

# Port of Amsterdam

## Results for 2017



Annual Report 2017

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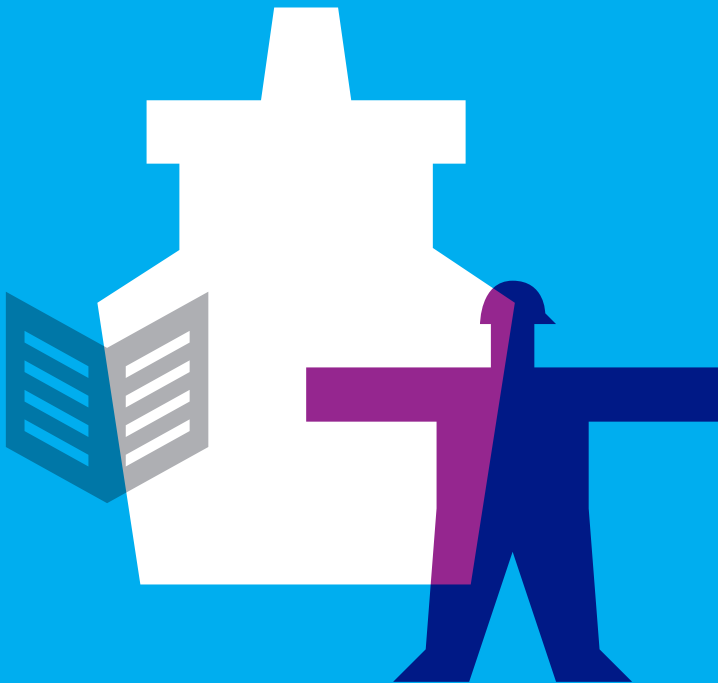
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# Chapter 1

## Profile

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# Profile

## The Amsterdam port region is a key gateway to Europe for freight and commodities.

It forms a hub that combines the forces of the three strong elements at the heart of the Amsterdam Metropolitan Region: (1) the international logistics function, (2) the city's multifaceted service center and (3) the high-value regional industry with a leading food and agriculture sector, steel production, construction materials and manufacturing industry. Optimizing the links between these three elements leads to collateral benefits, synergy and innovation.

The port provides facilities for the receipt, shipping, transportation, storage, handling and industrial processing of a wide range of goods. Clean energy is generated at the port from sun, wind and waste flows, while residual heat from industrial processes is put to good use. The North Sea Canal Area provides employment for 69,779 full-time workers.

*The port authority has three main tasks:*

1. Development of the port and optimization of the service provision and the business climate in the port region;
2. Construction, maintenance and renovation of the infrastructure, and management of the Amsterdam Westpoort port area;
3. Organization and optimization of swift, safe and environmentally-benign handling of shipping traffic from 12 miles off the coast of IJmuiden to the Oranje locks, partly on the basis of legislation and enforcement. This task has been assigned to the Harbor Master's Division at the Port of Amsterdam by Central Nautical Management (Centraal Nautisch Beheer, CNB).

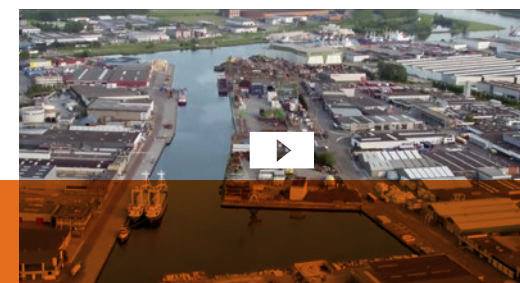
As we work to build the port of 2030 – the Amsterdam Metropolitan Port – we and our partners are committed to creating a smart, fast and clean port. Our Strategic Plan 2017-2021 provides direction toward this goal.

 Port of Amsterdam  
Port of partnerships

 Port of Amsterdam  
international

 prodock.

 PASSENGER  
TERMINAL  
AMSTERDAM

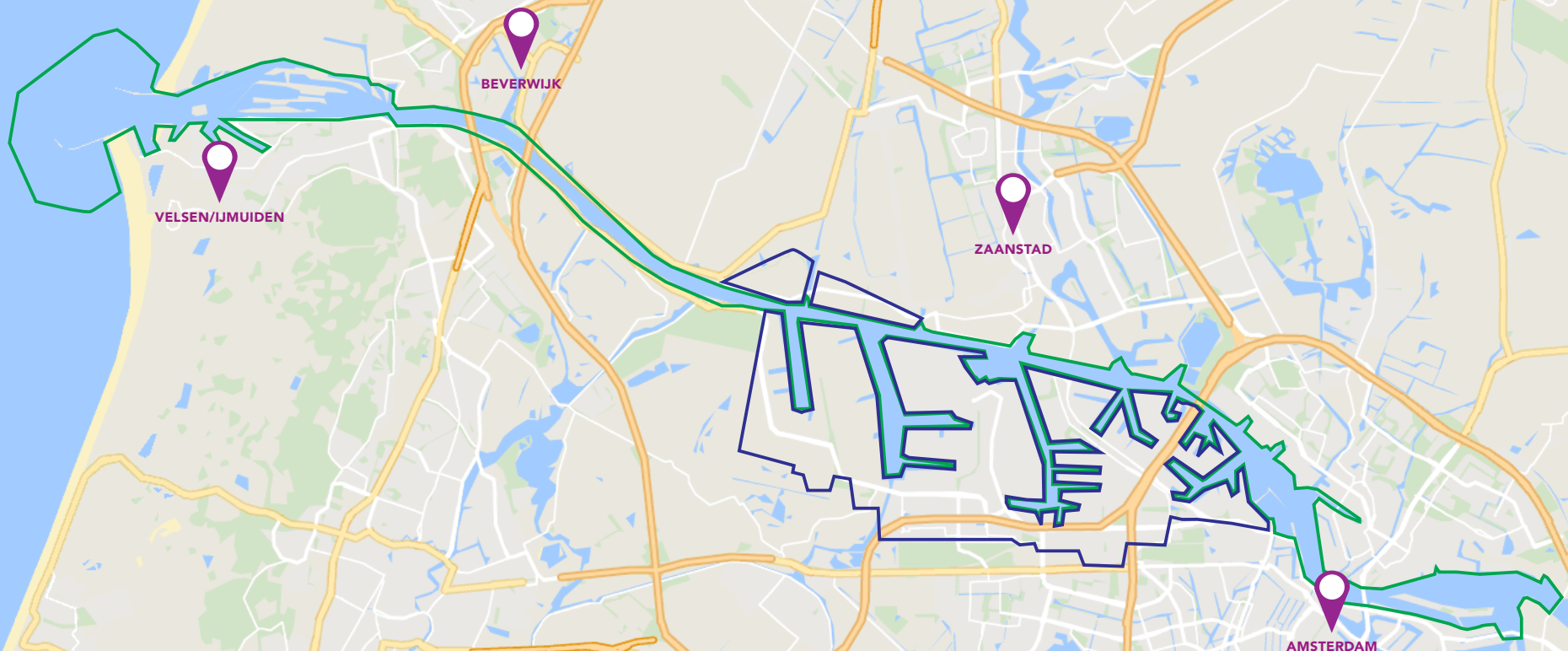


Corporate film  
Port of Amsterdam  
<http://bit.ly/2nqMNSH>



# Port map

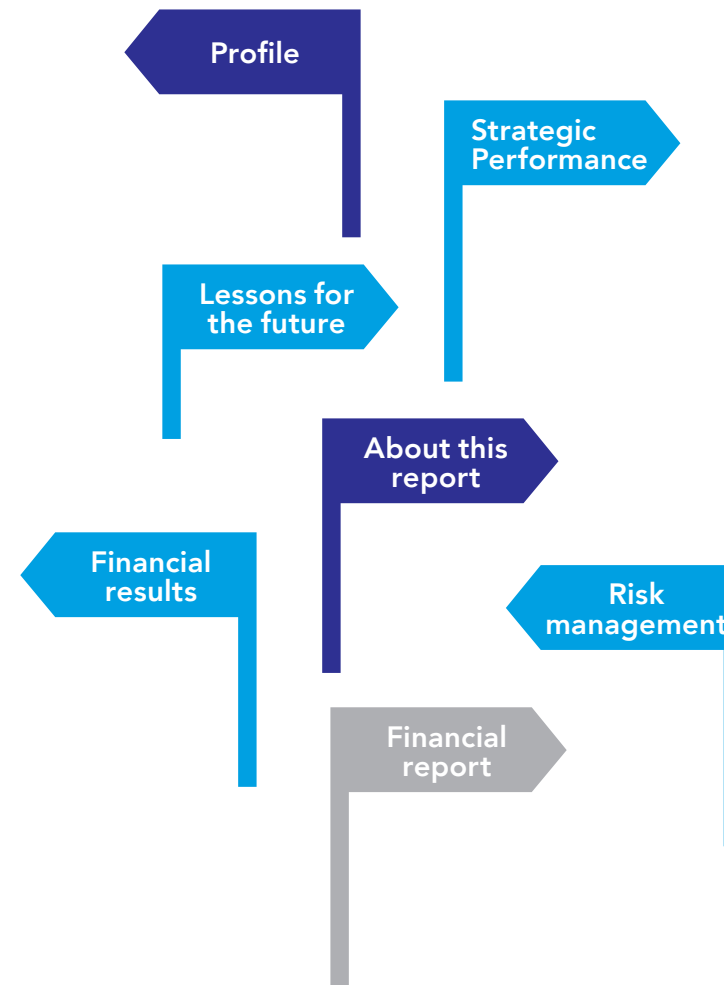
— PORT AREA  
— MANAGED AREA



# General information

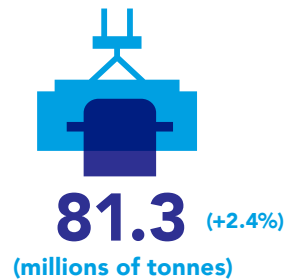
After a brief introduction to our company and messages from our Board of Directors as well as our Supervisory Board, we start this report with an explanation of how we create value and the four strategic themes on which we focus.

The “Strategic Performance” chapter subsequently sets out the specific projects that contributed to our performance in 2017, the economic significance of the port region and recent developments on the market in which the port operates. We then explain how we add value for the port and the industry (investment, shipping, supply chain responsibility, etc.) as well as for the city and the environment (spatial development, quality of life, etc.). In the next chapter, we describe the organization’s sustainable development, followed by a glance into the future. The “About This Report” chapter explains the selection of the themes, the scope and their synergy. Finally, we present an overview of our financial results and an explanation of the identified risks.



# Key figures

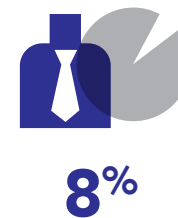
Transshipment in Amsterdam



Revenue



Market share



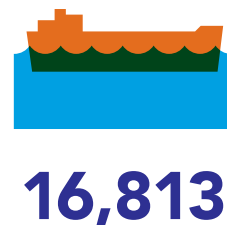
Added value NSCA



Port-related employment in NSCA



Shipping movements in NSCA



4th port in Western Europe



CO<sub>2</sub> footprint Port of Amsterdam (tonnes)



Clean shipping



Cruise calls



Inland shipping calls



Net profit



# Message from the Board of Directors

## We look back on a dynamic year, in which many great and diverse companies were established in the Amsterdam port area.

Halfway through the year, auditors from the Netherlands Bureau for Economic Policy Analysis (CPB) made an upward adjustment to their growth forecasts for 2017. More exports, more consumption and more investment at a national level translated into more throughput, more production and more business activity at the Amsterdam port and industrial complex. Due to the positive economic conditions, freight throughput increased by 2.4% to 81.3 million tons. Combined with the other ports in the North Sea Canal Area, throughput actually passed the 100 million ton mark for the first time, which is a new record.

However, it was more than just the impressive throughput figures that made the 2017 calendar year special. To see the real success story of the Port of Amsterdam, you have to look at the port's development in the areas of circular economy and energy transition. Both are crucial themes in our [Strategy 2017-2021](#). In the year 2017, our company announced its ambition to become a coal-free port by 2030. With this ambition, the port authority is attaching consequences to a development that has been going on for some time, which is the gradual reduction in demand for coal as a fuel for our

energy system. At the same time, the establishment of companies such as ChainCraft and Bio Energy Netherlands also gathered momentum for new business in 2017. This trend shows that existing business is innovating as well as that added value and high-quality employment – in addition to tons of throughput – are key yardsticks for the Port of Amsterdam. Such observable developments are the real success story of 2017.

Strong economic growth in 2017 also revealed something else: a lack of space. Not only the advancing city – with its Port-City Development Strategy – but also the space needed for the energy transition and the development of the

circular economy now present a planning challenge. We are concerned about the compatibility of the development strategy in question with the business climate for the companies involved.

To meet the needs of our customers and respond to opportunities in the offshore wind sector, we purchased a ten-hectare parcel in the HoogTij area in December. We are also working on redeveloping the Averijhaven together with the Port of IJmuiden, the Province of North-Holland,

**Strong economic growth in 2017 also revealed something else: a lack of space. Not only the advancing city.**





Tata, the Directorate-General for Public Works and Water Management (Rijkswaterstaat), and the Ministry of Infrastructure and Water Management.

In the nautical area, ongoing professionalization was an important theme and dynamic lock planning was introduced. This system is designed to make sea lock planning transparent for all users, so that they can make optimal adjustments to their own planning. Operational processes were also improved and the positioning of the Port of Amsterdam as a Port of Partnerships was reinforced, partly as a result of collaboration with Zaanstad to harmonize processes and rates of inland port dues. Professionalization also increased in other areas of the organization, including through improvements to the audit process, the risk management and the focus on safety. This professionalization is making the port authority a more robust organization.

There were also concerns. In addition to the increasing scarcity of space, the selected solutions to improve river crossings in North Amsterdam raised concerns as well. The port authority understands better than anyone the importance of improving and increasing river crossings in the city. However, the solutions presented in 2017 by the Municipal Executive – including a bridge from Java Island – involve serious drawbacks from both a nautical and an economic perspective.

The port was also affected by a relatively higher number of fires in 2017 compared to other port operators. Fortunately, the damage was largely limited to material damage, but the increase shows that the area is vulnerable to fire and the amount of attention given to prevention by existing companies could be improved. With the construction of a security headquarters and a fire station at the port, this risk should be reduced. These new facilities are scheduled to open in 2019.

We look back on a dynamic year, in which many great and diverse companies were established in the Amsterdam port area. These new companies are an affirmation of the strategy adopted by the Port of Amsterdam towards the desired diversification of business activity. In this way, the port authority is building a resilient port ecosystem together with its customers in a range of sectors which adds value to the city, the region and our international economy.

The Board of Directors of Havenbedrijf Amsterdam N.V.

**Koen Overtoom**

**Michiel de Brauw**



# Message from the Supervisory Board

## The port authority had to deal with a number of complex issues from the city in 2017, such as the Port-City residential development plans, the Bridging the IJ and the relocation of the Amsterdam Passenger Terminal.

A period of economic prosperity has led to a scarcity of space in the city. Customers of the port authority from both the industrial and the shipping sectors have found themselves confronted with this problem. The throughput figures for 2017 look extremely positive. For all ports in the North Sea Canal Area combined, record throughput levels of more than 100 million tons were recorded.

In this day and age when being held accountable by society is the norm, what a company does must not only appear to be good, it must actually be good. The port authority takes this responsibility further than just the company on its own, because it has a particular position in safeguarding and representing public and private interests. On this issue, society and corporate interests converge. In such a complex process, finding the right path is a challenge. It is precisely in this area that we saw the company achieve strong growth in 2017.

The port authority is committed to socially-oriented goals for a smart, clean, fast port.

The ambition to develop between 40,000 and 70,000 homes as part of the Port-City project is a response to the demand for more housing. In view of the industry currently based at the port, this development will certainly have an impact on economic activity in an area with an industrial function. The impression given by the developers is that the port will cope. However, the expansion and relocation options for businesses currently based at the port are few. Unlike Rotterdam, Amsterdam does not have much room to move its economic activity outside of the city. The port authority is planning to look for and invest in more land of its own outside the A10 ring road. This strategy will create space to relocate certain activities that are incompatible with a residential neighborhood.

We believe that when making plans with a major impact and differing interests, it is essential for the city and port to communicate and avoid surprising each other with their decisions. The city and the port need each other to ensure that they both continue to make progress, while they are both obliged to properly consider their respective interests and therefore to remain in dialog with one another. Over the past year, the port authority has therefore spent a great deal of time and energy on communicating with the municipality. In our view, that dialog has improved significantly.

To successfully anticipate issues, it is essential that each party is clear about its position: if you want to encourage your customers to change, you have to tell them what you want them to do. The port authority was very outspoken on the subject of dry bulk fossil fuels in 2017: it is preparing for the scenario in which the Port of Amsterdam is coal-free by 2030. It is doing so for economic reasons as well as sustainability considerations. The shift in the energy landscape is unmistakable and points to the phasing out of coal from the energy mix. To future-proof its operations, the port authority is taking the lead and actively working with customers to find sustainable alternatives. The growth in liquid bulk fossil fuels will increase over the next few years. Amsterdam is still the largest gasoline port in Europe as well as the largest for aviation fuel, with Schiphol being a key customer.

The port authority is committed to socially-oriented goals for a **smart, clean, fast** port.



2017 was Koen Overtoom's first year as Chief Executive Officer and it has been a successful one. We observed a successful division of management roles between him and Michiel de Brauw, with responsibility for income and expenditure clearly delineated. Harbor Master Marleen van de Kerkhof takes part in meetings of the Board of Directors and Supervisory Board in an independent advisory role, thus providing greater nautical/maritime input.

Based on the adopted strategy, Vision 2030 and the operating results, we are fully confident that the Board of Directors will continue to provide the port authority with successful leadership, assisted by the Harbor Master.



### Composition and meetings

Since April 2017, the Supervisory Board has had five members. When René Smit departed at the end of the first quarter, it was decided not to fill the vacant position. Portfolios were rearranged and the smaller number of members made the Supervisory Board more effective.

The Board met six times in 2017, including once at the Lock and Port Information Point (SHIP) near the new sea lock in IJmuiden and once in Groningen. In Groningen, the Supervisory Board and Board of Directors were the guests of Groningen Seaports, where they also took the time for a working visit to a bio-energy power plant in Delfzijl.

Key agenda items in 2017 included developments in the city's plans, the finite role of coal at the Port of Amsterdam, and investments as well as ambitions in the areas of renewable energy and the circular economy.

### Evaluation

The Supervisory Board conducted an external evaluation in the third quarter of 2017. In addition to the members of the Supervisory Board and Board of Directors, shareholder and port business representatives were also questioned as part of the evaluation. The results of the evaluation were discussed by the Board in late 2017. This evaluation helped the Board to optimize its role.

### Remuneration Committee

Unlike in 2016, the Remuneration Committee had no permanent members in 2017. Mutual working agreements were reached where necessary.

### Strategy Committee

The Strategy Committee was established with effect from 2017. This committee advises and works with the Board of Directors on key strategic issues. Challenges arise from two directions: the social function of entrepreneurship and the impact of the energy transition. The solution is to take the right steps at the right pace. We believe that this approach is the right one in the current climate, where dynamism and agility are required to anticipate and respond to market developments. Topics discussed by the Strategy Committee came back during regular meetings of the Board. The Strategy Committee, consisting of Jeroen de Haas (Chair), Willemijn Maas and Philip Stibbe, met three times in 2017.

### Audit Committee

The purpose of the Audit Committee is to assist the Supervisory Board in its preparation for decision-making on monitoring the integrity and quality of the company's financial reporting process, as well as the effectiveness of the port authority's internal risk management and control systems. The findings of the Audit Committee are reported to and discussed at the regular meetings of the Board.

In 2017, the Audit Committee consisted of Ingrid Doerga (Chair) and Philip Stibbe. A permanent internal auditor was appointed by the port authority. The Committee met on four occasions, with the CFO attending all four meetings and the CEO attending three. Depending on the agenda items, the external auditor, the internal auditor and various senior staff members attended meetings as well. Several separate discussions were also held with the CFO.

*In 2017, these discussions explored the following topics, among other things:*

- The 2016 financial statements, including the external auditor's findings and the audit report, the 2017 interim audit findings and the structure of the 2018 audit plan
- The 2018 budget
- The financing structure, liquidity and balance sheet ratio, monthly reports and dividend proposal
- The IT security policy, purchasing policy, internal control procedures and reports
- The tax position and the associated valuation

The Audit Committee has found that internal control of the port authority was raised to a higher level in 2017. In this regard, the port authority is showing a continuation of a trend that first appeared four years ago. The Audit Committee expects this trend to continue in 2018.

#### Word of thanks

We would like to thank our fellow Supervisory Board member René Smit, who served as Chair until the end of 2015 and then as a member of the Appointment Committee until April 2017. He was heavily involved in making a positive contribution to the development of the port authority. In addition, we would like to thank the Board of Directors, the Harbor Master and all employees at the Port of Amsterdam, who can collectively take credit for the excellent results achieved this year. The Supervisory Board looks forward to the company's future success.

**Koos van der Steenhoven (Chair)**

**Ingrid Doerga**

**Jeroen de Haas**

**Willemijn Maas**

**Philip Stibbe**



# How we create value

**As a port authority, we manage and develop the port area while at the same time being responsible for ensuring smooth, safe and sustainable shipping traffic. At the heart of all the differing interests is a single common goal: to add as much value as possible to the area for the benefit of all our stakeholders.**

Our value creation model provides insight into the way in which we create added value for our surrounding area. This model provides a visual representation of our value creation. Our model is based on the value creation model of the IIRC (International Integrated Reporting Council).

A significant amount of short-term value creation is determined by commercial successes, nautical tasks and infrastructure activities. Long-term value creation is less certain and often becomes visible only after ten years. The medium term is the most interesting, because a lot of research focuses on it and it can also accelerate long-term planning.

To this end, our strategy focuses primarily on value creation over the medium and long term.

We are developing the port of 2021 to be the logistics engine of the Amsterdam region, as well as a circular center that plays its part in the circular economy of Amsterdam, the Netherlands and north-west Europe. For instance, we are building a port that will provide increasing value to customers and the surrounding area while remaining one of Europe's leading ports.

*We are taking a three-pronged approach to achieving this goal:*

1. We are strengthening existing market clusters and networks
2. We are innovating and diversifying to attract new, promising market clusters
3. We are developing Amsterdam into a preferred port with an innovative port product tailored to smart, fast and clean business

We aim to translate opportunities into business as a network port by quickly bringing together the right people, organizations and knowledge to form partnerships. We seek improvements and alternatives aimed at creating value by engaging in ambitious, constructive dialog with our customers, civil society organizations and authorities.

Companies (our customers) based in the port region for the purpose of storing, transshipping, transporting or manufacturing goods, providing services or developing new services will derive significant benefit from a good, sound, diverse business climate. We are therefore working with our customers to create a stable port that is attractive for sustainable innovation, provides more jobs and has a minimal negative impact on the environment. This approach will help realize our mission to create groundbreaking value. Because the world is changing fast, we must be able to adapt quickly and respond promptly to new developments and innovations.

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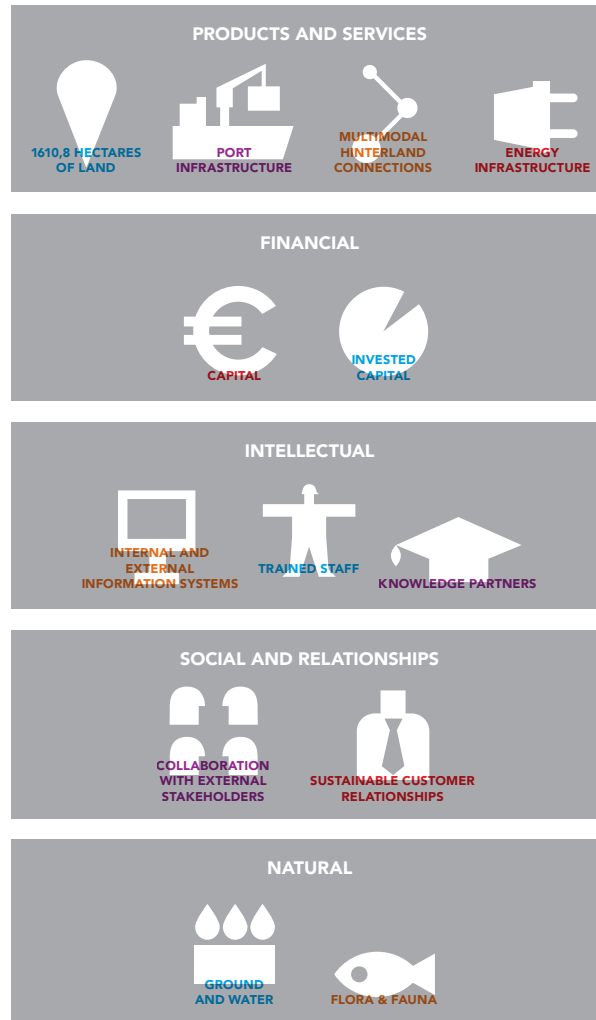
We also like to look at the value that we create in an international context. To this end, we started this year on exploring ways in which we could contribute to achieving the [Sustainable Development Goals](#). The SDGs are part of the UN 2030 Agenda for Sustainable Development, which forms the international framework for sustainable development from now till 2030. We will further develop our contribution to the SDGs in 2018.

Four major themes cut across our three-pronged approach, with which we aim to generate added value for the Amsterdam Metropolitan Region:

- [Circular economy](#)
- [Digitisation](#)
- [Energy transition](#)
- [Mobility & accessibility](#)

## Port of Amsterdam

### INPUT



### BUSINESS MODEL

#### AMBITION: AMSTERDAM METROPOLITAN PORT, A DYNAMIC METROPOLITAN PORT

As Amsterdam Metropolitan Port, we are a world-class logistics hub with a first-rate regional industry and a multifaceted urban services sector.

#### STRATEGY 2017-2021:

A smart, fast and clean port

#### SERVICES

- Optimization of service delivery and business climate
- Construction, maintenance and management of the Amsterdam port area
- Promoting smooth, safe and environmentally-benign handling of shipping traffic

#### ROLES



#### STRATEGIC PILLARS



### ADDED VALUE

#### PRODUCTS AND SERVICES



- Prime business location
- Good accessibility
- Smooth, safe port
- Battery function for sustainable energy
- A circular waste and raw materials flow

#### FINANCIAL



- Economic development of the metropolitan region
- Employment
- Turnover derived from harbor dues, rent and ground lease
- Dividend for the Municipality of Amsterdam

#### INTELLECTUAL



- Innovation in port management
- New business activity & startups

#### SOCIAL AND RELATIONSHIPS



- Enthusiastic and committed employees
- Sustainable relationships with society
- Satisfied customers and city

#### NATURAL



- Nature at the port
- Livable environment



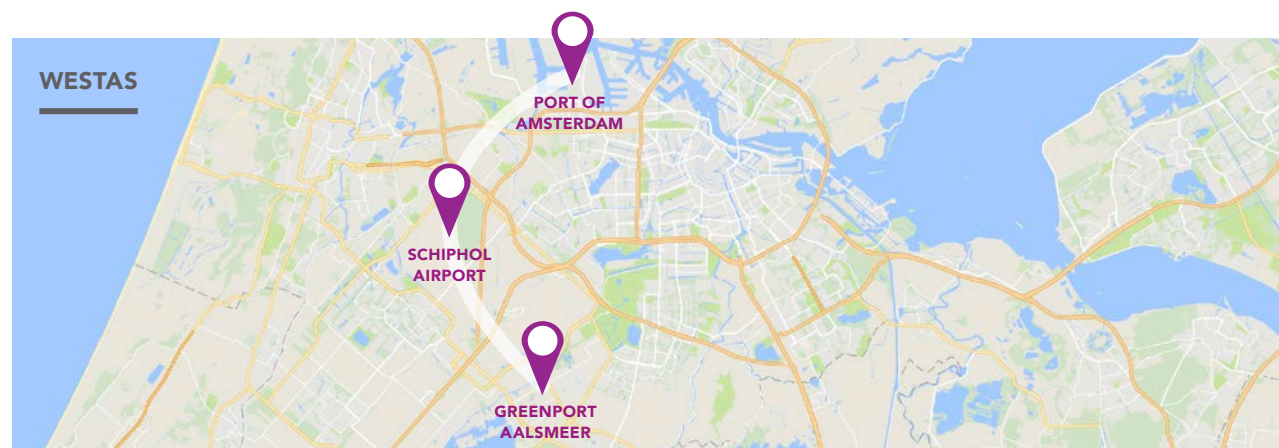
### Circular economy

The Amsterdam region has the ambition and the means to become the primary testing ground for the circular economy. The Westas runs from the Port of Amsterdam via Schiphol to Greenport Aalsmeer, three world-class logistics hubs. Although circularity is achievable, it demands an integrated and regional approach, as shown by the Westas Spatial and Economic Exploration (REVW) that came out in July. Circular manufacturing requires a redesign of physical space and

a reorganization of freight flows. This development might be exactly what the port area needs. By creating physical space, the Port of Amsterdam is attracting new cargo flows and manufacturing companies. As well as the reuse of metals, scrap metal, rubble, electronic waste and other waste products, circular manufacturing also involves the high-value processing of organic waste flows and biomass. To this end, we will be actively supporting and encouraging innovative startups, knowledge-intensive projects and companies that form part of the circular economy. We will set aside space and invest in partnerships.

### Energy transition

It is important for our current living environment and economy that we generate as much sustainable energy as possible. With our strategic plan, we are setting a course



toward developing our port area as the “battery of the city”. Through our subsidiary Bouw- en Handelsmaatschappij Hallum B.V., we have therefore acquired a 50% stake in the Afrikahaven wind farm. While the vast majority of the energy is destined for use by our customers at the port, the rest is made available to 4,000 households through [HavenWind](#). Business activity at the port also provides valuable energy. This energy includes residual heat, production opportunities and storage of renewable energy, as well as alternative cargo flows. We are also working on new forms of energy generation at the port, which we can supply as efficiently as possible by finding a smart way of matching demand with supply (smart grids). Finally, we are convinced of the benefits in constructing 100,000 m<sup>2</sup> of solar panels at the port. We have already awarded the first contracts together

with our customers. Throughput of coal is expected to fall by 29% over the next five years. The shift in the energy landscape is unmistakable and points to the phasing out of coal from the energy mix. We are therefore working with our terminals to look at the diversification of cargo flows. The storage and throughput of fossil fuels for transportation, such as gasoline, diesel and kerosene, will continue to rise over the next few years. Until viable alternatives exist, these international cargo flows will remain important for the Port of Amsterdam.

### Digitization

Digitization is the backbone of our commitment to become a smarter, faster and cleaner port. Data enables us to continually improve our own work as well as respond to the needs of the market by providing our customers and partners with the technology that they need in order to work more efficiently.



The port's role in the city and the region requires the clarity that technology offers, such as in mapping logistics flows of freight, waste, tourists and energy. With the “Digital Port” strategic initiative, we are unlocking data via digital services with the aim of making the port and its infrastructure transparent for users. This method will allow for optimal use of the quays, berths and terminals, enabling us to handle shipping traffic in a faster and smarter way.

### Mobility & accessibility

The Port of Amsterdam is one of the most important international logistics hubs in the world and part of the best port infrastructure in the world. Amsterdam also constitutes the largest “airport-seaport-city” combination in Europe (for both freight and passenger transportation). As a result, inbound and outbound transportation between the Port of Amsterdam and the hinterland relies on extremely high-quality connections by road, rail and inland shipping. It can also be planned very easily using the Port of Amsterdam’s [intermodal planner](#). Transportation by water or rail is more sustainable than by road. We therefore encourage sustainable and energy-efficient intermodal transportation through a variety of local and international projects. The IJmuiden sea lock complex is extremely important to the accessibility of the Amsterdam port region. A new sea lock at IJmuiden, currently under construction, will provide new opportunities for the entire port area and maintain the accessibility of the North Sea Canal Area. The sea lock has the potential to strengthen the competitive position of the Port





of Amsterdam. At the same time, we must ensure that we are closely involved in developments that could impact on the accessibility of the port region. These developments includes the plans to build a bridge over the river IJ and to relocate the Amsterdam Passenger Terminal, as well as the Port-City residential development plans.

Stakeholder survey

With Vision 2030 (published in 2015) and Strategy 2017-2021 (drafted in 2016), we are embarking on a new course. To monitor what our stakeholders think about our actions, we commissioned a [reputation survey](#) (baseline measurement) for the first time in late 2015. We aim to repeat this survey every two years to monitor our stakeholders’ feelings and maintain an open dialog with them. The reputation survey will be conducted alongside the periodic customer satisfaction survey, waterway users survey and employee satisfaction survey. It will provide us with a complete overview from a broad stakeholder perspective.

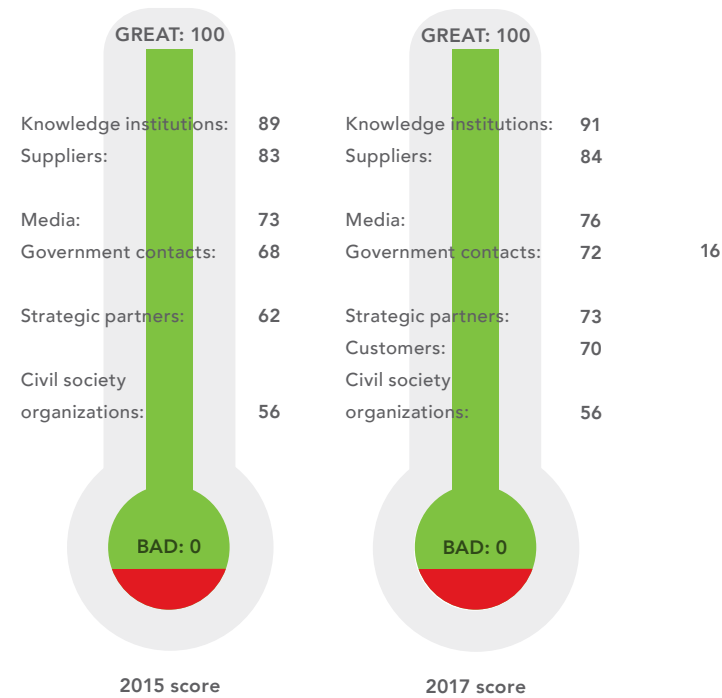
The survey was performed for the second time in late 2017 (first measurement). Besides the six groups surveyed in late 2015 (partners, government contacts, civil society organizations, knowledge institutions, media and suppliers), our customers were also approached for this survey in 2017.

