Assets used for operating activities	171,933	182,984
Assets under construction or development	55,600	54,661
Derivative financial instruments and borrowings	6,483	11,707
Employee benefits	5,004	5,611
Investment property	-172,719	-154,624
Contract related assets	916	34
Unutilised tax loss	198,666	98,572
	265,883	198,945
Deferred tax assets (outside fiscal unity)		
Investment property	1,082	991
Deferred tax liabilities (outside fiscal unity)		
Contract-related assets	-12,629	-11,298
Derivative financial instruments and borrowings	-	-454
	-12,629	-11,752
Total deferred tax	254,336	188,184
Non-current (settlement is not expected)	54,814	83,274
Non-current (expected to be recovered or settled after more than 1 year)	190,581	103,706
Current (expected to be recovered or settled within 1 year)	8,941	1,204
	254,336	188,184

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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	Unutilised tax loss	Total ¹
Carrying amount as at 1 January 2020	156,342	50,811	-144,335	11,049	5,519	-12,626	-	66,761
Movements in 2020								
Deferred tax recognised in the income statement	26,697	3,850	-9,297	-3,188	343	1,362	98,572	118,338
Deferred tax recognised in equity	-	-	-	3,392	-251	-	-	3,141
Reclassification	-55	-	-	-	-	-	-	-55
Total movements in the year	26,642	3,850	-9,297	204	92	1,362	98,572	121,424
Carrying amount as at 31 December 2020	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	254,337

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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	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
Exchange differences	-2,755	-	-2,755
Changes in fair value on hedge transactions	-8,625	3,392	-5,233
Remeasurements of defined benefit liability	2,270	-251	2,019
Share in other comprehensive income of associates	-21,622	-	-21,622
Total unrealised 2020	-30,732	3,141	-27,591

Current income tax positions

(in thousands of euros)	2021	2020
Income tax receivable		
Dutch subsidiaries outside the fiscal unity	-	465
Income tax in foreign jurisdictions	-	-
Total income tax receivable	-	465
Income tax liability		
Income tax in foreign jurisdictions	-7,010	-3,565
Total income tax liability	-7,010	-3,565
Total income tax	-7,010	-3,100

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 2018. 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)	2021	2020
Investments in associates	234,039	846,279
Investments in joint ventures	221,698	221,334
Carrying amount as at 31 December	455,737	1,067,613

Associates

(in thousands of euros)	2021	2020
Carrying amount as at 1 January	846,279	976,844
Result for the year	-2,962	-104,968
Dividends	-4,174	-
Acquisitions	-	1,988
Capital contributions	-	311
Share of OCI	16,742	-21,622
Direct equity movement	180	929
Reclassifications	-624,429	-7,596
Exchange differences	2,385	392
Other	18	-
Total movements in the year	-612,239	-130,566
Carrying amount as at 31 December	234,039	846,279

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 agreements provide a detailed exit mechanism to unwind the cross-shareholding between Groupe ADP and Schiphol Group which came into effect on 30 November 2021. This mechanism organises an orderly sale of the shares against fair market value within a period of 18 months (until 30 May 2023). First, Schiphol Group will have to sell its shares in Groupe ADP after which Schiphol Group will buy back the Schiphol Group shares from Groupe ADP. Please see below for additional details on the accounting impact of the investment in Groupe ADP.

Joint ventures

(in thousands of euros)	2021	2020
Carrying amount as at 1 January	221,334	193,604
Result for the year	889	-2,279
Dividends	-2,432	-909
Capital contributions	50	26,806
Exchange differences	1,875	1,123
Other	-17	-16
Total movements in the year	365	27,730
Carrying amount as at 31 December	221,698	221,334

No acquisitions, capital contributions or capital repayments were made by Schiphol Group in 2021.

In 2020, Schiphol Real Estate (SRE) and Volker Wessel Bouw & Vastgoedontwikkeling Nederland B.V. (VolkerWessels) formed a joint venture (Boswandeling B.V.) and acquired approximately 90 hectares of land from the development company, Chipshol Holding B.V. Unanimity is required from VolkerWessels and SRE before any business related or strategic decisions can be made in the joint venture. Schiphol Group therefore accounts for its investment in Boswandeling as a joint venture using the equity method. The investment as at 31 December 2021 amounts to 26.5 million euros (2020: 26.5 million euros).

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 Groupe ADP, BACH and TGHC can be regarded as material.

		2021	2020
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 Groupe ADP (until 30 November 2021) and 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. Where Groupe ADP was

concerned, the parties hold shares in each other, both the CEO and the CFO of Schiphol Group are members of Groupe ADP's Board of Directors, Groupe ADP has a representative on Schiphol Group's Supervisory Board and a long-term cooperation agreement is in place providing for cooperation in various areas. After the termination of the agreement per 30 November 2021, both ADP and RSG have given up their respective (supervisory) board seats. As Schiphol no longer exercises significant influence over Groupe ADP, the investment in associate (in ADP), previously accounted for using the equity method in terms of IAS 28 *Investments in Associates and Joint Ventures*, is now recognized as a financial asset and measured at fair value (through profit or loss) in terms of IFRS 9 *Financial Instruments*. The financial asset will be remeasured at each reporting date.

Since 2008, Royal Schiphol Group has had a long-term industrial cooperation and cross-participation with Groupe ADP. The agreement had an initial duration of 12 years which expired on 30 November 2020. Groupe ADP and Royal Schiphol Group have extended the agreement with 12 months, until 30 November 2021.

The equity method of accounting for the investment in ADP was applied until the criteria per IFRS 5 *Assets held for sale* were met. The investment was classified as held for sale on 28 July 2021. 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 28 July 2021 amounted to 624.4 million euros.

The fair value (less costs to sell) was significantly higher than the carrying amount of the investment. ADP's shares are publically traded and the price per share on 30 June 2021 amounted to 109,85. Based on this, the fair value of Schiphol's share amounted to 869.7 million euros. On the date of reclassification (28 July 2021), the fair value of the investment in ADP amounted to 847.9 million euros. In addition, the fair market value of Groupe ADP was formally determined by applying the multi-criteria approach (reflecting the intrinsic equity value) in terms of the exit mechanism.

It was determined and concluded that the investment in Groupe ADP will be classified as an asset held for sale at the carrying amount of 624.4 million euros as at 28 July 2021. Please also 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 2021 includes 70 million euros (2020: 68 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 2021 includes 106 million euros (2020: 106 million euros) of goodwill relating to Tasmanian Gateway Holdings Corporation Pty Ltd.

In 2021, Groupe ADP contributed a loss of 16.3 million euros for the period January to July 2021 (2020: 96.5 million euros loss) 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 share in the results of associates in 2021 includes a positive result of 8.7 million euros from Brisbane Airports Corporation Holding Ltd (2020: 12 million euros loss) and 4.4 million euros loss from TGHC (2020: 2.3 million euros positive result), including the adjustments relating to the difference in the accounting policies in respect of the measurement of Property, Plant and Equipment (Assets used for operating activities).

The shares of 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 as a result of the COVID-19 pandemic. 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 2021, 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 continued unprecedented volatility and uncertainty of the effects of COVID-19. The duration and continued impact of the limitations to operate as a result of COVID-19 is uncertain.

In line with the other CGU's, the impairment analyses for Hobart Airport and Brisbane Airport are based on the business plans and long-term forecasts provided by local Management.

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, change 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 timely reviewing the developments and possible impact on the business case.

Brisbane Airport expects passenger volumes to recover to 2019 levels by 2023 (domestic) and 2024 (international). As the airport has sufficient headroom in the impairment analysis, the investment is not sensitive for potential impairments.

Associates

(in millions of euros)	Groupe ADP ¹		Brisbane Airport ²		TGHC ²	
	2021	2020	2021	2020	2021	2020
Income statement						
Revenues	-	2,137	283	457	21	30
Interest income and expenses	-	-390	-88	-76	-5	-9
Depreciation, amortisation and impairments	-	-1,071	-108	-83	-8	-6
Income tax	-	255	-2	-32	3	-1
Result from continuing operations	-	-1,123	3	76	-8	0
Other comprehensive income	-	-245	22	-17	5	63
					-	-
Financial position						
Fixed assets	-	13,744	4,138	4,224	445	395
Current assets	-	1,363	107	53	7	6
Cash and cash equivalents	-	3,463	47	746	36	12
Non-current liabilities	-	10,997	3,068	3,786	293	365
Current liabilities	-	3,360	252	303	127	55
Equity	-	4,213	973	934	25	-7
Equity attributable to owners of the Company	-	3,652	973	934	25	-7
Group's share % of equity	-	292	191	183	9	-3
Goodwill	-	206	68	68	123	123
Other adjustments	-	141	-85	-95	-19	67
Carrying amount as at reporting date	-	639	174	156	113	187

1 Based on the financial statements as at 31 December 2021

2 Based on the financial statements as at 30 June 2021

12. Loans to associates and joint ventures

(in thousands of euros)	2021	2020
Carrying amount as at 1 January	138,628	133,622
Movements		
Acquisitions	625	-
Accrued interest	4,309	5,957
Amortisation	784	263
Dividend received	-938	-
Other exchange differences	998	606
Reclassification to current assets	-	5,778
Capital repayment	-2,237	-
Other movements	1,002	-7,598
Total movements in the year	4,543	5,006
Carrying amount as at 31 December	143,171	138,628

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 in 2019 was replaced with a mixture of interest-bearing and interest-free loan notes during 2020. The adjustment to the fair value of the Interest-free Loan Notes of approximately 7 million euros was included in the investment in joint venture's carrying amount of TGHC. This resulted in an increase in the equity value of TGHC and a decrease in the loan to associate with zero impact on the results of Schiphol Group. The maturity date of the loan notes are 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 carry entitlement to a cumulative (accumulated) dividends. The maturity date of the RPS is 1 July 2031 and the annual dividend rate 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 2021 as a result of the negative impact of COVID-19 on the airport. The dividends receivable are being accrued for in terms of the

agreements. There is no indication of an increase in the credit risk. Dividends or interest to the amount of 0.9 million euros (1.5 million Australian dollars) were received from TGHC during 2021. A capital repayment to the amount of 2.2 million euros (3.5 million Australian dollars) was also received on the interest-free loans 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.

