

Material aspects for stakeholders

Schiphol Group is in regular dialogue with a wide range of stakeholders, who together represent a diverse set of priorities and interests. Our stakeholders vary from sector partners and government authorities to Schiphol employees, local residents and passengers.

As important as it is to be aware of trends and developments, we cannot take full advantage of Royal Schiphol Group's unique socio-economic function without first taking into account the needs and opinions of our stakeholder base. In this sense, our function and our responsibilities extend far beyond the Schiphol site. Equally, our regional airports play an important role in their respective regions and in fulfilling our Group mission to connect the Netherlands. We communicate regularly with stakeholders at various levels, addressing a wide range of material aspects.

The frequency and type of contact we maintain with our various stakeholders is diverse. We consult with our sector partners on a daily basis regarding operational and tactical matters, and there is a fixed schedule of consultations aimed at ensuring safe, efficient operations. Schiphol has plans in place to deal with operational disruptions or emergency situations, and we conduct training sessions and assessments with the sector on a consistent basis. We regularly invite our stakeholders to visit our premises and share information about day-to-day activities, laws and regulations, as well as large-scale investments, renovation projects, and other important developments. The Royal Schiphol Group Management Board is actively involved in these exchanges.



Topics addressed in our stakeholder consultations are determined on the basis of the material aspects that guide Schiphol Group and which are reported on in the annual report. The relative interests of stakeholders and Schiphol Group are provided in the 2018 Materiality Matrix. A subject is deemed of material importance (and included in the matrix) when it reflects a significant economic, social or environmental impact of the organisation, or when it influences the decision-making of our stakeholders.

