

will help us to improve how we prepare, implement and maintain construction projects in order to reduce risks as well as costs.

At Lelystad Airport, the use of the best value method for airside and landside infrastructure has so far resulted in a substantially lower cost level. However, this approach proved to be no more advantageous than traditional procurements methods in the case of the new terminal construction.

### Selection of main contractors

BAM, Heijmans and VolkerWessels have been selected as the main contractors for major construction, renovation and infrastructure maintenance projects at the Schiphol site, establishing them as our strategic partners for the next nine years. The focus of the tendering process was on cost optimisation, improving business operations, sustainability, and the application of digital solutions and other innovations. Our engagement with the companies is based on a performance-led approach, which ultimately determines the share of the project portfolio awarded to each firm.

Our contractors share our focus on sustainability and are keen to play an important role as we work towards achieving climate-neutral and zero-waste status by 2030. As well as fully meeting our standard contracting requirements, the construction companies demonstrate a high level of ambition and are keen to share responsibility in helping Schiphol become a circular operating airport.



We insist that all Group employees act with the utmost integrity at all times. To this end, we have established a robust compliance policy with a view to monitoring and preventing potential risks to our company. The policy is focused on upholding the good reputation of Royal Schiphol Group and achieving our ambition to become Europe's preferred airport.

As outlined in our code of conduct, another priority is ensuring that our people behave ethically at all times. As a minimum, Schiphol employees must refrain from undesirable behaviour, including sexual harassment, discrimination and bullying. Staff must also adhere to all applicable laws and regulations, including anti-discrimination, competition, public procurement, privacy, fraud, corruption and bribery laws. All Schiphol employees are required to complete an online training session on the code of conduct once a year.

While Schiphol's managers are expected to set the tone and lead by example, all workers play a role in monitoring compliance with the code of conduct and reporting inappropriate behaviour. Any issues are reported via the Integrity Committee, which is responsible for investigating reports and undertaking necessary

actions as required. The Committee reports its anonymised findings to Schiphol's Corporate Compliance Officer on an ongoing basis, and also reports to the Central Works Council once a year on the number and nature of cases and the actions taken. The Committee also reports to the Supervisory Board's Audit Committee on an annual basis, as well as the Management Board and Schiphol's external auditor.

In 2018, 23 issues were reported to the Integrity Committee (2017: 26), none of which concerned bribery, corruption or material fraud. The reports have been investigated and followed up. Some involved minor incidents which the Integrity Committee is not required to investigate in depth. Where appropriate, the necessary action has been taken or the employees involved have been called to account.

### Preventive behavioural programme

In 2018, we continued rolling out a new behavioural programme that was put in place in 2017. A collaboration between Schiphol Group and social psychologists, the programme aims to prevent future compliance and integrity incidents by providing teams within the individual departments with a set of actions aimed at achieving the desired employee behaviour. More than half of the designated departments have completed the programme so far, with evaluation interviews held during the final quarter of the year to assess its impact. Other departments initiated the programme in 2018 or will do so in 2019.

### Compliance & Ethics Officer

In the third quarter of 2018, we created a new position: Compliance & Ethics Officer. The role is part of Schiphol's continuing efforts to build a solid integrity culture; the holder is tasked with shifting the focus from simply creating awareness of issues relating to compliance and ethics, towards achieving tangible changes in employee behaviour. Liaising closely with HR, Audit, Risk and other relevant departments, the newly appointed officer will be working to create a comprehensive, aligned approach to compliance and ethics, by bringing together the different cultural programmes in place across the Group.

### Suppliers

The majority of our business partners are situated and operational in the Netherlands, as our purchases primarily relate to infrastructural and construction works, personnel and facilities. As a commissioning organisation, we can only ensure our integrity if our suppliers also subscribe to ethical business principles. It is therefore essential that we take care when selecting our suppliers. In particular, we note that there is a risk of bribery and corruption in contracting practices related to large tenders and contracts. Furthermore, some countries are prone to human rights violations, which is a factor we must bear in mind when purchasing goods or services from overseas.

Royal Schiphol Group has a Supplier Code that clearly states what we expect from our suppliers in terms of integrity and Corporate

Responsibility. Specifically, the Code outlines the requirements regarding working conditions, human rights, anti-corruption and anti-bribery. This follows the line of the OESO as well as the ILO guidelines. Under the terms of the Code, suppliers must report instances of negligent or unethical behaviour through their contact person or Schiphol's Integrity Committee. They must also agree to cooperate in any investigations into (suspected) violations of the Code. In the event of a possible violation or vulnerable markets, we perform audits.

Contractors who knowingly breach the law (e.g. with regard to discrimination or sub-standard working conditions) or who violate Schiphol's own rules of conduct have their contracts terminated immediately. This stipulation is made clear in our Corporate Purchasing Policy. Meanwhile, we maintain ongoing dialogues with our suppliers with a view to introducing integrity into our collaborative relationships more effectively. Going forward, we aim to formalise our process for monitoring the activities of our suppliers and their compliance with our Supplier Code and Corporate Purchasing Policy.

## Employment practices

One of Schiphol Group's strongest assets is our diverse, high-quality workforce. Schiphol supports a wide range of careers, ranging from various transport and retail positions to roles at our head office, and with companies located nearby. Overall, about 67,000 people work at the Schiphol site, including individuals of all ages and with varying years of service. Around 60% live in the province of North-Holland, while approximately one-third of Schiphol's total headcount lives in Amsterdam, Haarlemmermeer and Almere.

Royal Schiphol Group operates in an environment that is constantly changing, requiring us to be agile and to be able to respond quickly to trends and developments when needed. New roles are constantly being created, many of these involving specialist, futureproof skillsets in IT and other areas. As we evolve as an organisation, we also require greater flexibility on the part of our employees; sustainable employability and vitality are therefore increasingly important for our organisation.

In October 2018, Schiphol signed a new labour agreement with the trade unions covering a two-year period until 1 April 2020. Among other points, the new agreement includes an indexation of the collective agreement to wages, with retroactive effect from 1 April 2018, and from 1 April 2019. Agreements were also made on the application of the Sustainable Employability budget.

### Employees in figures

In 2018, the number of full-time equivalents (FTEs) employed by Schiphol Group rose to 2,324 (2017: 2,180). We conclude

individual agreements with employees who fall outside the scope of a collective labour agreement.

In 2018, the absenteeism rate for Schiphol rose from 4.5% to 4.7%. This increase was largely caused by a number of long-term absences through illness. The Verbaan standard for Schiphol Nederland B.V., which indicates a realistic level of absenteeism, is 3.5%. Absenteeism due to illness at Rotterdam The Hague Airport was 4.3% (2017: 2.7%). At Eindhoven Airport, the absenteeism figure for 2018 was 5.4% (2017: 2.1%). The 2018 absenteeism figure at Lelystad was 7.5% (2017: 1.4%).

### Total workforce in 2018

(Per location, in % of total average FTEs)



### Gender split

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