As from September 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. 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) at 31 December 2021 is 101.7 million euros (2020: 140.3 million euros) and the effective interest rate is 8.36% (2020: 10%) for the RPS in BACH and 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)	2021	2020
Derivatives	17,537	11,411
Lease incentives	11,119	13,822
Prepayments on fixed assets	235	6,818
Other loans to associates	3,452	3,452
Purchased long leases	2,557	2,602
Loans to third parties	169	269
Total other non-current receivables	35,070	38,374

Other loans to associates

(in thousands of euros)	2021	2020
Carrying amount as at 1 January	3,452	2,489

Specification of movements in the year

Reclassification to/from current assets	-	1,154
Remeasurement	-	-191
Total movements in the year	-	963

Carrying amount as at 31 December	3,452	3,452
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The other loans to associates include a loan of 3.5 million euros to SRE Altai, which is a joint venture with Groupe ADP involving collaboration in the area of property development. The maturity date of the loan is 31 December 2024 and no collaterals have been granted.

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)	2021	2020
Cash deposits	320,000	470,000
Trade receivables	125,286	96,996
Value-added taxes	11,406	9,477
Accrued income	35,026	21,044
Prepaid expenses	13,589	19,838
Receivable from associates	41	177
Other loans to associates	2,080	2,080
Lease incentives	4,229	5,022
Assets held for sale	-	2,000
Other receivables	50,096	47,315
Total trade and other receivables	561,753	673,949

The balance in cash deposits amounting to 320 million euros as at 31 December 2021 (2020: 470 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 2021 was 0,2%.

Other receivables include an amount of 51 million euros relating to the NOW government grants to be received. 80% of the subsidies were already received, please refer to Note 4. [Employee benefits expense](#).

The balance in trade receivables includes expected credit losses of 7 million euros (31 December 2020: 8 million euros). For a more detailed explanation, please refer to note 28. [Management of financial risks and financial instruments](#).

The Assets held for sale in 2020 for the amount of 2.0 million euros related to the 47.44% interest of Malpensa Real Estate BV (a subsidiary of SRE BV) in Villa Carmen Srl. In December 2019 the Management Board of Schiphol Group approved the sale of this associate, which was expected to be finalised in 2020. Unfortunately due to the negative impact of COVID-19 on businesses worldwide, the sale could not be finalised due to unforeseen circumstances that were not in the control of Schiphol. The period to complete the sale per IFRS 5 *Non-current Assets held for sale and Discontinued Operations* were met in 2020 as management believed that the sale of this associate will be finalised in 2021. This was, however, not the case as the continued impact of COVID-19 on businesses were bigger than initially anticipated.

As a result, the asset held for sale ceased to be classified as held for sale as the criteria listed in IFRS 5 *Non-current Assets held for sale and Discontinued Operations* were no longer met. Due to the immaterial nature of the asset, it was classified as "loans to associates and joint ventures".

15. Cash and cash equivalents

Cash and cash equivalents amounts to 920 million euros at 31 December 2021 (31 December 2020: 753 million euros), with deposits amounting to 722 million euros included with an original maturity of less than three months at the balance sheet date (31 December 2020: 587 million euros). The average interest rate on the deposits reported under cash and cash equivalents as at 31 December 2021 was 0,2%.

Cash deposits to the amount of 320 million euros at 31 December 2021 (2020: 470 million euros) whose original maturity exceeds three months are classified as part of note 14. [Trade and other receivables](#).

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 a 8% cross participation shareholding. RSG currently holds 7.916.848 shares, which is 8% of the issued share capital of ADP. ADP also holds 8% of RSG shares, which are 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 2020, but during 2020 Schiphol Group and Groupe ADP extended the agreement with one year until 30 November 2021 with the aim to investigate a potential new long-term industrial cooperation agreement. It has, however, been decided that the cooperation agreement and cross-participation will not be extended for another year and have therefore expired on 30 November 2021.

In July 2021, 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 the shares in each other and to not continue with 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.

IFRS 5 requires that immediately before the initial classification of an asset as held for sale, the carrying amount of the asset (investment) should be measured in accordance with the applicable IFRSs (in the case of ADP, IAS 28 *Investments in Associate and Joint Ventures*). Schiphol have applied its usual accounting policies up until the criteria for classification as held for sale were met.

As a result, Schiphol discontinued to apply the equity method of accounting (per IAS 28) from the date when its investment in ADP ceases to be an associate - when the investment was classified as an asset held for sale (when the criteria per IFRS 5 were met). The investment will be 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 will also result in all gains or losses previously recognised in other comprehensive income will be reclassified to profit or loss on the reclassification of the investment. While the asset is classified as held for sale, it will not be amortised.

Measurement

The carrying amount of the investment as at 28 July 2021 amounted to 624.4 million euros. Losses to the amount of 21.2 million euros was recognized in OCI and have been reclassified as a result. The selling price of the ADP shares are determined as per the negotiations between ADP and Schiphol (prior to 30 November 2021) or per the considerations included in the exit mechanism (plan) and the price that is eventually agreed-upon with the buyers (after 30 November 2021). The sale of the ADP shares will be completed first and thereafter the sale of the RSG shares. The fair value (less costs to sell) are significantly higher than the carrying amount of the investment. ADP's shares are publically traded and the price per share on 30 June 2021 amounted to 109,85 euros. Based on this, RSG's investment is 869.7 million euros worth. On the date of reclassification (28 July 2021), the fair value of the investment in ADP amounts to 847.9 million euros. Therefore, the asset held for sale has been recognised at the carrying amount of 624.4 million euros as at 28 July 2021.

Loss of significant influence

It should be noted that after the termination of the agreement per 30 November 2021, both ADP and RSG have given up their respective (supervisory) board seats. This means that the board of director seats of ADP, which is currently filled by Schiphol (D.A. Benschop and R. Carsouw), was vacated. The nature of the investment in ADP therefore changed 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 to the amount of 21.2 million euros was recognized in OCI and was reclassified as a result. The fair value of Groupe ADP derived from the market price of the share at 31 December 2021 is 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 will continue 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. Any gain or loss on the disposal will be recognised in the profit and loss account.

The Asset held for sale as at 31 December 2021 amounted to 897 million euros.

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 and Schiphol holds 40% interest in the Altaï building located at CDG airport. The joint venture structures have a contractual link with the HubLink agreement and the expiration thereof (as included above), might have an impact on the cross participating entities. The two entities are currently accounted for as joint ventures and measured in accordance with the equity method in terms of IAS 28.

Discussions are currently ongoing and no decisions have been made at year-end to determine the future of these entities (as part of the exit mechanism). No material impact is expected regardless of the decisions to be made by Schiphol or ADP as the underlying assets included in the joint ventures are measured at fair value.

17. Issued share capital and share premium

The authorised share capital as at 31 December 2021 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%
Groupe ADP	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 2021.

Groupe ADP currently holds 8% of RSG shares, which are classified as class B-shares. Due the expiration of the cooperation agreement and cross-shareholding with Groupe ADP, RSG will need to buy back the 8% of the shares (14 892 shares) that ADP currently holds in Schiphol. The finalisation of the transactions will need to take place within the 18 months after the termination date (30 November 2021).

The price of the Schiphol shares is based on a price mechanism (as included in the exit mechanism) and will be based on the principle that the sale of the ADP shares (as held by Schiphol) will be completed first in order to determine the price of the Schiphol shares.

Please see note 22 [Financial liability - Share buy back obligation](#) for a detailed explanation.

18. Retained profits

No dividends will be paid out for the 2021 and 2020 financial years. Schiphol Group put a proposal to its shareholders to refrain from effecting payment of the dividend for 2019 in 2020 (the proposed dividend over 2019 was 151.4 million euros, or 813 euros per share). The shareholders agreed to this proposal during the shareholders meeting on 14 April 2020.

Given the legal obligation to recognise a Revaluation reserve and Other Statutory reserves, an amount of 219.3 million euros was subtracted from the Retained profits (2020: 185.7 million euros added) and the Other Statutory reserves and added to the Revaluation reserve in 2021 as detailed under note 31. [Shareholders' equity](#).

Please refer to the note 'Correction of an accounting error and Change in accounting policy' as part of the [Accounting Policies](#) for the impact on retained profits.