Four recommendations emerged from the baseline measurement conducted in 2015, which we have followed up on in various ways:

RECOMMENDATION	FOLLOW-UP*
Translate innovation and sustainability into strategy	Strategy 2017–2021 (including the phasing out of coal) and the Clean Shipping Vision have been launched and specific projects initiated.
Increase visibility in the public arena	We have organized a number of “port evenings” for the general public at the Pakhuis de Zwijger conference center, based around social themes (the energy transition, circular economy, logistics accessibility and urban distribution). As a sponsor of the Uitmarkt festival, we were able to focus on our relationship with the city during the event.
Develop into a network organization	We have organized a Circular Challenge for innovative startups, together with startup networks Rockstart and Climate KIC, AEB Amsterdam and Waternet.
Focus on internal organization	Internal programs have been launched around Strategy 2017–2021 and employability (Stronger Through Collaboration (DSS) and HavenFit).

\* This list is only a sample of the numerous actions that we have taken.

Reputation barometers 2017

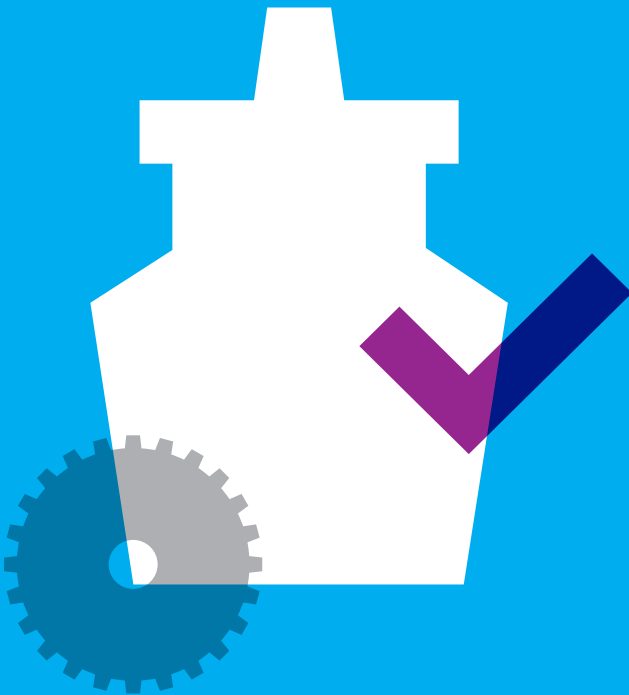


The [Executive Summary](#) contains all the information on the 2017 stakeholder surveyv

# Chapter 2

## Strategic Performance

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# Strategic Performance

**The Port of Amsterdam is the fourth largest port in Western Europe. We aim to be and remain the engine of the economy in the Amsterdam Metropolitan Region by strengthening clusters and networks, developing into a preferred port, and diversifying and innovating.**

We are building a port that will provide increasing value to customers and the surrounding area. It will be a smart, fast, clean port, a first-class business climate where development and innovation, jobs and income, quality of life and circularity are the key concepts.

The value creation model discussed earlier [Value Creation Model](#) describes the strategic goals that will help us create value for all our stakeholders. Using a number of key performance indicators (KPIs), we can determine whether we as a port authority are on course to achieve our objectives.

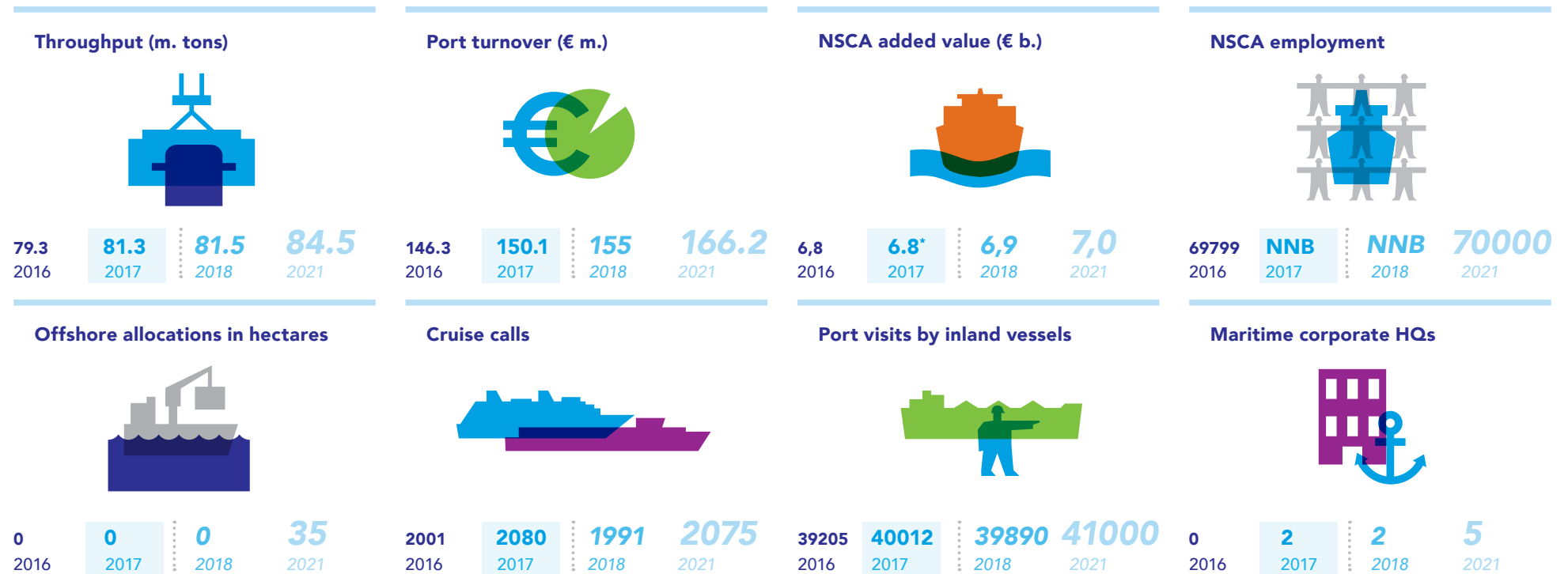
The following table provides a visual representation of the current situation:



# Key Performance Indicators

## Strengthening clusters & networks

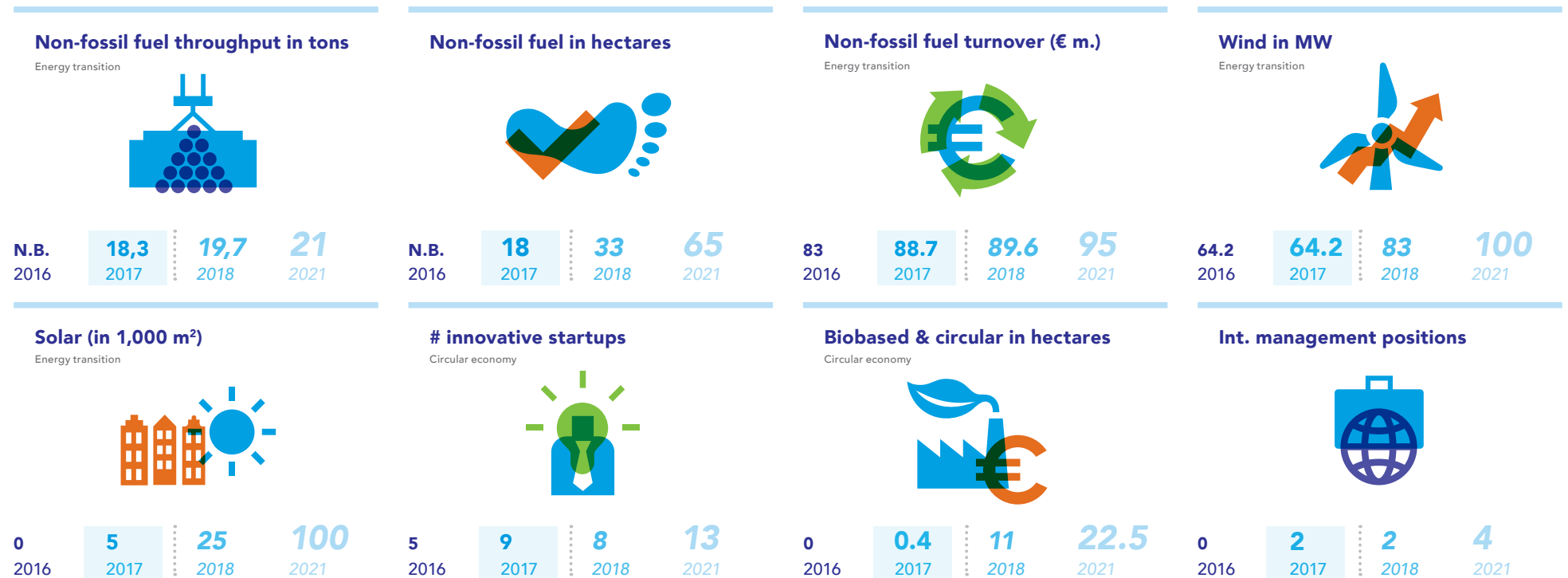
Our strategic objectives for 2021 taken from our 2017-2021 strategy are presented below. As far as this information is available, performance achieved up to 2017 is incorporated and where possible, the objective for 2018 has been added.



# Key Performance Indicators

## Diversifying and innovating

Our strategic objectives for 2021 taken from our 2017-2021 strategy are presented below. As far as this information is available, performance achieved up to 2017 is incorporated and where possible, the objective for 2018 has been added.



# Key Performance Indicators

## Preferred port

Our strategic objectives for 2021 taken from our 2017-2021 strategy are presented below. As far as this information is available, performance achieved up to 2017 is incorporated and where possible, the objective for 2018 has been added.

### Customer satisfaction



7.4	7.6	8.2	9
2016	2017	2018	2021

### Business turnaround time



N.B.	N.B.	-5%	-20%
2016	2017	2018	2021

### Inland shipping length of stay

Mobility and accessibility



N.B.	N.N.B.	0- measurement	-10%
2016	2017	2018	2021

### Intensive land use



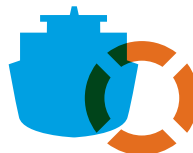
N.B.	5%	9%	10%
2016	2017	2018	2021

### Clean ships in %



17%	20%	20%	20%
2016	2017	2018	2021

### # collisions



18	7	6	6
2016	2017	2018	2021

### # vessels damaged in the lock



N.B.	44	-2%	-5%
2016	2017	2018	2021

### Inspection of sea-going vessels



N.B.	17%	20%	20%
2016	2017	2018	2021

### Reduction in lock delay



0- metering	69	-5%	-10%
2016	2017	2018	2021

### ISPS certification time

Digitization



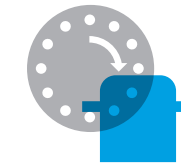
6 months	6 months	4 months	2 months
2016	2017	2018	2021

### Available tugs



N.B.	0- metering	80%	99%
2016	2017	2018	2021

### ETA-ATA difference max. 15 min.



N.B.	N.B.*	95%	95%
2016	2017	2018	2021

\* 2016 numbers; these figures are supplied with a one-year delay.



# Key Performance Indicators

Ensuring a healthy, effective & sustainable organization

Our strategic objectives for 2021 taken from our 2017-2021 strategy are presented below. As far as this information is available, performance achieved up to 2017 is incorporated and where possible, the objective for 2018 has been added.

## CO<sub>2</sub> footprint\*\*\*



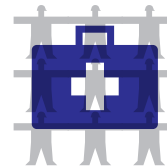
-12.5%	-23.5%	N.N.B.	25%
2016	2017	2018	2021

## GRI CSR reporting



Core	Core	Core	Compreh
2016	2017	2018	2021

## Absences in %



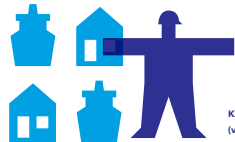
3.8	4.3	3.1	3
2016	2017	2018	2021

## Employee motivation



7.3	2-yearly	7.7	7.7
2016	2017	2018	2021

## Stakeholder reputation



KPI Stakeholderreputatie 2021: ≥ 71  
(voor alle stakeholdergroepen)

3 groups	5 groups	-	All groups
≥ 71*	≥ 71**		≥ 71
2016	2017	2018	2021

## Sustainable purchasing



N.B.	N.B.	25%	100%
2016	2017	2018	2021

\* 2016 numbers; these figures are supplied with a one-year delay.

\*\* Starting from 2018, a new method will be used for these KPIs.

\*\*\* Reduction compared with 2014

## Accelerating the energy transition

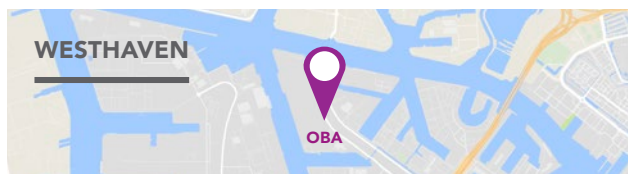


### Coal strategy

March saw the publication of our [Strategy 2017-2021](#), in which we indicated that we are preparing to become a coal-free port by 2030, among other things. The coal market is exhibiting a downward trend as a consequence of the energy transition underway in the Netherlands and Germany. In addition, space is scarce in the

Amsterdam port area. The Port of Amsterdam is committed to the diversification of cargo and activities. As a result, our coal strategy fits in well with a future-proof sea port.

In October 2017, the Port of Amsterdam and OBA Bulk Terminal signed a Declaration of Intent to investigate how part of the land set aside for coal can be reallocated for the storage of other dry bulk commodities, including any joint investment that may be required. This reallocation fits with OBA's ambition to become a multipurpose terminal.



At the end of last year, the Rietlanden coal terminal took the first step toward the diversification of its cargo flows such as construction materials and industrial minerals. The port authority introduced a major international construction company to Rietlanden as a potential partner. Rietlanden entered into a contract with that party for storage and throughput of aggregates for concrete production. This contract is a significant step in the process of diversification and the transition within the Port of Amsterdam.

### Solar energy

One hundred thousand square meters of [solar panels at the port](#) by the end of 2021. That ambition has been adopted in our Strategy 2017-2021. Many businesses at the port are actively pursuing this goal and we are also installing solar panels on our own roofs.

In September, 87 solar panels on the roof of our Prodock building on Moezelhavenweg were officially switched on. We put out a new call for tenders in late November for the supply, installation, connection, operation and maintenance of a solar PV system on the PDI warehouse, with an output guarantee and a contractual term of 15 years. The PDI warehouse is located on the Koopman Car Terminal site at Maltaweg in Amsterdam. This tender procedure is still ongoing.

Many companies see the benefits of generating their own solar energy, while it of course contributes to reducing the company's carbon footprint as well. There were 4,976 m<sup>2</sup> of

solar panels at the port in 2017. In other words, we are on track to reach the set target by 2021.

### Wind energy

Like the Municipality of Amsterdam, we believe that the Port of Amsterdam is a suitable location for wind turbines. To achieve the agreed target of 100 MW of wind power produced in the port area by the end of 2021, the port authority filed an appeal in 2017 against the refusal by the Province of North Holland to grant its license applications for four wind turbine sites. The four sites combined would produce an additional 54 MW of wind power in the Amsterdam port area. However, the Council of State found in favor of the Province of North Holland.

In conjunction with the municipality, we remain optimistic that we will find other options to expand our wind power. There are currently 37 wind turbines at the port, producing 64.2 MW of wind power. To reach the target volume in time, we are continuing to consult with the province and central government to explore new options.

On the positive side, the two rows of wind turbines in the port area can and will be expanded and enlarged. The old turbines will be replaced with new, larger turbines and additional turbines will be added. This development will increase the installed capacity to 81 MW.



Through our subsidiary Bouw- en Handelsmaatschappij Hallum B.V., we have acquired a 50% stake in the existing wind farm at Afrikahaven in Westpoort, which means that we are now the proud owners of the Ruigoord wind farm along with Eneco. This occasion is the first time that a port authority in the Netherlands has acquired a major stake in a wind farm. The Afrikahaven wind farm has nine wind turbines, which together generate green energy comparable to the consumption of 15,000 households. While the vast majority of the energy is destined for use by our customers at the port, the rest is made available to 4,000 households through HavenWind.

**“This move fits perfectly with our Vision 2030 to make the port more sustainable, as well as with our strategy for becoming a key energy hub at a regional, national and international level.”**

–Koen Overtoom  
Port of Amsterdam CEO

**Bram Poeth, Director of Eneco Zakelijk “The port authority is shouldering a great deal of responsibility for local energy transition. With this collaboration, we show our commitment to bringing our neighborhood with us in our move toward sustainability.”**

#### Sustainable Development Goals



#### Shore-based power

The transition to more sustainable and decentralized energy sources requires new market models. A good example of such a model is the shore-based power pilot, which grew out of the CleanCapital partnership and which was partly financed by the European demonstration project City-zen.

In the pilot project AEB Amsterdam supplies shore-based power to river cruise and inland vessels in conjunction with the

Port of Amsterdam, Senfal and Energy eXchange Enablers (EXE). The shore-based power stations allow these ships to switch off their diesel generators, which means that they do not produce any emissions while moored at the quay.

The energy is purchased without the intervention of an energy supplier. We are the first to use Entrnce for this purpose – a transaction platform set up by EXE, which is part of Alliander. Thanks to a number of smart applications in Senfal’s software, fluctuations in the demand and supply of sustainable energy can be better aligned, while the next day’s energy consumption can also be predicted. This method is also consistent with our ambitions as a port to supply consumers in the port with locally-generated sustainable energy. Participation in AEB Amsterdam’s pilot project is therefore extremely important, because a sustainable energy

producer is directly involved. AEB Amsterdam is the largest supplier of sustainable energy in the Amsterdam region.

With innovative parties such as Senfal and EXE, it is possible to achieve the transition toward the smart and sustainable energy network of the future. In the short term, we also want to connect a wind farm and solar panels directly to users. The transaction platform also offers small producers the possibility of signing up to the market and optimizing reciprocal trade. This way, the pilot can be developed further into a local sustainable energy network.

**"Because the port authority is very familiar with its own processes, the predictability of onshore energy consumption is extremely high. As calculations show that savings of 30% could be achieved, it will pay for itself."**



– Harry van Breen  
Founder of EXE



**Robin Schipper**, Commercial Manager Circular & Renewable Industry at the Port of Amsterdam: **"This pilot project provides us with very significant insights for preparing our port for the energy market of the future. In the future, you want to be able to source local sustainable energy even if there is no wind or the sun is not shining. A range of smart applications is used in this pilot project that will reduce costs for the businesses in the port area. We are aiming for green for the price of grey!"**

**"We are able to optimize supply because we produce both electricity and heat"**

– Peter Simoës  
Strategic Advisor  
at AEB Amsterdam



SHORE-BASED POWER FIGURES	2015	2016	2017
Number of shore-based power points at the Port of Amsterdam	164	166	170
Shore-based power consumption (in millions of kWh)	2.1	2.5	2.1

The total number of connections is 170. The total number of active connections is 146. Consumption was lower in 2017 than in 2016. The reason is that cruise ships were unable to use the location at De Ruijterkade West due to infrastructure work.

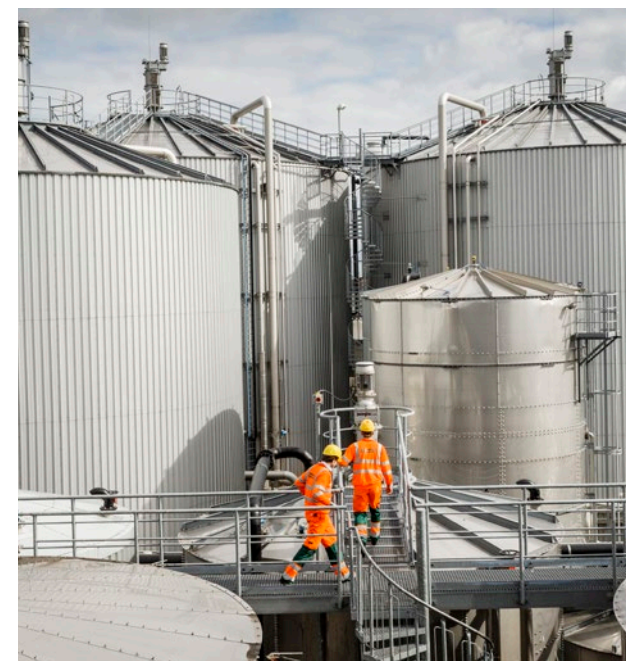
### CO<sub>2</sub> SmartGrid

The partnership agreement for a CO<sub>2</sub> SmartGrid platform that had been signed by a range of parties in Rotterdam and Amsterdam took effect in 2017. Its objective is to capture businesses' CO<sub>2</sub> and reuse it; for example, in greenhouses for growing fruit and vegetables. The envisaged SmartGrid infrastructure comprises a network of pipes, buffers and connections between CO<sub>2</sub> producing and CO<sub>2</sub> using companies. It is expected that not only will CO<sub>2</sub> emissions be reduced, but the scheme will over time attract new businesses that use CO<sub>2</sub> as a raw material.

New opportunities for expansion in the important growth segment of biofuels.

### Ethanol

Thanks to a centuries-old Amsterdam company, E&A Scheer, Amsterdam is the world's largest rum port. N.W.B. (Noord-Europees Wijnopslag Bedrijf B.V.), which provides throughput of rum in the port area, specializes in the storage and throughput of drinkable, industrial and bio-ethanol. Ethanol is also used as an additive in gasoline. Since 2016, Amsterdam has been included in the Platts assessment for ethanol. However, there are always additional logistics costs involved in shipments departing from Amsterdam as compared to Rotterdam shipments. Together with N.W.B., we have successfully lobbied for an end to different tariffs for shipments in the ARA region (Amsterdam-Rotterdam-Antwerp). This change will take effect on 1 May 2018 and will create new opportunities for expansion in the important growth segment of biofuels. The permit for preparing wagons of ethanol was adjusted in 2017, which reduced the logistics costs for rail.





## Stimulating a circular and biobased economy

Our goal is to allocate 25 hectares of land in the port to new circular and biobased activities by the end of 2021. On 31 December 2017, two new circular and biobased businesses were established on 0.4 hectares in the Amsterdam port area: ChainCraft and BEN.

### Sustainable Development Goals



### Commodity Agreement

Together with a large number of other companies, public authorities, knowledge institutions and civil society organizations, we signed the national [Commodity Agreement](#) in January. The goal of this agreement is to accelerate the transition toward a circular economy. During the first half of 2017, the signatories drafted joint transition agendas for five themes, which we will jointly implement over the next five years. These themes are: Biomass and Food, Plastics, Manufacturing

Industry, Construction and Consumer Goods. The Commodity Agreement is part of the government-wide program, “A Circular Economy in the Netherlands by 2050.” This program provides direction for what is needed to be smarter and more economical with our commodities, products and services in order to achieve the goal of “A Circular Economy in the Netherlands by 2050.”

The program connects seamlessly with our Vision 2030 and Strategy 2017-2021.

### Amsterdam Circular Challenge Event

Clean Capital, a partnership between AEB Amsterdam, Waternet and the Port of Amsterdam, selected three promising circular startups during the [Amsterdam Circular Challenge Event](#) on 27 September. There were three categories that innovative startups could use to differentiate themselves: Biomass, CO<sub>2</sub> and Digital Solutions. The respective winners in these three categories were Gensos, Antecy and CircularIQ. A jury praised these startups for their innovative solutions toward a circular Amsterdam port area and their practical applicability.

**“The three winners really understand what kind of challenges the port of Amsterdam is facing.”**

– Jacqueline Cramer  
Jury Chair Amsterdam  
Circular Challenge Event



Gensos presented a process in which liquid biomass (sewage sludge) can be converted more effectively to biogas. Antecy developed a method of purifying CO<sub>2</sub>; the startup worked out how to convert polluted CO<sub>2</sub> in large barrels into clean CO<sub>2</sub> in gas form (carbon dioxide gas). CircularIQ was the winner in the digital category for its development of an online platform that gives businesses direct insight into the sustainability of their supply chains.

### Sustainable Development Goal

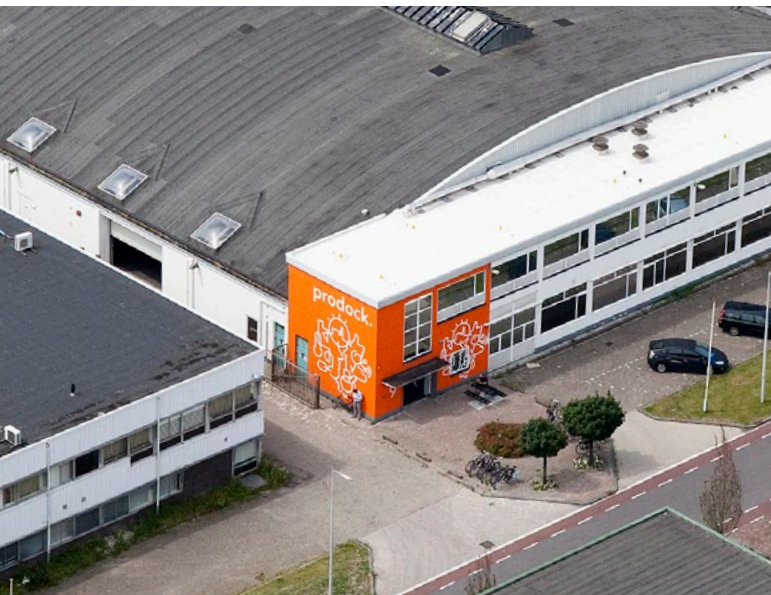


### Circular business activity at Prodock

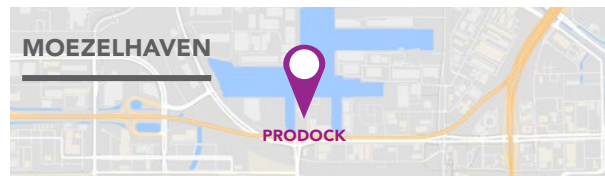
[PeelPioneers](#), an organic refinery for citrus peel, has been located at Prodock since 1 March. Each year, more than 250 million kilos of citrus peels are thrown away in the Netherlands and then incinerated or fermented. However, PeelPioneers has developed a process that converts the peels to fibers and aromatic compounds.

These raw materials are subsequently processed into end products in various industries including the food, packaging and cosmetics sectors. PeelPioneers have completed a successful pilot scheme and are now working hard to upscale their process.





The Calcite Factory, which arose out of a partnership between Waternet and Advanced Minerals, also started operating at Prodock in 2017. This company extracts lime from drinking water and converts the calcite to products for the chemical sector, the food industry and for ceramic production. Another company, NPSP, was set up at Prodock last year on 1 October. It makes sustainable fiber-reinforced plastics (biocomposites) for the construction, design and mobility industries, using lime from the Calcite Factory. NPSP's biocomposites are then used to make scooter frames by VanEko, which started operating at Prodock on 1 November. In this way, the three



businesses are working together in the circular economy under a single roof of Prodock at the Port of Amsterdam. Such a situation was our ultimate goal when we opened Prodock in June 2016, but it makes us very proud that it only took 18 months to achieve!

#### Wood gasification

On 15 November, the first pile will be driven into the ground for the first commercial wood gasification plant in the Netherlands: Bio Energy Netherlands. This plant, which has a modular design, will already produce green heat for district heating and industrial applications and green electricity in 2018. From 2019, the plant will supply hydrogen and CO<sub>2</sub> as raw materials for the chemical industry. Its modular design enables the plant to respond flexibly to changes in local demand for its end products.

Bio Energy Netherlands uses non-recyclable wood. As gasification is much cleaner than burning, it leads to a 60–70% reduction in emissions of nitrogen and particulate matter. The wood is sourced locally, preventing the unnecessary transportation of materials.

**“The establishment of Bio Energy Netherlands is very much in line with the strategy of Port of Amsterdam to expand the generation of sustainable energy in the area. It also offers opportunities for advancing the development of the chemical cluster in the Port of Amsterdam.”**

– Roon van Maanen  
Head of Circular & Renewable Industry  
at the Port of Amsterdam



### ChainCraft

Biotech company ChainCraft has chosen the port of Amsterdam as the site to build a demonstration plant in which biomass will be converted into fatty acids for use in animal feed. The biomass will initially consist of agricultural residuals, such as sugar beet and potato cuttings and peels. The fatty acids are currently extracted from palm oil and fossil oil. The technology applied by ChainCraft makes it possible to replace these fatty acids with ones that are produced in an entirely circular way. This will bring about a significant reduction in CO<sub>2</sub> emissions. The realization of the plant at this scale is unique in the world and represents a breakthrough in greening the chemical industry. The plant is expected to open in mid-2018. We are co-financing construction of the demonstration plant, along with the Amsterdam Climate and Energy Fund (AKEF) and the North Holland Sustainable Economy Participation Fund (PDENH).

### Bin2Barrel

After a lengthy permit process, 2017 saw us acquire a stake in the company Bin2Barrel. This company uses pyrolysis to make oil from end-of-life plastics. After a long process, Bin2Barrel finally obtained a long-term permit for its plant in 2017. By the end of 2017, it had also finalized the technology and financing for its plant, enabling construction to start in 2018.

### Waste2Aromatics

We launched the Waste2Aromatics project in conjunction with AEB, Orgaworld, Waternet and TNO. The aim of the project is to create new value from waste streams. To that end, we are investigating the recycling of diapers for plastics production and we are using aromatics from wood, fruit or vegetable waste. More clarity on the construction of a pilot facility will be provided in 2018.

### Post-separation

AEB opened a new post-separation facility in October. This facility will enable separation of 300 to 400 tons of household waste from the local region so that a portion of it can be reused (upgraded) and the remainder incinerated. While the current separation rate in Amsterdam is 27%, the post-separation facility is expected to increase this percentage. In addition, AEB can obtain subsidies through the Nedvang scheme for the plastics that it removes from the household waste stream. Through separation and circularity, we are consequently deriving increasing value from waste streams.



### BIOMASS

**The fatty acids are currently extracted from palm oil and fossil oil. The technology applied by ChainCraft makes it possible to replace these fatty acids with ones that are produced in an entirely circular way. This will bring about a significant reduction in CO<sub>2</sub> emissions.**

## Digitization

In our strategy, we set ourselves the goal of becoming a preferred port. The world in which we operate is rapidly changing. Developments in logistics, such as [robotization](#), automation and digitization, are having an enormous impact on our port. With a strategy focusing on innovation, we hope to anticipate and move with these changes as a business.

In 2017, we anchored our Digital Port strategy around four groups: nautical operation, commerce, assets and infrastructure. Teams were formed to focus on digital customer relations, improve transparency around the barges present at the port and utilize data to enhance customers' operational processes. We also looked at how we can improve the physical and wireless connections (such as IoT) in the port area for our customers. Through a range of pilot projects, we are looking at how we can use technology to innovate and accelerate the port as well as make it smarter.

### MOBI app

If terminals receive sea-going vessels with a gross tonnage of more than 500 tons, they must meet certain safety requirements and be ISPS certified. To make it easier for customers to apply for ISPS certification, to make the process two or three times faster (an application took six months in 2017) and to organize communication in a transparent manner, we have developed a new methodology with an

associated smart application: [the MOBI app](#)<sup>1</sup>. The MOBI app is designed for Port Facility Security Officers (PFSO) and assessors from the CNB Port Security Assessment Team. These users work together in a single transparent environment and send messages to each other within the app. This process ensures that the information is always up to date and the status of the certification process is clear. The methodology and application, which have been enthusiastically received, have already been adopted by other sea ports.

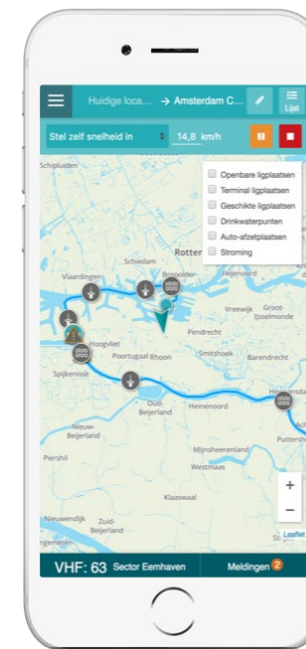
### BLIS

We co-launched [BLIS](#) in 2016 to make it easier for inland vessels to find a vacant berth or mooring in Amsterdam. In 2017, we continued the initiative and connected it to RiverGuide.

### RiverGuide

We signed a partnership agreement on 4 July for the nationwide introduction of RiverGuide, a new national application providing up-to-date information on routes, availability of berths, potable water points and car landing berths. The purpose of the application is to promote safety, traffic management, smooth flows and sustainability on Dutch waterways. Other participating parties are Zeeland Seaports, the Directorate-General for Public Works and Water Management (Rijkswaterstaat), the Province of South Holland, the Province of North Holland, Port of Rotterdam Authority, Moerdijk Port Authority, Groningen Seaports and

### RiverGuide app



Tegplay, the company that developed the app. RiverGuide compiles the available data from the various waterway administrators and other actors involved. From this combined data, it extracts the relevant nautical information for waterway users. The app was developed for and with the captains of inland vessels, but it is also intended for recreational sailors.

<sup>1</sup> MOBI stands for "Methodiek voor een Objectieve Beveiligingsinventarisatie" (Methodology for an Objective Security Inventory).

### EasyDock

EasyDock is a berth reservation system for river cruise ships and party boats that was created and launched in 2017. The system enables shipping companies to organize their schedules themselves for 2018 and beyond, with port tariffs being levied automatically. EasyDock was created using the SCRUM methodology, in collaboration with shipping companies and the Municipality of Zaanstad. As of December 2017, 1,900 reservations had already been made for 2018 and berths had even been reserved for 2019.

### Dynamic lock planning

Our dynamic lock planning was further optimized in 2017. The Harbor Master uses the lock planning tool to share information about the planning of incoming and outgoing ships with shipping agents, terminals, pilot boats and tugs. In 2018, the lock planning tool will be further expanded with fault and disruption information relating to locks, as well as the current availability of tug- and pilot boats.

