

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%).

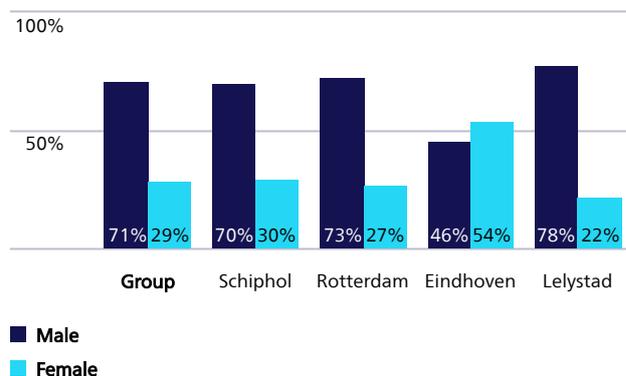
Total workforce in 2018

(Per location, in % of total average FTEs)



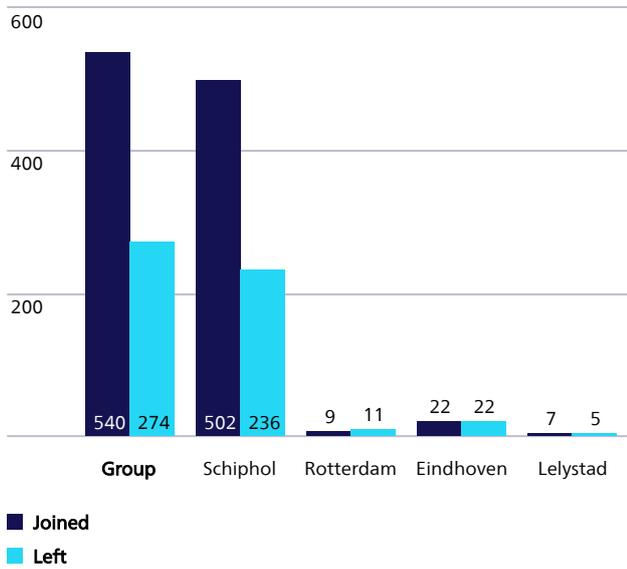
Gender split

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



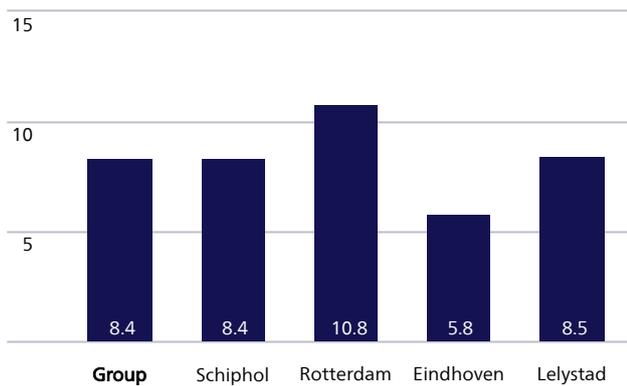
Employee turnover

(Numbers per location)



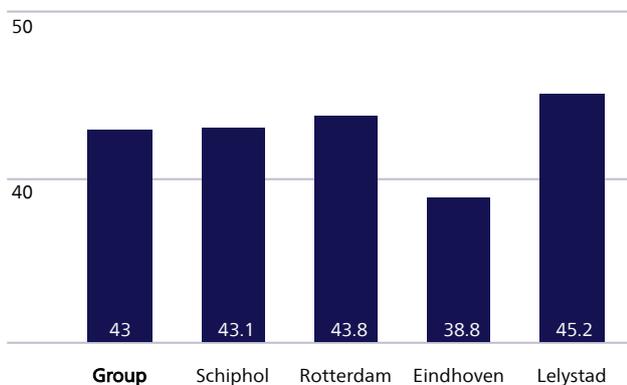
Average length of service at Schiphol Group

(Years per location)



Average employee age

(Years per location)



HPO

Schiphol works hard to be a High Performance Organisation (HPO) where employees and managers are given all the support they need to grow and develop professionally. Our end goal is a flexible, open and dynamic work environment that promotes learning and self-improvement. In 2018, our focus was on implementing the recommendations of the 2017 HPO measurement, which called for a stronger results- and team-oriented approach to managing our employees. Accordingly, we have been paying increased attention to our people management processes across our various activities.

Sustainable employability

Schiphol actively promotes internal mobility as a means of keeping our employees productive and engaged, an approach that goes hand in hand with our efforts to accelerate the digitisation of our company. We firmly believe that employees will be happier and more productive if afforded the opportunity to change jobs at the right time. Our goal is for 15% of our employees to change jobs per year, including internal personnel exchanges and secondments, as well as moves to other organisations. In 2018, we achieved this with a mobility percentage of 17.1% (2017: 21.7%) at Schiphol, with a total of 43 employees taking part in secondments. These included shorter placements, such as employees being temporarily stationed at Lelystad in preparation for the expected opening of the airport.

We value the contributions made by our more experienced employees. In 2018, we extended a pilot scheme where workers aged 50 and over are offered training on ways to stay motivated and continue adding value up until retirement. We also launched the 'Redeem your talent' programme where experienced employees are encouraged to take control of their careers by setting a clear course for the coming years. Shift workers also received special attention: as of April 2018, employees aged 60 and above are no longer required to work night shifts unless by choice, in accordance with agreements made in 2012 with the trade unions.