19. Other reserves

(in thousands of euros)	Exchange differences reserve	Hedge reserve of associates	Share in OCI of associates	Actuarial gains and losses	Total
Balance as at 1 January 2020	5,992	-40,516	-37,049	-13,794	-85,367
Movements in 2020					
Exchange differences	-2,755	-	-	-	-2,755
Currency and interest hedge JPY loan payable					
Exchange differences on hedged borrowings	-	5,740	-	-	-
Deferred tax on fair value changes on hedged borrowings	-	-1,246	-	-	5,740
Fair value movements on derivatives	-	-24,089	-	-	-1,246
Deferred tax on fair value movements on derivatives	-	5,227	-	-	-24,089
Hedging of cash flow interest-rate risk					
Recycling cash flow hedges to profit and loss	-	9,725	-	-	-
Deferred tax on recycling cash flow hedges	-	-2,047	-	-	9,725
Currency hedge AUD loan receivable					
Other comprehensive income associates	-	-	-21,622	-	-21,622
Actuarial gains and revaluations	-	-	-	2,270	2,270
Tax effect on actuarial results	-	-	-	-493	-493
Other					
Impact of change in corporate income taxes	-	1,457	-	242	1,699
Total movements in the year	-2,755	-5,233	-21,622	2,019	-27,590
Balance as at 31 December 2020	3,237	-45,749	-58,671	-11,775	-112,957

(in thousands of euros)	Exchange differences reserve	Hedge reserve of associates	Share in OCI of associates	Actuarial gains and losses	Total
Balance as at 31 December 2020	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

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 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 Yen loan	-9,934	-	-9,934	-	-9,934
Total	29,239	7,291	25,026	7,264	17,762

(in thousands of euros)	Total 2020	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	20,317	7,075	13,242	13,242	-
Lehman derivative - settlement 2008	5,112	291	4,821	1,163	3,658
Exchange difference on hedged JPY loan	28,878	-	28,878	-	28,878
CCIRS derivative hedge JPY loan	-8,558	-	-8,558	-	-8,558
Total	45,748	7,366	38,383	14,405	23,978

20. Non-controlling interests

Non-controlling interests at 31 December 2021 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
	2021	2020	2021	2020		
EMTN programme	4,422,340	3,870,480	4,585,031	4,247,374	2021-2038	1.12%-4.97%
European Investment Bank	630,500	639,500	667,939	700,558	2024-2031	0.12%-4.14%
KfW IPEX-bank	289,756	289,702	294,303	306,750	2024-2028	2.80%
Namensschuldverschreibung	24,958	24,918	27,535	28,804	2023	5.07%
Other borrowings	22,342	23,366	18,000	24,210		
Total	5,389,896	4,847,966	5,592,810	5,307,696		

(in thousands of euros)	Currency	Face value	Carrying amount		Fair value		Year of maturity	Interest rate
			2021	2020	2021	2020		
XS1900101046	EUR	500,000	493,866	493,157	538,555	560,735	2030	1.50%
XS0621167732	EUR	438,447	-	437,250	-	445,103	2021	4.43%
XS1301052202	EUR	400,000	402,675	403,215	431,104	441,668	2026	2.00%
XS0378569247	JPY	20,000,000	152,607	158,312	184,881	228,203	2038	3.16%
XS2069329451	AUD	255,000	163,420	161,091	150,419	163,657	2034	2.89%
XS1437013870	EUR	150,000	149,862	149,835	151,832	159,044	2028	1.12%
XS2019889778	AUD	70,000	44,662	44,013	43,388	45,546	2034	3.09%
XS0983151282	EUR	40,000	39,974	39,967	43,417	42,823	2025	3.08%
XS0997565436	EUR	30,000	29,974	29,969	32,482	32,024	2025	2.94%
XS2019891915	AUD	30,000	19,147	18,866	18,861	19,536	2027	2.40%
XS2153459123	EUR	750,000	746,397	745,977	825,930	866,498	2029	2.00%
XS2227050023	EUR	700,000	695,317	694,490	699,692	715,603	2027	0.38%
XS2227050379	EUR	500,000	494,831	494,339	497,320	526,935	2032	0.88%
XS2333391303	EUR	300,000	299,793	-	296,973	-	2025	0.00%
XS2333391485	EUR	700,000	689,816	-	670,177	-	2033	0.75%
EMTN programme			4,422,340	3,870,480	4,585,031	4,247,374		

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 2021. 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 2021.

As at 31 December 2021, borrowings under the programme totalled 4,422 million euros (31 December 2020: 3,870 million euros), of which 1,750 million euros (2020: 1,750 million euros) specifically relate to green bonds. In April 2021, Schiphol Group issued two senior unsecured bonds to the total value of 1,000 million euros under the EMTN programme: 300 million euros with a maturity date of 22 April 2025 and annual coupon of 0.0% and 700 million euros due on 22 April 2033 with an annual coupon of 0.75%. The financing was raised to secure sufficient access to liquidity in order to fund investments and to cope with the COVID-19 impact on the financial performance of the group.

Schiphol Group repaid 438.4 million euros bond, which matured in April 2021.

Schiphol has a number of facility agreements with the European Investment bank for a total original amount of 900 million euros of which a part has been repaid. As per 31 December 2021, 631.0 million euros is outstanding and 175.0 million euros is available as committed financing. Schiphol Group repaid 9 million euros in 2021. 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 5 years. No new facilities were entered into during 2021.

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 330 million euros uncommitted undrawn bank facilities.

Eindhoven Airport has a facility for 60 million euros available to refinance the future capital expenditure and to provide sufficient liquidity to absorb the negative impact of COVID-19. 18 million

euros had been drawn as at 31 December 2021. 8 million euros were repaid during the 2021 financial year. The covenants are met as at 31 December 2021.

Of the total loans, an amount of 152.6 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 cashflows. The hedge is accounted for as cash flow hedge and was fully effective.

The current portion of borrowings at 31 December 2021 of 6 million euros (31 December 2020: 444 million euros) is recognised under current liabilities.

In 2021 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 2021 was 35% (2020: 36%). The average interest rate of outstanding borrowings in 2021 was 1.5% (2020: 1.9%).

The remaining terms of the borrowings as at 31 December 2021 are as follows:

(in thousands of euros)	Total	<= 1 year	> 1 year	> 1 year and <= 5 years	> 5 years
EMTN programme	4,422,340	-2,365	4,424,705	761,606	3,663,100
European Investment Bank	630,500	9,000	621,500	406,000	215,500
KfW IPEX-bank	289,756	-56	289,812	99,877	189,935
Namenschuldverschreibung	24,958	-39	24,996	24,996	-
Other borrowings	22,342	-242	22,584	17,321	5,263
Total borrowings	5,389,896	6,298	5,383,597	1,309,800	4,073,798

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 2020	2,609,582	162,880	2,772,462
Movements in 2020			
New borrowings	2,236,122	400,000	2,636,122
Transferred to current liabilities	-436,740	436,740	-
Repayments	-	-561,095	-561,095
Exchange differences	-4,389	0	-4,389
Other movements	-701	5,567	4,866
Total movements in the year	1,794,292	281,212	2,075,504
Carrying amount as at 31 December 2020	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	0	-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

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 currently holds 8% of Schiphol shares, which are classified as B-shares (other shareholders have class A shares). As a result of the expiration of the cooperation agreement and

cross-shareholding, Schiphol will need to buy back the 8% of the shares (14 892 shares) that ADP currently holds in Schiphol (also see note 17. [Issued share capital and share premium](#)).

When the agreement was reached during 2008, Schiphol already had the obligation as part of the legal contract between Groupe ADP and Schiphol that the Schiphol shares will be bought back when the agreement ends. As a result, the contract contained an obligation for Schiphol to purchase its own equity instruments (shares) for cash (or another financial asset) and resulted in a financial liability to be recognised at the present value of the redemption amount. The financial liability (due to the share buy-back) was not recognised in 2008 (or the years thereafter) as this error was identified in 2021. As a consequence, the related liabilities have been understated and the equity balances have been overstated. This did not impact the covenants as the solvency ratio calculated under the adjusted equity is 35%, which is above the minimum required 30%. The error has been corrected by restating each of the affected financial statement line items for prior periods. Please refer to the note 'Correction of an accounting error and Change in accounting policy' as part of the [Accounting Policies](#).

Measurement

The financial liability is initially recognised at the net present value of the redemption amount, and is reclassified from equity. The estimated redemption amount is determined by calculating Schiphol's estimated equity value for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021.

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 holds 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 will be based on the principle that the sale of the ADP shares will be completed first in order to determine the price of the Schiphol shares. The sale price of the Schiphol shares will be set on the basis of a fair market value determined as part of an expert appraisal procedure and subsequently will take 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.

The factors included above will likely result in a difference between the amount per the financial liability as at 31 December 2021 (and thereafter) and the final agreed selling price.

23. Employee benefits

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
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
Carrying amount as at 31 December 2020				
Provision	29,830	32,375	1,076	63,281
Liability in the balance sheet	29,830	32,375	1,076	63,281

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 2021, 7.5 million euros (2020: 11.4 million euros) included in the other long-term employee benefits relate to the unemployment provision which 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)	2021	2020
Carrying amount as at 1 January	29,830	31,652
Total net benefit expense for the year	854	1,300
Benefits paid during the year	-846	-852
Actuarial changes presented in OCI	-2,552	-2,270
Other movements	-	-
Total movements in the year	-2,544	-1,822
Carrying amount as at 31 December	27,286	29,830

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 2021	31 December 2020
Discount rate	0,6% - 1,1%	0,35% - 0,5%
Return on plan assets	1.50%	1.90%
Inflation	1.50%	1.50%
General salary increase	1.50%	2.00%
Life expectancy	Royal Dutch Actuarial Society's (AG) generation mortality table AG2020, corrected with Mercer experience mortality table	Royal Dutch Actuarial Society's (AG) generation mortality table AG2020, 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 2022 is 33.9 million euros. ABP's funding ratio was 110.2% as at 31 December 2021 (93.2% as at 31 December 2020).

24. Provisions

(in thousands of euros)	Decommissioning provision	Environmental provision	Reorganisation Provision	Other	Total
Carrying amount as at 1 January 2020	7,126	31,396	-	10,255	48,777
Movements in 2020					
Addition to provision	-	-	7,484	-	7,484
Use of provision	-	-2,271	-	-255	-2,526
Other	-	-	-	-10,000	-
	-	-2,271	7,484	-10,255	-5,042
Carrying amount as at 31 December 2020	7,126	29,125	7,484	0	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	-0	4,600	32,585
Current	-	-	-0	4,600	4,600
Non-current	7,126	20,859	-	-	27,985
Carrying amount as at 31 December 2021	7,126	20,859	-0	4,600	32,585

Restructuring of the Schiphol Group was announced during 2020 as a result of the significant impact of the COVID-19 pandemic on the business. A restructuring provision for the amount of 63 million euros were recognised. Please see note 4. [Employee benefits expense](#).