### Test zone for drones

In April, we opened a test zone for sailing and underwater drones in the Moezelhaven area, immediately behind Prodock. We hope that this process will encourage innovation by bringing together drone innovators and companies that are interested in drone applications. Drone testing takes place during port operations. One reason for this choice is to investigate how well sailing drones avoid moving objects.

Both the flying and the sailing variants of drones contribute to a safe, smart, fast and clean port. Although the use of flying drones in Amsterdam has been restricted due to the presence of Amsterdam Airport Schiphol, some companies do use them to inspect ships' holds or the inside of storage tanks. Sailing and underwater drones can play a role in inspections on or under the waterline on quays, jetties, ships and buoys.

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Sustainable Development Goal



### Innovation funds

In 2017, we introduced an innovation fund for startups. We help young companies with convertible loans if they look like they will be of value to our port and want to take the next step. Towbotic was the first company to receive a loan from our fund. It makes prototype drones which attach themselves to large ships using magnets,

so that they can help the ships moor or navigate extremely narrow passages.

Through the Mainport Innovation Fund II (MIF II, a fund promoting logistics startups which is also supported by KLM, Schiphol, TU Delft and NS), we invested in a range of innovative initiatives in 2017. For instance, €40,000 was invested in [We4Sea](#), a maritime technology startup focusing on more efficient fuel use for sea-going vessels. We4Sea has developed a cloud platform which compiles large quantities

of operational data on ships, such as position, speed, direction and engine data. This data is supplemented with data from other sources, such as weather conditions, wave height, tides and wind. Algorithms and energy models convert this data into management information, which can optimize the use and configuration of the ship. Pilot projects demonstrated that such optimization could lead to 20% savings on fuel costs.

**“This investment contributes to the strategic goal of the Port of Amsterdam to create a smart and sustainable port. 2We4Sea offers the maritime industry an important innovation for sustainable shipping and reduction of CO<sub>2</sub> emissions”**

– Michiel de Brauw  
CFO, Port of Amsterdam.



### Parking sensors

Westpoort has special parking spaces in which trucks can be left overnight. This facility is efficient for freight traffic and causes less of a disturbance to the surrounding area. A pilot scheme was run last year, which involved installing sensors in these parking spaces to make it clear when they were vacant. A “green wave system” was also set up in the fourth quarter of 2017. This system means that the traffic lights along certain logistics routes stay green at night. In addition to improving freight traffic, this situation has led to safer accessibility and cleaner air.

### Cloud migration

We upgraded our old data center last year via cloud migration. As this shift has made us more flexible, agile and scalable, we are now better prepared for the future.

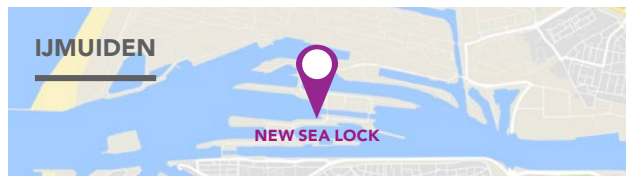
### Cybersecurity

Cybersecurity received more attention in 2017. The Harbor Master’s Division and the IT Department set up a cybersecurity program focusing on three areas: the port authority’s IT infrastructure, awareness and resilience among the port community, and port security legislation (the application of the International Ship and Port Facility Security Code – ISPS).

**Dan Veen en Michiel Katgert, founders of We4Sea: “Through the collaboration with MIF II, with their knowledge, network and business experience, we will be able to accelerate our development and grow faster than before. It supports our mission to save 1 million tons of CO<sub>2</sub> in the next 3 years”**



## Mobility & accessibility



### New sea lock

With the Directorate-General for Public Works and Water Management (Rijkswaterstaat) as the client and OpenIJ as the contractor, the collaboration on the construction of the new lock made good progress last year. Although the work caused very little disruption, carrying out alterations on an operational and working lock complex was still a major challenge. In December, the main contractors for the new sea

lock announced that the construction had suffered a setback due to the design of the caissons (the structures for the lock gates). Whether that setback will have an effect on the schedule will become clear in the course of 2018 (delivery is expected to take place in 2020).

**"Fortunately, the construction work has not affected us much; there have just been some brief stoppages from time to time which were clearly signaled well in advance."**

– Martijn Schäffer  
Commercial Manager at Oiltanking Amsterdam

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**"Communication with Rijkswaterstaat, OpenIJ and the Port of Amsterdam is going very well, which should help us avoid running into major problems."**

– Rob Gerrits  
from Dutch pilotage



**Reinier Duijneveld,  
Logistics Manager &  
Maritime Coordinator at  
OpenIJ: "We only perform  
work on the water after  
coordinating with the  
Port of Amsterdam  
and Dutch pilotage.  
Shipping comes first."**

To this end, the Harbor Master's Division is keeping in close contact with Rijkswaterstaat and OpenIJ to ensure that shipping can continue as best as possible.

### Contribution to the sea lock construction

As an interested party, Havenbedrijf Amsterdam N.V. has made a financial contribution to the construction of the new lock. The amount of the contribution has been set at €46.51 million and will be paid in two tranches. As the first tranche of €5 million was paid in October 2017, it has been subtracted from the 2017 result. The remaining liability amounts to 41.51 million. This amount will be included in the financial statements once the sea lock is delivered.

Freight train visits to Amsterdam (2016); source: ProRail

AREA	# FREIGHT TRAINS		2016-2015		GROSS TONNAGE (MILLION)		2016-2015	
	2015	2016	ABSOLUTE	%	2015	2016	ABSOLUTE	%
Amsterdam Westhaven	2,550	2,900	350	14%	4.9	6.1	1.2	24%
Amsterdam Azië haven	1,650	1,300	-350	-23%	3.3	3.0	-0.3	-8%
Total port of Amsterdam	4,200	4,200	0	0%	8.2	9.1	0.9	11%

### Rail freight transportation

Through the *Spoorgoederenvervoer* (rail freight transportation) program, which is running in conjunction with the Port of Rotterdam Authority and ProRail, we are promoting good and cheaper rail transportation. These factors are required for growing the share of rail freight transportation in the modal split and transforming the Betuwe line as well as the shared grid into a competitive and efficient network that strengthens the position of Dutch ports. Around four million tons of freight are carried to and from the Amsterdam port region by rail each year. A large number of the 4,200 trains that serve the Amsterdam port area travel on the Betuwe line. In 2007, about two hundred freight trains traveled along that track. These days, more than 20,000 trains use the track each year.

**“Synple contributes to sustainable transport by reducing empty mileage by roughly 50%. This makes Synple a key partner across the entire logistics supply chain, from port all the way to end user.”**

– Michiel de Brauw  
CFO, Port of Amsterdam.

### Parcompare

[Parcompare](#) is a platform that connects mobility solutions, such as parking, taxis and public transportation, to busy destinations around cities including airports, cruise terminals, events and transportation hubs. Our investment in Parcompare was part of the MIF II innovation fund.

### Synple

[Synple](#) has developed technology that creates a marketplace for trucks and cargo to counter the trend of running empty or carrying only half a load. Our investment in Synple was part of the MIF II innovation fund.

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**Marco Jorissen**, Director of Mammoet Road Cargo: **"The technology developed by Synple creates new opportunities for us for more efficient scheduling and more sustainable transportation."**

#### Berth and waterway monitor

With our newly-developed berth and waterway monitor, we can use AIS data to analyze historical patterns of shipping traffic at our port. This information will help us answer a wide range of questions about our port, such as how berth occupancy is evolving, how busy certain port basins are, how lengths of stay have developed and whether we have sufficient capacity to accommodate all ship visits. We can use all of this data to make smarter plans for the future.

#### New silk route

From March 2018, the Port of Amsterdam will be part of a modern version of the historical silk route. A direct rail link has been created between the Chinese city of Yiwu (in the Shanghai region) and Amsterdam via Germany (Neuss). TMA Logistics, the operator of the ACT terminal at the port, will be operating the rail link in conjunction with Nunner Logistics. Many short sea line services ship their freight through the ACT terminal.

With three departures per week, the rail link will give logistics customers access to East Asia. The connection is faster than by ship and cheaper than by air. This valuable expansion confirms our strong position as a European logistics hub. The silk route will also strengthen the short sea routes to Britain and Scandinavia.

**"This permanent service is a structured way to unlock a large and far-distant hinterland. It is truly unique."**

– **Koen Overtoom**  
Port of Amsterdam CEO



## Economic significance of the North Sea Canal Area

### Sustainable Development Goal



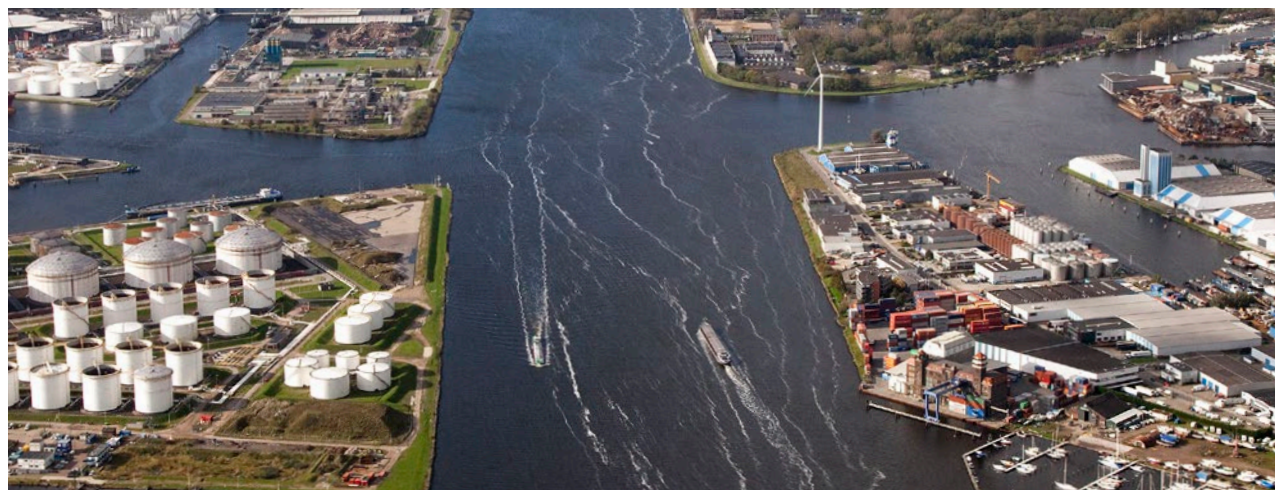
The Amsterdam port region is an international sea port in one of the fastest-growing metropolitan areas in the world. After the ports of Rotterdam, Antwerp and Hamburg, the Port of Amsterdam is the largest sea port in Western Europe in the so-called “Northern Range.”

The *Havenmonitor* (Ports Monitor) is issued annually by the Ministry of Infrastructure and Water Management to highlight the economic significance of the Dutch sea port area. It emerged from the 2017 edition that employment in the North Sea Canal Area (NSCA) grew by 2.4% in 2016. This increase is largely the result of growth in the chemical, base metal and metal goods industries. Consequently, the added value grew by 1.7% over the same period. This increase was mainly due to the chemical industry, business services and non-business services. The number of businesses based in or connected to the sea port increased by 3.9%, primarily due to storage and throughput as well as the base metal and metal goods industries. Other Dutch sea port regions also saw increases in employment and added value. The importance of the ports and the industrial complex to the Dutch economy is growing.

	2015	2016
Added value (port-based) in NSCA (in b)	6.7	6.8
Added value (port-based) in NSCA, of which direct (in b)	4.093	4.153
Added value (port-based) in NSCA, of which indirect (in b)	2.588	2.640
Port-based companies in NSCA	710	738
Port-based employment in NSCA, direct and indirect	68,152	69,779
Indirect jobs in NSCA	33,680	34,882
Direct jobs in NSCA	34,472	34,897

	2015	2016	2017
Imports into Amsterdam (m tons)	50.80	49.00	50.55
Exports from Amsterdam (m tons)	27.60	30.20	30.72
Coal port ranking in Western Europe	2nd	2nd	2nd
Port ranking in Western Europe (tons)	4th	4th	4th
Market share of Northern Range	7.8%	8.0%	8.0%

	2016	2017
Number of companies in the Westpoort port area	1,349	1,382





## Throughput figures

Due to the positive economic conditions, the throughput of freight at the Port of Amsterdam increased by 2.4% to 81.3 million tons in 2017. Combined with the other ports in the North Sea Canal Area, throughput rose to 100.8 million ton, which is a record. In IJmuiden, throughput rose by 7% to 18.5 million tons. Beverwijk saw a 6% rise in throughput to 800,000 tons. Zaanstad recorded a 35% increase to 300,000 tons.

### Throughput figures by port

	2015	2016	2017
Throughput in Amsterdam (m tons)	78.6	79.3	81.3
Throughput in NSCA (m tons)	96.1	97.6	100.8
Growth of throughput in NSCA (%)	-0.4	1.6	3.3
Growth of throughput in Amsterdam (%)	-1.6%	0.9%	2.4%
Cargo lightering at IJ piles in Velsen (m tons)	1.7	2.1	1.3
Throughput in Velsen/IJmuiden (m tons)	16.8	17.3	18.5
Throughput in Beverwijk (m tons)	0.3	0.7	0.8
Throughput in Zaanstad (m tons)	0.3	0.2	0.3

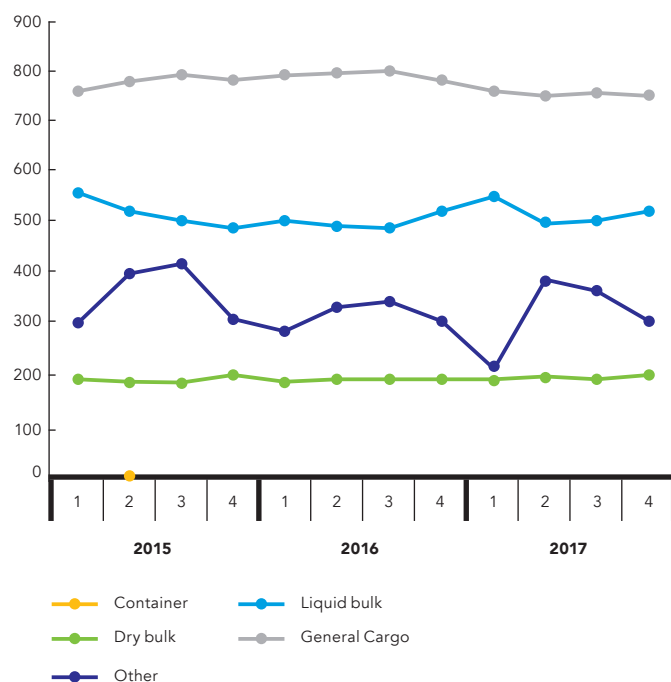
### Throughput figures by cargo flow in Amsterdam

	2015	2016	2017
Throughput of oil products in Amsterdam (m tons)	39.4	42.6	44.4
Throughput of agribulk in Amsterdam (m tons)	7.5	6.4	6.9
Throughput of coal in Amsterdam (m tons)	17.4	16.3	15.8
Throughput of other dry bulk (incl. ore and fertilizer) in Amsterdam	8.0	8.7	9.4
Throughput of containers in Amsterdam (m tons)	0.6	0.6	0.6
Throughput of ro/ro cargo and other break bulk cargo in Amsterdam (m tons)	2.2	1.7	1.9
Throughput of containers (TEU)	51,949	51,475	56,191
Container cargo in tons per TEU (Amsterdam)	11.9	11.8	11.4

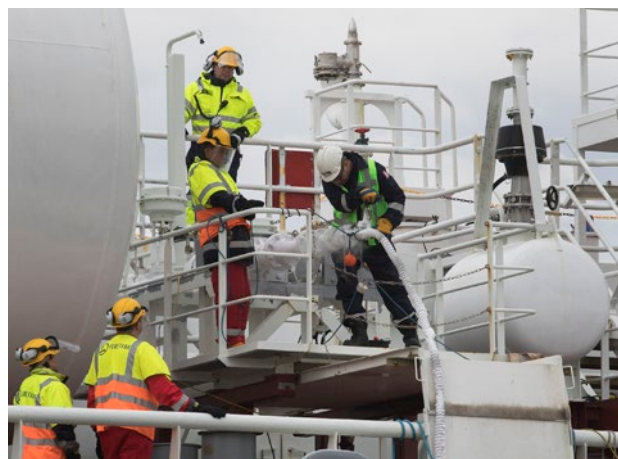




### Explanatory notes on throughput figures



Source: HaMIS (Harbor Master Management Information System), Jan. 2017



### Rise in oil products, drop in coal

The increase at the Port of Amsterdam was mainly caused by more throughput of oil products and agribulk. Oil products rose by 4% to 44.4 million tons and agribulk increased by 7.8% to 6.9 million tons. Other liquid bulk such as basic chemicals fell by 27% to 2.2 million tons. Coal throughput also saw a decrease of 3% to 15.8 million tons. Other dry bulk, including construction materials, rose by 8% to 9.4 million tons. Container throughput remained stable in 2017. As in 2016, the figure was 600,000 tons (56,191 TEU). Ro/ro cargo and other break bulk increased by 11% to 1.9 million tons in 2017. Imports into the Port of Amsterdam rose in the past year by 3% to 50.6 million tons. Exports rose by 1% to 30.7 million tons.

	2015	2016	2017
Imports of coal into Amsterdam (m tons)	16.5	15.8	14.9
Exports of coal from Amsterdam (m tons)	0.9	0.5	0.9
Throughput of coal as % of total throughput in Amsterdam	22%	21%	19%
Throughput of oil products in Amsterdam (m tons)	39.4	42.6	44.4
Export of oil products (m tons)	22.2	24.9	25.6
Import of oil products	17.3	17.6	18.8
Transportation of coke and coal from or to North Sea Canal Area	21.5	20.2	20.3

### Increase in storage and throughput of construction materials

The throughput of construction materials increased by 25% compared to 2016, to 902,359 tons. This increase was related to the growing demand for construction materials as well as a new concession for the extraction of gravel and sand from the sea.

Cocoa

In 2017, Amsterdam maintained its position as the largest cocoa port in the world. A number of port customers also showed a broad willingness to innovate and invest in the cocoa chain last year. In 2018, we plan to lead a trade mission to Ghana and the Ivory Coast, the two largest cocoa producing countries in the world. Companies from the region and from the Amsterdam port area are working together to promote Amsterdam and the region, to generate and maintain business as well as direct and indirect employment opportunities for companies in the port and region, to improve and connect networks between ports, the port business community and the government, and finally to gain an understanding of the possibilities for creating more sustainable social conditions in the cocoa chain. Amsterdam is also a member of the World Cocoa Foundation and the European Cocoa Association.

General cargo and containers

“General cargo” includes break bulk, containers, intermodal and logistics. Businesses are developing on the peninsula between the Amerikahaven and Afrikahaven ports in particular (see investment map). The expansion of short sea connections is very topical and promising. Collaboration with other Amsterdam-based logistics service providers is high on the agenda. The connection to the silk route will contribute to optimizing Amsterdam’s accessibility. There are also extensive plans to create a hub within the port where container flows through Amsterdam from the northern

and eastern Netherlands in particular can be bundled, to be taken from there to the hinterland (Germany) as well as to Rotterdam and Antwerp.



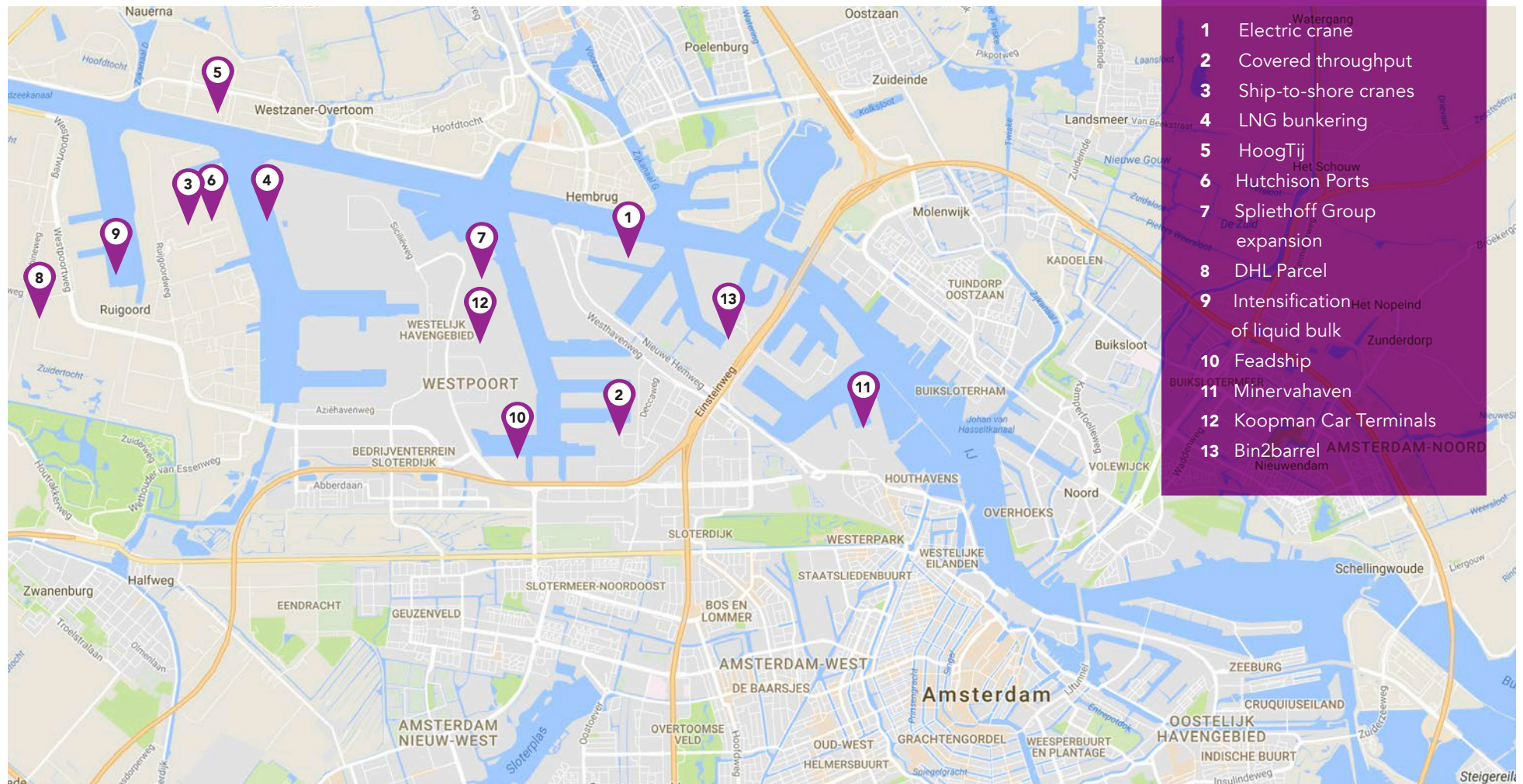
In 2017, Amsterdam maintained its position as the largest cocoa port in the world.

	2015	2016	2017
Throughput of containers in Amsterdam (m tons)	0.6	0.6	0.6
Throughput of ro/ro cargo and other break bulk in Amsterdam (m tons)	2.2	1.7	1.9
Throughput of containers (TEU)	51,949	51,475	56,191
Container cargo in tons per TEU (Amsterdam)	11.9	11.8	11.4

Offshore

Because of the small geographical distance to wind farms, the available space, the supply companies present, and the oil and gas infrastructure, the Amsterdam port area is particularly attractive to potential offshore customers. Amsterdam IJmuiden Offshore Ports is a public-private partnership between 70 businesses, the Port of Amsterdam and the Port of IJmuiden, supported by municipalities in the North Sea Canal Area as well as the Province of North Holland. The purpose of the partnership is to encourage growth along the full scope of offshore business in the North Sea Canal region: from drilling support for gas fields to dismantling of oil and gas infrastructure or from mobilization and repair of working vessels to construction and maintenance of wind farms.

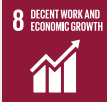




## Port & Industry

By managing infrastructure, providing facilities, ensuring logistical efficiency and thinking about future development, we provide our customers with the best possible support. After all, they add indispensable value to the port, the city and the region through their business activity. This value takes shape not only via ground lease payments and port tariffs, but also through employment and as an economic link in the Amsterdam metropolitan chain.

Sustainable  
Development  
Goal



### Investment map

In 2017, €32.5 million was invested in new projects. This figure will almost double to €60 million in 2018. Customers themselves are also making investments – an estimated eight to ten times that figure each year.



### Electric crane

In 2017, the concrete company Albeton replaced its diesel crane at Ankerweg with an electric crane. We invested in this measure, which resulted in a significant noise reduction at the source as well as an environmental benefit due to the reduced emissions of CO<sub>2</sub>, nitrogen and particulate matter. As a result, it made an important contribution to our “best efforts” obligation of reducing the noise and dust nuisance at the Hembrug site.



### Covered throughput

Developments in the all-weather throughput market (including for paper and steel) have spurred growth in volume. While sea-going vessels are becoming larger, demand for immediate throughput between sea-going and inland vessels is increasing. On 15 August 2017, VCK Group at Suezhaven opened its fourth covered cargo terminal. With a capacity of more than one and a half million tons, Amsterdam is now the largest provider of covered throughput in Europe.



### Ship-to-shore cranes

The terminals’ position in the ferrous and non-ferrous market for short-sea cargo and deep-sea cargo was strengthened in June by the arrival of two ship-to-shore gantry cranes at the ACT terminal in the Port of Amsterdam. With the arrival of the cranes, the terminals can expand their services and their

capabilities. Both containers and break bulk can be handled faster and more easily with these cranes.

**“The arrival of these cranes enables us to further develop our niche in ferrous, non-ferrous and containers, thus allowing us to better facilitate our businesses and our customers.”**

– Koen Overtoom  
Port of Amsterdam CEO.



## 4 LNG bunkering

Sustainable Development Goal



Titan LNG has developed the first LNG bunkering pontoon after obtaining funds in 2017. The pontoon – known as the FlexFueller 001 – will become operational in 2018 and will serve as a fixed bunkering location for inland vessels. For larger vessels, a pushing barge will assist the pontoon to come about and supply LNG while they load or unload their cargo.

The flexibility of bunkering via the pontoon has led to a huge boost in demand for LNG. Titan LNG has also doubled the speed of LNG bunkering from trucks by employing a device

called a T-piece, which enables LNG from two trucks to flow to the ship through a single bunker hose. LNG (liquefied natural gas) as a marine fuel is a cleaner alternative to diesel and heavy fuel oil. By incorporating ingredients such as biogas, LNG will play a key role in the transition to more sustainable shipping.

**“With our expansion to HoogTij, we’re aiming to create a sustainable building in a prime logistics location.”**

– Eric Steltenpool  
Gam BAKKER



**Bas Gort, CTVrede: “Our new HoogTij site will give us an opportunity to provide the industry in the Zaan region with a new concept. By placing the warehouses right behind the crane, as traditional stevedores used to do, we’re eliminating the last mile in the logistics chain. The collaboration with Gam BAKKER at HoogTij is the first great example of this approach.”**

**“Through this development, LNG can compete with conventional bunker fuels as a marine fuel at all levels. The introduction of FlexFueller 001 is a big step forward in this vital bunkering region.”**

– Niels den Nijs  
CEO Titan LNG



## 5 HoogTij

CTVrede Steinweg container terminal and logistics service provider Gam BAKKER plan to set up operations at the new HoogTij industrial site that has been developed by the Port of Amsterdam, the Municipality of Zaanstad and Westzaan Port Development Authority. Construction of the new buildings started on 30 October. Its new HoogTij site will be CTVrede’s third location along the North Sea Canal. CTVrede will be able to handle both inland and short sea shipping vessels at its new location. For Gam BAKKER, this site is their first location in the port area. CTVrede and Gam BAKKER will each be occupying two hectares.



## 6 Hutchison Ports

In December, Hutchison Ports acquired a 50% stake in the Amsterdam company TMA Logistics, the operator of the ACT terminal. With this acquisition, Hutchison immediately became a player in the Amsterdam arena. This development offers opportunities for growth as a logistics hub, focusing on short sea services and a logistics hub function for the hinterland as well as the north of the Netherlands.

## 7 Spliethoff Group expansion

Spliethoff Group, one of the largest shipping companies in the Netherlands, expanded significantly at the Port of Amsterdam in 2017. It has moved into three warehouses on a 15,000 m<sup>2</sup> site at Elbaweg, from where it supplies over 100 vessels with parts.

## 8 DHL Parcel

DHL Parcel is building a new sorting center for parcels at Atlaspark. The center, which is due to open in mid-2018, will replace the current terminal at the same industrial site. Capacity will be expanded and facilities improved, meaning better sorting for a larger volume of parcels.

## 9 Intensification of liquid bulk

Amsterdam is still the largest gasoline port in the world. Whereas dry fossil fuels are decreasing, the oil terminals at the port are intensifying their throughput. To this end, we are therefore investing in extra berths and infrastructure for handling ships at the terminal together with Vopak. One jetty will be extended with one additional berth for sea-going vessels, while a new quay will be built with two extra berths for inland vessels. This development will bring the total number of berths to four for sea-going vessels and ten for inland vessels by the end of 2018. The pump facility at the terminal is also expanded.

**“This investment will increase the vessel handling capabilities at our terminal and thereby – together with the new sea lock – improve the overall service and efficiency in the port of Amsterdam.”**

– Ramon Ernst  
Director of Vopak Amsterdam

**“This joint investment underlines the importance of liquid bulk for our port and our clients and also shows our strategy to challenge the business to use the space more efficiently.”**

– Koen Overtoom  
CEO, Port of Amsterdam.

## 10 Feadship

In December, yacht-building company Feadship celebrated a key construction milestone on its new shipyard at the Port of Amsterdam. The shipyard, which is due for completion by the end of 2018, will consist of a large hall for building and remodeling superyachts up to 160 meters long. Feadship is leasing five hectares, with an option on a further 3.8 hectares. With its new Amsterdam addition, Feadship now has four shipyards in the Netherlands.

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## Minervahaven

At Minervahaven, the creative industry is gaining ground. A contract was signed in 2017 for a large studio complex and there are also plans to open a hotel. As a result, the buffer zone between city and industry is increasingly developing into a linking zone.

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## Koopman Car Terminals

Due to the logistics contract with Nissan, a new lease agreement has been signed with Koopman Car Terminals. As a result, Nissan cars will be transhipped through Amsterdam as ro/ro cargo. In 2017, we modified the energy supply to Koopmans' buildings by Koopman by connecting them to Westpoort Warmte (urban heating via AEB).

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## Bin2barrel

Bin2Barrel has obtained a long-term permit for its plant, as a result of which it has finalized the technology and financing. This development will enable construction on the plant to start in 2018.

### Minervahaven



## Customer satisfaction

Our annual customer satisfaction survey was conducted in spring 2017 to assess the level of satisfaction in the previous year. The customer assessment was 7.6, which was 0.2 points higher than a year ago. We plan to achieve a score of 9 by 2021. To realize that aim, a range of actions will need to be taken. One is that together with the Port of Rotterdam Authority Harbor Master's Division, we have started an improvement process to simplify the "electronic reporting to the harbor master" process through Portbase's Port Community System (PCS). Although we are making it mandatory for agents to use this system, interviews have revealed that the system needs to be more user friendly. We launched system links in 2017, allowing customers to send reports from their own systems. This project will continue in 2018. Another action to improve customer satisfaction is the provision of training to the sales department on customer focus in conversations. The telephone options menu for the Harbor Master's Division has been simplified and the process of ordering ships has been made more user friendly.

## Shipping

As the North Sea Canal forms a primary transportation axis, it is the task of the Harbor Master to manage shipping traffic on the canal in a safe, smooth and sustainable manner.

	2015	2016	2017
Number of marine shipping movements in the NSCA	16,341	16,600	16,813
Number of ship visits to Amsterdam	4,876	4,748	4,678
Number of ship visits to NSCA	7,162	6,982	7,011
Total number of ships passing through the lock	35,755	36,209	36,359
Number of inland vessels calling in	38,779	39,205	40,012
Nautical accidents	44	49	32
Of which significant	21	18	7
Groundings	4	8	5
Dynamic turnaround time in minutes	239	232	232

Both the number of ship visits and the number of ships passing through the lock have increased. More recreational shipping in the summer season has contributed to this trend. The construction of the major new sea lock has caused no disturbance and we have been able to manage the schedule well. While the North Lock is the one most used by sea-going vessels, the Small Lock and South Lock are primarily used for recreational and inland shipping.

**Both the number of ship visits and the number of ships passing through the lock have increased. More recreational shipping in the summer season has contributed to this trend.**

Sustainable Development Goals



### Clean Shipping Vision

Due to the presence of the industry, an airport and a sea port, the North Sea Canal Area has a major impact on the quality of life in the surrounding area. With the aim of becoming the smart, fast, clean port that we want to be and remain, our investments in sustainability includes quality of life programs, biofuels, solar and wind energy, and cleaner shipping alternatives. The Netherlands Public Health Service has been measuring air quality for many years on behalf of the

port authority. Although these measurements show that air quality in the port area is well above European standards, we want to work with the sector to further reduce shipping emissions and its environmental impact. Our ambitions and specific actions for the period up to 2021 are described in our Clean Shipping Vision. This vision was published on 1 November 2017 and has a broad scope, covering emissions caused by operating ships (such as exhaust gases, waste and sewage) as well as emissions released during loading and unloading ships (such as particulate matter from coal, fumes from petroleum products and noise).

Reducing emissions requires an international approach and a long-term commitment. In the vision, our ambitions heading toward 2030 are translated into eight strategic objectives for clean shipping. To help achieve these objectives, we are

investing in infrastructure such as LNG bunker facilities and shore-based power. We have budgeted €10 million for this infrastructure between now and 2021. In addition, the current incentive program for promoting cleaner shipping will be expanded. Ships operating on LNG will now receive an additional discount. We want to cut shipping emissions through concrete actions such as reducing emissions of docked sea cruise ships. By establishing a baseline in 2018, we will monitor the reduction in relation to that baseline over the following years.