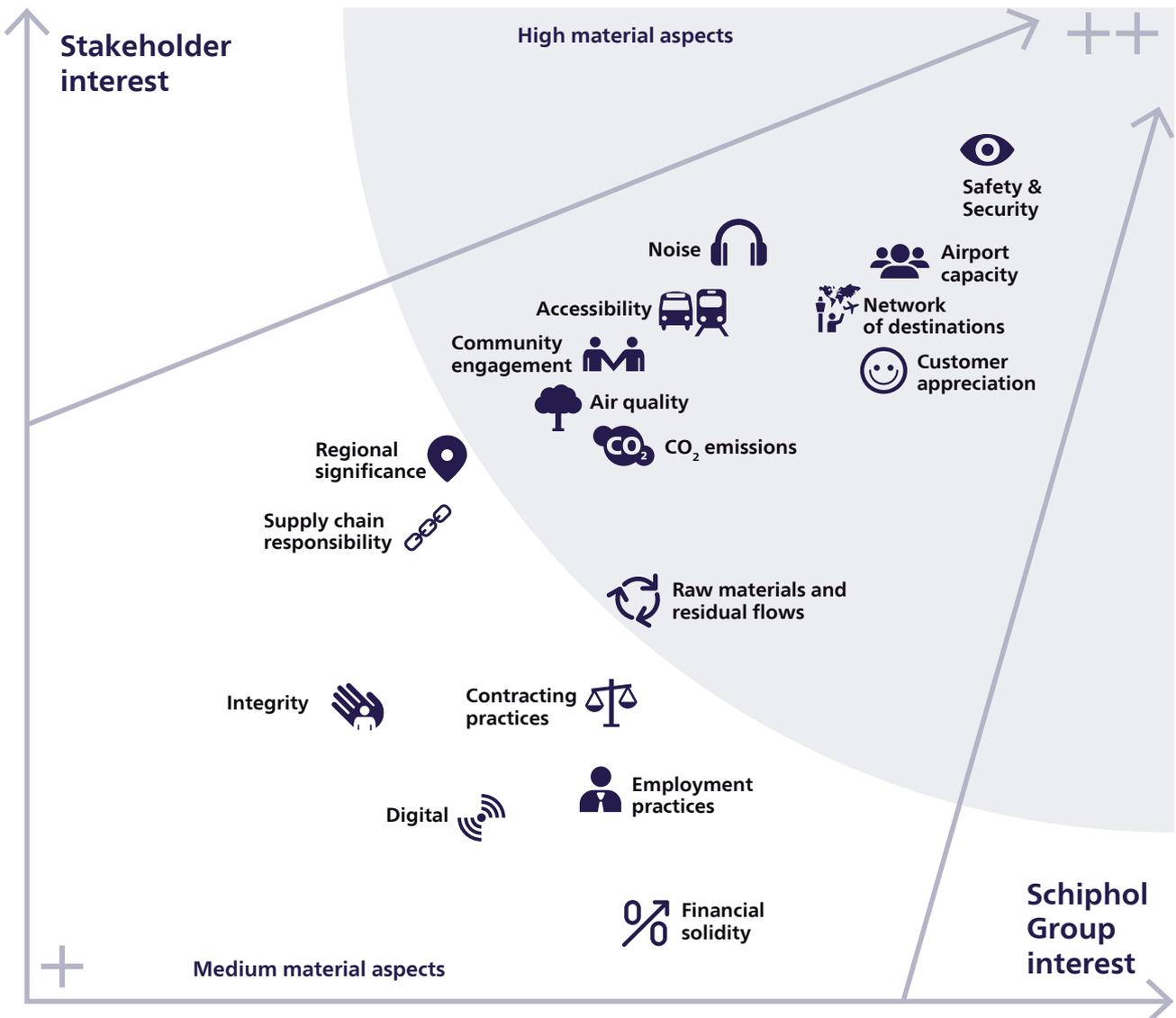
Materiality analysis 2018

Schiphol Group conducts a comprehensive materiality analysis every three years. The most recent analysis took place in 2016, when more than 100 internal and external stakeholders were consulted on the themes they considered to be most important with regard to Royal Schiphol Group. In intervening years, including 2018, a 'light' update is performed.

In 2018, we carried out a qualitative update on the matrix based on developments and discussions taking place during the course of the year. The topics that are discussed in our continuous consultations with our stakeholders, and their impact on Schiphol's policies, are outlined in the table at the end of this chapter. As part of the light update, we carried out a media assessment, the results of which were discussed with colleagues who are in regular contact with stakeholders. The material aspects were confirmed by the members of Schiphol's Management Board. No new aspects were introduced in 2018. The matrix will be updated in 2019, following an extensive consultation among our stakeholders.

Safety & Security remains the most important topic for stakeholders, while Airport capacity is also still highly relevant to all stakeholders. Capacity at Schiphol was again tested in 2018: the airport has reached its ceiling of air traffic movements and there is increasing pressure on Schiphol's physical infrastructure. In light of this, we are in the process of building a new pier and

Materiality matrix 2018



terminal and working hard to streamline operations within the terminal building.

In previous years, integrity-related themes had been described under Employment practices and Contracting practices. In 2017, we began grouping these topics together under the material aspect of Integrity.

Community engagement activities and Regional significance have also been given a more prominent position. 2018 saw an active social debate regarding plans to expand our airport operations, with many local residents asking questions and voicing concerns. For this reason, these themes have moved to the right, with Community engagement now falling within the category of high material aspects.

One existing theme has moved quite significantly to a new position in the matrix: CO₂ emissions. Schiphol Group has been climate-neutral since 2012, and we are working towards becoming a zero-emissions operation. However, aviation-derived carbon emissions are a growing topic of debate. Without action, the relative emissions impact of aviation could increase; the updated matrix therefore reflects the growing importance of carbon emissions to Schiphol and its stakeholders.

Similarly, Noise has been a source of intense discussion for several decades. In 2018, concerns around noise disturbance were raised in neighbouring communities, also those in the vicinity of Lelystad Airport. We have adjusted the position of Noise in our matrix to reflect these concerns.

Our light update indicated that some topics have become more material in comparison with previous years, leading us to reassess the position of the other topics. In view of this, some topics have become less material and have therefore been moved to the left side of the matrix. Supply chain responsibility is one example of a topic that has grown in importance over the past few years. An integral part of our mission involves looking beyond our own organisation and being able to collaborate with industry partners and other businesses. A number of topics concerning our supply chain are discussed in the other relevant material themes.

Raw materials and residuals has moved to the left but remains part of the category of high material aspects. Circular thinking is increasingly embedded in our design principles and way of working, and we are aiming to achieve zero-waste status by 2030.