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 7.1 million euros (2020: 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 20.9 million euros (2020: 29.1 million euros) concerns the expenditures to be incurred in connection with the temporary storage and decontamination and/or depositing of the contaminated soil.

A provision of 4.6 million euros has been recognised relating to several claims received from companies providing services to Schiphol. This is due to discrepancies in planningschemes as a result of the short-term uncertainties in expected passenger numbers during the COVID-19 lockdowns. It is expected that the claims will be settled in the next 12 months.

In May 2020, Schiphol Real Estate settled the legal claim of 10.0 million euros concerning a dispute with Chipshol which was included under "Other" by acquiring the entity that holds the claims, Chip(s)hol III B.V. This provision was released to the income statement with an immaterial impact.

25. Other non-current liabilities

(in thousands of euros)	2021	2020
Prepaid long leases	89,645	90,632
Lease liabilities	11,332	12,039
Unrealised profit on contribution in kind	2,269	2,415
Other	62	-
Total other non-current liabilities	103,308	105,086

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 4.8 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 2021). 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.

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 1.85% (2020: 1.6%).

(in thousands of euros)	Buildings	Other assets	Total
Liability < 1 year	490	5,276	5,766
Liability 1 year and < 5 years	1,821	9,511	11,332
Carrying amount of lease liabilities	2,311	14,788	17,099

26. Trade and other payables

(in thousands of euros)	2021	2020
Trade payables	156,301	138,899
Accruals	101,050	137,679
Termination benefits	2,500	44,538
Deferred income	55,904	15,765
Lease liabilities	5,766	5,538
Interest payable	32,013	41,629
Wage tax and social security contributions	352	10,349
Prepaid long leases	3,499	3,706
Flight tax	23,557	50
Other payables	33,859	29,880
Total trade and other payables	414,800	428,035

Termination benefits relates to a portion of the restructuring provision that was recognised in 2020 for the amount of 63 million euros. Please see note 4. [Employee benefits expense](#). An amount of 2.5 million euros are expected to be settled in 2022. (The remaining amount of 42 million euros was paid out in 2021).

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).

A payable to Algemeen Burgerlijk Pensioenfonds (ABP) of the amount of 3.1 million euros as at 31 December 2021 are included in the Trade and other payables balance.

Prepaid long leases include an amount of 1.5 million euros relating to lease incentives.

Further details of the derivative 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 2021 the Regulatory Accounts 2020 were published, which included a final settlement on the sector of 528 million euros, divided in three equal parts in the years 2022-2024. As a direct result of the COVID-19 crisis, the applicable legal framework offered too little flexibility to set the charges in such a way that it safeguards the financial stability on the one hand (by retaining legal entitlements to settle), and on the other hand does not unduly hinder the recovery of the market and the development of the charges. In close consultation with other public stakeholders and Schiphol, the Minister of Infrastructure & Water Management initiated a legislative procedure to amend the settlement method of the Schiphol Airport Operation Decree 2017 (in Dutch: "Besluit exploitatie luchthaven Schiphol 2017") to add a discretionary power for Schiphol which creates more flexibility with regard to settlements that are the result from unforeseen and exceptional changes.

The amendment of the Schiphol Airport Operation Decree, came into force on 3 September 2021 and involves two aspects: firstly for traffic and transport related parts (being both revenues and specific cost items) the timing of settlement to be incorporated in future airport charge rates can be postponed with one year. In addition, the amount can be timed in a flexible way over three consecutive years after the year of postponement. This opportunity differs from the normal timing of settlements in three equal parts. The amendment is not applicable to other, non-traffic related parts that are to be settled.

In setting the airport charges for the period 1 April 2022 to 31 March 2025 (after the consultation process with airlines ended), Schiphol chose to exercise its newly created and postponed the traffic and transport related part of the 2020 settlement with one year and (re)allocated this amount to the years 2023 and 2024. In addition, Schiphol decided to voluntarily exclude to incorporate 45.6 million euros of the established settlement amount of 2020 from the new airport charges, mainly consisting of the restructuring provision (45.4 million euros).

A number of Airlines and representative organizations have submitted complaints to the regulator about the new charges in response to Schiphol's final settings of airport charges 2022-2024. At the moment, the regulator (Dutch Authority for Consumers & Markets) is in the process of assessing these complaints. Schiphol expects the regulator to take a decision before 1 April 2022.

The amount to be settled for 2021 is expected to be a deficit of around 500-550 million euros as a result of the continued impact and challenges of COVID-19. The final settlement will be included and explained extensively in the Regulatory Accounts 2021. The Regulatory Accounts 2021 will be published on 31 May 2022 (at the latest). Thereafter, the settlement will be included in the consultation of the Airport charges in coming years. During consultation with Airlines on airport charges, Schiphol has indicated it will again exercise its discretionary power to postpone the

incorporation of the traffic related part of the 2021 settlement with one year and time this amount in such a way it will contribute goals explained during consultation.

Contamination by extinguishing foam

In July 2008, the Rijnland District Water Control Board 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. The Water Board had been granted a permit for this by the province of North-Holland. Although the contaminated foam was removed and decontaminated in 2009, it was later discovered that the soil and groundwater around the reservoirs had also been contaminated. As the owner of the land concerned, Schiphol suffered damage as a result. The Water Board removed the sludge from the reservoirs in 2011 to prevent it from causing any further contamination. Monitoring confirmed that the screen was effective. In 2015 it was concluded that a final solution had not yet been realised due to the lack of a standardisation and remediation technique. KLM, Schiphol and Rijnland took control measures around the reservoirs aimed at preventing the further spread of PFOS. The control measures are related to the construction of a bentonite wall around the contaminated area. Since the wall is watertight, rain and seepage have to be drained off. This required the construction of a filter installation in order to be able to pump, filter and transport the water out of the soil into an adjacent ditch.

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 watercourses at Schiphol that were contaminated during this incident have been cleaned up within the framework of the regular dredging programme. The additional costs incurred on top of the regular dredging programme for the transport and processing of the contaminated material have been charged to KLM. Evides, a water decontamination company, took measures in consultation with the municipality of Haarlemmermeer to deal with the technical facilities, soil and groundwater that were also contaminated during the incident. Evides contacted Schiphol and KLM to discuss further action to manage the contamination. Consultations with the competent authorities were started at the end of 2013 with the aim to check the plan against laws and regulations. Evides, KLM and Schiphol took measures in 2014/15 to protect the quality of the surface water in the ditch next to the waste water purification plant. Based on an RIVM report, the province of North-Holland set new guidelines with regard to PFOS in 2017, which did not necessitate any adjustments to the current measures taken at the former basins. The new reuse policy that the municipality of Haarlemmermeer drafted in October 2017 does not influence the current situation either. KLM, Schiphol and Rijnland have agreed to postpone discussions on a financial settlement until remediation techniques for the cleaning of contaminated soil become available. As a result, it is currently not possible to determine a reliable estimate of the expected costs.

Covenant on local environmental quality in the medium term

The covenant includes arrangements on how to improve the quality of the local Schiphol environment in the medium term. For this purpose, Schiphol and the province of North-Holland incorporated the Stichting Leefomgeving Schiphol, a foundation with an independent board that is in charge of a programme for area-specific projects (improvement of the quality of the local environment in specific areas) and individual measures (mitigation in individual cases of noise-related distress). The financing parties are the province of North-Holland, the Ministry of Infrastructure and Water Management and Schiphol Group. Schiphol provided 10 million euros for the first tranche in 2006. A second tranche was committed in the Alders recommendations of October 2013 in connection with which Schiphol Group is again making 10 million euros available.

Reduction of ground noise

The parties to the Alders Platform agreed to reduce ground noise levels by 10 dB. A reduction of 7 dB has been realised thus far by installing sound-absorption ribs. In 2019 TNO investigated the possibility to reduce the remaining 3dB through sound insulation of homes, which appeared to be feasible. Schiphol has consulted Haarlemmermeer and residents on the next steps to take. Next steps will be the preparation of the insulation project in 2021 and the realization in the following years. The costs associated with the sound insulation measures cannot be reliably estimated at this stage.

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 2.5 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. Schiphol is now preparing to re-tender the finalisation of construction of Pier A and expects to appoint a new contractor in the course of 2022.

To date, BN-TAV has filed a contractual claim of 115 million euros to Schiphol, relating to a change in the scheduled completion date, also called an extension of time claim. This claim covers the period up to December 2020. On top of the extension of time claim, BN-TAV has filed claims for additional work ("meerwerk") during the construction of Pier A. The basis and amount of these additional work claims are currently being reviewed but the outcome is uncertain.

In return, Schiphol has submitted to BN-TAV a counterclaim of 104 million euros for delay damages, additional costs and recoverable costs. This claim covers the period up to September 2021.

It is currently uncertain if more claims will be submitted by either BN-TAV or Schiphol following the termination of the contract. Discussions are ongoing between BN-TAV and Schiphol in an attempt to reach an agreement on all claims and disputes.

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 do 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

	Total 2021	< 1 year	> 1 year and < 5 years	> 5 years
(in thousands of euros)				
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 Airport	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

(in thousands of euros)	Total 2020	< 1 year	> 1 year and < 5 years	> 5 years
Commitments relating to:				
Security, maintenance and cleaning	1,075,454	174,065	880,778	20,611
Development of Schiphol	432,155	328,351	103,804	-
Development of Lelystad Aiport	7,677	-	7,677	-
Electricity and gas	107,529	10,756	40,631	56,142
Rents and leases (operating lease)	13,633	3,504	10,128	-
Other capital projects	5,176	2,926	2,250	-
Total	1,641,623	519,602	1,045,268	76,753

Long-term partnership between Dutch construction firms and Schiphol Group

In January 2019 Schiphol contracted BAM, Heijmans and VolkerWessels 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 period of nine years. The commitments under these contracts as per 31 December 2021 are included in the line Security, maintenance and cleaning in the table above.