#### Port tariffs



**“The Port of Amsterdam wants to contribute to a sustainable world, in which good living, work and recreation take place with consideration for our environment and the people around us. We want this world not only for the current generation but for future generations as well. This reason is why I’m proud of our Clean Shipping Vision. It’s an ambitious plan that contributes to making our logistics chain more sustainable , as well as to improving the quality of life in the urban area around the port. That ambition is to me what corporate social responsibility really means..”**

– Marleen van de Kerkhof  
Harbour Master





### Nautical accidents

The number of nautical accidents has significantly decreased. We have achieved this reduction by working preventively to improve the safety and the safety awareness of port users, for example, through risk-based supervision by our inspectors and port officials. Moreover, we take part in nationwide working groups such as [Varen doe je Samen](#) (Sailing Together), which we use to improve safety awareness among recreational sailors. Our traffic controllers actively inform waterway users about the situation on the waterway using radar and camera images. We also prepare BAORs (operational area designation decisions on how ships should moor) in consultation with terminals so that it is clear to everyone well in advance whether their vessels do or do not fit.

### Safety checks

In 2017, we subjected inland shipping to more intensive checks on ship cargo and equipment; these checks were at the same level as the ones already carried out routinely on sea-going vessels. Strict checks are important for safety, mainly due to the large number of tankers in a relatively densely-populated area.

### Inland shipping

The Amsterdam-North Sea Canal Area recorded 40,012 visits from inland vessels in 2017. In other words, the number of inland vessel visits increased in 2017 by a little over 2% from 2016 (39,205).

More than 45% of visits were by motor cargo vessels, 33% by inland tankers, 10% by passenger ships, 9% by pushers with one or more barges and 3% by other ships.

In total, 23,908 declarations of inland port tariffs were made. The port area may be visited one or more times during a specified period of stay. In 2017, the Port of Amsterdam had a database of around 4,200 active inland shipping customers.

### Yachting

Dutch yacht builders are market leaders in their industry. They hold a global market share of 21.6%, which puts them in the number one position. The establishment of Royal van Lent (Feadship) at the Port of Amsterdam first brought the port into contact with this type of luxury shipbuilding. These port activities fit in well with our diversification strategy. They also provide a great deal of employment (around 200 FTEs per shipyard). Over the next few years, we intend to build a greater focus on the development of a superyacht cluster. In collaboration with the Municipality of Zaanstad, we started investigating potential locations in 2017. The purpose of this investigation was to assess which locations in the port area are suitable for establishing and expanding a superyacht cluster.

### Cruise sector

In 2017, Amsterdam has been named by cruise passengers as the [favorite cruise destination](#) in Western Europe and the British Isles for the second consecutive year. The cruise sector (sea and river cruises) is important for the Amsterdam Metropolitan Region, generating a total of more than €300 million in turnover on an annual basis for the city and the region, as well as more than 2,300 jobs.

**"This award is a wonderful recognition of our city, our port, our activities and our partnerships."**

– Janine van Oosten  
Chair of Amsterdam Cruise Port





### Sea cruise sector

The sea cruise market is growing steadily, as is the number of passengers. Amsterdam received 134 sea cruise ships in 2017, compared to 125 in 2016, and 187 visits are already scheduled for 2018. The number of sea cruise passengers rose from 281,907 in 2016 to 332,999 in 2017, while the number of sea cruise visits to IJmuiden dropped to 23 from 32 in 2016.

Vision 2030 sets out our ambition to expand toward a maximum of 250 visits by 2030. Achieving this ambition will require additional quay and terminal capacity, while the Municipality of Amsterdam wants to use the river crossings between the north and south banks to free up the overstretched ferry system. The municipality also wants to spread the burden of tourism to relieve pressure on the inner city. This intention will have an impact on our ambitious cruise plans. You can read more on this topic here:

[Relocating the cruise terminal](#)

### River cruise sector

Amsterdam is one of the largest river cruise ports in north-west Europe. The number of port visits by river cruise ships climbed to 1,946 in 2017 (up from 1,876 in 2016). Around half<sup>2</sup> of the passengers are intercontinental, visiting Europe by water with a river cruise ship. Because of its convenient location close to Schiphol, Amsterdam is often the start or end point of the Rhine–Main–Danube route to Basel, Budapest or even the Black Sea.

The region also profits from river cruises. More than half a million river cruise passengers visited the Amsterdam Cruise Port (ACP) region in 2017<sup>3</sup>. This number was obtained from sampling carried out by the research company Decisio<sup>[1]</sup> on behalf of ACP. According to their research, the passengers spent over €206 million in total.

The popularity of river cruises is increasing. However, the continued ability to accommodate river cruises in Amsterdam is under threat. The Municipality of Amsterdam does not want to expand the number of berths for river cruise ships and would prefer to keep them out of the central city wherever possible. In addition, due to what the city considers a tourist nuisance, the Municipality of Amsterdam plans to take measures for making Amsterdam less attractive as a river cruise destination. These measures could include a ban on coaches in the inner city, maximum group sizes for guided tours and the introduction of a tourist tax. We will take part in making decisions on these matters wherever we can.

	2015	2016	2017
Number of sea cruises calling in Amsterdam	139	125	134
Number of sea cruises calling in IJmuiden	43	32	23
Number of river cruises calling in Amsterdam	1,769	1,876	1,946
Economic value of sea cruises for the region	60 million	52 million	99 million
Economic value of river cruises for the region	38 million	41 million	87 million
Number of sea cruises calling in Amsterdam and IJmuiden	182	157	157
Number of river cruises calling in Amsterdam and Zaanstad	1,769	1,942	2,007
Sea cruise passengers in Amsterdam	280,169	281,907	332,999

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	2016	2017
Number of river cruises calling in Zaanstad	66	61
Number of cruises calling in Amsterdam	2001	2080
Sea cruise passengers in IJmuiden	52,581	38,450
Sea cruise passengers in the region	334,488	371,449

<sup>2</sup> Source: "Economic impact of river cruise shipping," a study performed by Decisio on behalf of Amsterdam Cruise Port, Final Report of 13 December 2017.

<sup>3</sup> The ACP region includes the cities of Amsterdam, Alkmaar, Den Helder, Enkhuizen, Haarlem, Hoorn, Huizen, Lelystad, Medemblik and Zaanstad.

<sup>[1]</sup> Report on the economic impact of river cruises on the ACP region (Decisio, December 2017).

## Tariffs

### Port tariffs

With the approval of the port industry association ORAM, it was decided to increase port tariffs by 1.11% for 2018. In addition to inflation, the level of the port tariffs at the other ports in the Amsterdam–Rotterdam–Antwerp (ARA) region was taken into account when determining the index.

### Payment per TEU

From 1 August 2017, inland container vessels making an inland port tariff declaration can choose to pay based on the number of TEUs handled. Previously, the default system for inland container shipping companies in Amsterdam was to pay based on the gross carrying capacity of the ship, in combination with a selected length of stay. A declaration by TEU is cheaper for a one-off visit in which a small number of containers are handled. We hope that this method will make it more attractive for inland container vessels to make a stop at the Port of Amsterdam, even when carrying smaller quantities of containers.

### Lowest shore-based power fee

The shore-based power fee for inland shipping was recalibrated on 1 January 2017. We charge the lowest shore-based power fee in the Netherlands for inland shipping.

#### Sustainable Development Goals



### ESI and Green Award discounts

Clean shipping is an important pillar of our sustainable port strategy. Amsterdam has been part of the Environmental Ship Index since its inception. This instrument is important for us, because it provides a clear and transparent way of rewarding the best-performing ships in terms of sustainability. The greener the ship, the higher the score. Since the start of the ESI program in 2011, the number of participating ships has grown to 20%. Everyone involved benefits: the ship receives a discount on the port

tariff and the port area profits because these ships create fewer emissions. Inland vessels with a Green Award platinum label receive a 20% discount on the inland port tariff at the ports of Amsterdam and Zaanstad. Green Award, the certification program for inland and sea-going vessels, introduced the platinum label in December for zero-emissions shipping. Amsterdam and Zaanstad were the first ports in the Netherlands to use this new label in the Green Award program. The scheme is to take effect on 1 January 2018.

	2015	2016	2017
Total ESI discounts in €	159,784	219,826	443,649
Clean ships with ESI discount (%)	15	17	20

**Amsterdam and Zaanstad  
were the first ports in  
the Netherlands to use  
this new label in the  
Green Award program**

### Fair competition

In December, we had a discussion with the Netherlands Authority for Consumers and Markets (ACM), the business association ORAM and the port operators about competition rules. Research by VU University Amsterdam in 2016 showed that there was room for improvement as to the knowledge of and compliance with competition rules in the port sector. Fair competition leads to sectors that flourish. Businesses, consumers and ultimately the entire region benefit from this situation. We plan to devote attention to this issue in 2018 by organizing information sessions for our employees and for external parties (in conjunction with ORAM).

### Increase in land issue

In 2017, 18.1 hectares of land were issued, compared with 12.2 hectares in 2016. Land issue occurred in relation to Bio Energy Netherlands, a biomass plant that turns waste wood into power and raw materials for the chemical industry, as well as the biotech company ChainCraft which converts biomass to fatty acids. Borghese Real Estate and DHL also realized expansions at Atlaspark, while the creative hub Image Wharf was set up at Minervahaven. In addition, two new companies have set up operations at the HoogTij industrial site, in which the port authority holds a stake: Gam BAKKER and CTVrede Steinweg container terminal. We have also purchased 10 hectares on the north side of the North Sea Canal.

The increase in the number of companies operating out of the port area is related to the 18 hectares of issued land, as well as to the creation of companies (startups and scale-ups) at the Prodock business center. To stimulate innovation from the businesses in the port area, we wanted to attract 15 innovative startups by 2021 when Prodock opened. That number was reached – and passed – in 2017. As Prodock is now completely full, we are looking for more space to house innovative startups.

### Setting up businesses quickly

Businesses that want to establish themselves quickly, particularly if they are involved in innovative, circular initiatives, are often faced with long licensing procedures. To this end, we launched the Greenlane strategic key objective in

2016. Together with the North Sea Canal Area Environmental Department and the Municipality of Amsterdam, we have succeeded in making the licensing procedure easier to understand, more accessible and more transparent for customers, while we have also optimized the exchange of information between the organizations involved. The initiative was completed in 2017.

LAND ISSUE FIGURES	2015	2016	2017
Total allocated at year end	1288.4	1298.0	1316.0
Gross allocation of plots (ha)	21.9	12.2	18.1
Reposessed plots (ha)	22.5	2.6	0.1
Net allocation of plots (ha)	-0.6	9.6	18.0

LAND ISSUE FIGURES	2015	2016	2017
Total land (ha), wet and dry, excl. water parcels	1,609.4	1,610.7	1,610.8
Land ready for allocation (ha), wet and dry	321.2	316.2	294.8
Stock of land, wet and dry	20%	20%	18%
Intensive land use turnover (€/m2)	8.5	8.5	9.3

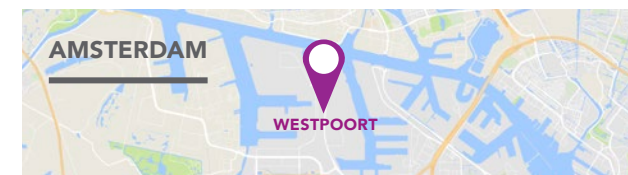
### Sustainable Development Goal



### Security headquarters

Six fires occurred in the port area last year. Safety is a high priority because it has a big impact on the quality of life and the business climate in the Amsterdam port region. The Harbor Master's Division plays a supporting role in fighting fires by supplying fire-fighting capacity through fireboats and a specially-equipped pontoon.

As one of the initiators behind the security headquarters, the Port of Amsterdam signed a [letter of intent](#) for the creation of joint fire-fighting facilities to improve fire safety in the Western Port Area together with the Amsterdam-Amstelland Fire Department, the Harbor Master's Division and the Amsterdam Mutual Aid System (AMAS). The facilities are scheduled to be opened in the third quarter of 2019. There are plans to expand the facilities into an integrated safety center over time, in collaboration with the Amsterdam-Amstelland Safety Region, Amsterdam Police Unit, North Sea Canal Area Environmental Department and the business community as represented by ORAM.



**“This initiative will enable us to improve the public services in the area and to align the fire brigade services more effectively to the specific conditions in that area. This initiative also provides a platform for gaining knowledge from each other in the field of preventing incidents. Together, we can make the area safer.”**

– Leen Schaap  
Commander of the Amsterdam  
Amstelland Fire Department



## Supply chain responsibility

Sustainable  
Development  
Goal



Although we promote the core value of “Responsibility” within the organization, our responsibility does not stop at our front gate. We consider ourselves responsible for the impact of our products and services on society, for social developments in the region, and as part of the international production and supply chain. We are involved with international production

and supply chains in a number of ways. Both our position as landlord and our handling of shipping traffic add to the complexity of this role. We work to make these chains responsible in various ways. For example, we took steps in 2017 to make our procurement more sustainable, we made an active commitment to clean shipping and we shouldered our responsibility for the origins of our cargo flows.

Freight entering a Dutch port has usually traveled halfway around the world. The number of products with sustainability labels imported into the Netherlands has already increased substantially over the past decades, but there are still many cargo flows associated with poor working conditions, a negative environmental impact or corruption. Examples include the importation into Dutch ports of Colombian “blood coal” or cocoa from the Ivory Coast, which are associated with poor working conditions and child labor in the social debate.

With increasing frequency, ports are being called upon to play a role in tackling injustices connected to the origin of certain cargo flows. Ports play a facilitating role, which means that the options for taking action on this type of social problem occurring elsewhere in the world are limited. For a clarification of our impact and influence, see impact, influence and effect. Nevertheless, our stakeholders expect the Port of Amsterdam to be more engaged in improving the structural sustainability of supply chains and managing incidents in the chain. Obviously, we will take responsibility whenever our influence makes it possible to do so.

We conducted a joint investigation in 2017 with all of the other Dutch sea ports into ways to the guidelines of the OECD (Organization for Economic Cooperation and Development). The OECD Guidelines are CSR guidelines for international companies. They provide a framework for our actions and an approach to mitigating risks in the chain, while they also contribute to improving the sustainability of supply chains. This investigation report for the Dutch sea ports was presented in early November 2017. We have already followed up on one of the recommendations, “Analyze the supply chains at the port that carry the greatest social risks.” In 2018, we will communicate more clearly on our efforts to improve the sustainability of supply chains. We will also explain how we encourage sustainable leaders and actively participate in discussions on the social risks of these cargo flows with customers, industry organizations and other interested parties.

### Clean fuel for Africa

The “dirty diesel” debate, which was also a hot topic in 2016, continued in 2017. Diesel exported from Dutch and Flemish ports to African countries has a sulfur content that is too high by European standards. State-owned enterprises in Africa import the diesel because it is cheaper. For such countries, choosing this diesel is a question of money, cars and legislation. As a port authority, we cannot unilaterally stop the importing and exporting of this diesel. In 2017, a stakeholder meeting was arranged to discuss this supply chain responsibility with port representatives, terminals and delegates from West African nations. A follow-up meeting will be held in Antwerp in 2018.

### LME certification

In 2017, we applied for

LME (London Metal Exchange) certification, which would make it possible for us to tranship parcels of metals traded on this exchange. LME certification will add significant value to our port and its businesses that deal in and store LME-related commodities (such as aluminum, zinc, copper, lead and iron – so-called “non-ferrous metals”). The LME certification was granted in early 2018.

### HoogTij industrial site

In 2017, we started construction on a new maritime quay, an extension of the canal dyke along the North Sea Canal and the accelerated preparation of industrial land for development through the plug & play concept. The HoogTij development will boost the competitiveness of the North Sea Canal Area. HoogTij is an attractive site for logistics service providers, given its location beside the water and its proximity to exit roads.



### Noise and nitrogen deposition allowance

To ensure that individual plots of land in the Westpoort and HoogTij port areas are ready for allocation, it is important that the available environmental allowance is properly issued as well. In 2017, we drafted a noise distribution plan, which specified the distribution of noise allowance around Westpoort and HoogTij. We worked with the Province of North Holland to produce a distribution plan for the nitrogen deposition allowance, which was ratified in the first quarter of 2017. The nitrogen deposition allowance will be reviewed on an annual basis.

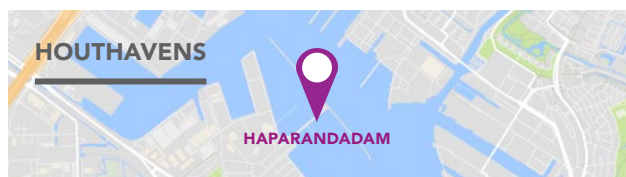
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**“The improvements at HoogTij will contribute to economic development in the North Sea Canal Area.”**

– Jaap Bond  
North Holland Provincial Executive  
for Economic Affairs







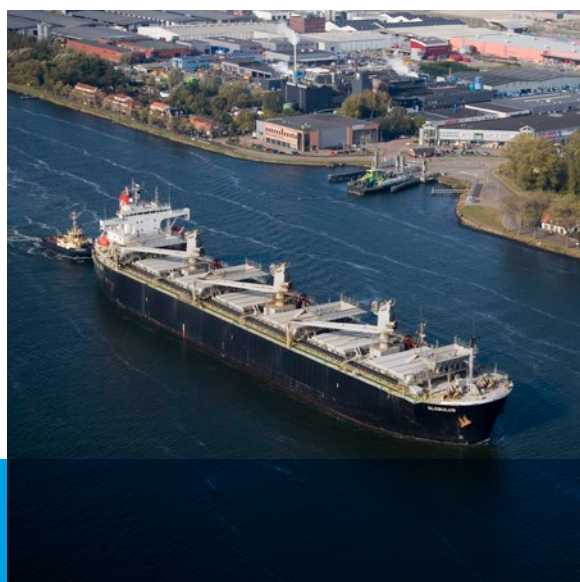
### Free potable water and waste collection

We have started a trial with a free collection point for domestic waste paper, and glass from inland vessels. In addition, we have set up facilities to provide inland vessels with free potable water in the Houthavens.

	2015	2016	2017
Ships' waste collected in m <sup>3</sup>	39,000	38,780	35,651

### Regional collaboration on shipping tariff system

Our collaboration with the Municipality of Zaanstad was intensified in 2017. We agreed that commercial vessels – including river cruise vessels – would pay their inland port tariffs from 1 January 2018 using a single service desk for the Amsterdam-Zaanstad region, to which a single tariff system and tariff will be applied in the shared operating area. As a result, we have harmonized and optimized the service delivery for ships visiting the port area together with the Municipality of Zaanstad. We also arranged the plans for river cruise vessel berths with the municipality.



**Dennis Straat, Alderman for the Municipality of Zaanstad: "This agreement will greatly improve the services we provide to vessel operators in the North Sea Canal Area. We intend to attract new jobs, reduce the number of rules and streamline procedures."**

### Sustainable Development Goals



### Biodiversity

Nature and port development make perfect partners, as we saw again this year from the annual external monitoring of protected flora and fauna in Westpoort, which we commissioned from the research agency Bureau Waardenburg. The agency concluded that development of the port area since 2007 has had no negative effects on conservation of the natterjack toad in the port area, to give just one example. In addition, the field survey revealed that 2017 was a good year for orchids<sup>4</sup>.

We are both the area manager and developer in Westpoort. There is a great deal of undeveloped land in this area, which is likely to become occupied by businesses over the next few years. Moreover, there are many public roadsides, ditches, ditch banks and nooks in the port basins where we can give space to nature. Several protected species of flora and fauna have established themselves on port land. When this land is developed, these species must be taken into account. In the context of the Westpoort development, Havenbedrijf Amsterdam N.V. has been granted an exemption under Section 75 of the Flora and Fauna Act since 2003 (with an extension in 2013), which means that we have a duty of care under that Act. This duty requires us to do things such as this annual monitoring of how effective the measures are that we have taken for the conservation of species.

<sup>4</sup> Source: Bureau Waardenburg monitoring report

The 2013 exemption is an extension of the 2003 exemption.

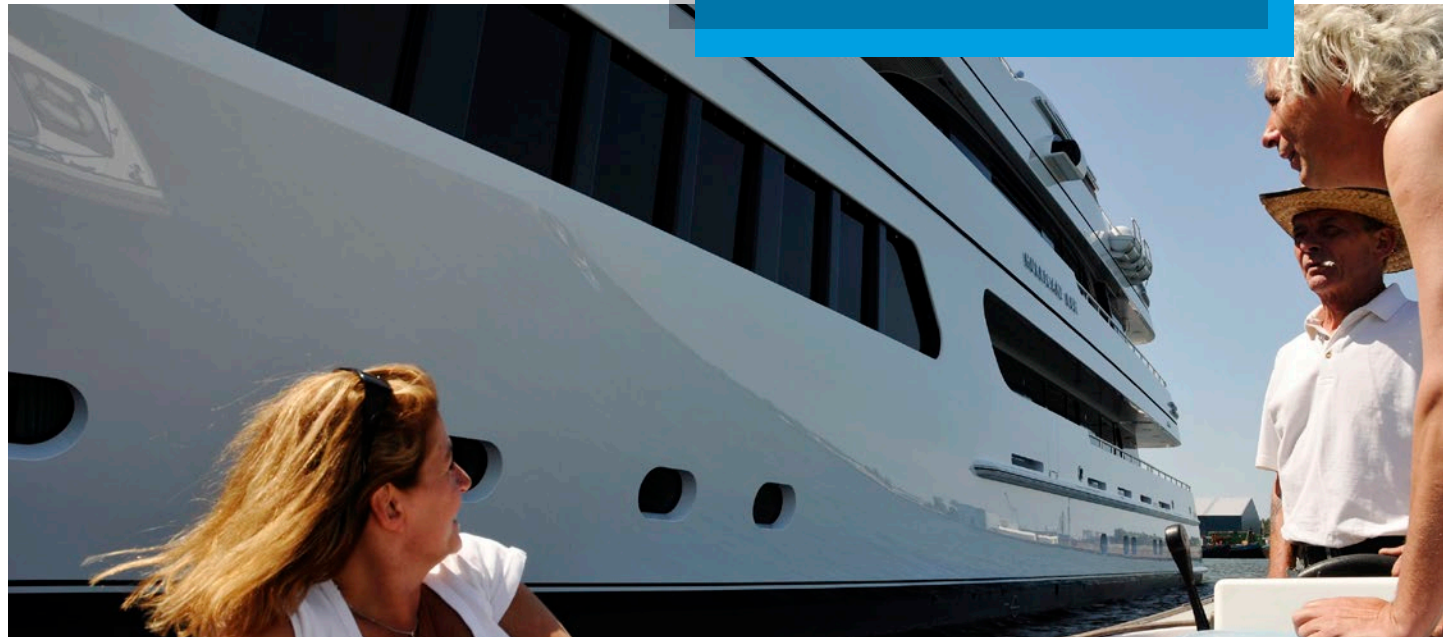
One of the measures for the protection of biodiversity in Westpoort is to conduct a nature assessment. Prior to any infrastructure project involving a potential risk of destroying nature, we arrange for a nature assessment to be carried out by a specialized ecologist. In addition, parts of undeveloped land such as ditch banks can be set up in a nature-friendly way, while various port basins contain spawning grounds and hiding places for fish. We were also represented on the Board of the Temporary Nature Foundation in 2017. This foundation has made it possible to temporarily create greater biodiversity on undeveloped land, so that it is possible for species to reproduce but also to be easily collected and moved to another location when necessary.

In 2016, preparation began for the construction of moorings for inland shipping in the northwestern corner of the Afrikahaven. Under the Flora and Fauna Act exemption, any protected species present must be moved. Over the past few months, hundreds of natterjack toads, newts and orchids have been moved to a different location so that construction of the moorings can begin. During construction, space will be created immediately alongside the work site for the relocation of any individuals that may have been left behind. This area will remain partially available for flora and fauna.

### **HISWA Holland Yachting Group**

Since 30 August, we have been a partner of the HISWA Holland Yachting Group. This partnership fits in well with our strategic objectives for diversification, as the market for superyachts provides us with opportunities to create more value in the form of employment. Yacht building is an extremely high-value export product in which the Dutch market is very strong. A history of shipbuilding is a unique part of the heritage not only of Amsterdam but of the Netherlands as a whole.

**The market for  
superyachts provides us  
with opportunities to  
create more value in  
the form of employment.**



## City & Surroundings

The city and its port depend heavily on each other in a variety of ways. To ensure the continued creation of value for the city and the region over the long term, good synergy and sharing each other's perspectives is of great importance to both.

### Port-City development

On 21 November, the Amsterdam Municipal Executive approved the **Port-City** Development Strategy, the Port-City environmental impact assessment and the Memorandum of Response. These documents were submitted to the City Council in December for a decision. The ambition is to create a new suburb which will ultimately contain 40,000 to 70,000 homes and 45,000 to 58,000 jobs within the western ring road. Part of that area overlaps the current port industrial area.

The first phases of the development strategy relate to areas around the port, such as Sloterdijk Center and Sloterdijk 1. In the development of these areas, all agreements in the Houthaven/NDSM covenant and the 2014–2018 coalition agreement were upheld. From 2029, the municipality may proceed with construction in the port industrial areas of Alfadriehoek and Minervahaven. Such work will have to take into account the activities of the businesses at Coenhaven and Vlohaven, while the environmental contours will also have



to be respected.

The Amsterdam City Council will make a decision on the transformation of Coenhaven and Vlohaven in 2025. Based on current agreements, the municipality cannot start construction there before 2040 at the earliest. Accordingly, these areas constitute the final phase of the development strategy. Relocation of the Amsterdam Passenger Terminal (PTA) may form part of the plans. However, the entire plan requires a substantial investment in the organization of accessibility and particularly in the coordination with our customers, which we want to retain at the port in the future.

As a port authority, we are concerned about the compatibility of the development strategy with the business climate for these companies. The intended transformation and the associated uncertainty will have a significant impact. In particular, the plans will affect our customers in the Agri cluster (customers that tranship grains, seeds, minerals,

fertilizer and similar products). It is crucial that these companies – responsible for 18.3 million tons of non-fossil-fuel cargo in 2017 – remain at the Port of Amsterdam, and consequently that quality alternative sites are found for them.

A residential development on this scale, together with the associated requirements for infrastructure and high-quality public transportation, are a regional challenge. As the consequences transcend municipal boundaries, we are engaged in intensive consultation with the municipality, our covenant partners, stakeholders and customers to gain an understanding of what the Port-City development implies as clearly and quickly as possible.

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**“No matter what happens, we want to maintain our customers; early relocation of their industrial sites could be a solution to this issue.”**

– Leonie van den Beuken  
Port-City Project Manager  
at Port of Amsterdam

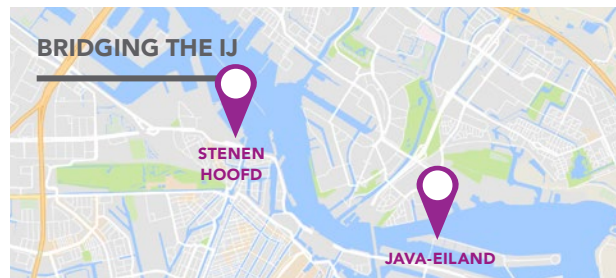


## Bridging the IJ

The Municipality of Amsterdam would like to see more river crossings between the north and south banks, since the current bridges have become overloaded due to the growth of North Amsterdam. In addition, the municipality wants to reduce pressure on the inner city. On 15 June, the Amsterdam Municipal Executive announced its final decision on its preference for the [Bridging the IJ](#). The preference of the Executive is to expedite crossings over the IJ river, with a bridge to Java Island as a crossing for bicycle and foot traffic, as well as a crossing (either a bridge or a tunnel) at Stenen Hoofd in the longer term. As part of its preference decision, the Executive commissioned a feasibility study. A final decision will be made by the City Council in 2020, on a recommendation from the Municipal Executive.

However, to ensure smooth and particularly safe inland shipping, the final implementation will be key for us. As a port authority, we strongly support a rapid solution to the connection issues with the north of Amsterdam by optimizing the ferries (which are a good start) and developing Sixhaven station. We believe that decisions on the actual realization of these measures should be made much more quickly.

Due to its location on the Rhine delta, Amsterdam is an international throughput port; around three-quarters of its economic activities relate to throughput. As a result, the port



plays a very important role toward the hinterland. Bridges create nautical risks. The location of the proposed connection at Stenen Hoofd is a narrow, challenging channel, which would become narrower still with a bridge. This option would restrict ships' room to maneuver, increase the risk of collisions and reduce visibility in poor weather. Radar imaging would be disrupted by a bridge. In addition, a bridge for cyclists and pedestrians will have to be opened frequently in order to grant passage to commercial and recreational shipping. The current PTA will also no longer be accessible to ships more than 210 meters in length. For all these reasons, we would prefer a tunnel rather than a bridge. We shared our preferences and arguments with the municipality over the past year.

## Relocating the cruise terminal

The cruise sector is important for the Amsterdam Metropolitan Region, generating a total of more than €300 million in turnover on an annual basis for the city and the

region, as well as more than 2,300 jobs<sup>5</sup>. Vision 2030 sets out our ambition to expand toward a maximum of 250 visits by 2030. Achieving this ambition will require additional quay and terminal capacity.

In 2017, the port authority and the City of Amsterdam investigated alternative locations for the Amsterdam Passenger Terminal (PTA). This investigation was in line with the decision to build a new sea lock with a financial contribution by the city.

In December, Amsterdam and Zaanstad chose Coenhaven as their preferred location for the PTA. Coenhaven offers opportunities for growth by developing a sustainable terminal and receiving the newest cruise ships in an optimal manner. Amsterdam has commissioned an investigation into all possible aspects of the PTA relocation. The basic principles are that sea cruise passengers will always be welcome in Amsterdam, that growth must remain possible and that a sustainable terminal must be developed which can receive the newest cruise ships in an optimal manner. A choice was made on this basis, in close collaboration with the port authority and with Zaanstad. To reach a final decision, the plan will be developed further over the coming year. A traffic plan, a more detailed plan in relation to the Java Bridge and a draft zoning plan will be drawn up as well. The spatial development of Coenhaven in relation to the Port-City project and the Zaan-IJ area will also be investigated, as will the continued use of Veemkade for a limited number of ships.

<sup>5</sup> Sources: Deloitte (2016), Bridges over the IJ, Economic impact analysis, and Decisio (2017), Amsterdam Cruise Port: Economic impact of river cruise shipping.



## Quality of life

### Sustainable Development Goals



The Port of Amsterdam is implementing a quality of life program, as described in its Vision 2030. Several quality of life projects are working on noise, odor and dust reduction.

In the GeurInzicht project, 41 eNoses are being used to detect smells in the port area. A pilot was conducted in 2016 and evaluated in 2017. The GeurInzicht quality of life project was set up to deal with the nuisance of degassing while underway.

In the provinces of North Holland and Utrecht, a prohibition has been placed on degassing of benzene and benzene-containing cargoes while underway and while stationary as of 1 March 2017. The measure contributes toward a better environment and cleaner inland shipping. A transition phase is in place until a degassing facility in Amsterdam is operational. During this period, customers will be informed, but no penalties will be imposed. A new covenant was signed and approved by all members of the steering group in December 2017 for the degassing prohibition to be continued in 2018.

In Project Neptunus, another quality of life project which we are running in conjunction with other ports, we are conducting an international study to reduce residual noise

from sea-going vessels. When sea-going vessels are moored in the port, the engines and pumps still make a lot of noise.

### Reducing nuisance at the Hembrug site

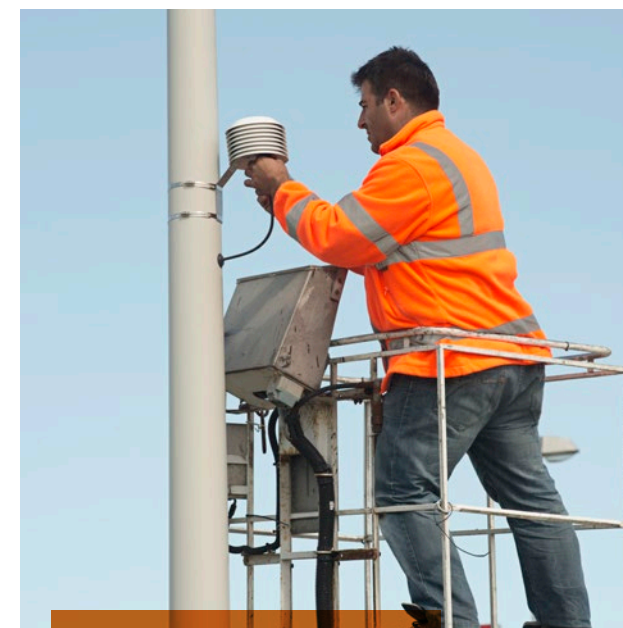
In 2017, the concrete company Albeton replaced its diesel crane at Ankerweg with an electric crane. We invested in this electric crane together with Albeton, which resulted in a significant noise reduction at the source and as well as an environmental benefit due to the reduced emissions of CO<sub>2</sub>, nitrogen and particulate matter. As a result, it made an important contribution to our “best efforts” obligation of reducing the noise and dust nuisance at the Hembrug site.



### Sound insulation

To minimize any possible noise pollution from the HoogTij and Westpoort industrial sites that could affect nearby residents, we started installing sound insulation in the surrounding houses over the summer of 2017 in consultation with the Municipality of Zaanstad. In addition, we have made a new subsidy available for the installation of sound-insulating ventilation from 1 September 2017.

	2015	2016	2017
Complaints from the internal complaints system	Not reported	Not reported	138
Odor nuisance reports in NSCA	169	144	121
PM10 particulate matter in µg/m <sup>3</sup>	18.2	20.4	19.9
NO <sub>2</sub> nitrogen in µg/m <sup>3</sup>	23.8	25.3	24.5
SO <sub>2</sub> sulfur in µg/m <sup>3</sup>	1.4	1.1	1.1



Placement of eNose

### North Sea Canal Area Quality of Life Survey

The results of the major [quality of life survey](#) conducted in the North Sea Canal Area in 2016 were released in April 2017. This survey was carried out on behalf of the North Sea Canal Area Administrative Platform, which wanted to discover the impact of the businesses in the ports and industrial areas on the quality of life in the area surrounding the North Sea Canal. A representative sample of residents and recreational users revealed that the port and industrial area do create a nuisance, but that the impact on the quality of life in the residential area and the enjoyment of the recreational areas is limited. The most significant inconvenience that appears to be experienced by residents and recreational users is aircraft noise.

