Tax policy
Royal Schiphol Group

21 November 2024

Schiphol Group

Content

I. Introduction

1.1 Purpose

This document describes the tax policy of Royal Schiphol Group.

The purpose is to provide clarity and insight into the tax mission, tax principles, tax strategy, tax organization and tax risk management.

Royal Schiphol Group wants to create the world's most sustainable and high-quality airports and strives for a balance between further strengthening - both locally and globally - the quality of its network and improving the quality of life, the quality of work and the quality of services. Royal Schiphol Group wants to be a responsible partner for all its stakeholders: from customers, business partners and shareholders to employees, local communities and society as a whole. We recognize our responsibility for the social, environmental and economic consequences of our activities. That is why we strive to maintain long-term relationships with our key stakeholders and work with them in a sustainable and responsible manner.

Royal Schiphol Group is committed to properly secure tax matters internally and integrating them into daily business operations. Royal Schiphol Group has a clear tax governance and compliance structure and does have a tax risk management strategy. Royal Schiphol Group supports constructive cooperation with the tax authorities in the Netherlands and abroad based on mutual respect, transparency and trust. Royal Schiphol Group’s behaviour towards tax (direct and indirect) is based on and in line with the Code of Conduct and Responsible Business Policy of Royal Schiphol Group.

We understand that our tax contributions play an important role for the communities in the countries where we operate. Royal Schiphol Group annually reports on its Total Tax Contribution.

The tax policy has been approved by the Executive Team of Royal Schiphol Group. The tax policy will be updated annually.

Royal Schiphol Group has signed the VNO-NCW Tax Governance Code and adheres to the principles of the Code in order to be transparent on its tax policy and strategy as well as its Total Tax Contribution.

1.2 Scope

The tax policy applies to all entities in which Royal Schiphol Group has a majority interest and/or are (jointly) controlled. When Royal Schiphol Group has a minority interest in a company or entity, Royal Schiphol Group, in its role as shareholder, will encourage and support the application of its tax policy.

The tax policy focuses on the relevant taxes that Royal Schiphol Group owes, must withhold and/or pay in the Netherlands and abroad.

II. Tax mission, principles and strategy

2.1 Tax mission

Royal Schiphol Group strives to be a reliable taxpayer by applying professional tax compliance procedures.

2.2 Tax principles

The tax principles relate to the norms and values of Royal Schiphol Group. These are included in internal procedures and codes of conduct. The most important principles are:

- Based on its social role and responsibility, Royal Schiphol Group wants to be a reliable party for the tax authorities by properly and fully safeguarding tax matters in its organization and through quality and transparency in tax accountability.
- Directors, members of management and involved employees do not have specific, individual targets and incentives in the field of optimizing the tax burden.

2.3 Tax strategy

The tax strategy is aligned with the business strategy, the norms and values of Royal Schiphol Group and the VNO-NCW Tax Governance Code.

As Royal Schiphol Group:

- We manage tax in a proactive manner to add long-term value for Royal Schiphol Group, taking into account its reputation and social responsibility.
- We commit to act in accordance with the letter, purpose and intent of the applicable local and international tax laws and regulations in the countries where our operations take place.
- We do not enter into artificial structures that serve primarily to avoid taxes and that have no commercial and/or operational substance.
- We neither operate in tax havens (countries where there are no or only nominal taxes) nor in countries that are on the EU's list of non-cooperative tax jurisdictions (jurisdictions that do not yet meet all international tax standards).
- We use internal transfer prices that – in accordance with the principles of the OECD – are on an arm's length basis (arm's length principle). Profits and losses are recognized in those business units and in those countries where the business is located.
- We ensure correct, complete and timely submission of tax returns, payment of taxes and processing of the tax position in internal and external reporting.

- We have implemented a Tax Control Framework and we continuously strive to improve the management of the relevant tax risks through periodic control testing and an annual evaluation and optimization of the tax controls.
- We maintain an open and constructive relationship with the tax authorities, based on mutual respect, transparency and trust.
- We recognize the importance of keeping the tax knowledge and skills up-to-date of those colleagues who are dealing with tax in the company.

III. Tax organisation

3.1 Internal

The management of Royal Schiphol Group's tax affairs requires good and effective governance. Responsibility for the tax strategy and tax risk policy is managed through the portfolio of the CFO in the Board of Directors and falls under the responsibility of the Director of Finance. The day-to-day management of tax matters is delegated to the Senior Tax Manager who reports to the Senior Manager Finance Operations. The Senior Tax Manager and the Senior Manager Finance Operations meet periodically to discuss relevant tax topics and risks, supported by external advisors where necessary. The Senior Tax Manager and the Senior Manager Finance Operations periodically coordinate the most important tax topics and risks with the Director Finance and the CFO.