“Luchtvaart in Transitie” for the Dutch National Growth Fund

Schiphol Nederland B.V. has 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 is 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 contribution agreed to amounts to a maximum total value of 17.7 million euros over the period 2022 - 2026. This is included in line Development of Schiphol in the table above.

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.

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.

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)	2021	2020 ¹
Interest and other financial income		
Loans to associates	4,309	5,957
Exchange differences receivables from associates	998	606
Interest on tax due	-	95
Other results from financial assets	251,609	-
Amortisation on loan notes	784	380
Cash and cash equivalents	9	295
Other results from financial liabilities	39,983	171,765
Exchange differences on cash and cash equivalents	23	16
Exchange differences on other assets and liabilities	-	41
Other financial results	24	7
	297,738	179,162
Interest and other financial expenses		
Borrowings	-84,169	-90,738
Derivatives	-9,725	-9,725
Unwinding of discounting of share buyback obligation	-14,856	-20,891
Fair value adjustment on loan notes	-	-7,324
Lease liabilities	-326	-241
Capitalised construction interest	7,561	9,702
Exchange differences on other assets and liabilities	-1,374	-
Investment losses on deposits	-2,935	-
Other financial results	-6,798	-1,169
	-112,622	-120,386
Total financial income and expenses	185,116	58,775

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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 2021, 7.1% of group financing had been drawn in foreign currency: one loan with a carrying amount of 152.6 million euros (JPY 20 billion nominal value) and three loans with a carrying amount of 227.2 million euros (AUD 355 million nominal value) compared with 7.8% of total borrowings (one loan with a carrying amount of 158.3 million euros and a nominal amount of JPY 20 billion and three loans with a carrying value of 224.7 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 4.6 million euros positive in 2021 (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 euro zone; 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 euro zone, totaling 317 million euros as at 31 December 2021 (301 million euros as at 31 December 2020), 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 2021, the negative effect on equity amounts to 6.7 million euros, leading to a decrease of the translation reserve from 3.2 million euros as per 31 December 2020 to 10.0 million euros as per 31 December 2021.

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 2021, the maximum net position of both parties amounted to 10 million euros (10 million euros as at 31 December 2020) while the market value of the swap was approximately 17.5 million euros positive (11.4 million euros as at 31 December 2020) at Schiphol Group. As at 31 December 2021, 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.

Type	Counterparty	Interest rate	Currency	Notional amount (x1000)	Maturity date	Fair value in thousands of euros	
						31 December 2021	31 December 2020
Currency swap	JPMorgan	5.64%	JPY	20,000,000	2038	17,537	11,411
						17,537	11,411
Recognised in the balance sheet under:							
Non-current assets						17,537	11,411
Current assets/ liabilities						-	-
						17,537	11,411

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. An average increase of 10% in the net initial yield (NIY) on offices and commercial buildings demanded by property investors would reduce the value of those properties by a total of approximately 122,7 million euros. A 10% decrease in the NIY would increase the value by approximately 129,2 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 55 million euros (1.02%) in the fair value of borrowings. An average increase of 0.5% point in market interest rates would lead to a fall of 31 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 2021, 100% of borrowings were fixed-interest, excluding subsidiaries and associates (31 December 2020: 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. Except for cash and cash equivalents, Schiphol Group has no significant financial assets that attract a cash flow interest-rate risk.

In addition, Schiphol Group runs a cash flow interest-rate risk in respect of group financing at a variable interest rate. This position is limited by Schiphol Group's policy of not drawing more than 50% of the funds borrowed at a variable interest rate (and at least 50% at a fixed interest rate), if necessary by using derivatives. As at 31 December 2021, the figure for variable-interest borrowings was 0% (31 December 2020: 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 150.0 million euros. The maximum net position as at 31 December 2021 was 151.7 million euros (166.7 million euros as at 31 December 2020). The slight excess of

1.7 million euros, on top of the set counterparty limit, is the result of Schiphol Group's considerable liquidity position as at 31 December 2021. At year-end Schiphol Group has a cash exposure of 69 million with AAA-rating, 102 million with AA-rating and 627 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 2021, trade receivables amounted to 125 million euros (31 December 2020: 97 million euros), after a provision for expected credit losses of 7 million euros (31 December 2020: 7.7 million euros) and including 4.2 million euros in security deposits received (31 December 2020: 2.9 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 continued to have an impact on Schiphol Group's trade receivable due to the travel restrictions implemented across the world. In response to the COVID-19 pandemic, management has been performing more frequent reviews of outstanding balances as the industry as a whole has been impacted. In 2020, Schiphol Group temporarily extended the credit terms to customers. This has remained in place during 2021. The average expected loss rates were increased across all credit terms in response to the increase in credit risk.

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 and 2021 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 0.9 million euros in 2021. A capital repayment to the amount of 2.2 million euros was also received on the interest-free loan notes.

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 2021, Schiphol Group holds 35.2 million euros in bank guarantees and security deposits (31 December 2020: 35.0 million euros). Koninklijke

Luchtvaartmaatschappij N.V. (KLM) has an individual balance in excess of 35 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)	-0.1%	108,792	-115	108,678
1-30 days past due	-1.1%	9,303	-102	9,201
31-60 days past due	-4.8%	4,154	-199	3,955
61-90 days past due	-10.3%	1,098	-113	984
91-180 days past due	-32.1%	1,350	-434	916
181-365 days past due	-49.3%	1,764	-870	894
>365 days past due	-99.1%	3,596	-3,564	32
Bankruptcies	-72.0%	2,234	-1,608	626
	-5.3%	132,292	-7,005	125,286

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 2021, this figure was 0.2% (31 December 2020: 9.3%).

(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

(in thousands of euros)	Total 2020 ¹	Contractual cash flows	<= 1 year	> 1 year	> 1 year but <= 5 years	> 5 years
Borrowings	4,847,966	5,494,071	539,787	4,954,284	873,555	4,080,729
Financial liability - Share buy back obligation	371,408	371,408	-	371,408	371,408	-
Trade payables	138,899	138,899	138,899	-	-	-
Lease liabilities	17,577	17,577	5,538	12,039	12,039	-
Interest payable	41,629	41,629	41,629	-	-	-
Accruals	137,679	137,679	137,679	-	-	-
Total	5,555,159	6,201,264	863,532	5,337,731	1,257,002	4,080,729

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

Financial instruments can be classified as follows, according to the measurement policy applied:

(in thousands of euros)	Level ¹	Total 2021	Amortised cost through equity	Fair value through profit and loss	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		5,578,209	5,578,209	-	-	5,781,122
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		3,151,856	4,066,372	-17,537	-896,979	3,356,448

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.

(in thousands of euros)	Level ¹	Total 2020 ²	Amortised cost through equity	Fair value through profit and loss	Fair value through profit and loss	Fair value disclosure
Borrowings	1	3,488,199	3,488,199	-	-	3,790,432
Borrowings	2	1,359,767	1,359,767	-	-	1,517,263
Financial liability - Share buy back obligation	2	371,408	371,408	-	-	371,408
Trade payables	n/a	138,899	138,899	-	-	138,899
Interest payable	n/a	41,629	41,629	-	-	41,629
Liabilities		5,399,903	5,399,903	-	-	5,859,632
Loans to associates	2	-132,850	-132,850	-	-	-140,340
Other loans	2	-269	-269	-	-	-269
Derivative financial instruments	2	-11,411	-	-11,411	-	-
Other loans to associates	2	-3,452	-3,452	-	-	-3,452
Trade receivables	n/a	-96,996	-96,996	-	-	-96,996
Cash and cash equivalents and deposits	n/a	-1,223,449	-1,223,449	-	-	-1,223,449
Assets		-1,468,427	-1,457,016	-11,411	-	-1,464,505
Total		3,931,477	3,942,888	-11,411	-	4,395,127

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.

² Restated, please see the note on Correction of an accounting error and Change in accounting policy.

The nominal value is assumed to approximate the fair value of loans to associates, trade receivables, cash and cash equivalents and trade payables.

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)/Total Debt: the FFO divided by the total debt
- Leverage: interest-bearing debt divided by equity plus the interest-bearing debt
- Funds From Operations (FFO) Interest Cover: the FFO plus interest charges divided by the interest charges

Funds From Operations

(in thousands of euros)	2021	2020 ¹
Operating result	-145,385	-539,485
Depreciation and amortisation	295,428	294,766
Impairment loss	3,501	23,314
Result on disposal of investment property	-145	-629
Other result from investment property	-68,707	65,088
Other non-cash changes in other receivables and liabilities	3,137	-5,193
Change in employee benefits and other provisions	-20,906	15,308
Income tax paid	-3,020	-53,905
Income taxes received	-	111,888
Interest paid	-95,591	-71,805
Interest received	438	449
RPS receipts	3,175	-
Dividend received	6,606	909
Funds From Operations	-21,469	-159,296

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

'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 2021](#). FFO is the cash flow from operating activities adjusted for operating capital. In 2021 FFO increased from negative 159 million euros to negative 21 million euros.

(in thousands of euros)	2021	2020
Borrowings	5,383,598	4,403,874
Lease liabilities	11,332	12,039
Non-current liabilities	5,394,930	4,415,913
Borrowings	6,299	444,092
Lease liabilities	5,766	5,538
Current liabilities	12,066	449,630
Total debt	5,406,996	4,865,543

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 2021, equity was 3,531 million euros (31 December 2020: 3,363 million euros).