Definition of material aspects

Accessibility

Adequate landside accessibility

Airport capacity

Availability and quality of (infrastructural) capacity

Air quality

Annual mean level of particles in the air at and around the airport

CO₂ emissions

Greenhouse gas that contributes to global warming, captured in fossil fuels and usually obtained from coal and natural gas combustion

Community engagement

Dialogue and participation with relevant stakeholders

Contracting practices

Trusted and ethically transparent partner

Customer appreciation

Meeting the needs of airlines, businesses and passengers

Digital

Digital solutions to increase capacity and improve processes

Employment practices

Development and training of employees, vitality and inclusiveness

Integrity

Transparent and ethical behaviour

Financial solidity

Financial robustness and shareholder value

Network of destinations

Quality and frequency of destinations

Noise

Impact of aircraft noise on surrounding communities

Raw materials and residual flows

Sustainable resource use based on circular economy

Regional significance

Local and regional business climate, employment and economic impact

Safety & Security

Safe and secure operations, safe and healthy airport environment

Supply chain responsibility

Impact on people and environment of our business partners, suppliers and customers

Scope

The aspects covered in the materiality matrix relate to Amsterdam Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport, and will also relate to Lelystad Airport following its expected development. Given the absence of commercial passenger operations at Lelystad in 2018, the airport is not included in the matrix for the material aspects of Network of destinations and Safety. Human Resources data from Lelystad Airport has been included in a quantitative sense; reporting on the other themes is qualitative.

We present our Group performance on the basis of the material aspects, which are clustered as four distinct chapters: (1) Network, capacity and security (2) Portfolio of services, (3) People, environment and community, and (4) Financial and business performance. The high material aspects, presented in the upper right corner of the matrix, are reported according to clear targets and our performance. All aspects include quantitative supporting evidence.

The material aspects [link to our five strategic themes](#), as outlined in the Strategy chapter of the annual report, and to our top risks.

Stakeholders

This table lists contact moments for consultations with our stakeholders. These consultations are centred on the stakeholders themselves, many of whom are involved in multiple material aspects, and vary significantly in terms of frequency. Consultations focusing on operational matters often take place several times a day, for example, while those involving special situations might take place only once a year. This overview is not exhaustive. The results achieved for each material aspect are included in [the Results](#) chapter of the report.

	Material aspect	Consultation ¹	Impact on Schiphol policy ¹
	Airlines		<ul style="list-style-type: none"> – Sustainable development of Schiphol beyond 2020 – Opening of Lelystad Airport to accommodate non-Mainport-related traffic
	Travellers		<ul style="list-style-type: none"> – Efforts to improve traveller perceptions incl. drive-in, check-in, smart parking, natural wayfinding, Seamless Flow, No-Q passport control – Meet expectations of new generation
	Local residents		<ul style="list-style-type: none"> – Employment – Education and training – Schiphol Fund – Initiatives by regional airports
	Sector partners		<ul style="list-style-type: none"> – Initiator of the Airports Sustainability Declaration – 'Zero-emissions' in 2030 – Integral Safety Management System to strengthen safe operations in conjunction with all chain partners – Collaboration in CDM/SESAR
	Government bodies		<ul style="list-style-type: none"> – New Environmental Standards and Enforcement System – Regulations to address taxi touts – Security measures – Aviation White Paper – Climate roundtable on sustainable aviation
	Financial stakeholders		<ul style="list-style-type: none"> – Focus on cost control – Monitoring the creditworthiness of the Group – International activities
	Business partners		<ul style="list-style-type: none"> – Airside electric charging – Circular construction practices
	Employees		<ul style="list-style-type: none"> – HPO and HRO targets – 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
	Knowledge institutions		<ul style="list-style-type: none"> – Adaptation of take-off and landing procedures – 'Zero-waste' in 2030 – Monetisation of investment decisions – Digital airport: personal and relevant communication to improve passenger journey and reduce stress

¹ Not exhaustive.

SWOT analysis



Strengths

- Network of destinations
- Strong hub position of Schiphol in Europe
- Sustainability at our premises
- Price-quality ratio
- Economic strength of Randstad
- Attractiveness of the Netherlands as a destination
- AirportCity and growing real estate portfolio



Opportunities

- Single European Sky and Dutch airspace redesign
- Digitisation, automation and big data
- International activities and partnerships
- Aviation sustainability and innovation initiatives
- Opening of Lelystad Airport



Weaknesses

- Relatively small catchment area
- Capacity shortage: terminal, stands and railway station
- Dependency on key airline customers
- No direct metro connection with Amsterdam
- Limit on air traffic movements



Threats

- Diminishing public support base for aviation
- Implications of air transport movement restraints on quality of network
- Terrorism and cyber threats
- Growing competition in transfer market from other hub airports and hub-bypassing
- Impact of ultra-fine particles
- Construction activities affecting perception of quality