More widely, Schiphol employs a number of measures to support the physical and mental wellbeing of its workers. With initiatives such as our vitality programme, our employees have regular access to health checks as well as life coaching and mental health services. In 2018, we also gave priority to tackling the causes of absenteeism, by making counselling available to workers and raising awareness around workplace stress and its causes.

Inclusive business practice

At Royal Schiphol Group, we value people for who they are, their qualities and talents, while working hard to promote an inclusive environment for all employees regardless of their cultural or work background, gender, sexual orientation or physical disability. In upholding these values, Schiphol Group actively looks to hire individuals who, for whatever reason, struggle to find

employment. One person with this background joined our organisation in 2018.

We also strive to attract employees from a variety of cultural backgrounds. In 2018, we filled 11.0% of new vacancies with applicants from non-Western backgrounds (as per the CBS definition) versus our 10% target for the year at Schiphol Group. Under a new system introduced in 2017, employees can choose not to state their parents' country of birth on joining the company, which explains the relatively low figure. Our aim for 2019 is to reach 10% once again.

Work for young people

We believe a steady influx of young people is essential for an inclusive and balanced workforce. However, recruiting younger workers to our organisation can be challenging, particularly given current labour market shortages in the Netherlands and elsewhere. In 2018, we filled 14.0% of positions within Royal Schiphol Group with people aged 27 and under, thus not achieving the 20% goal set at the start of the year.

While we do not enter into employment contracts with those below the age of 18, Schiphol undertakes a range of initiatives aimed at building relationships with students and other young people. In 2018, we supervised 119 interns and also organised a number of one-day orientation courses, as part of the Youth Covenant to improve employment opportunities for young people in the Netherlands. We also participate each year in the ECHO mentoring programme aimed at helping Dutch students from non-Western backgrounds to take their first steps into the job market. In the past year, we have also launched a second mentoring scheme organised by Emma at Work, an organisation helping young people with chronic illness or physical disability to find fulfilling work.

Gender split

Schiphol strives for a healthy balance of male and female employees across its higher management layers. Since September 2014, Schiphol Group has had a 50:50 gender split within the Management Board.

Until April 2018, the gender split within the Supervisory Board was 37.5:62.5 female/male. As per the General Meeting of Shareholders in April 2018, the final term of two Supervisory Board members, one of whom was female and the other male, expired. Both were succeeded by a male and a female director, respectively.

Due to an international job offer, Ms Caroline Clarke thereafter also resigned from the Supervisory Board. After diligent consultation with the Management Board, the Supervisory Board decided to wait to fill in this position in order to allow the two new members of the Supervisory Board, as well as the new CEO, time to settle into their new roles. Furthermore, the board also wanted to reassess its profile. As such, 29% of the Supervisory Board is currently female, putting Schiphol slightly short of the 30% target set by the Management and Supervision Act. We expect the vacancy on the Supervisory Board to be filled in 2019. A key priority going forward will be to ensure a balanced gender split at all levels and across all roles within the Group. The vacancy of the Supervisory Board will be filled in with a strong consideration of the diversity of the Supervisory Board on different aspects, including gender.

Digital developments for employees

Innovation, digitisation and human attention are crucial to our organisation's development. Likewise, it is important that our people have the skills they need to develop careers at Schiphol and elsewhere. Through regular training programmes, including our recently launched 'agile' development curriculum, we encourage our staff to continuously improve their IT skills and develop a strong digital mindset. We also organise events such as

Environmentally friendly commuter traffic

In 2018, the Group's Management Board approved plans for a new mobility policy for Schiphol employees. The proposed programme, which aligns with our wider carbon reduction ambitions, aims to help staff make greater use of environmentally friendly transport modes during their work commute. The proposed measures include encouraging the use of public transport, expanding the number of electric vehicle charging points at the Schiphol site (currently equivalent to about 5% of total parking spaces), and making electric bicycles available to employees living locally.

Cycling plays a central role in the policy: Schiphol has appointed a 'bike ambassador', whose role involves encouraging employees to cycle to and from work as opposed to driving, and is working to re-introduce an employee bicycle plan. Further proposals include phasing out Schiphol's employee car-leasing programme in favour of a general mobility card for all employees. Currently, all new hires are given a free, three-month public transport subscription on starting work. Discussions surrounding the new mobility policy will continue during 2019.

Digital Week, where employees are given insights into emerging trends, including futureproof leadership, artificial intelligence, robotics, data science and design thinking.

Working conditions

Although the risk of human rights violations must always be kept in mind, most Schiphol Group employees work in the Netherlands and are therefore subject to Dutch laws and regulations. Working conditions and hours are clearly defined in the collective labour agreement of the Netherlands, with our employees also free to participate in trade unions. Furthermore, we also apply the Global Compact Principles as part of our standard working practices.

When it comes to working with third parties, we ensure that our contractors adhere to the agreement as a minimum standard of practice, supplementing this with our own rules on working conditions and safety. Schiphol does not allow competition on employment terms when it comes to tendering.

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