The FFO/total debt ratio and leverage at 31 December were as follows:

	2021	2020 ¹
FFO / Total debt	-0.4%	-3.3%
Leverage	60.5%	59.1%
FFO interest coverage ratio	0.7x	-0.9x

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

The FFO interest coverage ratio is calculated by dividing the FFO plus the interest charges relating to borrowings and lease liabilities, amounting to 84.5 million euros in 2021 (90.9 million euros in 2020), by those interest charges. The FFO interest coverage ratio for 2021 was positive 0.7x (compared with negative 0.6 for 2020). Due to the continued significant impact of COVID-19, financial ratios as at 31 December 2021 are temporarily out of sync. These ratios will recover to more normalized levels (in line with a single A credit rating at S&P) depending on the recovery of traffic.

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	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 is 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 per 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 per 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 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 ¹	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

¹ Until 31 May 2021

(x EUR 1)	Committees					Total 2020
	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	25,963	6,491	5,409	-	-	37,863
E. Arkwright	-	-	-	-	-	-
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	36,781
D. Collier	25,963	6,491	-	-	5,409	37,863
Total	169,302	19,473	16,227	16,227	16,227	237,456

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 will join the Supervisory Board of Royal Schiphol Group per 6 January 2022. He will replace Joop Wijn who stepped down at the end of his third term during 2021.

For more information on the Supervisory Board, refer to [Supervisory Board](#).

Remuneration for Management Board members

(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
J.T.M. van der Meijs ²	141,981	-	10,531	14,515	12,326	179,353
R.J. Carsouw ³	282,798	-	23,695	29,779	34,995	371,267
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.

² Until 30 April 2021.

³ From 1 April 2021.

(x EUR 1)	Salary	Variable remuneration	Pension costs	Pension costs (supplementary)	Other payments ¹	Total 2020
D.A. Benschop	443,604	-	32,726	79,894	35,277	591,501
A. van den Berg ²	267,669	-	20,624	37,931	12,317	338,541
J.T.M. van der Meijs	377,064	-	30,359	49,095	22,242	478,760
B.I. Otto	377,064	-	30,936	56,897	18,088	482,985
H.L. Buis ³	219,954	-	13,913	9,619	9,931	253,417
Total	1,685,355	-	128,558	233,436	97,855	2,145,204

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 Until 1 June 2019.

³ From 1 June 2019

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 2020 financial year (which is usually paid in May the following year) and will not receive any variable remuneration for the 2021 financial year. This is part of the NOW government grant requirements. The Board of Directors was entitled to receive variable remuneration for 2019, but they voluntarily waived this during 2020.

The other payments in 2021 concern allowances for representation expenses and the employer's share of social security contributions.

The Supervisory Board appointed Robert Carsouw as Royal Schiphol Group's Chief Financial Officer (CFO) as of 1 April 2021. He succeeded Jabine van der Meijs.

Hanne Buis was appointed as Chief Projects & Assets Officer (CPAO) of Royal Schiphol Group per 1 June 2020 and have formed part of the Management Board. She succeeded André van den Berg, who indicated that he would not serve a second term as Chief Commercial Officer.

In 2022, Birgit Otto's second and final term as Chief Operations Officer (COO) at Royal Schiphol Group is ending. She will leave 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 Real Estate 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 include 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. exclusive of the interests of Schiphol Group is presented below.

(in thousands of euros)	2021	2020
Assets		
Non-current assets	57,250	58,563
Current assets	8,813	4,417
	66,064	62,980
Equity and liabilities		
Total equity	49,516	50,270
Non-current liabilities	8,735	9,220
Current liabilities	7,813	3,490
	66,064	62,980

The abridged income statement for this company:

(in thousands of euros)	2021	2020
Revenue	17,557	11,327
Other income and results from investment property	97	-192
	17,655	11,135
Total operating expenses	18,601	17,734
Operating profit	-947	-6,599
Financial income and expenses	-340	-221
Profit before tax	-1,287	-6,820
Corporate income tax	-328	-1,705
Profit for the year	-959	-5,115

Events after the balance sheet date

There are no events after the balance sheet date.

Company income statement for the year ended 31 December 2021

(in thousands of euros)	note	2021	2020 ¹
Revenue		-	-
Cost of outsourced work and other external costs		62	36
Employee benefits expense		1,924	2,177
Other operating expenses		795	414
Total operating expenses		2,781	2,627
Operating profit		-2,781	-2,627
Financial income and expenses		205,578	79,993
Share in results of associates and joint ventures	29	-16,376	-100,613
Share in results of subsidiaries	29	-100,236	-413,688
Result before tax		86,186	-436,935
Income tax expense	34	18,485	18,376
Result attributable to shareholders (net result)		104,671	-418,559

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

Company balance sheet as at 31 December 2021

(in thousands of euros)	Note	31 December 2020	31 December 2020 ¹	1 January 2020 ¹
Assets				
Investments in subsidiaries	29	3,840,205	3,912,166	4,322,696
Investments in associates	29	-	634,967	752,860
Derivatives	28	17,537	11,411	35,500
Deferred tax assets	34	43,993	28,347	12,352
Non-current assets		3,901,735	4,586,891	5,123,407
Receivables	30	5,096,954	4,508,129	1,380,589
Income tax receivable	30	-	-	15,622
Cash and cash equivalents	30	26,606	26,469	25,354
Asset held for sale	16	896,979	-	-
Current assets		6,020,539	4,534,598	1,421,567
Total assets		9,922,274	9,121,489	6,544,974

(in thousands of euros)	Note	31 December 2020	31 December 2020 ¹	1 January 2020 ¹
Equity and liabilities				
Issued share capital		84,511	84,511	84,511
Share premium		362,811	362,811	362,811
Retained profits		1,765,688	2,420,053	1,879,213
Other reserves		-48,907	-112,958	-85,368
Revaluation reserve		981,781	683,494	763,956
Other statutory reserves		230,766	293,247	398,512
Net result of the year		104,671	-418,559	355,110
Shareholders' equity	31	3,481,321	3,312,599	3,758,745
Deferred tax liabilities		-	-	7,257
Loans and borrowings - EMTN programme	21	4,424,705	3,435,122	1,940,281
Financial liability - Share buyback obligation	22	346,282	371,408	522,282
Non-current liabilities		4,770,987	3,806,531	2,469,820
Current liabilities	33	1,669,967	2,002,359	316,409
Current liabilities		1,669,967	2,002,359	316,409
Total liabilities		6,440,954	5,808,890	2,786,230
Total equity and liabilities		9,922,274	9,121,489	6,544,974

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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.

Correction of an accounting error and Change in accounting policy

Correction of an accounting error relating to the Financial liability - Share buyback obligation

During the preparation of the consolidated financial statements for 2021, an error was identified during the assessment of the impact relating to the unwinding of the long-term industrial cooperation ('Hublink') and cross-participation agreement with Groupe ADP.

Groupe ADP currently holds 8% of Schiphol shares, which are classified as B-shares (other shareholders have class A shares). As a result of the expiration of the cooperation agreement and cross-shareholding, Schiphol will need to buy back the 8% of the shares (14 892 shares) that ADP currently holds in Schiphol (also see note 17. [Issued share capital and share premium](#)).

However, when the agreement was reached during 2008, Schiphol already had the obligation as part of the legal contract between Groupe ADP and Schiphol that the Schiphol shares will be bought back when the agreement ends. As a result, the contract contained an obligation for Schiphol to purchase its own equity instruments (shares) for cash (or another financial asset) and resulted in a financial liability to be recognised at the present value of the redemption amount. The financial liability (due to the share buy-back) was not recognised in 2008 (or the years thereafter) as this error was identified in 2021 due to the unwinding process of the Hublink agreement. As a consequence, the related liabilities have been understated and equity balances overstated. The unwinding of the present value and remeasurement of the redemption amount of the financial liability are recorded in the profit and loss. The error has been corrected by restating each of the affected financial statement line items for prior periods.

Please refer to the note 'Correction of an accounting error and Change in accounting policy' as part of the Consolidated [Accounting Policies](#) for the detailed correction schedules.

Change in accounting policy relating to Intangible assets

The IFRS Interpretations Committee (IFRIC) has issued a final agenda decision in 2021 on cloud computing arrangements. The decision further elaborates how an entity may account (capitalise or expense) for the configuration or customisation cost in cloud computing arrangements. The decision clarifies that in a cloud computing arrangement, Schiphol would not recognise an intangible asset because it does not control the software being configured or customised and those configuration or customisation activities do not create a resource controlled by Schiphol that is separate from the software. The impact resulting from this decision has been accounted for retrospectively as a change in accounting policy in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

As a result, Schiphol reassessed all costs that have been capitalised with regards to cloud computing arrangements and assets in order to determine whether the services are distinct leading to a separately identifiable intangible asset that can be controlled by Schiphol and if the costs can be capitalised or should be expensed. The accounting policy change has been corrected by restating each of the affected financial statement line items for prior periods.

Please refer to the note 'Correction of an accounting error and Change in accounting policy' as part of the Consolidated [Accounting Policies](#) for the detailed correction schedules.

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. 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.