### The port of for Amsterdam

We have been affiliated with the Uitmarkt festival for three years now. The port authority hopes that this long-term partnership will strengthen the relationship between port and city. This three-day event in Amsterdam marks the start of the cultural season. During the 40<sup>th</sup> Uitmarkt, we used a modified logo (the port of Amsterdam is a port for Amsterdam) to highlight the role that the port plays for Amsterdam and its residents.

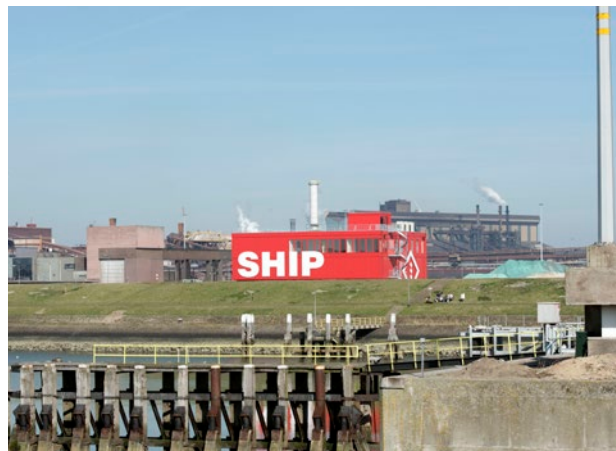
#### Sustainable Development Goal



### Partner in SHIP

The Lock and Port Information Point (SHIP) in IJmuiden opened its doors on 31 March 2017. While SHIP hoped to attract between 30,000 and 50,000 visitors annually, these numbers were already exceeded in its first six months. The Province of North Holland set up the information point in the lock complex together with the municipalities of

Amsterdam, Zaanstad, Velsen, Beverwijk, Haarlemmerliede and Spaarnwoude, as well as the Port of Amsterdam, the Port of IJmuiden, Tata Steel, the Directorate-General for Public Works and Water Management (Rijkswaterstaat) and a number of sponsors.



In a series of changing exhibits, SHIP presents detailed information about the construction of the new sea lock in IJmuiden – the largest in the world – as well as the ins and outs of the North Sea Canal Area. It also covers developments in the area of sustainability and innovation in the region, as well as job opportunities in engineering. *In addition*, SHIP has a classroom where young people receive lessons in engineering, a number of meeting rooms and a restaurant.

**“In addition to focusing on the world’s largest sea lock, which is being built right here in IJmuiden, SHIP is also highlighting the role of the regional economy and innovation and employment in the area.”**

– Elisabeth Post  
Provincial Executive  
of North Holland



## Sustainability

We are continuously striving to achieve good environmental and spatial quality, while at the same time keeping continual focus on our surrounding area as well as on social aspects inside and outside the company. Our goal is a healthy financial return that goes hand in hand with a high-quality living environment and broad added value for the region. Our mission is to create groundbreaking value. We included this mission in our Vision 2030.

### Sustainability policy

Sustainable  
Development  
Goal



We are committed to fully integrating sustainability into our service delivery by embedding it in our business processes. For example, we aim to include sustainability aspects in the construction of new infrastructure and in the management of the port area, we actively work to lower emissions from shipping and we help customers apply for solar panel subsidies.

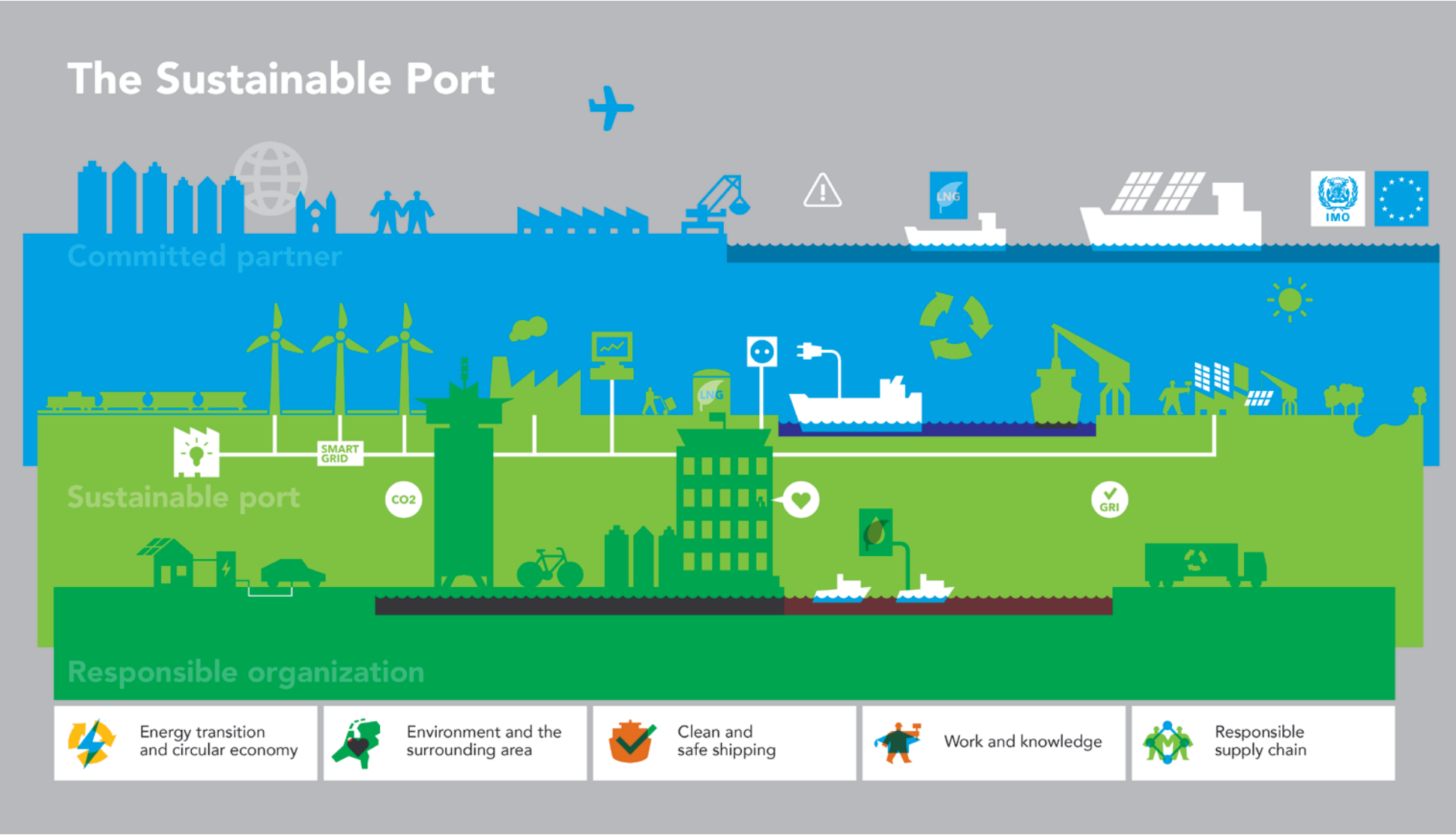
Furthermore, we want to give opportunities to people who are at a distance from the labor market by inviting them to work with or for us. To this end, we are working with social enterprises such as Pantar and Emma@Work. Our compass for this initiative is the “[Sustainable Port](#)” sustainability

program, which was derived from the Strategic Plan 2017-2021 and which we set up in 2016 around five sustainability themes. The program describes our sustainability ambitions and initiatives, based on the interests and concerns of our stakeholders.

#### SOCIAL ENTERPRISES

**We want to give opportunities to people who are at a distance from the labor market by inviting them to work with or for us.**







## Organization of sustainability

Sustainability has held an explicit place in our organization since 2015, with the management portfolio being held by the CFO. The sustainable development of the organization is promoted and coordinated by the Sustainability Steering Group, which consists of the CFO, the Harbor Master, the Head of Strategy & Innovation, the Head of Communication & Public Affairs and the Sustainability Program Manager. The steering group, which issues mandates, met four times in 2017.

A core team of ambassadors was also put together in 2017 to support the steering group. This core team plays an active role in the ongoing development of the sustainability program and makes suggestions to help improve our sustainability ambitions. The core team meets every two months.

## Sustainable Development Goals

We make sure that our efforts and objectives are in line with the Dutch Energy Agreement for Sustainable Growth (2013), the Commodity Agreement, and international CSR guidelines such as the OECD Guidelines and the Sustainable Development Goals (SDG). This approach allows us to place [our value creation](#) in a broader context. The SDG agenda consists of 17 goals and 169 underlying targets. For our organization and surrounding area, we have used our

sustainability themes to identify how the Port of Amsterdam can contribute to achieving the SDGs. Where can we have our biggest impact and where can we gain the greatest benefit? The following figure shows how our sustainability themes directly relate and contribute to these goals.





## The sustainable port and the Sustainable Development Goals



### Energy transition and Circular economy

- We are developing the port as the “battery of the city”  
[Energy transition; Acceleration](#)  
[Energy transition; Investment map](#)
- We are reducing our own CO<sub>2</sub> footprint
- We are stimulating circular and biobased activity and innovation at the port  
[Value; Performance; Bin2Barrel](#)
- We are making our procurement more [sustainable](#)



7



9



13



### Environment and Living environment

- We are reducing the environmental impact of port activities  
[Quality of life](#)
- We are promoting a safe and healthy living environment  
[Security Headquarters](#)  
[Quality of life](#)
- We are working to preserve biodiversity  
[Biodiversity](#)



3



11



### Clean shipping

- We are encouraging clean shipping  
[Clean Shipping Vision](#)  
[ESI Green Award discounts](#)  
[We4Sea](#)
- We are investing in new infrastructure  
[LNG-bunkering](#)  
[Shore-based power](#)



3



13



### Work and Knowledge

- We are setting up new businesses  
[Economic significance of NSCA](#)  
[Stimulating a circular and biobased economy](#)
- We are stimulating the employability of young people in the labor market  
[Partner in SHIP](#)  
[Sustainability policy](#)
- We are promoting long-term employability within our organization  
[Our organization](#)



8



### Responsible commercial chain

- We are supporting and encouraging socially responsible production of the freight that passes through our port  
[Sustainable procurement](#)  
[Fostering sustainable cocoa chains in Africa/PoA](#)



12



**3 – Good health and well-being**  
Ensure healthy lives and promote well-being for all at all ages

**7 – Affordable and clean energy**  
Ensure access to affordable, reliable, sustainable and modern energy for all

**8 – Decent work and economic growth**  
Promote sustained, inclusive and sustainable economic growth, full & productive employment and decent work for all

**9 – Industry, innovation and infrastructure**  
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

**11 – Sustainable cities and communities**  
Make cities and human settlements inclusive, safe, resilient and sustainable

**12 – Responsible consumption and production**  
Ensure sustainable consumption and production patterns

**13 – Climate action**  
Take urgent action to combat climate change and its impacts

**17 – Partnerships for the goals**  
Strengthen the means of implementation and revitalize the global partnership for sustainable development



## GreenPort

In October, we were the proud host and co-organizer of the four-day GreenPort Congress, subtitled “Creating Partnerships for Sustainable Development.” More than 150 international participants from the port sector took part in the conference, which is considered to be one of the leading sustainable development conferences in the industry. During the conference, there was a substantial focus on the significance of the SDGs for ports.

## Sustainable procurement

### Sustainable Development Goals



A sustainable port starts with us. By making our business operations more sustainable, we lead by example. With sustainable procurement and tenders, we aim to increase the sustainability of our production and supply chains by positively influencing our suppliers, thus contributing to responsible chain management.

Sustainable procurement means that we take into account not only price and quality but also the effects of the procurement on the environment, as well as the social aspects of the procurement. In March 2017, the Board of Directors adopted the Sustainable Procurement Vision,

which will form the cornerstone of our efforts to achieve sustainable procurement from 2017 onward. Our efforts to make procurement more sustainable will primarily focus on CO<sub>2</sub> impact and circularity. The vision document sets out the objective of including sustainability aspects that apply to all of our purchases by 2021. Last year, we started selecting the first pilot projects such as the Replacement of Ankerweg. In 2018, we will proceed with the phased introduction of sustainability in procurement.

## Substantial CO<sub>2</sub> reduction

### Sustainable Development Goal



We have reduced the CO<sub>2</sub> footprint of our organization from 2,071 tons of CO<sub>2</sub> in 2016 to 1,853 tons in 2017. This figure amounts to a reduction of 11% compared to 2016 and a total reduction of 23.5% compared to 2014. Such a reduction was largely achieved by scaling up our successful pilot on blending biofuels for our harbor patrol boats. We will

	2014	2015	2016	2017
Port of Amsterdam's CO <sub>2</sub> footprint (in tons of CO <sub>2</sub> )	2,364	2,185	2,071	1,853
Change in CO <sub>2</sub> footprint compared to previous year	N/A	-7.5%	-5%	-11%
Total change in CO <sub>2</sub> footprint since 2014 (2021 KPI is -25%)	N/A	-7.5%	-12.5%	-23.5%

be increasing this blending to a composition of 50% in 2018. This strategy is expected to result in a total CO<sub>2</sub> reduction of 25% compared to our 2014 footprint, which means that our 2021 target will already be achieved.

## Fleet-wide use of biofuel

Following a previous successful pilot, we awarded a contract to GoodFuels Marine for improving the sustainability of the fuel used by our fleet, which consists of five harbor patrol boats. All vessels now run on fuel containing 30% used cooking oil, a high-quality and sustainable biodiesel. This biodiesel reduces CO<sub>2</sub> emissions by 25% compared to fossil diesel.

	2015	2016	2017
CO <sub>2</sub> emissions from harbor patrol boats (in tons of CO <sub>2</sub> )	1,264	1,128	979
% footprint from fuel consumption by harbor patrol boats	58%	54%	53%

## Port of Amsterdam International

Through our subsidiary Port of Amsterdam International B.V. (PoAI), we are strengthening our clusters and networks by building partnerships with our top-tier customers. We do so by providing advice, implementing management contracts and acquiring stakes in foreign ports. This process serves to support our customers with their international activities, including the expansion of those activities where possible. PoAI is also increasingly acting as a “front runner” for the port authority’s business development. Our presence in foreign ports gives us insight into new opportunities. In a Business Opportunity Scan performed for the Dutch Embassy in the Ivory Coast, PoAI identified six opportunities for the business communities of Dutch ports.

It also increases our understanding of current and future logistics flows as well as providing our employees with international development opportunities.

Under the name APC (Amsterdam Port Consultants), PoAI successfully contributed to the improvement of maritime services in the Port of Fujairah in 2016 and 2017. In October 2017, the Port of Amsterdam and Port of Fujairah signed a declaration of intent for the [continuation of their collaboration](#). The Port of Fujairah, one of the largest oil storage and bunkering hubs in the world, is facing the same opportunities and challenges as we are

in Amsterdam, for instance, in the area of LNG storage and bunkering. A number of our customers (including Vopak and VTTI) have branches in Fujairah. The contribution of PoAI in

**Mousa Murad, General Manager of PoF:**  
**“Port of Fujairah has grown rapidly over the years. We are very proud of all that we have accomplished, but also recognize that the support of partners is instrumental in maintaining and expanding our position.”**



strengthening processes at this port is a good example of how we assist our customers in their international activities.

Sustainable Development Goal



In 2017, PoAI was also involved in two different projects in the Ivory Coast, the largest cocoa producer in the world. Given the importance of the cocoa chain to our position as the largest port for cocoa importing in the world, an in-depth understanding of developments in this chain is crucial. In conjunction with the Dutch Development Bank (FMO) and

on behalf of the new Dutch Embassy in the Ivory Coast, PoAI mapped the cocoa chain and identified opportunities for Dutch businesses. PoAI has also joined forces with Amsterdam University of Applied Sciences to use a quantitative model for an analysis of the various links in the Ivory Coast cocoa chain on behalf of the World Bank. The aim of this investigation is to make the chain more sustainable, more efficient and more effective. This investigation will give us an insight into how the Port of Amsterdam can contribute to increasing the sustainability of such chains and how we can fulfill our chain responsibility.

For the Port of Amsterdam, Brazil is one of the largest markets of origin for agribulk. In September, PoAI signed a Memorandum of Understanding with the representative of a Brazilian business consortium. This agreement aims to support these businesses in their plans for the development



of an inland port in a southern Brazilian state that is a major grower of products such as soy and grain. The intended role of PoAI is partly to develop the port, but primarily to manage its structures once construction is complete. In other words, PoAI is playing a role as a 'front runner' in business development for the port authority.

In 2016, PoAI signed a long-term cooperation agreement with Aruba Ports Authority (APA) focusing on the joint implementation of APA's commercial strategy and vision, the transformation of a port site of around 20 hectares in Oranjestad into a multifunctional area and the mutual enhancement of the parties' international ambitions. As part of this agreement, PoAI has provided a representative to act as a member of APA's management team since 16 January 2017. This Chief Commercial Officer provides leadership on APA's commercial strategy and will be stationed in Aruba for several years, to be supported by a multidisciplinary team based in Amsterdam.



## Our organization

The Port of Amsterdam has been an independent entity since 1 April 2013, with the Municipality of Amsterdam as its sole shareholder. Its independence created scope to redesign its organizational structure. The choices that we made in our Strategy 2017-2021 resulted in adjustments to our internal structure.

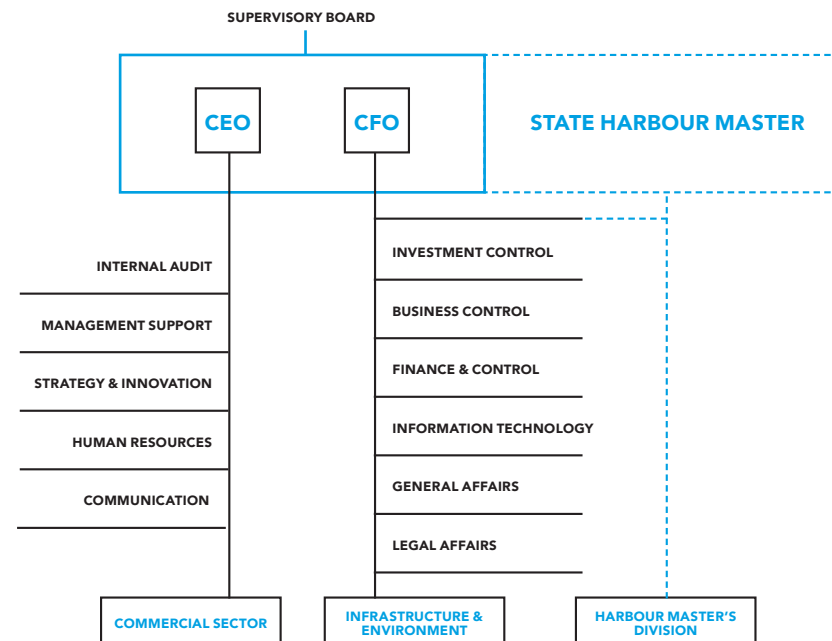
A healthy organization is a socially responsible organization that includes its partners in and around the port in its actions and decision-making. We strive to be an organization in which all processes are properly aligned with each other, where employees have the right competencies and skills, and where they continue to develop in their areas of expertise and responsibilities. We work towards this goal on a daily basis mindful of our core values: working together, being passionate, showing respect and acting responsibly.

### Company Code

The body of laws and regulations applicable to the port authority has increased in recent years, while at the same time it is becoming increasingly important for us to show that we are complying with those laws and regulations. For this reason, we have developed and adopted a compliance policy. This compliance policy consists of arrangements and rules which must be followed by employees of the port authority (including people working for the port authority on behalf

of an external contractor). Our revised Company Code sets out the behaviors, laws and regulations that apply to us, and identifies our compliance officers. The revision mainly consisted of textual changes to make the wording of the rules and arrangements clearer.

We believe that it is important for all our employees to be familiar with the content of our latest Company Code and to act in accordance with the basic principles set out therein. Failure to comply with the rules can often unintentionally lead to difficult dilemmas. Because integrity forms the basis of Corporate Responsibility, dilemma sessions were organized in 2017 for all departments of the port authority, several internal information messages were distributed and a series of online polls were run.



## Human resources and organizational development

### Sustainable Development Goal



In 2017, decisions were made in the field of HR on the basis of the developments faced by the organization. Customer demand is becoming more complex and more diverse, and it is changing more rapidly than previously. The port authority wants to be a flexible, agile organization, which means that our employees must have the right skills. We require long-term employability

from our employees, based on three pillars: Knowledge and skills, Behavior and Vitality.

In 2017, we developed the first two pillars into a new performance and development cycle, which will take effect on 1 January 2018. This cycle is more results-oriented, while more specific agreements are made and more flexible adjustments are enabled. In 2017, all employees completed training on the new performance and development cycle. The focus for the next few years is on remaining “fit for the job” through ongoing development, training, and the acquisition of knowledge and skills. A fundamental change is that responsibility rests with the employees in the first instance. Employees will take the initiative to keep their manager updated. The manager will play more of a coaching role.

With the developments in the market, positions within the organization are also changing. Accordingly, employees will be asked to continue developing their skills through training courses and programs, as well as by positively and critically looking at their own and other’s behavior.

The third pillar, vitality, will be translated into the HavenFit program. Being fit both physically and mentally is an important precondition for long-term employability.

We are also committed to other ways of working and collaborating on projects, for instance, with the introduction agile working methods such as scrums. In 2017, we launched the in-house program “Stronger Through Collaboration,” in which sports speakers, monthly sports clinics and a sportively-furnished meeting room inspire employees in the area of teamwork from a different angle. All of these efforts reflect our desire for agile, flexible employees who can continue to comply with customer demands in the broadest sense.

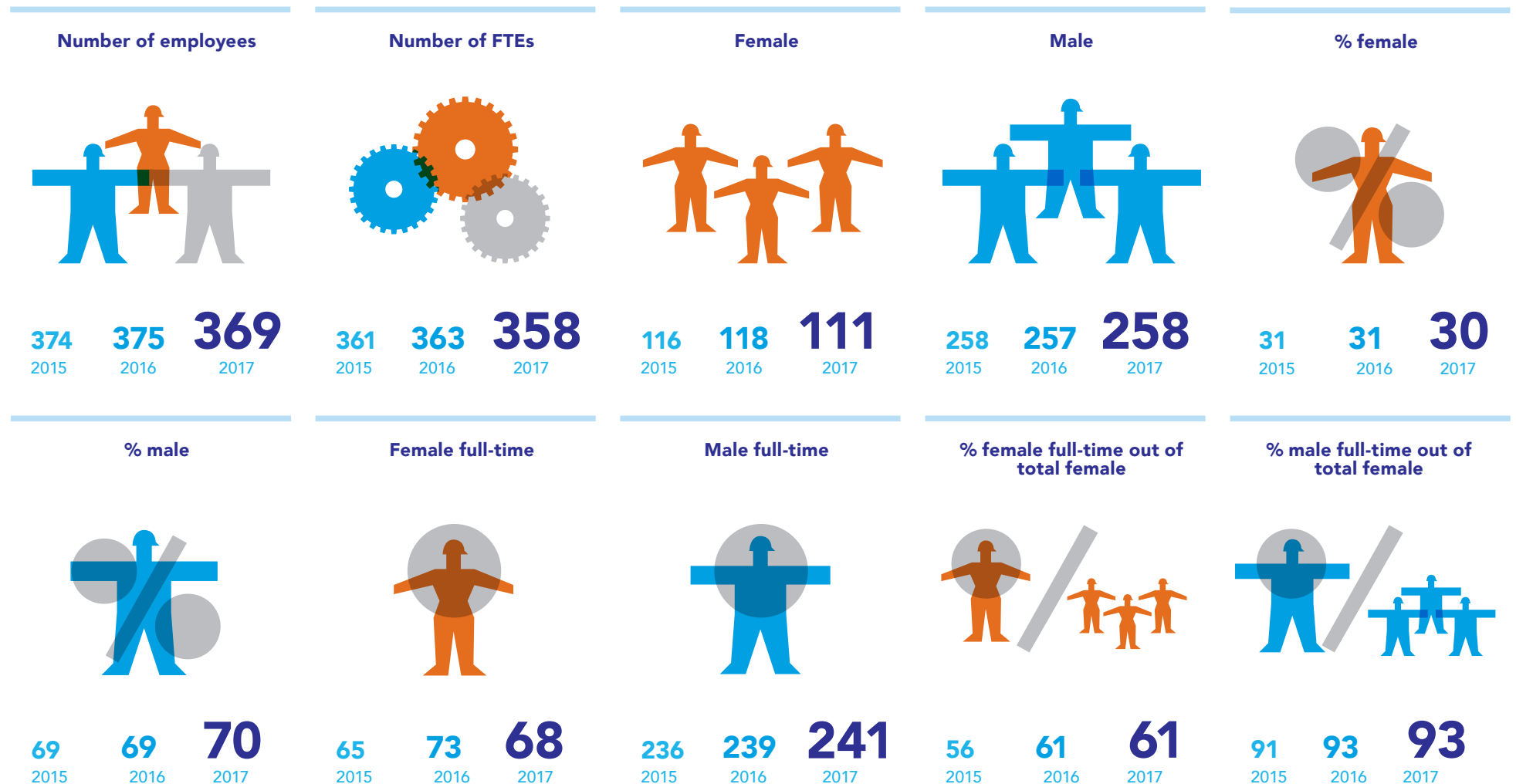
To organically support these developments and create the conditions for us to develop into a flexible, agile and adaptive organization with employees to match, a number of departments were restructured in 2017. For example, the entire department of the Harbor Master’s Division was placed under the microscope, due to the desire to give our organization a more efficient and effective structure as well as to ensure that the diversity of our workforce matches

demand in a more optimal manner, both quantitatively and qualitatively. The New Business department was integrated into the Strategy & Innovation and Circular & Renewables departments. In addition, the General Affairs, Finance & Control and Commerce departments have been restructured on the basis of the same principles.

**We require long-term employability from our employees, based on three pillars: Knowledge and skills, Behavior and Vitality.**

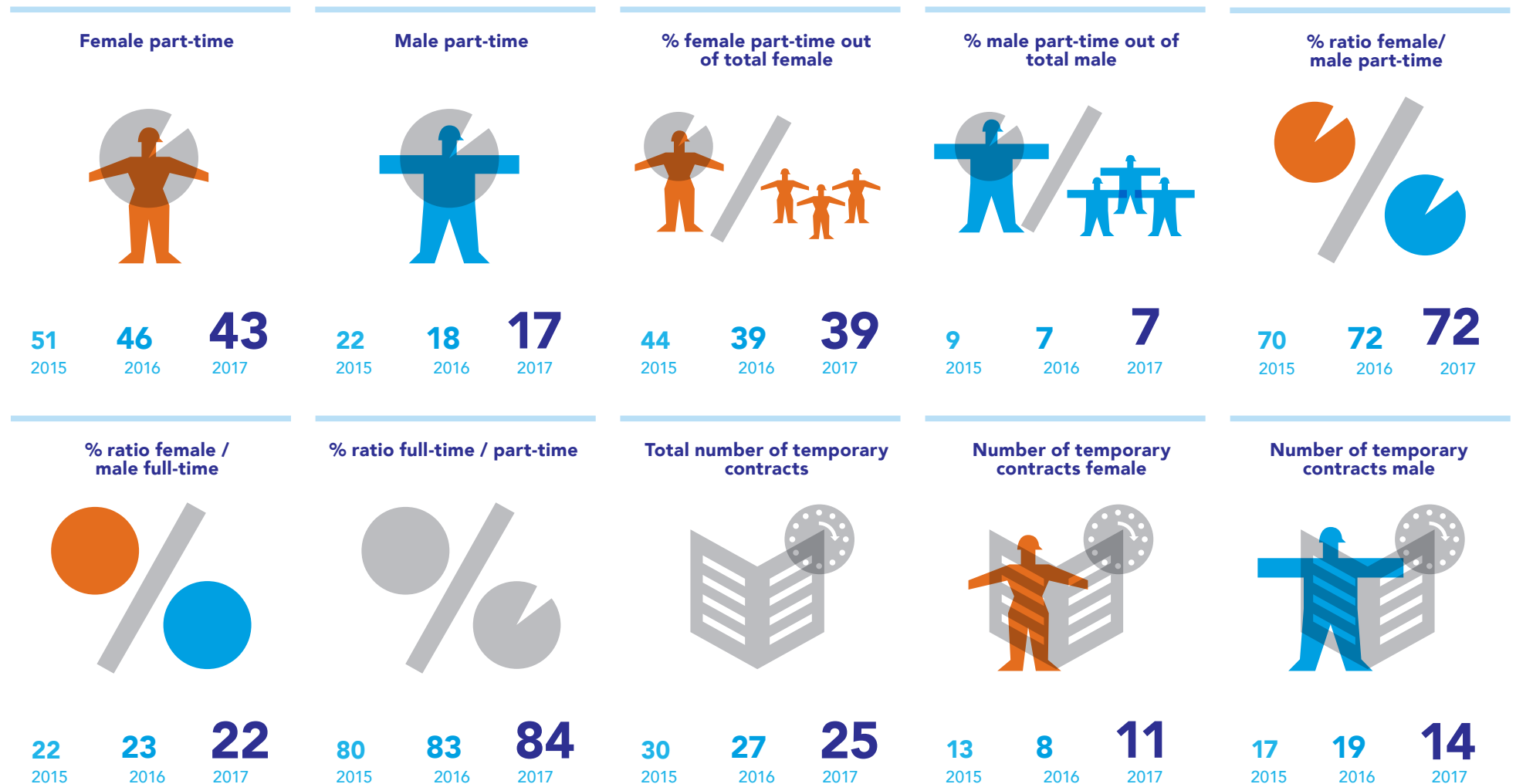
# Facts & figures

**Human resources** This data was entered in the AFAS HR Profit system by HR personnel.



# Facts & figures

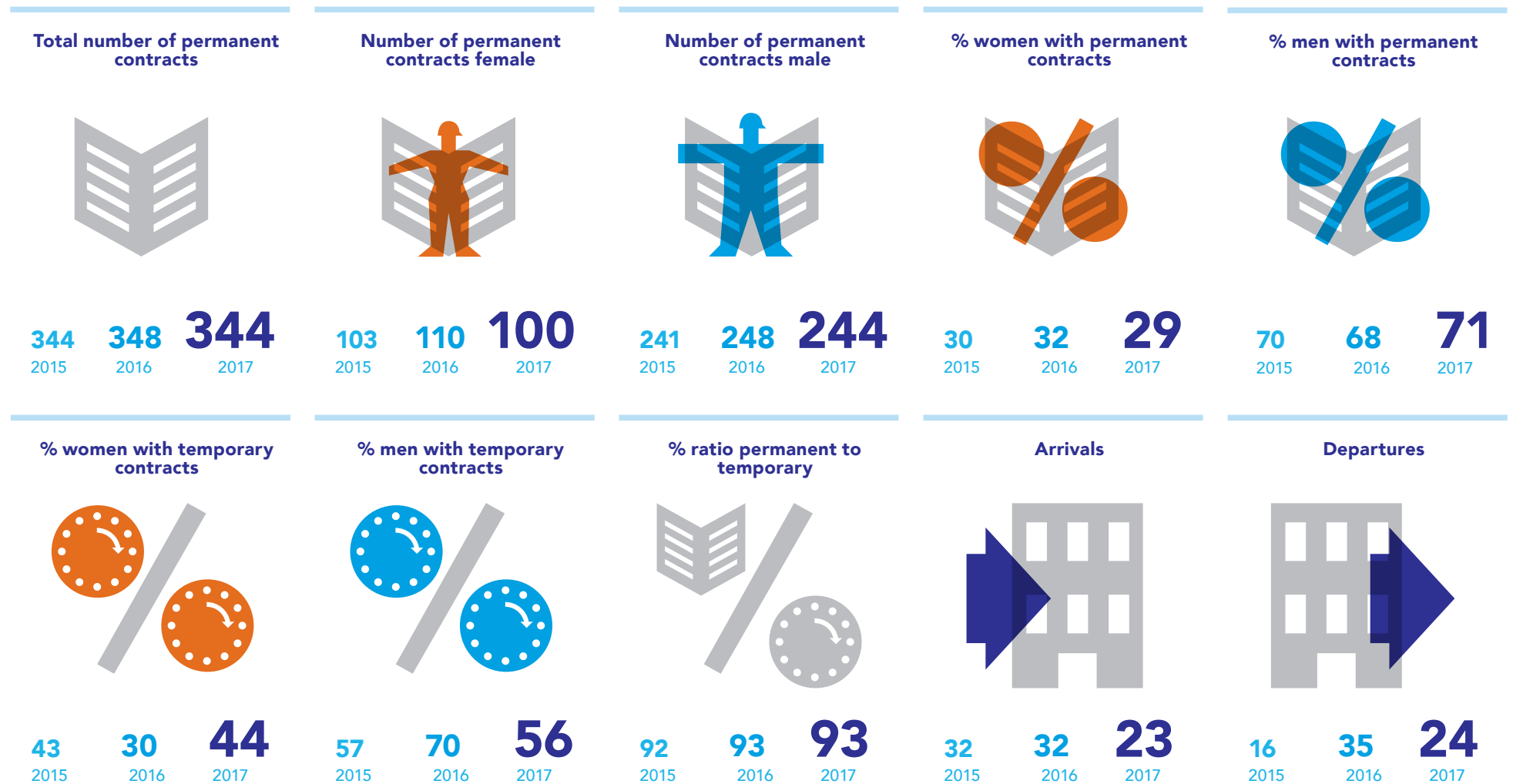
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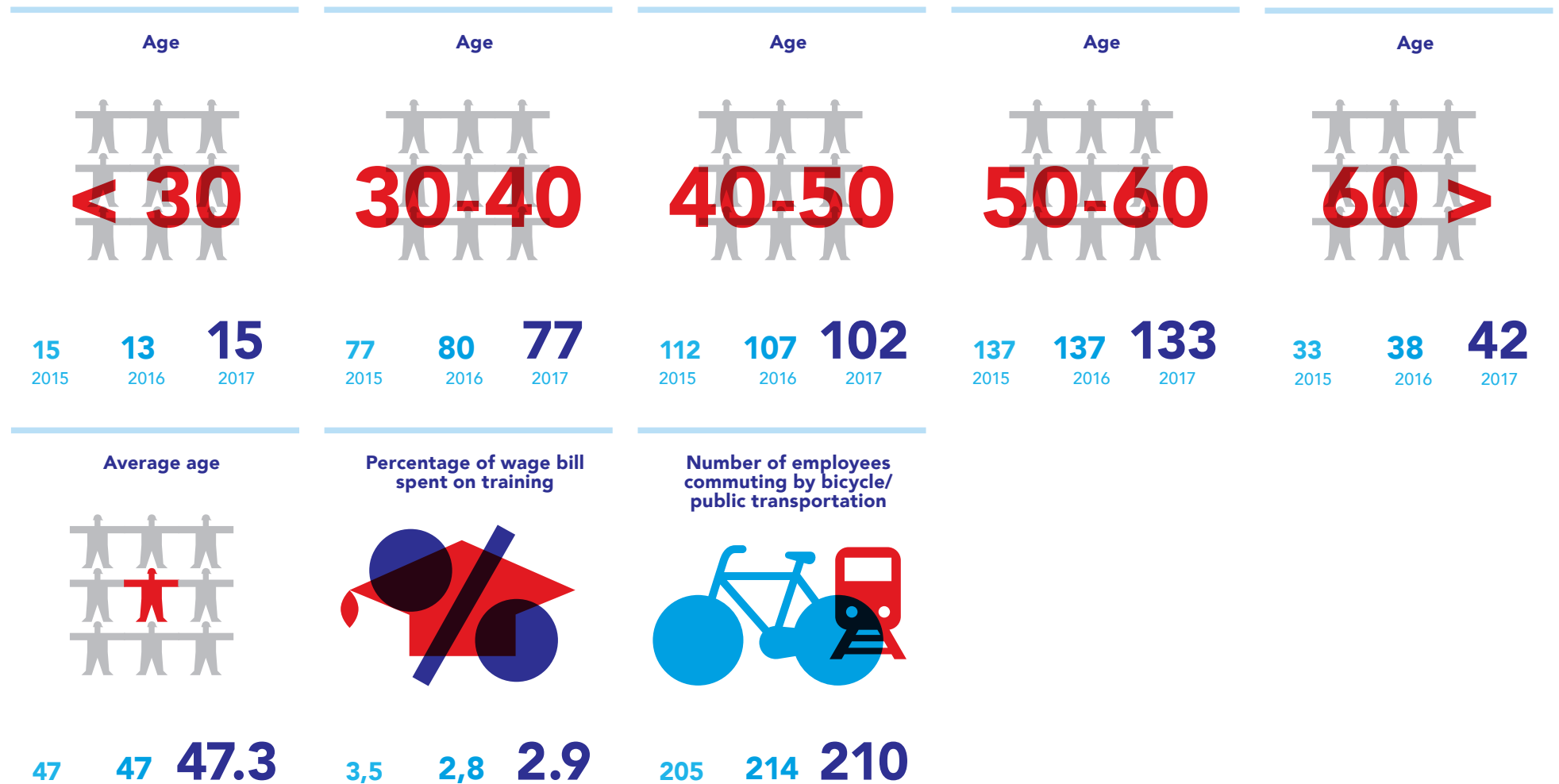
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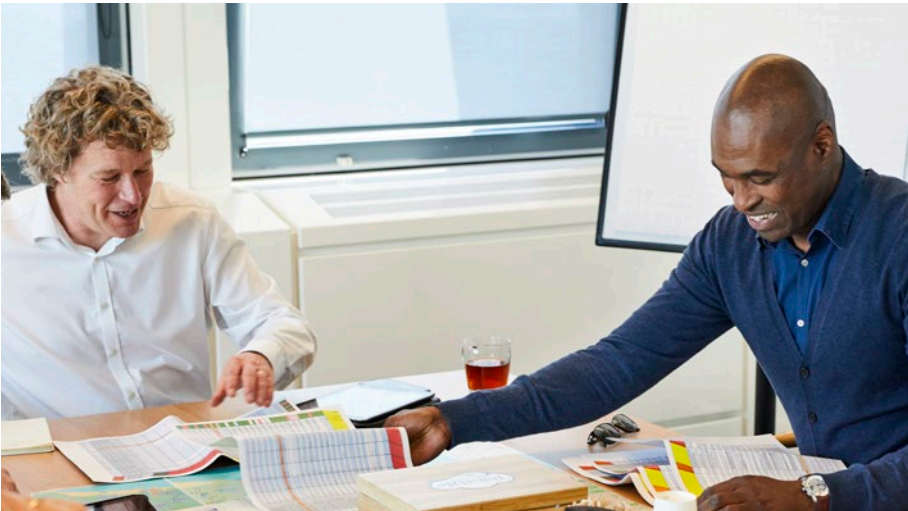
## Absences