Royal Schiphol Group has designed its tax organization based on the following three pillars: tax compliance, tax accounting & reporting and tax advisory.

In the context of tax compliance, the Senior Tax Manager ensures that timely, complete and correct tax returns are filed and relevant tax payments are made. Tax compliance also includes staying informed of relevant tax laws and regulations as well as ensuring that these are complied with at all times. Senior Tax Manager makes sure that, among others, relevant business, commercial, finance, legal and HR colleagues are informed about applicable tax developments and rules. Senior Tax Manager collaborates with various colleagues to ensure that relevant processes are implemented and correctly applied.

With regard to tax accounting & reporting, the Senior Tax Manager is responsible – with support of the Tax Compliance Specialist and the Senior Controller & IFRS Specialist – for the correct and complete financial administrative processing of relevant taxes and levies in both internal reporting and in the annual accounts, in accordance with IFRS and other relevant accounting laws and regulations.

Tax advisory concerns the optimization of the tax burden in line with the letter, purpose and intent of the law and supported by the economic activities of Royal Schiphol Group, both in normal business operations and in (new) projects. The Senior Tax Manager advises proactively and, where necessary, seeks external advice.

3.2 External

Royal Schiphol Group attaches great importance to a good relationship with the tax authorities.

On 16 November 2012, the collaboration with the Dutch tax authorities was laid down in a covenant. The covenant relates to Dutch taxation and collection of all government taxes. The agreement sets out the principles of horizontal monitoring – mutual respect, transparency and trust – as well as the method of supervision by the Dutch tax authorities.

For Royal Schiphol Group, the agreement creates, among other things, the responsibility to set up and maintain an adequate system of internal management and internal and external controls, with the aim of acceptable and timely tax returns and payment, as well as the timely and transparent submission of relevant (tax) positions to the tax authorities.

For the tax authorities, the agreement creates an obligation, among other things, to provide a rapid and reasoned response to submitted positions and to align the intensity of supervision with the transparency, tax management and tax strategy of Royal Schiphol Group.

Horizontal monitoring is constantly developing. The tax authorities have formulated new criteria that organizations with a covenant are expected to meet. The aim is for Royal Schiphol Group to meet the admission criteria as stated in the Guidelines for the Supervision of Large Enterprises. On this basis, a "new style" agreement has been concluded with the tax authorities with effect from 1 December 2022.

IV. Tax risk management

4.1 Purpose

Royal Schiphol Group considers a professional tax risk management system to be of great importance.

The tax risk management system enables management to continuously and systematically identify, assess, prioritize and mitigate tax risks. The Tax Control Framework is an essential part of the tax risk management system.

The purpose of the Tax Control Framework is to be in control of the direct and indirect taxes, also those taxes administered on behalf of others such as flight tax. The Tax Control Framework is designed to identify and manage tax risks and mitigate those risks by applying the appropriate control measures in accordance with applicable laws and regulation. The Tax Control Framework provides a solid basis for the relationship with the tax authorities and provides the required transparency towards internal and external stakeholders with regard to relevant tax risks.

4.2 Tax Control Framework

The Tax Control Framework is an integral part of the governance and risk management within Royal Schiphol Group. The Tax Control Framework is embedded in the administrative organization and internal control measures and is an important pillar under the horizontal monitoring agreement.

The tax risks have been identified per business process. Control measures have been defined for the key and non-key risks to cover the risks. All these risks and control measures are recorded in the risk management system. In this system, the risk assessment is documented and the relationship with the controls that cover the risk is shown. The controls are periodically tested and reviewed according to a predetermined schedule and based on the four-eyes principle. The purpose of the review is to determine whether the controls have been implemented correctly and completely, the correct conclusions have been drawn and to determine whether improvement measures are necessary.

The timely, complete and correct execution of control tests is monitored by the Risk & Audit department. In the run-up to the end of the first half year and the financial year, additional checks and reviews are carried out on the implementation of key controls in connection with the signing of the letter of responsibility, an internal confirmation as part of the half year and annual figures. Findings are reported to the Director Finance and CFO. Depending on the nature and cause of the finding(s), the owner of the control measure must follow up on the finding(s) or take action to manage the risk in another way. The Senior Tax Manager and Risk Officer Finance monitor the follow-up and report if the progress or outcomes give reason to do so.

Senior Tax Manager ensures that all tax control sets (corporate income tax, value added tax, payroll tax, flight tax and municipality tax) are accurate and complete, updated on an annual basis and that ineffective controls and control gaps are remediated by a defined action plan and follow up is monitored by the Senior Tax Manager.

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