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 ¹
Carrying amount as at 31 December 2019	4,322,696	752,860	5,075,556
Movements in 2020			
Result for the year	-413,688	-100,613	-514,301
OCI Movement	-2,323	-17,280	-19,603
Translation differences	-2,755	-	-2,755
Other movements	8,235	-	8,235
	-410,531	-117,893	-528,424
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	0	3,840,206

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

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, 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)	2021	2020
Income tax receivable	-	-
Group companies balances	5,096,954	4,508,129
	5,096,954	4,526,239

31. Shareholders' equity

(in thousands of euros)	Issued share capital	Share premium	Retained profits	Other reserves	Revaluation reserve	Other statutory reserves	Net Result Financial Year	Total ¹
Carrying amount as at 31 December 2019 (as previously reported)	84,511	362,811	2,437,118	-85,368	763,957	398,512	355,110	4,316,650
Change in accounting policy	-	-	-35,623	-	-	-	-	-35,623
Restatement due to accounting error	-	-	-522,282	-	-	-	-	-522,282
Carrying amount as at 1 January 2020	84,511	362,811	1,879,213	-85,368	763,957	398,512	355,110	3,758,745
Movements in 2020								
Appropriation of result for previous year	-	-	355,110	-	-	-	-355,110	-
Distribution of dividend	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-2,754	-	-	-	-2,754
Movements in hedge reserve	-	-	-	-5,233	-	-	-	-5,233
Changes in fair value on financial interests	-	-	-	0	-	-	-	0
Net result	-	-	-	-	-	-	-418,559	-418,559
Addition statutory reserves	-	-	185,722	-	-80,458	-105,265	-	-
Other	-	-	7	-	-5	-	-	2
Other comprehensive income from associates	-	-	-	-21,622	-	-	-	-21,622
Actuarial gains and revaluations after taxation	-	-	-	2,019	-	-	-	2,019
Total movements in the year	-	-	540,839	-27,589	-80,463	-105,265	-773,669	-446,146

(in thousands of euros)	Issued share capital	Share premium	Retained profits	Other reserves	Revaluation reserve	Other statutory reserves	Net Result Financial Year	Total ¹
Balance as at 31 December 2020	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	-	-0
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	168,722
Balance as at 31 december 2021	84,511	362,811	1,765,688	-48,907	981,781	230,766	104,671	3,481,321

¹ Restated, please see the note on Correction of an accounting error and Change in accounting policy.

The other statutory reserves comprise the reserve for intangible assets and the reserve for investments in associates.

Proposed result appropriation

No dividends will be paid out for the 2020 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)	2021	2020 ¹
Group companies	1,647,539	1,532,436
Borrowings EMTN programme	-	435,362
Accruals	22,336	34,165
Other liabilities	92	396
	1,669,967	2,002,359

¹ Restated, please see the note on [Correction of an accounting error and Change in accounting policy](#).

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)	2021		2020 ¹	
Result before tax	86,186		-436,935	
Income tax calculated at the domestic tax rate	21,547	25.0%	-109,234	25.0%
Share in results of associates and joint ventures	4,094	4.8%	25,153	-5.8%
Share in results of subsidiaries	25,059	29.1%	103,422	-23.7%
Participation exemption on results from financial asset and liability (Groupe ADP)	-69,184	-80.3%	-37,718	8.6%
Income tax expense in income statement (effective)	-18,485	-21.4%	-18,376	4.2%

¹ Restated, please see the note on [Correction of an accounting error and Change in accounting policy](#).

The deferred tax asset amounts to 44.0 million euros (2020: 28.3 million euros) which relates to the derivatives of 3.9 million euros (2020: 6.7 million euros) and 40.0 million euros unutilised tax losses (2020: 21.5 million euros) (due to company operating losses).

Please refer to the consolidated tax note for a detailed description (note [10 Income taxes](#)).

Schiphol, 24 February 2022

Supervisory Board

L.J. Gunning-Schepers, Chair

S.G. Brummelhuis

D. Collier

R.J. van de Kraats

A.B.M. Olsson

E. van Galen

J. Winter

For the company financial statements for 2021:

Management Board

D.A. Benschop

President & Chief Executive Officer

B.I. Otto

Chief Operations Officer

R.J. Carsouw

Chief Financial Officer

H.L. Buis

Chief Projects & Assets 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 2021 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 2021 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 2021 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 2021 of Royal Schiphol Group N.V. ('Schiphol' or 'the Company') based in Schiphol, as set out on pages 130 to 217. 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 2021;
- 2 the following consolidated statements for the year ended 31 December 2021: 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 2021;
- 2 the company income statement for year ended 31 December 2021; 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 Royal Schiphol Group N.V. 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).

Our audit procedures were determined in the context of our audit of the financial statements as a whole. Our observations in respect of going concern, fraud and non-compliance with laws and regulations, climate and the key audit matters should be viewed in that context and not as separate opinions or conclusions.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Audit approach

Summary

Materiality

- Materiality of EUR 11 million
- 0.9% of average consolidated revenue over the 5-year period 2017-2021

Group audit

- Audit coverage of 94% of total assets
- Audit coverage of 94% of revenue

Risks related to Going concern, Fraud/Noclar and Climate

- Going concern: going concern (or liquidity) risks related to the continued impact of COVID-19 on the aviation business identified, but no material uncertainty.
- Fraud & Non-compliance with laws and regulations: risks identified related to potential management override of controls, the going concern assumption (refer to KAM) 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.
- Climate: The Management Board has performed its analysis of the impact of climate-related risks on the company's business and operations and on its accounting in the current financial statements, and disclosed the key elements of this analysis in the annual report. We have considered the impact of climate-related risks on our identification and assessment of risks of material misstatement in the financial statements.

Key audit matters

- Going concern assumption and disclosure
- Accounting for the expiration of the HubLink agreement with Groupe ADP
- Investment property valued at fair value

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 11 million (2020: EUR 13 million). The materiality is determined with reference to the average consolidated revenue over the 5-year period 2017-2021, of which it represents 0.9%. We have used a 5-year average as the 2020 and 2021 revenues are significantly 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 (2020: EUR 0.65 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

Royal Schiphol Group N.V. is at the head of a group of entities with activities in the business areas Aviation, Schiphol Commercial and Alliances & Participations. The financial information of this group is included in the financial statements of Royal Schiphol Group N.V.

Our group audit mainly focused on the location 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.

In view of restrictions on the movement of people across borders, and also within significantly affected countries, due to COVID-19, we changed our audit approach to evaluate the component auditors' communications and the adequacy of their work. Due to the inability to arrange in-person meetings with such component auditors, we have increased the use of alternative methods of communication with them, including through written instructions, exchange of emails, virtual meetings and a virtual file review.

For other group entities, including the activities at Terminal 4 of JFK IAT, the shares in Groupe ADP which are held for sale, Eindhoven Airport, Lelystad Airport and Rotterdam The Hague Airport, 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

88%
Audit of the complete
reporting package

1%
Audit of specific
items

5%
Specified audit
procedures

Revenue

94%
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 'Governance' of the annual report, the Management Board included its risk assessment, including Regulation & Compliance and the Supervisory Board reflects on this assessment.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's (supplier) code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management, those charged with governance and other relevant functions, such as the Company's Internal Audit function and Legal Counsel. As part of our audit procedures, we:

- assessed other positions ('nevenfuncties') held by Management Board and Supervisory Board members and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- investigated into 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 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 the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- Dutch Aviation Act;
- European tendering regulation
- NOW

We 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:

— Management override of controls (a presumed risk)

Risk:

- management is in a unique position to potentially manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates. In case of internal control deficiencies, where we considered there would be opportunity for fraud, we performed supplemental detailed risk-based testing.
- We performed data analysis of high-risk journal entries intended to identify unusual combinations of accounts from CAPEX with a direct result impact. Where we identified instances of unexpected journal entries, we performed additional audit procedures, including testing of transactions back to source information.
- We also evaluated key estimates and judgments for potential bias by the Company's management in, for example, the liquidity forecast used to support the going concern assumption (we refer to the key audit matter 'Going concern assumption and disclosure').

— Tendering and contracting of assets under construction or development

Risk:

- potential conflicts of interest when awarding major contracts, scope changes or variation orders regarding assets under construction or development;



Responses:

- We evaluated the design and implementation of internal controls related to the awarding of contracts and variation orders and controls designed to ensure adherence to EU tender requirements. We also evaluated the controls around project risk management and project progress assessment embedded in the Capital Lifecycle.
- We performed test of details on a selection of predefined high value scope changes and variation orders (to the extend applicable).
- We performed specific procedures related to the termination of the contract with the 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 Audit Committee of 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 climate-related risks

The Management Board is responsible for preparing the financial statements in accordance with the applicable financial reporting framework, including considering whether the implications from climate-related risks and commitments have been appropriately accounted for and disclosed.

The Management Board has performed its analysis of the impact of climate-related risks on the company's business and operations and on its accounting in the current financial statements, and disclosed the key elements of this analysis in the annual report, most specifically in the risk assessment paragraph of the Governance section.

The evaluation of the effectiveness of management's strategy against internal or external goals set is not in scope of our audit of the financial statements. As part of our audit we consider potential effects of climate-related risks on the accounts and disclosures, including estimates and judgements in the current year's financial statements to determine whether the financial statements are free from material misstatements. This includes discussion of the company's strategy in relation to climate change with management and those charged with governance and inspecting minutes and external communications for significant climate related commitments, strategies and plans made by the Management Board.

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 with respect to 'Tendering and contracting of assets under construction or development' is not included, due to the decrease in volume of tenders, scope changes and variation orders compared to prior years. Further the key audit matter with respect to 'Valuation of investments in associates and joint ventures' now only addresses the expiration of the HubLink agreement with Groupe ADP.

Going concern assumption and disclosure

Description

As explained in the 'Going concern' section on page 140 and 141 of the financial statements, the Management Board has identified going concern (or liquidity) risks related to the continued impact of COVID-19 on the aviation business and therefore on airports. The Management Board has concluded that these risks have been sufficiently mitigated by way of the disclosed measures. The assessment of the going concern (or liquidity risk) has been identified as a key audit matter and a fraud risk as it requires significant judgment about future results and cash flows.