Our KPI for absences due to illness is a maximum of 3%. Since 2015, absences due to illness have been on the rise. An analysis was performed in late 2017, but it did not identify any clear cause. HR analytics were applied as a follow-up action. We expect the results in early 2018, after which we will look at possible follow-up steps.

	2015	2016	2017
Absences	3.2%	3.8%	4.3%
Employee satisfaction (biannual survey)	-	7.3	-

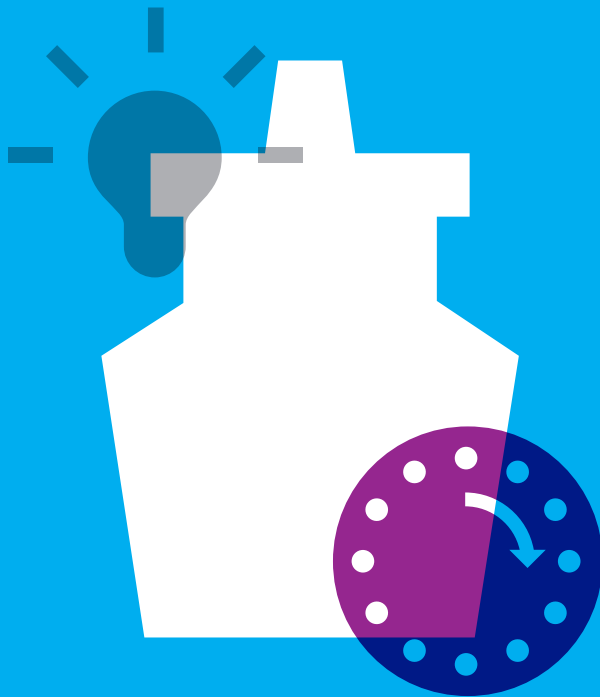
## Works Council

The Works Council (OR) of Havenbedrijf Amsterdam N.V. consists of 18 people: 9 members and 9 deputies. They hold joint consultation sessions every month. The Works Council meets with the Board of Directors once a month, without the deputies. In 2017, the topics for discussion primarily concerned internal restructuring. The task of the Works Council is to proactively contribute ideas and to advise the directors. Requests for approval were sent to the Works Council in relation to two matters: the introduction of the new performance and development cycle, and the change in the Operations Manager position from a round-the-clock position to a semi-continuous position. The Works Council gave its approval in both processes. These changes will take effect on 1 January 2018.



# Chapter 3

## What lessons have we learned for the future?



# What lessons have we learned for the future?

**Developments at the Port of Amsterdam show that the economy grew more quickly than expected in 2017. As almost all types of cargo flows increased and demand for available plots of land rose sharply, strategic stock shrank rapidly.**

We expect this trend to continue mainly due to the growth in business activity on new markets, such as the production and storage of renewable energy, and an increase in circular processes among our customers.

To ensure that development proceeds well from an economic point of view, we must be able to facilitate both new and existing business activity. In the coming period, which is a period of transformation, a lot of space will be required and we will have to be smart about how we handle our strategic stock. Demand for housing in Amsterdam is growing rapidly, which means that land for port infrastructure and environmental space are becoming increasingly scarce. In other words, the economic acceleration is leading to more

pressure on our space. This development directly affects discussions about the bridges, the PTA relocation and the Port-City development.

The challenge is to manage our success! This aim is something that we must achieve in dialog with all of our stakeholders by taking not just a local but also a regional approach. We had already made this decision by expanding our intensive

collaboration with Zaanstad and by implementing a truly regional approach to the berth system and the invoicing of inland port tariffs from January 2018. This process has enabled us to spread river cruise vessels across the region and make better use of our capacity.

We have also seen an acceleration in the energy transition. The coalition agreement for CO<sub>2</sub> reduction was signed,





prompting a nationwide debate around the phasing out of fossil resources and the options as well as the need for obtaining energy from wind and sun. This debate has strengthened our belief in our decision to work toward a coal-free port by 2030. With this decision, we are making an ambitious and responsible step toward the energy transition.

At the same time, we are seeing a great deal of emotion in the energy debate, for example, with the so-called “[Code Red Action](#)”. This group, previously known as the Climate Games, staged a protest last year in the port area against fossil energy sources resulting in havoc at the industrial sites of OBA and Nuon. The entire energy transition requires careful, respectful and intensive communication and coordination with all relevant stakeholders. In the meantime, it is commendable how quickly both companies have started looking into alternative cargo flows.

We also want to accelerate our efforts toward achieving our strategic ambitions. To strengthen our focus on our priorities, we have recalibrated our ten priority projects around the four themes mentioned earlier (circular economy, energy transition, digitization and mobility & accessibility). We want to expand our capacity for innovation and use smart technologies in order to further strengthen our internal organization and ensure the success of our opportunities at the port.

Our strategy is working and we remain committed to our goals for 2021. We would like to go even further in the areas of circular economy and energy transition, which will require even greater commitment and focus. Our role is to help generate and distribute sustainable energy, to make processes faster and smarter, and to stimulate the circular economy.

Averijhaven can play a key role in this regard. Averijhaven is a port outside the sea lock, where we can provide new facilities for lightering of bulk carriers heading to the Amsterdam port area and beyond. In this light, we want to give Averijhaven an additional function: to be a sustainable energy port. Averijhaven’s location is perfect for assembling, adjusting, dismantling and maintaining ships and offshore wind turbines, for storing new forms of energy and for careful dismantling of old oil production platforms. In particular, our goal to generate more sustainable energy for the region will foster our ambition to construct an offshore wind farm from Averijhaven at the Hollandse Kust (noord) Wind Farm Site. These kinds of offshore functions strengthen the regional function of the port and serve to unify our port region.

In addition, we have a circular ambition to continue developing the recovery of raw materials in the port area. By expanding waste separation processes, we can also import waste from other countries through our new sea lock from the end of 2019, combine it with waste from our city, and convert it into energy and reusable raw materials.

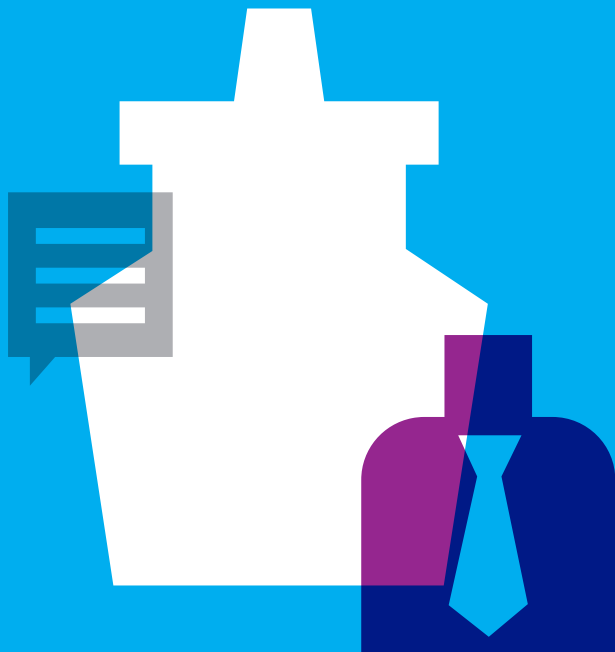
To further improve logistics, we also want to improve our position in short sea and hinterland activities. We are pursuing this ambition through a focus on rail and inland shipping. The connection to the new silk route is an example of this ambition. This step will help us to become the premier logistics hub in the region for the transport of containers from north-west Europe to Asia.

With the intensification of land, diversification of economic activities, effort to make business activity increasingly circular and sustainable energy production, as well as harnessing the driving force of digital and other innovative means, we can look back on a dynamic year. The plans made in 2017 allow us to maintain momentum as we work to become the port that we foresaw in our Vision 2030: Amsterdam Metropolitan Port, a smart, fast and clean port!

Our **strategy is working** and we remain committed to our goals for **2021**.

# Chapter 4

## About this annual report



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# About this annual report

With this report, we are attempting to communicate as transparently as possible with our stakeholders about the added value of our operations in the economic and social spheres.

In 2017, we are also reporting in accordance with the Global Reporting Initiative (GRI). These internationally-accepted guidelines are the standard for businesses that want to report on sustainability. The GRI gives two options for reporting in accordance with the GRI Standards: “Core” and “Comprehensive.” This annual report has been drafted in line with the GRI Standards at the Core level.

## Our Stakeholders

In the context of developing a content strategy, the port authority performed a stakeholder analysis in 2015, as a result of which nine stakeholder target groups were defined on the basis of roles, interests, needs and influence. We are in constant contact with our stakeholders. This year, in addition to the regular feedback moments, we organized a number of events on various themes.

STAKEHOLDER GROUP	THEME	EVENTS IN 2017
<b>Government</b> Municipal authorities, provincial authorities, central government (ministries), government bodies and the EU. We have contacts at all levels, both with officials and with politicians.	<ul style="list-style-type: none"> <li>• Connection with the city</li> <li>• Multimodal accessibility</li> <li>• Sustainable energy production</li> </ul>	8
<b>Strategic partners</b> We have many different partnerships. To achieve our common ambitions, we work with partner organizations.	<ul style="list-style-type: none"> <li>• Clean shipping</li> <li>• Partnerships</li> <li>• Sustainable port</li> </ul>	4
<b>Suppliers</b> Parties that supply goods or services to Port of Amsterdam.	<ul style="list-style-type: none"> <li>• Sustainable operations</li> </ul>	2
<b>Knowledge institutions</b> Research institutes, universities of applied sciences and research universities.	<ul style="list-style-type: none"> <li>• Biobased and circular economy</li> <li>• Capacity for innovation</li> <li>• Labor market and training</li> </ul>	1
<b>Civil society organizations</b> Organizations with a social purpose.	<ul style="list-style-type: none"> <li>• Supply chain responsibility</li> <li>• Transparency</li> <li>• Port's environmental impact</li> </ul>	6
<b>Media</b> Journalism organizations and opinion leaders.	<ul style="list-style-type: none"> <li>• Transparency</li> </ul>	5
<b>Customers</b> Business located in the port area or in the port region. Businesses that openly tranship, transport or manufacture goods, provide services or develop new services. Whatever they do, these businesses are always looking for a good, healthy, versatile business climate.	<ul style="list-style-type: none"> <li>• Sustainable energy production</li> <li>• Biobased and circular economy</li> <li>• Port's environmental impact</li> <li>• Capacity for innovation</li> <li>• Intensifying use of the available space</li> <li>• Supply chain responsibility</li> <li>• Customer satisfaction</li> <li>• Preferred port</li> </ul>	6
<b>Local residents</b> Individuals and organizations located in the port area or in the port region.	<ul style="list-style-type: none"> <li>• Connection with the city</li> <li>• Port's environmental impact</li> <li>• Intensifying use of the available space</li> </ul>	6
<b>Port of Amsterdam</b> Our own organization, from our staff to the Supervisory Board and our shareholder.	<ul style="list-style-type: none"> <li>• Sustainable energy production,</li> <li>• Supply chain responsibility</li> <li>• Sustainable operations</li> <li>• Biodiversity</li> <li>• Safety</li> <li>• Digital Port</li> <li>• Good employment practices</li> <li>• Labor market and training</li> <li>• Sustainable operations</li> </ul>	Our own organization & the Supervisory Board: 3 Shareholder: 11

## Selection of themes

The materiality matrix is updated each year and forms the basis for the annual report. It determines which themes are material: which subjects are important and which subjects our stakeholders consider important for us to report. The matrix provides direction to our policy for the coming year. Material topics from our foreign participating interests are not included in the annual report.

The objectives from our Strategy 2017-2021 relate to the themes that we and our stakeholders consider important and that have emerged from the materiality analysis.

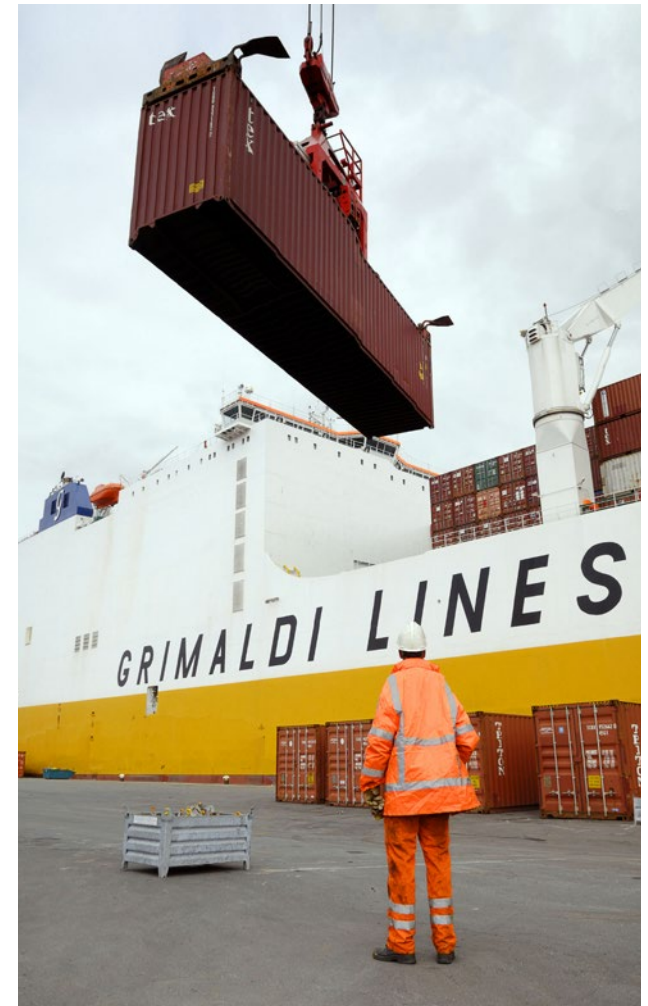
## Materiality matrix process

To develop the materiality matrix for 2017, the first step was to select sources from internal and external reporting. Internal reporting includes our Annual Report (2016), the Sustainability Plan (2016-2020), the Strategic Plan (2017-2021), our Intranet, press releases, news articles, Board reports and stakeholder interviews from 2017. Considered to be external reporting are the customer satisfaction survey (2017), reputation survey (2015 and 2017) and the social trend analysis.

The subjects raised most frequently became our themes. All sixteen of our 2016 themes were still relevant in 2017. Four new themes emerged from the analysis in 2017: “Digital port,” “Preferred port,” “Partnerships” and “Biodiversity.”

Overlapping themes were merged into a single theme. For instance, the themes of “Energy transition” and “Employee vitality” were incorporated into the themes of “Sustainable energy production” and “Good employment practices,” respectively. “Bridging the IJ” and “Sea lock” were also included under the “Accessibility” theme, while we incorporated the “Port-City” theme under “Connection with the city.” This process resulted in a total of 20 themes in the 2017 materiality matrix.

The themes were then assessed against criteria to determine their relevance for stakeholders and criteria for successful business operations. These criteria were set by the GRI.



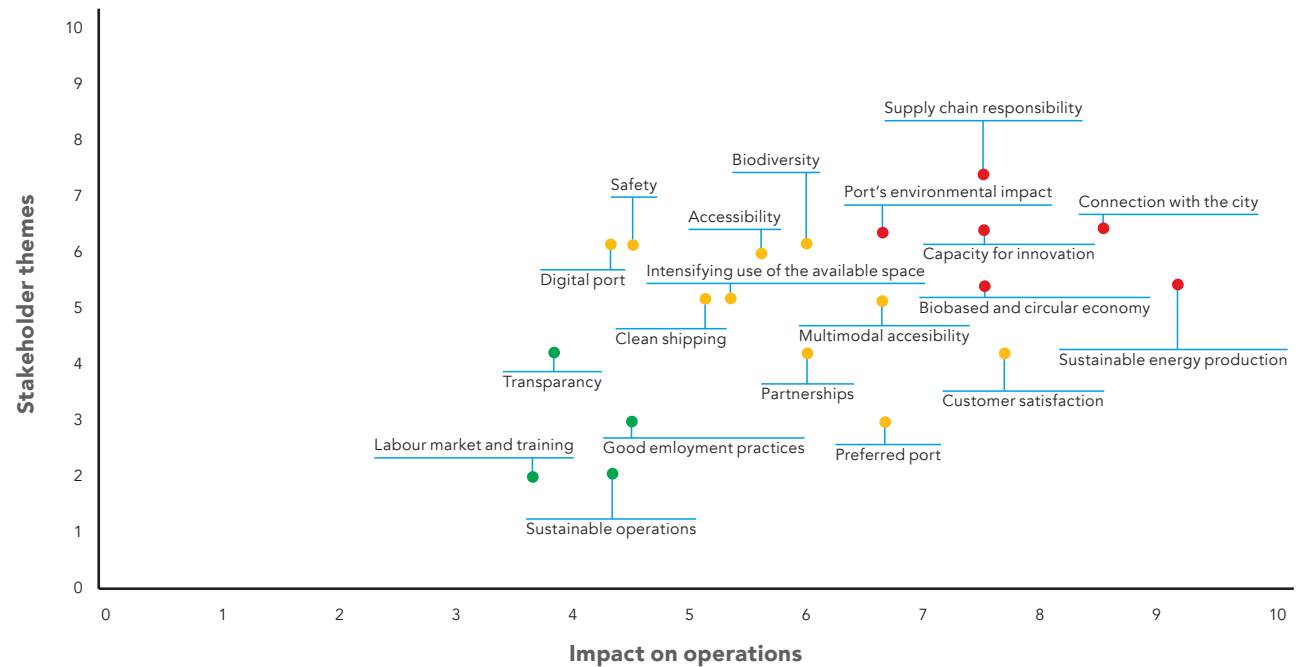
## Shifting themes

Shifts have been observed in the themes of “Supply chain responsibility” and “Intensifying use of the available space,” which have been moved toward the top right – in other words, they have become more material. The theme of “Labor market and training” has become less material compared to 2016.

Compared with the 2016 materiality matrix, there were no major shifts in 2017. Part of the reason was that the reputation survey is conducted every two years and the most recent survey was in 2016. Next year, the reputation survey will once again be performed among stakeholder groups.

### Materiality of the themes

The themes classified in Category 1 (red) are described in greater detail within the annual report than those in Categories 2 (yellow) and 3 (green). The management approach, including at least one indicator, is described for all Category 1 themes in accordance with the new GRI Standards. For themes in the other categories, relevant indicators are described for the port authority.





## The scope of the report

The annual report covers the period from 1 January 2017 to 31 December 2017 and all activities of the Port of Amsterdam have been reported. In the annual report, an attempt has been made to describe the sustainability themes in as integrated a way as possible. As a result, the sustainability chapter covers only the process, the organization and the subjects that could not be included elsewhere.

## Reliability

The strategic KPIs are monitored on a quarterly basis and reported to the Board members as well as the Supervisory Board. Accuracy of the data is guaranteed by the business controllers. The Board members are responsible for the non-financial data in their own portfolios.

## Impact, influence and effect

As a port authority, we have an impact, influence and effect on the environment and our surrounding area. We differentiate between three levels at which we have either large influence and a small impact (our own business operations), a reasonable influence and a substantial impact (the port area), or small influence but a large impact (the supply and logistics chains). This difference is the result of our action perspective, which is more significant on a local level compared to the start of an international supply chain.

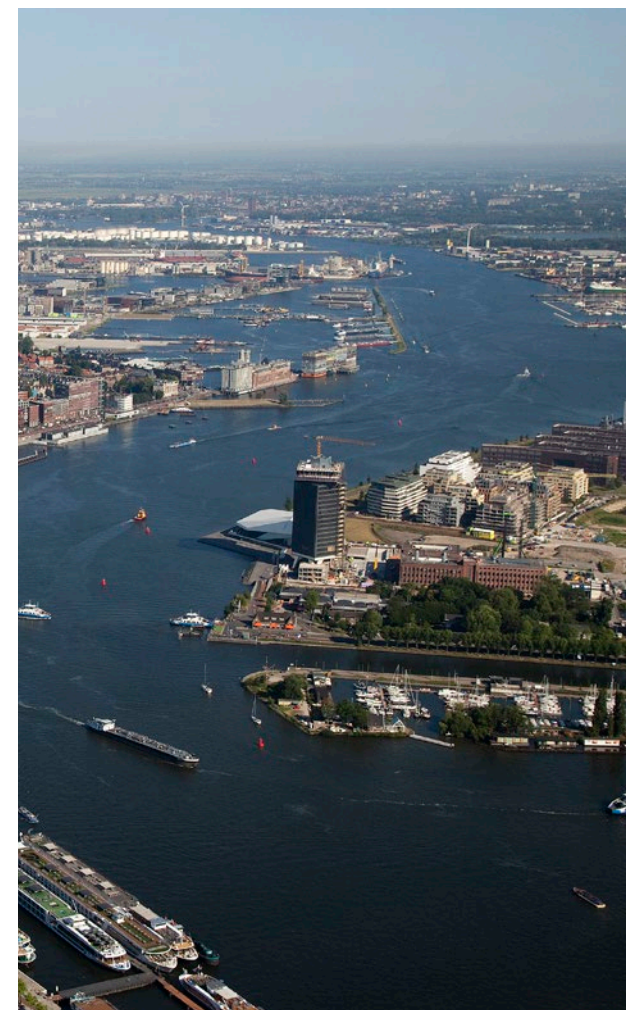
Despite the fact that this action perspective is modest, we attempt to exercise influence over the port area and the supply chain through partnerships and dialog with our stakeholders.

The table below sets out the six material social topics from Category 1 and states the level at which each theme is operational. Our own business operations, including our procurement, comes under the port authority level. The port area level covers the industrial and business complex, with the supply and logistics chains representing the supply chain level.



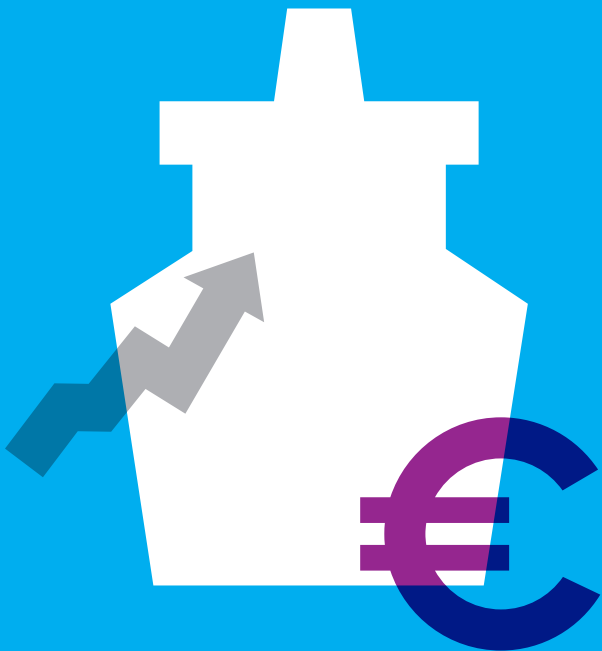
REFERENCE TABLE THEMES	LEVEL	DEFINITION
<b>Supply chain responsibility</b>	Port authority, port area and supply chain	The import and transit, storage and throughput of goods at the port. We are directly connected to our customers and suppliers.
<b>Biobased and circular economy</b>	Port area	Stimulating circular and biobased activity as well as innovations at the port as a landlord and creating physical space.
<b>Port's environmental impact</b>	Port area, supply chain	Reducing the environmental impact of port activities. We promote a safe and healthy living environment. Our efforts are aimed at preserving biodiversity.
<b>Sustainable energy production</b>	Port area	Developing the port as the "battery of the city." Reduction of our own CO <sub>2</sub> footprint.
<b>Connection with the city</b>	Port authority, port area	The way in which the growth of the city and the port activities go hand in hand and strengthen each other; Port-City, "battery of the city."
<b>Capacity for innovation</b>	Port authority, port area, supply chain	Promoting a clean, smart and fast port by endorsing innovations in this area. Stimulating innovative startups, digitization of the port, logistics and mobility.

The vast majority of the themes are operational in the port area. This fact confirms that we are dependent on the business community and other stakeholders in the most material themes. To this end, we report on these themes within this integrated annual report in our role as market supervisor, matchmaker and co-creator.



# Chapter 5

## Financial results



# Financial results

## Amounts in €

	2017	2016
Revenue	150,055,980	146,275,891
Personnel expenses	-33,238,553	-36,978,779
Depreciation and amortization	-21,680,629	-21,687,599
Other operating expenses	-20,852,822	-14,283,906
<b>OPERATING RESULT</b>	<b>74,283,976</b>	<b>73,325,607</b>
Financial income and expenditure	796,105	474,739
Share in results of participating interests	19,886	533,521
Taxes	275,714,928	-
<b>Net result</b>	<b>350,814,895</b>	<b>74,333,687</b>

### Revenue

Revenue was up by €3.8 million in 2017 to €150.1 million (2016: €146.3 million). This rise is mainly due to:

- An increase in sea harbor dues of €2.2 million
- An increase in rent, ground lease and quay fees of €2.3 million
- A reduction in inland harbor dues of €-0.2 million
- A reduction in other operating income of €-0.5 million

The increases in sea harbor dues, rent, ground lease and quay fees are mainly due to a higher price resulting from indexation of tariffs, a rise in throughput and the allocation of new land.

### Personnel expenses

Personnel expenses fell by €3.8 million in 2017. This drop was mainly due to the €2.3 million of severance payments in 2016. In addition, fewer external contractors were used (-€0.8 million).

### Other operating expenses

Other operating expenses rose by €6.6 million in 2017, due largely to the -€11.2 million release in 2016 of the provision for RON N.V. and a release of the provision for home insulation. By contrast, the release of the provision for ACT was -€10.3 million in 2017 and an initial contribution of €5 million was made toward the new sea lock.

### Financial income and expenditure

The main item under “Financial income and expenditure” concerned the change in interest from the provision for decontamination liabilities. Since these liabilities will now be carried at nominal value, the provision will no longer include a change in interest.

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## Taxes

As of 1 January 2017, Havenbedrijf Amsterdam N.V. is subject to corporate income tax. The organization was therefore required to draw up a fiscal opening balance sheet as at 1 January 2017. The purpose of the opening balance sheet was to separate the taxed and untaxed periods as well as to enable calculation of the total profit. In drawing up the fiscal opening balance sheet, the Port of Amsterdam's assets and liabilities were in principle stated at fair value. Depending on the facts and circumstances, the assets and liabilities were either valued separately or the company was valued as a whole.

Different valuation approaches and methods were used depending on the item to be valued. Based on conversations with the Dutch Tax and Customs Administration, the tax value of the company is likely to be higher than the commercial value (the valuation in the financial statements of Havenbedrijf Amsterdam N.V.). Under the Annual Reporting Guidelines, a deferred tax asset must be formed in the Port of Amsterdam's financial statements equal to the difference between the tax value and the commercial value. A higher depreciation charge must be recorded each year for tax purposes, which will lead to a reduction in the immediately-payable corporate income tax. Although the deferred tax asset included relates to the best estimate based on conversations held with the Tax and Customs Administration, no agreement has yet been reached with the Tax and Customs Administration on the individual assets and liabilities.

The net result for 2017 is €350,814,895. However, this result has been increased by €294,497,868 on a once-only basis as the result of the tax revaluation deriving from the introduction of the corporate income tax obligation for Havenbedrijf Amsterdam N.V. from 1 January 2017.

## Development of the balance sheet

The balance sheet total rose by €312 million, largely due to the formation of the deferred tax assets (290 million), the release of the provision for ACT (10 million) and an increase in the tangible fixed assets resulting from investments, less depreciation (9 million). Solvency, calculated as the percentage of equity in the balance sheet total, rose from 61.3% to 80.3% mainly as a result of the increase in net result.

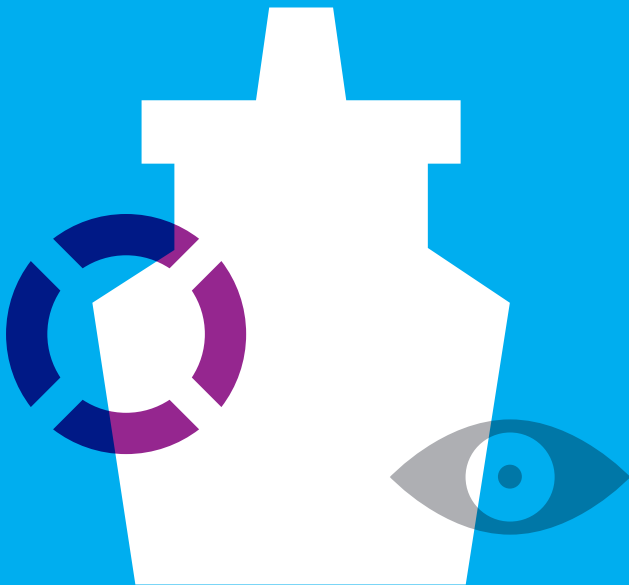
A more detailed explanation of the above financial results can be found in the Notes to the financial statements.

**Solvency, calculated as the percentage of equity in the balance sheet total, rose from 61.3% to 80.3% mainly as a result of the increase in net result.**



# Chapter 6

## Risk management



# Risk management

**Due to its social function and entrepreneurial business operations, the Port of Amsterdam is exposed to a diverse range of risks.**

## **The risk management and control system**

The purpose of the risk management and internal control system is to identify, manage and report on risks. The system used is based on the internationally accepted standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013.

To manage risks, the “three lines of defense” model is followed. Risk management is primarily the responsibility of the line employees, supported by staff departments in the second instance. The actual operation of the risk management and internal control system is tested by internal audits.

## **Control environment**

The risk management and control system is embedded within the organization via the planning and control cycle. The Amsterdam Harbor Master reports to the Minister of Infrastructure and Water Management, the Director-General for Public Works and Water Management (Rijkswaterstaat), the Municipality of Amsterdam and the Central Nautical Management on the exercise of the public task, as set out

in the Amsterdam Harbor Master Covenant. In addition to financial accountability, this report includes changes in the extent to which the handling of shipping traffic is smooth, safe and environmentally responsible.

## **Risk assessment**

We adopted a risk policy in 2017. This step is important in ensuring the keeping of a risk inventory, the prioritizing of risks and the monitoring of progress in controlling risk. Various line departments keep a risk inventory relating to the achievement of the port authority’s strategic goals. Owners are appointed for the most important risks and progress on control measures is reported every quarter.

## **Control activities**

Control measures have been defined for the prioritized risks. In addition to controlling our key financial processes, we started to outline our operational processes and bring them under control in 2017.

The standards and values in the Company Code are discussed in dilemma sessions. Regular workshops are organized to keep line compliance officers informed and up to date on legal developments in their subject area.

**Formulating new areas for improvement on the basis of second-and third-line assessment findings.**

In the policymaking area, considerable attention has been given to updating the information security policy. A Procurement Program Manager joined the port authority in late 2017, with a mandate to draft and formalize the procurement policy.

The Port of Amsterdam’s treasury policy from 2012 is defensive and risk averse. No financial instruments have been used to cover financial risks arising from operating activities.

### Information, communication and monitoring

Each quarter, process owners issue an in-control statement on the management of key financial processes. Process owners use this statement to give the Board of Directors a quarterly update on the progress of improvement measures and the operation of the processes. Continuous improvement is achieved by formulating new areas for improvement on the basis of second-and third-line assessment findings. Reports are issued on information security and privacy incidents. Compliance incidents were also reported on for the first time in 2017.

### Improvements in the risk management system

In 2017, improvements were made to the risk management system in the control environment by providing for business reviews and risk identification. Ongoing improvements have also been achieved by focusing on risk reporting, risk control in processes and strategic risks.

Improvements will be made to risk control in 2018 as well. To strengthen the control environment, work will be done to develop an e-learning module for bringing the Company Code to life for the staff, while a general in-house course will be run to increase risk awareness among key stakeholders. Prioritization of risk control will be improved through the use of the new risk appetite matrix. As well as the in-control statements on financial processes, such statements will also be drawn up in for the key operational processes. The new performance cycle structure will lead to a sharper focus on

the key objectives. Finally, the procurement position will be given a central coordinating role in 2018.

### Risk appetite

Toward the end of 2017, the Board of Directors adopted a risk appetite matrix to increase professionalization and to serve as a framework for risk prioritization.

In general, due to its social function and long-term perspective, the Port of Amsterdam is a risk-averse company. The Board of Directors has formulated its risk appetite around four corporate values.

Safety relates to the safety and long-term employability of our employees, as well as to the safety of workers and visitors in the public areas of the port area. Assessment criteria relating to financial impact have also been drawn up, which show that we are reluctant to take risks. In the area of reputation, both media attention and political attention were assessed. Finally, we attach great importance to customer satisfaction and have named it as one of our risk assessment criteria.

### Declaration of the Board of Directors

The Board of Directors declares that the above report provides sufficient insight into the functioning of the internal risk management and control system, as well as the areas for improvement in this system that were dealt with last year and that will be given attention next year. By setting up and operating the above system, the Board has provided a reasonable level of certainty that the financial reporting contains no material misstatements. Based on the current state of affairs, it is justified that the financial reporting is prepared on a going-concern basis. The report states those material risks and uncertainties that are relevant to the expectation of the company's continuity.

### The main risks

Risks are the impact of uncertainties on achieving our objectives. The main risks are discussed below.

## Strategic risks

This includes risks and uncertainties that prevent us from achieving our short- and long-term objectives.

### Bridging the IJ

**Risk:** On 20 July 2017, the Amsterdam City Council approved the final preference decision on the [Bridging the IJ](#). This decision was made in order to deal with the increasing bicycle and foot traffic across the IJ. It included a desire to construct the Java Bridging the IJ as well as to create a bridge or tunnel connection at Stenen Hoofd. The municipal schedule is targeting 2022 for the start of construction and 2025 for the opening of the Java Bridge.

Bridges across the IJ lead to restrictions in the smooth and safe passage of ships, restrictions on ships' room to maneuver and an increased risk of collisions, partly due to the construction of pillars in the waterway and the disruption of radar images. The construction of a bridge will also limit access to the sea cruise terminal.

**Measures:** Along with the Directorate-General for Public Works and Water Management, the Harbor Master's Division last year took part in various local authority task forces in order to influence the Municipality's choice of riverbank connection (bridges and/or tunnels) and the design for

that choice. There will be no compromise in terms of the requirements for safe passage of shipping over the IJ. In addition, together with the municipalities of Amsterdam and Zaanstad, we are seeking an alternative location for the sea cruise terminal (PTA); Coenhaven in the Amsterdam port area has emerged as the most desirable option. In the course of 2018, the details will be worked out of whether and how the PTA can actually be moved to this location.

### Transformation/Port-City development

**Risk:** The Municipality of Amsterdam has adopted the [Port-City development](#) strategy. This strategy is based on the gradual transformation of the port area within the A10 ring road into a residential area, in accordance with existing agreements. The final decision on the transformation will be made in 2025. In parallel, there is an ongoing discussion about the relocation of the PTA to Coenhaven. This location is within the transformation area. Consequently, there are customers within the transformation area who wish to leave the area sooner rather than later.

**Measures:** The options for accelerated relocation of customers to other locations in the port area are being explored. These options will enable the companies to remain in the port region. The port authority is planning to allocate any land freed up in the transformation area to other companies in a lower environmental category. This process will limit the negative impact on earning power. The

investigation into accelerated relocation is being conducted in collaboration with the affected customers and the Municipality of Amsterdam.

In addition, the port authority is investigating options for intensification within its area of operations, with the aim of creating sufficient development space for the implementation of its strategy. If these investigations show that new land is needed for a robust, sustainable port, the port authority will talk to the shareholder and the region about developing new sites.

### Accessibility

**Risk:** By "[accessibility](#)," we mean the ability of transportation operators, employees and visitors to [access our port by water](#) (sea and inland shipping), rail or road. In this regard, we are looking at whether the infrastructure and the range of public transportation is sufficient to meet our customers' demand.

**Measures:** We have investigated the impact on nautical infrastructure of the scaling up of marine shipping. An action plan will be drafted in 2018 to resolve the issues.

For inland shipping, we have started using a monitoring system to monitor the capacity and occupancy rate of berths or moorings and adjusting capacity where necessary.

## Strategic risks

To safeguard our customers' interests in the accessibility by rail, we have launched a partnership program with ProRail and Port of Rotterdam Authority with the aim of encouraging rail freight transportation. We are also a member of the steering group for the High Frequency Rail Program and the Third Rail steering group, while we take part as well in the rail freight platform to promote the interests of rail freight transportation and bring them to the attention of the Ministry of Infrastructure and Water Management.

In regard to road transportation, we are working with the Municipality of Amsterdam to monitor road traffic management and to prevent or remove bottlenecks. We are investing in facilities such as truck parking.

In terms of accessibility for port area employees, we are working with the FietsCoalitie (Cycle Coalition) to expand the network of cycling routes and promote cycling, with the support of the Ministry of Infrastructure and Water Management. Discussions will be held with the Transport Region to create public transportation links, such as the Westpoortbus.

### Distribution of environmental allowance

**Risk:** Space for existing customers to grow and for new customers to set up operations has been ensured by the expansion of the noise allowance around Westpoort in 2015 and the review of the Integrated Approach to Nitrogen (PAS)

in 2016. To ensure that individual plots of land are ready for issue, it is important that the total environmental allowance in Westpoort is properly allocated as well.

**Measures:** A noise distribution plan has been drafted and embedded in a zoning plan. The expectation is that the zoning plan will be adopted by the Amsterdam City Council in the first quarter of 2018.

We worked with the Province of North Holland to produce a distribution plan for the [nitrogen deposition allowance](#), which was ratified in the first quarter of 2017. Over the course of 2017, further process agreements were made with the Province of North Holland to review the nitrogen deposition allowance on an annual basis. This process means that distribution of the nitrogen deposition allowance has been secured for the future.

### Acceptance by the surrounding areas

**Risk:** Reduced support among stakeholders places pressure on port activities, which could prevent us from achieving our ambitions in full.

**Measures:** The port authority is engaged in ongoing dialog with the surrounding areas to ensure that port activities fit optimally into the region. Examples include environmental dialogs in IJmond and Westpoort, participation in various local authority task forces and internal knowledge sharing

on regional developments. We also have an explicit focus on strengthening the port's connection with the region and the city. This focus includes the energy transition and the circular economy, with the port occupying an increasingly important place in the socioeconomic system. The expectation is that as we strengthen these economic and social connections, acceptance by the surrounding areas will increase. Finally, the level of nuisance has been reduced, thanks to several [quality of life projects](#).

## People, organization and culture

**Risico:** The skills and competencies of a number of disciplines within the port authority (functional and management), and the way in which we develop talent, are not always at the desired level to enable the achievement of our organizational objectives.

**Measures:** Based on our business plan, we have established department profiles with a number of scenarios for 2020–2022 with possible consequences for our people, organization, culture and structure. These scenarios have revealed the positions for which we need to recruit staff, while they have also led to the drafting of individual development plans in order to either encourage desirable turnover or prevent undesirable turnover. If necessary, the organizational structure will be adjusted accordingly and the culture/behavior modified.



## Operational risks

This includes risks and uncertainties that influence the effectiveness and efficiency of the port authority's operational activities, in particular its short-term goals.

### Sea lock disruptions

**Risk:** Unscheduled disruptions due to the construction of the new sea lock complex in IJmuiden, which will limit access to the port. These disruptions have a major impact on our customers and other service providers in the North Sea Canal Area.

**Measures:** The division of roles in the event of scheduled and unscheduled disruptions is set out in the working agreements between Central Nautical Management (CNB) and the Directorate-General for Public Works and Water Management (Rijkswaterstaat, RWS). An action plan is in place for emergency stoppages in lock operation. If an unscheduled stoppage occurs, we will communicate with customers and nautical service providers to minimize the impact. During construction of the new lock, we are engaged in monthly contact with OpenIJ and the Directorate-General for Public Works and Water Management in order to align scheduled stoppages.

### Consequential damage resulting from emergencies

**Risico:** When a major incident or a series of more minor incidents occurs on the water and/or land, this has an impact on employee and visitor safety and accessibility of the area. It could also lead to a loss of support for the port, and the port authority could be left with irrecoverable damage.

**Measures:** The Environmental Department grants environmental permits and supervises and enforces these licenses. The Harbor Master's Division monitors and enforces the safe handling of shipping traffic and the permits granted in relation to organization and safety at the port. The work of the Harbor Master's Division in dealing with emergencies is always evaluated and improvements are made to the process where necessary.

The port authority ensures that safety contours and zones are included and enforced in the zoning plans. External spaces and the road infrastructure have been designed in compliance with laws and regulations, while the level of maintenance in the public areas is regularly measured and remains high (Level B).

The port authority is actively working on the preemptive decontamination of asbestos roofing to limit the consequences of any fires and we have set up an associated financial scheme for our customers. Outside of the port area,

we have informed the affected parts of the city about the presence of asbestos roofing in the Sloterdijk area. Together with the Fire Department, the port authority has been working on the Security Headquarters project. The aim of this PPP construction project is to create a fire station at the port that will specialize in industrial fires. According to the schedule, the station should be operational by mid-2019

## Operational risks

### Terrorist attack in the port

**Risk:** A terrorist attack in the port has implications in terms of employee and visitor safety, as well as accessibility of the area. It could also lead to a loss of support for the port, and the port authority could be left with irrecoverable damage.

**Measures:** The Port Security Plan, updated this year, applies in the threat phase. The measures in the plan are regularly rehearsed in multidisciplinary teams. Various staff members from the Harbor Master's Division carry out surveillance. As Port Security Officer, the Division supervises compliance with the Port Security Act (*Havenbeveiligingswet*). Each company also has its own "Port Facility Security Plan," which is practiced at least once a year. These plans are assessed by the integrated assessment team, which includes members of the fire service, the police service and customs, and compliance with the plans is supervised by International Ship & Port Facility (ISPS) inspectors. In an attack phase, the North Sea Canal Area Incident Response Plan comes into effect.

### Cyber crime and information security

**Risk:** Computer fraud, virus infections and hacks can disrupt our services and lead to an infringement of the availability, confidentiality and integrity of our information.

**Measures:** To better ensure a stable IT environment and protection of our data, we migrated our data center to the cloud in 2017. Cyber Security and Business Continuity programs have been started to minimize the impact of system failure and information loss. *The necessary measures* have also been taken to ensure that we are prepared for the new privacy legislation (GDPR). Although these measures will reduce the likelihood and the impact of this risk, they can never remove it entirely.

## Financial risks

These are risks and uncertainties relating to the company's financial position and opportunities to attract funding.

### Consequential losses resulting from customer liquidation

**Risk:** If a customer goes into liquidation, the port authority may be left with losses. These losses could consist of a default risk, residual soil contamination or assets, or inventories with a negative value.

**Measures:** In negotiations with the customer at the time of setting up a business, contract extension or investment, we seek assurances such as bank guarantees, compensation for soil decontamination, provision of collateral, etc. We also actively monitor our debtor portfolio and make payment arrangements with debtors if necessary.

## Compliance risks

There are no compliance risks or uncertainties arising from laws and regulations that have a direct impact on the port authority and its business processes.

### Key uncertainties from the previous annual report

The 2016 annual report listed a number of key uncertainties that have since been controlled to the extent that they no longer constitute any particular risk.

### Phasing out of coal-fired power stations

The phasing out of coal-fired power stations is part of our strategy. We are accounting for a 5% reduction in coal throughput per year and a [coal-free port](#) from 2030.

### Compliance – Level playing field

Due to the lack of a level playing field in Europe with regard to corporate income tax for sea ports, there is a chance that Amsterdam could become a less attractive business location compared with other European ports. The lack of a “level playing field” has been placed on the European agenda via joint lobbying by all companies and central government. France and Belgium have now been ordered by the European Commission to remove the tax exemption for their ports, so that these ports will be subject to corporate income tax as well. As a result, this risk is now less significant.

### Contribution to the construction of the new sea lock

At the end of 2016, there was uncertainty about the extent of the port authority's [financial contribution](#) to the construction of the new sea lock. New agreements have since been made between the central government, the Province of North Holland and the Municipality of Amsterdam. The agreed contribution of the port authority fits within the current bank facility.

### Expected impact on the results

The risks listed above can be divided into two types. If they materialize, the strategic risks will impact the results of the port authority for many years. It is expected that the impact of these risks will largely be limited by the measures that have been taken.

The second type of risks is those that would have rather a one-off impact if they materialize. These risks are listed under the headings of operational, financial and compliance risks. The expectation is that materialization of these risks would lead to loss of revenue, higher costs and possible claims from customers. With the measures which we have taken, we believe that these risks have been prevented and their impact limited as much as possible. Given the extent of our reserves, we anticipate that we would be able to weather any associated setbacks.

# Chapter 7

## Annual financial report



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# Annual report

## Balance sheet as at 31 December 2017

(before profit appropriation)

ASSETS		31-12-2017	31-12-2016
<b>Fixed assets</b>			
Intangible fixed assets	1	863,486	591,578
Tangible fixed assets	2	502,981,451	494,420,014
Financial fixed assets	3	315,538,309	12,943,525
<b>Total fixed assets</b>		<b>819,383,246</b>	<b>507,955,117</b>
<b>Current assets</b>			
Trade and other receivables	4	16,301,290	16,695,327
Cash and cash equivalents	5	35,333,279	34,071,998
<b>Total current assets</b>		<b>51,634,569</b>	<b>50,767,325</b>
<b>TOTAL ASSETS</b>		<b>871,017,815</b>	<b>558,722,442</b>
<b>LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>6</b>		
Issued capital	7	45,000	45,000
Share premium reserve	8	300,584,972	300,584,972
Legal and statutory reserves	9	2,567,525	397,134
Other reserve		45,134,093	22,970,617
Result for the year		350,814,895	74,333,867
		<b>699,146,485</b>	<b>398,331,590</b>
<b>Provisions</b>	<b>10</b>	<b>53,971,954</b>	<b>55,416,265</b>
<b>Non-current liabilities</b>	<b>11</b>	<b>63,144,910</b>	<b>64,973,109</b>
<b>Current liabilities</b>	<b>12</b>	<b>54,754,466</b>	<b>40,001,478</b>
<b>TOTAL LIABILITIES</b>		<b>871,017,815</b>	<b>558,722,442</b>

## Statement of profit and loss for 2017

		2017	2016
<b>Revenue</b>	<b>13</b>	<b>150,055,980</b>	<b>146,275,891</b>
Personnel expenses	14	33,238,553	36,978,779
Depreciation and amortization	15	21,680,629	21,687,599
Other operating expenses	16	20,852,822	14,283,906
<b>Total operating costs</b>		<b>75,772,004</b>	<b>72,950,284</b>
<b>Operating result</b>		<b>74,283,976</b>	<b>73,325,607</b>
Financial income and expenditure	17	796,105	474,739
<b>Result from business operations before tax</b>		<b>75,080,081</b>	<b>73,800,346</b>
Taxes	18	275,714,928	-
<b>Result from business operations after tax</b>		<b>350,795,009</b>	<b>73,800,346</b>
Share in results of participating interests	19	19,886	533,521
<b>NET PROFIT AFTER TAX</b>		<b>350,814,895</b>	<b>74,333,867</b>

## Cash flow statement for 2017

CASH FLOW FROM OPERATING ACTIVITIES	2017	2016
<b>Operating result</b>	<b>74,283,976</b>	<b>73,325,607</b>
<i>Adjustments for</i>		
Depreciation and amortization	21,679,303	21,539,425
Movement in provisions	-1,413,532	20,704,376
Change in financial fixed asset provision	-10,366,281	-11,639,643
Redemption of ground lease	-2,181,099	-2,130,858
	7,718,391	28,473,300
<i>Movements in working capital</i>		
Movement in receivables	34,905	1,085,410
Movement in current liabilities	631,219	-6,182,651
	666,124	-5,097,241
<b>Cash flow from operating activities</b>	<b>82,668,491</b>	<b>96,701,666</b>
Interest received	692,357	561,504
Interest paid	-51,535	-54,087
	640,822	507,417
<b>Cash flow from operating activities</b>	<b>83,309,313</b>	<b>97,209,083</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments in intangible fixed assets	-547,370	-205,763
Investments in tangible fixed assets	-31,896,824	-12,603,985
Investments in financial fixed assets	-3,720,817	-2,000,000
Disposals of intangible fixed assets	1,326	148,174
Third-party contributions to investments	1,930,220	767,688
Repayment of financial fixed assets	1,832,533	12,313,023
<b>Cash flow from investing activities</b>	<b>-32,400,932</b>	<b>-1,580,863</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	-50,000,000	-50,000,000
Increase in non-current liabilities	399,956	566,699
Repayment of non-current liabilities	-47,056	-4,712
Movement in debts to credit institutions	-	-59,999,311
<b>Cash flow from financing activities</b>	<b>-49,647,100</b>	<b>-109,437,324</b>
<b>Movement in cash and cash equivalents</b>	<b>1,261,281</b>	<b>-13,809,104</b>
<b>DEVELOPMENT OF MOVEMENTS IN CASH AND CASH EQUIVALENTS</b>		
Position at the beginning of the financial year	34,071,998	47,881,102
Movements in the financial year	1,261,281	-13,809,104
Position at the end of the financial year	35,333,279	34,071,998

## Accounting policies

### Company profile

In accordance with its Articles of Association, Havenbedrijf Amsterdam N.V. has its corporate domicile and principal place of business at De Ruijterkade 7, 1013 AA Amsterdam, and it is registered in the Commercial Register under number 57398879.

### General notes

#### Core activities of the legal entity

Havenbedrijf Amsterdam N.V. is principally engaged in the following activities:

- Optimizing services and the business development climate for companies based in the port region. This involves focusing on current customers, attracting new cargo flows and businesses, as well as marketing and promotional activities;
- Construction and maintenance of the infrastructure, renovating the port and managing the Amsterdam Westpoort port area;
- Promoting swift, safe and environmentally-benign handling of shipping traffic from 12 miles off the coast at IJmuiden to the Oranje locks, partly on the basis of regulations and enforcement.

#### Consolidation

The sole shareholder of Havenbedrijf Amsterdam N.V. is the Municipality of Amsterdam. Havenbedrijf Amsterdam N.V. also has participating interests in Hallum Cruise B.V., Bouwen Handelsmaatschappij Hallum B.V. (hereinafter Hallum B.V.), and Regionale Ontwikkelingsmaatschappij N.V. (hereinafter RON N.V.).

Havenbedrijf Amsterdam N.V. applies the exemption from the obligation to consolidate the figures of participating interests if the joint financial significance of the companies to be included in the consolidation is negligible compared with the whole of Port of Amsterdam (DASB 217.304).

#### Related-party transactions

A “related party” is any legal entity over which dominant control, joint control or significant influence can be exercised. Legal entities over which a controlling interest can be exercised are also classified as related parties. Members of the Board of Directors named in the Articles of Association, other key management personnel of Havenbedrijf Amsterdam N.V. or its parent company and those closely connected to it are also related parties.

Significant transactions with related parties are explained, insofar as they are not concluded under normal market conditions. The explanation includes the nature and size of the transaction, as well as any other information necessary to enable an understanding of the transaction.

#### Estimates

In applying the accounting principles and rules for preparing the financial statements, the Board of Directors of Havenbedrijf Amsterdam N.V. makes various judgments and estimates. The main accounting judgments and estimates, including the underlying assumptions, are:

##### *# Depreciation/amortization and residual value*

The depreciation/amortization periods have been determined for each asset class on the basis of the estimated economic life of the assets, which are depreciated to zero on a straight-line basis, taking account of any residual value. The depreciation/amortization periods used are set out in Parts 1 and 2 of the notes to the financial statements. During the year, it is assessed whether any changes have occurred in the estimates and assumptions relating to assets that require a change in the useful life. Any such changes are made according to a forward-looking approach.

##### *# Employee benefits provision*

The estimated elements primarily relate to the interest percentages used, projected salary trends, the probability of redundancy, retention and retirement, as well as inflation assumptions and career tables.

#### *#Decontamination liabilities provision*

This provision is calculated on the basis of the currently-known decontamination costs, taking into account price indexes and anticipated impact on decontamination costs of technological developments in this field.

## General accounting policies

### The standards underpinning the preparation of the financial statements

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the provisions of the Annual Reporting Guidelines issued by the Dutch Accounting Standards Board. The financial statements have been prepared on the basis of the historical cost convention. Assets and liabilities are stated at nominal value unless another measurement basis is stated. Income and expenses are allocated to the year to which they refer. Profits are only recognized insofar as they have been realized by the balance sheet date. Liabilities and potential losses originating before the end of the reporting year are recognized if they became known before the preparation of the financial statements.

### Netting

Assets and liabilities are only stated net of each other in the financial statements if and to the extent that:

- There is a reliable legal instrument to net and simultaneously settle the asset and the liability;
- There is a firm intention to settle the net amount or the two items simultaneously.

### Error recovery

#### *Information concerning the recovery of errors*

The provision for the decontamination liabilities of Havenbedrijf Amsterdam N.V. was previously recognized on the basis of the net cash value. As the moment in time when the expenditure will take place is uncertain in view of current knowledge, the moment of expenditure cannot be reliably estimated. The most significant factor influencing the moment of expenditure is the wishes of the customer. Havenbedrijf Amsterdam N.V. has no influence on this matter.

The Annual Reporting Guidelines indicate that if the moment of expenditure cannot be reliably determined, the provision must be stated at the nominal value of the anticipated expenditure (Annual Reporting Guideline 252.307). Based on current knowledge, we previously chose the wrong accounting policy, which means that we now need to correct an error. The valuation of the decontamination liabilities provision has been adjusted by €0.6 million.

Because the wrong policy was chosen in this case, the adjustment will be processed as a change in accounting

policy. The effect of this change in accounting policy has been retrospectively applied to the 2017 financial statements, with the result and equity for the 2016 financial year being recalculated on the basis of the new accounting policy. The effect on the shareholder's equity is explained under Item 6 of the Explanatory Notes on the Financial Statements.

### Conversion of foreign currency

The financial statements are expressed in euros, which is both the functional and the presentation currency of Havenbedrijf Amsterdam N.V.

#### *Conversion of foreign currency for the balance sheet*

Accounts receivable, debts, and obligations in foreign currencies are converted at the rate applying at the balance sheet date. Exchange differences resulting from settlement and conversion are credited to or debited from the statement of profit and loss.

#### *Conversion of foreign currency for the statement of profit and loss*

Transactions in foreign currencies during the reporting period are recognized in the financial statements at the exchange rate on the date of the transaction.

### Leases

#### *Leases*

It is assessed whether an agreement is a "lease" based on the economic realities at the time that a contract is concluded. A



contract is classed as a lease agreement if the right to use an asset is ceded to another party for an agreed period and for a specified fee.

#### *Operationele leases*

Liabilities relating to operating leases are recognized in the statement of profit and loss over the term of the contract. Liabilities after the financial year are set out under the contingent liabilities.

#### **Pension schemes**

The company's employees take part in the General Pension Fund for Public Employees (Algemeen Burgerlijk Pensioenfonds, ABP) sectoral pension scheme. The average salary scheme is financed by payments to the ABP. Pension liabilities are stated according to the "obligation to the pension provider" approach. In this approach, the contribution to be paid to the pension provider is shown as an expense in the statement of profit and loss.

The pension administration agreement is used as a basis for assessing whether and, if so, which obligations exist on the balance sheet date, in addition to the payment of the annual contribution payable to the pension provider. These additional obligations, including any obligations under the pension provider's recovery plans, lead to expenses for the company and are included in a provision in the balance sheet. At year-end 2017 (and 2016), there were no obligations apart from the payment of the annual contribution payable to the

pension provider.

ABP's funding ratio as at 31 December 2017 was 104.4% (2016: 96.6%). This funding ratio is a snapshot of the financial situation on 31 December 2017. As the current funding ratio can fluctuate sharply within a short space of time, pension funds must use the "policy funding ratio" as of 2015. The policy funding ratio is an average over twelve months. ABP's policy funding ratio as at 31 December 2017 was 101.5% (2016: 91.7%). The law states that the funding ratio must be 128% and that the funding ratio must not be less than 104.2% for more than five years. Measures taken by ABP in recent years in connection with its failure to comply with the 104.2% statutory policy funding ratio include non-indexation of pensions.

### **Assets and liabilities**

#### **Intangible fixed assets**

An intangible fixed asset is recognized in the balance sheet if:

- It is likely that the future economic benefits embodied in an asset will flow to the company
- The costs of the asset can be reliably determined

Expenses in connection with an intangible fixed asset that do not meet the conditions for capitalization (e.g., expenditure relating to research and internally developed brands, logos,

publishing rights and customer portfolios) are recognized directly in the statement of profit and loss.

Intangible fixed assets are carried at cost and net of cumulative depreciation and impairments if applicable.

Intangible fixed assets are depreciated/amortized systematically on the basis of the estimated economic life with a maximum of twenty years, calculated on the basis of a fixed percentage of the cost of acquisition, taking any residual value into account. The economic life and the depreciation/amortization method are reassessed at the end of each financial year. Intangible fixed assets under construction are carried at cost.

Development costs are capitalized if the applicable conditions are met with regard to technical, commercial and financial feasibility. A legal reserve is maintained equivalent to the capitalized amount.

If expectations concerning the depreciation method, useful life and/or residual value undergo any changes over time, this is accounted for as a change in the accounting estimate.

#### **Tangible fixed assets**

Tangible fixed assets are carried at cost minus investment subsidies and third-party contributions, and net of accumulated depreciation and impairments if applicable. Depreciation is based on the estimated economic life

and calculated on the basis of a fixed percentage of the cost of acquisition, taking account of any residual value. Depreciation commences at the time when the asset is taken into use. Freehold land and tangible fixed assets under construction are carried at cost.

Tangible fixed assets under construction are stated at manufacturing cost and net of impairments if applicable. The manufacturing costs consist of material costs, direct labor costs and an attributable portion of the indirect production costs.

Investment grants and contributions are deducted from the cost of acquisition of the assets to which the subsidies and contributions relate, which results in lower depreciation charged to income.

Tangible fixed assets put out of operation are valued at cost or the lower net realizable value. A tangible fixed asset is no longer recognized in the balance sheet on disposal or when no future performance units are expected from its use or disposal. The gain or loss resulting from disposal is recognized in the statement of profit and loss. Scheduled major maintenance is capitalized according to the component approach under which the aggregate expense is allocated to the respective components. Tangible fixed assets are depreciated on a straight-line basis as follows, based on the estimated useful life, taking any residual value into account.

If expectations concerning the depreciation method, useful life and/or residual value undergo any changes over time, this is accounted for as a change in the accounting estimate.

#### **Financial fixed assets**

##### *Participating interests in group companies*

Non-consolidated participating interests over whose business and financial policies significant influence can be exerted are carried at net asset value, but not below zero. This net asset value is calculated on the basis of the accounting principles that apply to Havenbedrijf Amsterdam N.V.

Significant influence is deemed to exist if the shareholders' interest is more than 20% of the voting rights attached to the shares. Participating interests with a negative net asset value are valued at zero. A provision is included if all or part of the debts of the relevant participating interest are guaranteed by the company or the company has an actual obligation to enable the participating interest to pay its debts (for its share). In determining the amount of this provision, account is taken of provisions for uncollectibility already deducted from amounts receivable from the participating interest.

Participating interests over which no significant influence is exerted in terms of financial and commercial policy are valued at the acquisition price and net of impairments if applicable.

##### *Other receivables*

At initial recognition, the loans and other receivables

recognized under financial fixed assets are carried at fair value plus the directly attributable transaction costs. After their initial recognition, loans granted and other receivables are carried at amortized cost in accordance with the effective interest method. Income and expenditure are recognized in the statement of profit and loss via the amortization process.

##### *Deferred tax assets*

Deferred tax assets are recognized for deductible tax losses and for deductible temporary differences between the value of assets and liabilities according to tax rules and the accounting principles followed in these financial statements, on the understanding that deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the temporary differences can be settled and losses can be compensated in the foreseeable future.

Deferred tax assets are calculated at the tax rate applicable at the end of the reporting year or at the rates that will apply in coming years, insofar as these rates have already been set by law.

Deferred tax assets are carried at nominal value.

#### **Impairment of fixed assets**

On each balance sheet date, an assessment is made of whether there are any indications that a fixed asset may be subject to impairment. If such indications exist, the realizable value of

the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined. An impairment loss is recognized if the carrying amount of an asset or of the cash-generating unit to which it belongs exceeds the realizable value. The realizable value is the higher of the net realizable value and the value in use. Impairment losses are recognized directly as expenses in the statement of profit and loss.

#### **Trade and other receivables**

The trade and other receivables are carried at fair value on initial recognition and subsequently at amortized cost. Provisions deemed necessary for possible losses due to the risk of uncollectibility are deducted. These provisions are determined on the basis of individual assessment of the trade and other receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of cash resources, deposits on current accounts and demand deposits with a maturity of less than three months. Cash and cash equivalents are carried at nominal value.

#### **Provisions**

Provisions are formed for legally-enforceable or constructive obligations existing on the balance sheet date for the settlement of which a cash outflow is likely and the amount of which can be reliably estimated.

#### *# Provision for decontamination liabilities*

The provision for deferred soil decontamination liabilities and demolition of buildings is stated at the nominal value of the expected decontamination expenditure at the location(s) concerned, taking into account the risks, uncertainties, price indexes and anticipated impact on decontamination costs of technological developments.

#### *# Provision for personnel*

Other deferred employee benefits are payments due to service anniversaries and payments due to former employees who are entitled to non-statutory unemployment benefits. The liability stated is the best estimate of the amounts that are necessary to settle the relevant liabilities and losses on the balance sheet date. The liability is stated at present value. Discounting takes place at the market rate (effective yield) of high-quality corporate bonds at the balance sheet date.

#### *# Other provisions*

The other provisions concern liabilities relating to insulating homes. These provisions are carried at the present value of the expected expenditure required in order to settle the relevant liabilities.

#### **Non-current liabilities**

Non-current liabilities are carried at fair value on initial recognition and subsequently at amortized cost.

#### *# Redemption of ground leases*

Site lessees have an option to redeem ground leases at present value over the term of the contract. The redemption amounts received are carried under non-current liabilities. Ground lease payments received in advance relating to the next financial year are recorded under current liabilities.

#### **Current liabilities**

Current liabilities are carried at fair value on initial recognition and subsequently at amortized cost.

### **Principles for determining the result**

#### **Revenue recognition**

Revenue is exclusive of turnover tax and less any discounts. Revenue arising from sales is recognized in the statement of profit and loss when all significant rights to economic benefits as well as all significant risks have been transferred to the buyer. Revenue arising from services is carried in proportion to the services performed, based on the costs incurred in the context of the services up to the balance sheet date in proportion to the estimated costs of the total services to be performed. The cost of these services is allocated to the same period.

#### **Total expenses**

The expenses are determined on a historical basis and are

allocated to the reporting year to which they relate. Liabilities that can or cannot be foreseen and possible losses from before the end of the financial year are recognized if they became known before the financial statements were drawn up and the conditions for creating the provision have otherwise been satisfied.

#### **Depreciation of intangible fixed assets**

Intangible fixed assets including goodwill are depreciated from the time when they are ready to be taken into use, over the expected future useful life of the asset.

If there is a change in the accounting estimate of the future useful life, the future depreciation will be adjusted.

#### **Depreciation of tangible fixed assets**

Tangible fixed assets are depreciated from the time when they are ready to be taken into use, over the expected future useful life of the asset. Freehold land is not depreciated.