Our response

Our main procedures to conclude on the adequacy of the Management Board's going concern assessment and the adequacy of the related disclosure included:

- We considered whether the Management's Board's assessment of the going concern risks contains all relevant indicators that could identify going concern risks of which we are aware as a result of our audit.
- We considered management's plans to take action to mitigate the risks. This includes the impact of the cost reduction programme and the continuous assessment of the necessity and timing of (un)committed capital expenditure, as well as the funding raised in 2021, the liquidity levels as at 31 December 2021 and the presence of available undrawn facilities. We corroborated the assumptions and conclusions included in management's assessment with both the Management Board as well as the Supervisory Board.
- We assessed the reliability of management's ability to prepare the forecasted cash flows by performing a retrospective review of previous scenarios and forecasts by comparing them to actuals.
- We evaluated the design and implementation of internal controls related to the liquidity forecasting process and reporting to the Management Board as well as (the Audit and Risk Committee of) the Supervisory Board.
- We evaluated and challenged the reasonableness of the assumptions in respect of projected available future cash flows from operating, financing and investing activities, such as projected air traffic numbers (compared to peers in the sector and IATA), developments in the tenants portfolio, creditworthiness of airlines, phasing of capital expenditure and the maturity date of existing borrowings on the basis of supporting documentation such as contracts and calculations and by comparing them with market expectations. We also evaluated the impact of the projections on the Company's solvency ratios.
- We evaluated the consistency of the assumptions against other estimates.
- We applied professional skepticism, also to evaluate the identified fraud risk, in our challenge of managements forecast and considered management bias by independently



performing sensitivity analyses including reverse stress testing on the critical assumptions to evaluate the sensitivity to the liquidity projections in combination with the available funding and (un)drawn facilities.

- We evaluated the disclosure about liquidity risk and the related going concern assumption as set forth in the notes to the financial statements, including those in the management report, comparing the overall picture against our understanding of the risks.

Our observation

The outcome of our procedures support the Management Board's conclusion on the application of the going concern basis of accounting. We also find the disclosure in the 'Going concern' section on page 140 and 141 of the financial statements to be adequate.

Accounting for the expiration of the HubLink agreement with Groupe ADP

Description

As described in note 11 to the financial statements, Schiphol had recognized EUR 1.068 million of equity stakes per 1 January 2021 in several international airports over the world, which included the 8% investment in Groupe ADP.

On 28 July 2021 it was announced that Groupe ADP and Schiphol will not renew their cooperation agreement. The agreement provides a detailed exit mechanism over a period of 18 months starting 30 November 2021 to unwind the 8% cross shareholding between Groupe ADP and Schiphol. The accounting complexity of the exit mechanism is a significant area in our audit. As disclosed in note 16 of the financial statements, the investment in Groupe ADP was reclassified to available for sale and as a result of the loss of significant influence the measurement was adjusted to fair market value. As part of the evaluation of the exit mechanism included in the HubLink agreement it was also concluded that the company should have recorded a liability under IAS 32.23 for the contractual commitment to repurchase the companies own share as from the start of the agreement in 2008. The company applied IAS 8 to correct for this accounting error retrospectively.

Our response

Our procedures on the accounting consequences of the expiration of the HubLink agreement with Groupe ADP included:

- We inspected the agreements and management's assessment of the accounting consequences, including the assessment of management's externally involved accounting specialist.
- We challenged management whether all criteria to classify the interest as an 'asset held for sale' under IFRS 5 have been met at the date of the reclassification.
- We evaluated the impact of the loss of significant influence the investment in Groupe ADP after the HubLink agreement expired.

- We evaluated the adequacy of the disclosure of the exit mechanism as set forth in note 16.
- We confirmed the appropriateness of the accounting conclusion to apply IAS 8 to correct for the contractual obligation to repurchase the B shares issued to Groupe ADP retrospectively. We also confirmed the appropriateness of the retrospectively recorded amounts and related disclosures.
- As disclosed in note 22 to the financial statements, the amount to be accounted for as contractual liability requires significant judgment. We involved KPMG valuation specialists to assist in the determination of the appropriateness of managements calculations. We challenged managements assumptions and applied professional skepticism to address management bias by determining if managements calculation over the various measurements correlated with market data.
- We evaluated the disclosure around the judgment applied in the estimation of the contractual liability, the related contractual valuation process including the appointment of external valuers, need for alignment on critical assumptions between Groupe ADP and Schiphol, the correlation with the amount received by Schiphol for the shares held in Groupe ADP and the potential impact of market conditions during the contractual 18 month exit period as a result of which the final amount may significantly change compared to the recorded liability as per balance sheet date.

Our observation

We found the management's assumptions and aforementioned disclosures to be acceptable. We concurred with management's conclusion that the 8% investment held in Groupe ADP became an IFRS9 instrument which should be recorded at fair value at each relevant measurement date. We agree with the IAS 8 adjustment recorded by management and agree with management that the final amount may significantly change in the coming periods compared to the recorded liability as per balance sheet date based on the contractually agreed valuation process and market conditions.

Investment property valued at fair value

Description

Valuation of investment property is a key audit matter due to the high 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 2021 amounts to EUR 69 million.

The valuation of investment property is complex, contains estimation uncertainty and involves significant management judgement. Schiphol engages independent external valuers 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 valuers.

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 valuers engaged by Schiphol. We examined the engagement between Schiphol and the external valuers. Furthermore, we tested the accuracy and completeness of information provided by Schiphol to the valuers. We evaluated and analysed the valuation reports provided by the external valuers.
- We involved our own valuation specialists to assess the appropriateness of the valuation models and key assumptions used. In addition, we evaluated the methodology and proper working of the internal valuation model used for the valuation of land.

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.

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 \(nba.nl\)](#) / [eng_beursgenoteerd_01.pdf \(nba.nl\)](#). This description forms part of our auditor's report.

The Hague, 24 February 2022

KPMG Accountants N.V.

R.R.J. Smeets RA



Supplementary information

Erwin Siemensma, Project Manager Schiphol Projects, on the Quebec dual taxiway: 'The completion of the aircraft bridge marks the end of the first phase of this project. It's a big step towards our ambition to make Schiphol safer.'

Historical summary

(in millions of euros, unless otherwise indicated)

	2021	2020	2019	2018	2017	2016	2015	2014 ¹	2013	2012	2011	2010
Profit and loss account												
Revenue	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	69	-64	113	107	80	71	117	35	3	-13	-	22
Total operating revenue	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	-732	-830	-1,039	-981	-916	-848	-804	-838	-796	-806	-766	-719
EBITDA	154	-206	689	635	622	658	735	635	571	534	512	483
Depreciation, amortisation and impairment	-299	-324	-294	-267	-264	-238	-230	-232	-266	-238	-208	-186
Operating result	-145	-530	395	368	359	420	505	403	305	296	304	297
Financial income and expenses	185	-92	-84	-90	-86	-91	-89	-86	-90	-88	-91	-115
Taxation, share in operating result of associates and minority interests	64	55	51	8	12	-18	-38	-43	15	-12	-15	-10
Result on ordinary activities after tax	104	-568	362	286	286	311	378	274	230	196	198	172
Minority interests	-1	-5	7	7	6	5	4	2	3	-2	3	3
Net result	105	-563	355	279	280	306	374	272	227	198	195	169
Balance sheet												
Non-current assets	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	2,378	1,428	350	861	615	608	759	415	772	681	681	506
Total assets	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	3,531	3,777	4,372	4,136	3,978	3,860	3,716	3,453	3,309	3,203	3,175	3,109
Provisions	82	100	104	106	79	57	56	57	46	44	51	65
Non-current liabilities	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	433	883	599	656	373	337	612	334	770	562	581	570
Total equity and liabilities	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 flow²	-76	-157	523	526	267	438	508	508	462	399	387	351

1 Comparative figures before 2012 have not been restated due to adoption of IFRS 11

2 For analysis see the cash flow statement.

(in millions of euros, unless otherwise indicated)

	2021	2020	2019	2018	2017	2016	2015	2014 ¹	2013	2012	2011	2010
Ratios												
Operating result as % of revenue	-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)	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 % ²	-1.7	-8.1	7.5	7.2	7.2	8.2	10.1	8.4	7.2	7.4	7.5	7.3
FFO/Total debt in % ³	-0.4	-3.0	19.2	18.7	21.6	22.8	22.0	26.5	26.0	24.5	18.5	17.0
FFO interest coverage ratio ⁴	0.7	-0.6	7.5	6.6	6.9	6.8	6.7	6.4	5.8	5.6	4.5	3.8
Leverage ⁵	60.5	56.3	38.9	38.9	35.2	34.9	37.0	35.0	36.2	37.8	37.9	37.2
Figures per share												
Earnings per share	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	-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	2,474	2,711	2,519	2,324	2,180	2,063	2,000	2,039	2,058	2,087	2,115	2,328

1 Comparative figures before 2012 have not been restated due to adoption of IFRS 11.

2 As from 2006: Operating result + result and interest associates / average of equity and interest-bearing debt.

3 As from 2006: see calculation FFO / Total debt and FFO/ Interest coverage in the note on Financial Risk Management.

4 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.

5 As from 2004: Interest-bearing debt / equity plus interest-bearing debt in %.

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 CO₂ 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 amongst others 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

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 reutilised in high-value applications, as high as reasonably possible, without disposal in landfills and minimising incineration

Published by

Royal Schiphol Group
P.O. Box 7501
1118 ZG Schiphol
The Netherlands

www.schiphol.nl
www.annualreportschiphol.com

Published on 7 March 2022

Editors

Royal Schiphol Group, Schiphol, the Netherlands
Narrative Labs, The Hague, the Netherlands

Design and execution

CF Report, Amsterdam, the Netherlands

Project support

Report Company, Soest, the Netherlands

Creation and publication software

Tangelo Software B.V., Zeist, the Netherlands

Photography

Royal Schiphol Group, Schiphol, the Netherlands

Cover picture

On the cover: Nadine van Hellemond, floormanager