If there is a change in the accounting estimate of the future useful life, the future depreciation will be adjusted.

Book profits and losses from the incidental sale of tangible fixed assets are recognized under depreciation.

#### **Financial income and expenditure**

Interest income and interest expenses are recognized on a time proportionate basis, taking into account the effective interest rate for the relevant assets and liabilities. Interest expenses are added to provisions and non-current liabilities whose balance sheet value is determined on the basis of a present value calculation.

#### **Income tax on the profit or loss**

Tax on the result is calculated on the result before tax in the statement of profit and loss, taking account of available, tax deductible losses from previous financial years (insofar as they are not included in the deferred tax assets) and exempt profit components, and after addition of non deductible expenses. Changes to the deferred tax assets and deferred tax liabilities arising from changes in the tax rate applied are also taken into account.

#### **Share in results of participating interests**

The share in the results of participating interests is the share attributable to the company in the results of participating interests over whose business and financial policies the company exerts significant influence. These results are determined on the basis of the accounting policies of Havenbedrijf Amsterdam N.V. For participating interests over which no significant influence is exerted in terms of financial and commercial policy, the dividend is recognized as a profit.

### **Accounting policies relating to the cash flow statement**

#### **Cash flow statement**

The cash flow statement has been prepared in accordance with the indirect method. The cash resources in the cash flow statement consist of cash and cash equivalents. Interest received and dividends received are included under the cash flow from operating activities. Interest paid and dividends paid are included in the cash flow from financing activities. Transactions that involve no transfer of cash or cash equivalents, including financial leasing, are excluded from the cash flow statement. The lease installments payable by virtue of financial lease contracts are presented as repayment of liabilities for the repayment component and as interest paid for the interest component.

## Notes to the balance sheet

The costs of research and development relate to the amounts paid to third parties with respect to proprietary software, such as applications for the collection of harbor dues and the Data Warehouse.

Concessions, licenses and intellectual property relate to investment in new ICT applications and major maintenance of these applications for the benefit of the business operations of Port of Amsterdam. This item includes licenses with a carrying value as at year-end 2017 of: €37,350 (2016:€113,001).

A few investments in intangible fixed assets have been amortized in full, but are still in use. The most important of these are: Ophelia ZHG system, Data Warehouse and the Profit payroll program.

The most significant investments during the financial year related to new functionalities in the digital duty log and the inland harbor due rate application.

Assets under construction primarily relate to the new scheduling and reservation system for river cruise vessels, the cloud transition and data management.

## 1 Intangible fixed assets

	COSTS OF RESEARCH AND DEVELOPMENT	CONCESSIONS, LICENSES AND INTELLECTUAL PROPERTY	ASSETS UNDER CONSTRUCTION	TOTAL
<b>BALANCE AS AT 1 JANUARY 2017</b>				
Acquisition value	1,399,297	1,018,941	205,763	2,624,001
Cumulative depreciation	-1,166,809	-865,614	-	-2,032,423
<b>Book value as at 1 January 2017</b>	<b>232,488</b>	<b>153,327</b>	<b>205,763</b>	<b>591,578</b>
Movements				
Investments	-	37,350	510,020	547,370
Commissioning	72,812	115,374	-188,186	-
Depreciation and amortization	-165,002	-109,134	-	-274,136
Disposals (acquisition value)	-332,741	-22,936	-	-355,677
Disposals (cumulative depreciation)	331,415	22,936	-	354,351
<b>Balance of mutations</b>	<b>-93,516</b>	<b>43,590</b>	<b>321,834</b>	<b>271,908</b>
Balance as at 31 December 2017				
Acquisition value	1,139,367	1,402,743	527,597	3,069,707
Cumulative depreciation	-1,000,395	-1,205,826	-	-2,206,221
<b>Book value as at 31 December 2017</b>	<b>138,972</b>	<b>196,917</b>	<b>527,597</b>	<b>863,486</b>
Depreciation rates	33%	33%	-	

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## 2 Tangible fixed assets

BALANCE AS AT 1 JANUARY 2017	PREPAID GROUND LEASE FOR LAND AND SITES	GROUND, ROAD AND WATER WORKS	OTHER TANGIBLE FIXED ASSETS	ASSETS UNDER CONSTRUCTION	TOTAL
Acquisition value	300,354,830	221,731,952	44,071,139	10,995,367	577,153,288
Cumulative depreciation	-24,034,353	-44,795,518	-13,903,403	-	-82,733,274
<b>Book value as at 1 January 2017</b>	<b>276,320,477</b>	<b>176,936,434</b>	<b>30,167,736</b>	<b>10,995,367</b>	<b>494,420,014</b>
<b>MOVEMENTS</b>					
Investments	-	20,378,009	131,165	11,387,650	31,896,824
Commissioning	-	6,691,850	1,475,110	-8,166,960	-
Depreciation and amortization	-6,013,061	-11,911,900	-3,480,206	-	-21,405,167
Disposals (acquisition value)	-	-15,065	-99,288	-	-114,353
Disposals (cumulative depreciation)	-	15,065	99,288	-	114,353
Third-party contributions	-	-	-	-1,930,220	-1,930,220
<b>Balance of mutations</b>	<b>-6,013,061</b>	<b>15,157,959</b>	<b>-1,873,931</b>	<b>1,290,470</b>	<b>8,561,437</b>
Balance as at 31 December 2017					
Acquisition value	300,354,830	248,786,746	45,578,126	12,285,837	607,005,539
Cumulative depreciation	-30,047,414	-56,692,353	-17,284,321	-	-104,024,088
<b>Book value as at 31 December 2017</b>	<b>270,307,416</b>	<b>192,094,393</b>	<b>28,293,805</b>	<b>12,285,837</b>	<b>502,981,451</b>
Depreciation rates	2%	0 - 10%	2 - 20%	-	



### Prepaid ground lease for land and sites

Upon its incorporation, the company acquired the port sites on a ground lease. The Municipality of Amsterdam has legal ownership of the port sites. The annual ground lease payments in the first period of 50 years are deemed to have been settled, as agreed between the Municipality of Amsterdam and Port of Amsterdam. An option to update the ground lease and revise the general terms and conditions of the principal ground lease is provided at the end of the first period (in 50 years). Based on the economic realities of the transaction, the Municipality has made a capital contribution of the buyout payment and the buyout payment has been capitalized as “Prepaid ground lease for land and sites” with share premium as a counterpart on the balance sheet. Port of Amsterdam is charging the prepaid ground lease to the statement of profit and loss in equal amounts over a 50-year period.

### Ground, road and water works

Ground, road and water works concern investments in the infrastructure of the entire port area, as well as land owned by the port.

### Other tangible fixed assets

Other tangible fixed assets include vessels, installations, computer equipment and office equipment.

### Assets under construction

The largest item in Assets under construction expansion project for the Mauritiushaven quay (€0.8 million), which is expected to be completed in 2018.

### Investments

The most important investment in 2017 was the purchase of the land where HoogTij is located (€20.1 million).

### Disposals

The largest disposal was the removal of servers that had been taken out of service (€0.1 million).

### 3 Financial fixed assets

FINANCIAL FIXED ASSETS	PARTICIPATING INTERESTS IN GROUP COMPANIES	DEFERRED TAX ASSETS	OTHER RECEIVABLES	TOTAL
<b>BOOK VALUE AS AT 1 JANUARY 2017</b>	<b>8,551,786</b>	-	<b>4,391,739</b>	<b>12,943,525</b>
Loans granted	-	-	3,720,817	3,720,817
Allocation	-	294,497,868	-	294,497,868
Share in result of participating interests over which significant influence is exerted	19,886	-	-	19,886
Interest	-	-	444,010	444,010
Movement in provisions	-	-	10,366,282	10,366,282
Current portion	-	-	-1,353,618	-1,353,618
Repayments	-	-	-478,916	-478,916
Realization	-	-4,621,545	-	-4,621,545
<b>Book value as at 31 December 2017</b>	<b>8,571,672</b>	<b>289,876,323</b>	<b>17,090,314</b>	<b>315,538,309</b>

The non-current receivables include an amount due from ACT B.V. Although this receivable was paid in full, it was fully released and credited to the result in 2017 due to a change in understanding.

## Participating interests

The interests of the port authority in other companies can be broken down as follows:

	SHARE IN ISSUED CAPITAL IN %
Bouw en Handelsmaatschappij Hallum B.V., Amsterdam	100.00
Hallum Cruise B.V., Amsterdam	100.00
Regionale Ontwikkelingsmaatschappij Noordzeekanaalgebied N.V., Amsterdam	33.33

PARTICIPATING INTERESTS IN GROUP COMPANIES	31-12-2017	31-12-2016
Bouw en Handelsmaatschappij Hallum B.V.	2,903,527	2,790,435
Hallum Cruise B.V.	4,056,670	3,761,351
Regionale Ontwikkelingsmaatschappij Noordzeekanaalgebied N.V.	1,611,475	2,000,000
<b>Total participating interests in group companies</b>	<b>8,571,672</b>	<b>8,551,786</b>

BOUW- EN HANDELSMAATSCHAPPIJ HALLUM B.V.	2017	2016
<b>Book value as at 1 January</b>	<b>2,790,435</b>	<b>2,413,078</b>
Total	113,092	377,357
<b>Book value as at 31 December</b>	<b>2,903,527</b>	<b>2,790,435</b>

HALLUM CRUISE B.V.	2017	2016
<b>Book value as at 1 January</b>	<b>3,761,351</b>	<b>3,605,187</b>
Total	295,319	156,164
<b>Book value as at 31 December</b>	<b>4,056,670</b>	<b>3,761,351</b>

REGIONALE ONTWIKKELINGSMAATSCHAPPIJ NOORDZEEKANAALGEBIED N.V.	2017	2016
<b>Book value as at 1 January</b>	<b>2,000,000</b>	-
Capital contribution	-	2,000,000
Total	-388,525	-
<b>Book value as at 31 December</b>	<b>1,611,475</b>	<b>2,000,000</b>

DEFERRED TAX ASSETS	2017	2016
Balance as at 1 January	-	-
Allocation	294,497,868	-
Realization	-4,621,545	-
<b>Balance as at 31 December</b>	<b>289,876,323</b>	<b>-</b>

As of 1 January 2017, Havenbedrijf Amsterdam N.V. is subject to corporate income tax. The organization was therefore required to draw up a fiscal opening balance sheet as at 1 January 2017. The purpose of the opening balance sheet was to separate the taxed and untaxed periods as well as to enable calculation of the total profit. In drawing up the fiscal opening balance sheet, the Port of Amsterdam's assets and liabilities were in principle stated at fair value. Depending on the facts and circumstances, the assets and liabilities were either valued separately or the company was valued as a whole.

Different valuation approaches and methods were used depending on the item to be valued. Based on conversations with the Dutch Tax and Customs Administration, the tax value of the company is likely to be higher than the commercial value (the valuation in the financial statements of Havenbedrijf Amsterdam N.V.). Under the Annual Reporting Guidelines, a deferred tax asset must be formed in the Port of Amsterdam's financial statements equal to the difference between the tax value and the commercial value. A higher depreciation charge must be recorded each year for tax

purposes, which will lead to a reduction in the immediately-payable corporate income tax. Although the deferred tax asset included relates to the best estimate based on conversations held with the Tax and Customs Administration, no agreement has yet been reached with the Tax and Customs Administration on the individual assets and liabilities.

In the 2017-2021 coalition agreement, it was agreed that the corporate income tax rate would be cut to 21% in 2021. As this change has not yet been formalized, the basis for deferral of the current rates has been determined.

OTHER RECEIVABLES	31-12-2017	31-12-2016
Long-term loans	10,643,428	556,339
Prepaid discount and transitional schemes	6,446,886	3,835,400
<b>Total other receivables</b>	<b>17,090,314</b>	<b>4,391,739</b>

The prepaid discount and transitional schemes relate to amounts already paid to customers in relation to long-term contracts. Because the discounts granted relate to the entire term of the contracts concerned, they are realized in the result over the whole contractual term.

## 4 Trade and other receivables

	31-12-2017	31-12-2016
Trade receivables	8,132,595	8,126,983
Amounts owed by group companies	1,421,233	490,961
Taxes and social security contributions	2,236,938	2,696,404
Prepayments and accrued income	4,510,524	5,380,979
<b>Total trade and other receivables</b>	<b>16,301,290</b>	<b>16,695,327</b>

A provision for doubtful debts of €923,659 has been deducted from the total trade receivables (2016: €1,245,600). The receivables from group companies concern ordinary trade receivables, invoices pending and amounts to be settled. The ground lease contracts invoiced but not yet paid have been eliminated from the trade receivables, to the sum of €17,332,768 (2016: €15,270,300).

PREPAYMENTS AND ACCRUED INCOME	31-12-2017	31-12-2016
Prepaid discount and transitional schemes	1,062,933	1,235,251
Invoices pending	1,981,825	2,183,573
Prepaid expenses	877,568	1,179,119
Other receivables	588,198	783,036
<b>Total prepayments and accrued income</b>	<b>4,510,524</b>	<b>5,380,979</b>

## 5 Cash and cash equivalents

	31-12-2017	31-12-2016
Cash at bank	35,333,279	34,071,998

### Deposits

There are no cash and cash equivalents placed on deposit at the balance sheet date..

### Limited availability of cash and cash equivalents

The cash and cash equivalents are freely available.

## 6 Shareholders' equity

	ISSUED CAPITAL	SHARE PREMIUM RESERVE	LEGAL AND STATU- TORY RESERVES	OTHER RESERVES
<b>BALANCE AS AT 1 JANUARY 2017</b>	<b>45,000</b>	<b>300,584,972</b>	<b>397,134</b>	<b>22,970,617</b>
Mutation in profit appropriation	-	-	-	-
Results for financial year (normalized)	-	-	-	-
Increase in deferral due to results	-	-	-	-
Profit appropriation in previous year	-	-	-	74,333,867
Mutation in legal reserves	-	-	2,170,391	-2,170,391
Dividend distribution	-	-	-	-50,000,000
<b>Balance as at 31 December 2017</b>	<b>45,000</b>	<b>300,584,972</b>	<b>2,567,525</b>	<b>45,134,093</b>

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	RESULTS FOR THE YEAR	TOTAL
<b>BALANCE AS AT 1 JANUARY 2017</b>	<b>74,333,867</b>	<b>398,331,590</b>
Mutation in profit appropriation	-74,333,867	-74,333,867
Results for financial year (normalized)	56,317,027	56,317,027
Increase in deferral due to results	294,497,868	294,497,868
Profit appropriation in previous year	-	74,333,867
Mutation in legal reserves	-	-
Dividend distribution	-	-50,000,000
<b>Balance as at 31 December 2017</b>	<b>350,814,895</b>	<b>699,146,485</b>

The net result for 2017 is €350,814,895. However, this result has been increased by €294,497,868 on a once-only basis as the result of the tax revaluation deriving from the introduction of the corporate income tax obligation for Havenbedrijf Amsterdam N.V. from 1 January 2017.



<b>EFFECT OF CHANGE IN ACCOUNTING POLICY ON DECONTAMINATION LIABILITIES</b>	<b>OTHER RESERVES</b>	<b>RESULTS FOR 2016 FINANCIAL YEAR</b>
Balance of 2016 financial statements		71,893,754
Effect of change in accounting policy		2,440,113
<b>Adjusted balance for 2016</b>		<b>74,333,867</b>

For further details on the nature of the change in accounting policy, refer to the accounting policies.

## 7 Issued capital

The authorized capital is €225,000 divided into 225,000 shares, each with a nominal value of €1. The issued and paid-up share capital upon incorporation on 1 January 2013 is €45,000 and consists of 45,000 ordinary shares, each with a nominal value of €1.

## 8 Share premium reserve

Upon its incorporation, the company acquired the port sites on a ground lease. The annual ground lease payments in the first period of 50 years are deemed to have been settled, as agreed between the Municipality of Amsterdam and Port of Amsterdam.

Based on the economic realities of the transaction, the Municipality of Amsterdam has made a capital contribution of the buyout payment and the buyout payment has been

capitalized as “Prepaid ground lease for land and sites” with share premium as a counterpart on the balance sheet.

## 9 Legal and statutory reserves

The legal reserve is maintained for the capitalization of costs of development and participating interests. The legal reserve for development costs has been created up to the amount of capital development costs whereby the applicable conditions have been met with regard to technical, commercial and financial feasibility. At year-end 2017, the legal reserves amounted to €138,972 (2016: €232,488).

The legal reserve for participating interests has been created to the extent that the company is unable to realize payment of the positive results without limitation. The Port of Amsterdam’s share in the increases and decreases in assets of the participating interests is included in the legal reserves with the exception of revaluations of assets that are processed

in the revaluation reserve. At year-end 2017, the legal reserves amounted to €2,428,553 (2016: €164,646).

### Appropriation of the result for the previous financial year

The 2016 financial statements were adopted in the General Meeting of 3 May 2017. The General Meeting also adopted the appropriation of the profit in accordance with the proposal submitted to that effect.

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## 10 Provisions

OTHER PROVISIONS	31-12-2017	31-12-2016
Decontamination liabilities	51,862,416	52,153,237
Employee benefits	1,763,588	2,384,540
Other provisions	345,950	878,488
<b>Total other provisions</b>	<b>53,971,954</b>	<b>55,416,265</b>

DECONTAMINATION LIABILITIES	2017	2016
Balance as at 1 January	52,153,237	29,941,858
Allocations	94,817	23,234,340
	52,248,054	53,176,198
Release	-35,525	-
Withdrawals	-350,113	-1,022,961
<b>Balance as at 31 December</b>	<b>51,862,416</b>	<b>52,153,237</b>

### EFFECT OF CHANGE IN ACCOUNTING POLICY

Balance of 2016 financial statements	51,511,009
Effect of change in accounting policy	642,228
<b>Adjusted balance for 2016</b>	<b>52,153,237</b>

### Deferred decontamination liabilities

The provision for deferred decontamination liabilities relates to the residual pollution accepted by Port of Amsterdam on termination of a site lease or ground lease. The provision is stated at the nominal value of the expected decontamination expenditure at the locations concerned. This expected decontamination expenditure is estimated on the basis of the currently known decontamination costs, price indexes and the anticipated impact on decontamination costs of technological developments in this field. The provision has a short-term nature (<1 year) of €2,148,055 and a long-term nature (>5 years) of €46,101,027.

The financial statements do not include any provision for soil contamination on other sites. For these sites, the standard Port of Amsterdam contract provisions stipulate that the ground must be delivered to the Port of Amsterdam in its original state on termination of the contract. It is therefore expected that future decontamination expenditure will largely be paid by the polluter. In addition, the contamination caused by the lessee is not measured until the contract is terminated, which means that the contamination is not known prior to termination of the contract. Decontamination of these sites will also usually take place over a very long period of time.

### Demolition of buildings

The provision for demolition of buildings relates to the demolition costs accepted by Port of Amsterdam on termination of a site lease or ground lease. The provision is stated at the nominal value of the expected expenditure at the

locations concerned. This expected expenditure is estimated on the basis of the currently known costs, price indexes and the anticipated impact on the costs of technological developments in this field. Annual interest is added to the provision. The provision has a short-term nature of €50,000.

#### EMPLOYEE BENEFITS

	2017	2016
Balance as at 1 January	2,384,540	1,934,808
Allocations	167,795	1,185,017
Interest	-30,778	176,221
	2,521,557	3,296,046
Release	-501,831	-559,288
Withdrawals	-256,138	-352,218
<b>Balance as at 31 December</b>	<b>1,763,588</b>	<b>2,384,540</b>

#### OTHER PROVISIONS

	2017	2016
Balance as at 1 January	878,488	2,659,000
Allocated and charged to result	-	10,000
	878,488	2,669,000
Release	-	-1,659,000
Withdrawals	-532,538	-131,512
<b>Balance as at 31 December</b>	<b>345,950</b>	<b>878,488</b>

The other provisions concern a provision for reducing noise in homes as a result of the expansion of the Westpoort noise zone. The net present value is almost identical to the nominal value.

## 11 Non-current liabilities

### Ground lease payments received in advance

Ground lease payments received in advance relate to the redemption amounts received from lessees in respect of future ground leases. Havenbedrijf Amsterdam N.V. therefore does not owe any interest. Ground lease payments received in advance relating to 2017 are recorded under current liabilities, to the sum of €2,172,042 (2016: € 2,175,659).

### Other liabilities

The “other non-current liabilities” item includes contributions received from third parties for the implementation of the Houthavens Covenant (€1.1 million) and the guarantee deposits received (€1.5 million).

	BALANCE AS AT 31 DECEMBER 2017	REMAINING TERM >1 YEAR	REMAINING TERM >5 YEARS
Ground lease payments received in advance	60,495,724	60,495,724	49,949,007
Other liabilities	2,649,186	2,649,186	2,649,186
<b>Total</b>	<b>63,144,910</b>	<b>63,144,910</b>	<b>52,598,193</b>

## 12 Current liabilities

CURRENT LIABILITIES	31-12-2017	31-12-2016
Trade payables	1,499,675	1,554,495
Contract revenue received in advance	20,442,496	19,756,898
Taxes and social security contributions	16,335,795	2,293,946
Pension obligations	374,106	323,295
Other liabilities and deferred income	16,102,394	16,072,844
<b>Total short-term liabilities</b>	<b>54,754,466</b>	<b>40,001,478</b>

OTHER LIABILITIES AND DEFERRED INCOME	31-12-2017	31-12-2016
Incentives and discounts payable	3,038,259	2,686,919
Holiday pay/days	2,647,604	2,498,179
Grants received in advance	577,892	1,577,990
Revenue received in advance	450,018	672,681
Invoices to be received	5,947,897	5,025,114
Other	3,440,724	3,611,961
<b>Total other liabilities and deferred income</b>	<b>16,102,394</b>	<b>16,072,844</b>

## Assets, liabilities and arrangements not included in the balance sheet

### Information covering contingent arrangements

#### *# Transformation area*

In the Port-City Transformation Strategy, which was adopted in the City Council meeting of July 2013, it was determined that the Municipality of Amsterdam would pursue a gradual transformation strategy, starting with the non port sites. The rate and content of the transformation will be reassessed in 2025. The financial consequences for Port of Amsterdam depend on this decision-making process and are therefore still uncertain. In the 2014 coalition agreement, the Municipal Executive decided that the existing companies located on the port sites inside the ring road can remain there until at least 2040. The other agreements remained the same. The following agreements are currently in force:

- Houthaven/NDSM Covenant.
- Existing companies can remain at their current locations until at least 2040, within the existing environmental contours.
- New allocations and expansions are possible with a duration up to 2029, or in consultation with the Municipality.
- The city will reimburse Port of Amsterdam for all current assets at the time of the transformation at the then-applicable book value.

- Major new investments in the area with a depreciation period that exceeds 2029 must be agreed with the Municipality, with the possibility that Port of Amsterdam will not be reimbursed the full book value for all of the new investments on transfer.

- The land must be delivered clean, in which context clean means “industry” level.

#### *# Houthavens Covenant*

Port of Amsterdam has concluded the Houthavens Covenant with the Municipality of Amsterdam, the Province of North Holland and various companies in the port. The aim of the agreement is to achieve the right balance between facilitating the development of the port and the companies established there on the one hand and the development of housing in Houthaven and on the NDSM shipyard on the other. To give this agreement concrete form, an innovation fund has been set up from which companies can be paid a contribution toward environmental measures that exceed the statutory minimum (measures that extend beyond the companies’ obligations under the laws and regulations) that help to improve the environmental situation and living environment existing at that time. A maximum sum of €9 million has been made available for the innovation fund. Port of Amsterdam’s maximum contribution is €3 million. The remaining liability as at year-end 2017 was €1.9 million (2016: €1.9 million).

#### *# Soil decontamination*

Various types of contamination have been identified in the port area for which the costs of decontamination are at Port of Amsterdam’s expense and responsibility. Some of the known contaminants are located in the transformation area. No provisions have been formed for these decontamination liabilities as the amount of the costs to be incurred cannot be reasonably estimated, because the timing and method of decontamination are not yet known or determinable.

#### *# Waterkant guarantee*

Port of Amsterdam stands surety up to an amount of €1.0 million (2016: €0.9 million) ensuing from the social plan if Waterkant C.V. is unable to meet its financial obligations under that plan. The guarantee applies for a maximum period of three years, ending on 31 December 2018.

#### *# HoogTij project*

For the purpose of refinancing the HoogTij project, Port of Amsterdam provided security to the Province of North Holland and the Municipality of Zaanstad in February 2016 subject to conditions and up to a maximum of €23.3 million at an annual premium of 0.55% over the principal, covered in part by a right of mortgage on the property underlying the transaction.



#### *# Contribution to the sea lock construction*

As an interested party, Havenbedrijf Amsterdam N.V. has made a financial contribution to the construction of the new lock. The amount of the contribution has been set at €46.51 million and will be paid in two tranches. As the first tranche of €5 million was paid in October 2017, it has been subtracted from the 2017 result. The remaining liability amounts to €41.51 million. This amount will be included in the financial statements once the sea lock is delivered.

If the Availability Date is later than 31 October 2019, Havenbedrijf Amsterdam N.V. will receive €1.3 million in compensation for each full calendar year that passes between 31 October 2019 and the Availability Date, as well as a proportional share of that sum for each part of a full calendar year that passes between 31 October 2019 and the Availability Date.

#### **Information on commitments not included in the balance sheet**

At the end of 2017, Port of Amsterdam had a number of multi-year financial obligations toward third parties relating to ground leases, maintenance of the port area and infrastructure, and internal business operations. These concern multi-year contracts for ground leases that have not been settled, office leases, leasing of vehicles, IT services, road cleaning, etc.

The total amount of these commitments is €115.3 million. Out of this amount, €19.4 million has a term of 1-5 years and €90.5 million has a term longer than 5 years. A number of contingent liabilities have also been entered into with suppliers in the form of framework agreements for the management and maintenance of the port area, for example.

#### **Investment commitments not included in the balance sheet**

At the end of 2017, Port of Amsterdam assumed liabilities toward third parties to the sum of €65.9 million (2016: €3.7 million) in respect of the purchase and development of intangible and tangible fixed assets.

**Information on assets not included in the balance sheet**  
Havenbedrijf Amsterdam N.V. has entered into long-term rental and ground lease contracts for property, land and quays.

The minimum future revenue from these contracts is €2,051 million, of which €81.2 million will be paid in the coming year.

A total sum of €79.3 million in receipts was recognized in the statement of profit and loss in 2017. The agreements have a term of 20-40 years, for which the income is a fixed amount per year and is indexed annually.

## **Events after the balance sheet date**

There have been no events after the balance sheet date which provide further information about the actual situation as at the balance sheet date or are of material importance for users of the financial statements in forming an opinion.

## **2017 profit appropriation**

The size of the dividend was submitted to the General Meeting for a decision.

## Notes to the statement of profit and loss

### 13 Revenue

	2017	2016
Rent, ground lease and quay fees	81,612,172	79,357,589
Sea harbor dues	55,974,696	53,741,675
Inland harbor dues	7,266,074	7,467,371
Other revenue	5,203,038	5,709,256
<b>Total revenue</b>	<b>150,055,980</b>	<b>146,275,891</b>

The other revenues item relate mainly to the income from the Port Waste Plan (€2.3 million), remuneration for management and maintenance of areas controlled by the Municipality of Amsterdam Development Authority (€0.9 million) and shore-based power revenue (€0.6 million).

### 14 Personnel costs

	2017	2016
Wages and salaries	22,919,882	23,153,795
Social security contributions and pension costs	6,906,713	6,496,487
Other personnel costs	3,411,958	7,328,497
<b>Total personnel costs</b>	<b>33,238,553</b>	<b>36,978,779</b>

### Number of employees

Port of Amsterdam had the following number of employees at year-end, calculated on a full-time basis and broken down according to activities:

	2017	2016
Nautical activities	165.7	175.6
Operation of port sites and overheads	192.0	187.6
<b>Total</b>	<b>357.7</b>	<b>363.2</b>

### Remuneration of the managing directors

In December 2017, the shareholder adopted the remuneration policy applicable to members of the Port of Amsterdam Board of Directors in 2017, on the basis of a proposal from the Supervisory Board. This remuneration policy offers an employee benefits package consisting of a fixed basic salary, variable remuneration and a pension contribution. The new remuneration policy for the Board of Directors complies with the current municipal remuneration policy for its participating interests.

#### Fixed remuneration

The salaries of the members of the Board of Directors were not increased in 2017 from the 2016 levels. The amounts stated are inclusive of holiday pay and exclusive of employer's social security contributions.

#### Variable remuneration

The members of the Board of Directors under the articles of association may be granted variable remuneration of a maximum of 10% of their gross salary. The Board of Directors' annual variable remuneration is determined on the basis of a number of performance criteria established by the Supervisory Board. These criteria are set in such a way that they follow or arise from the commercial performance and strategic objectives of Port of Amsterdam. In 2017, variable

2017 NAME	START OF TERM	END OF TERM	FIXED REMUNERA- TION	VARIABLE REMUNERA- TION	PENSION CONTRIBUTION	TOTAL
K.J. Overtoom	01-04-2013	01-04-2021	151,986	7,650	18,321	177,957
M.R. de Brauw	01-11-2015	01-11-2019	138,375	8,757	17,635	164,767

remuneration was based on the following objectives:

- Budget
- Strategic projects
- Strengthening the relationship with the Municipality of Amsterdam
- Energy transition – “Setting a course for the Amsterdam Metropolitan Port”
- Strategic alliances

All objectives were valued equally.

#### Pension costs

The members of the Board of Directors take part in the General Pension Fund for Public Employees (Algemeen Burgerlijk Pensioenfonds, ABP) pension scheme. Their pension scheme is the same as the scheme for Port of Amsterdam employees.

REMUNERATION OF SUPERVISORY BOARD MEMBERS	START OF TERM	END OF TERM	2017	2016
R.M. Smit	06-03-2013	01-04-2017	6,250	25,000
R.I. Doerga	03-05-2017	03-05-2021	20,975	25,000
J.F.J.M. de Haas	15-12-2015	08-12-2019	20,975	25,000
W.J. Maas	03-05-2017	03-05-2021	20,975	25,000
P.G. Stibbe	15-04-2014	15-04-2018	20,975	25,000
K. van der Steenhoven	01-08-2016	01-08-2020	27,150	11,187
J.F.C. van den Boer	06-03-2013	01-10-2016	-	21,667
<b>Total</b>			<b>117,300</b>	<b>157,854</b>

René Smit stood down as member of the Supervisory Board on 1 April 2017. Following his departure, the Supervisory Board decided not to fill the vacant position. Ingrid Doerga and Willemijn Maas were reappointed by the General Meeting of the shareholder for a second term as members of the Supervisory Board on a nomination from the Supervisory Board on 3 May 2017.

On their reappointment, the shareholder set the remuneration received by both Supervisory Board members in accordance with the 2016 remuneration policy for participating interests of the Municipality of Amsterdam. This policy means that the remuneration for members

of the Supervisory Board is tied to the benchmark in the second Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT). Separate remuneration for serving as a member of a committee of the Supervisory Board has been abolished. In May 2017, Supervisory Board members Jeroen de Haas and Philip Stibbe indicated that they would voluntarily declare the new benchmark applicable to their remuneration, even though they were not yet due for reappointment. The new benchmark now applies to all members of the Supervisory Board with effect from 1 June 2017. This benchmark was already applicable to the Chair's remuneration since being appointed on 1 August 2016.

SOCIAL SECURITY CONTRIBUTIONS AND PENSION COSTS	2017	2016
Social security contributions	3,545,123	3,684,851
Pension costs	3,361,590	2,811,636
<b>TOTAL SOCIAL SECURITY CONTRIBUTIONS AND PENSION COSTS</b>	<b>6,906,713</b>	<b>6,496,487</b>

## 15 Depreciation

	2017	2016
Depreciation of intangible fixed assets	275,462	771,011
Depreciation of tangible fixed assets	21,405,167	20,916,588
<b>Total depreciation</b>	<b>21,680,629</b>	<b>21,687,599</b>

A book loss on a disposal to the sum of €1,326 was also recognized under the depreciation of intangible fixed assets (2016: €148,174).

## 16 Other operating expenses

	2017	2016
Accommodation expenses	2,657,911	2,433,421
Management and maintenance expenses	5,849,407	5,781,035
ICT costs	6,262,217	5,883,948
Environment and spatial planning	1,244,040	3,119,096
Communication, marketing and acquisition	2,700,235	2,760,766
Rental and ground lease charges	2,249,491	1,878,198
Research and consultancy expenses	2,104,021	2,443,982
Other expenses	-2,214,500	-10,016,540
<b>Total of other operating expenses</b>	<b>20,852,822</b>	<b>14,283,906</b>

A release of a provision for a non-current receivable to the sum of €10.3 million was recognized under other expenses in 2017. The first contribution to the new sea lock, amounting to €5 million, was also recognized under this item.

In 2016, other expenses included a release of the provision for the non-current receivable from RON N.V. to the sum of €11.2 million.

<b>EFFECT OF CHANGE IN ACCOUNTING POLICY ON DECONTAMINATION LIABILITIES</b>		<b>2016</b>
Balance of environmental and spatial planning costs in 2016 financial statements		619,356
Effect of change in accounting policy		2,499,740
<b>Adjusted balance for 2016</b>		<b>3,119,096</b>

The breakdown of the fees paid to the external auditor Ernst & Young Accountants LLP is as follows:

<b>EXTERNAL AUDITOR'S FEES</b>	<b>2017</b>	<b>2016</b>
Financial statements audit	154,427	82,500
Other audit engagements	9,142	5,100
Other non-audit engagements	28,640	12,890
<b>Total</b>	<b>192,209</b>	<b>100,490</b>

Port of Amsterdam has recognized the total fees relating to the 2017 financial year as costs in the statement of profit and loss.



## 17 Financial income and expenditure

	2017	2016
Interest income	808,013	704,029
Interest expenses	-11,908	-229,290
<b>Total financial income and expenditure</b>	<b>796,105</b>	<b>474,739</b>

INTEREST INCOME	2017	2016
Other interest income	484,637	385,367
Interest on employee benefits	30,777	-
Interest due to deferred payment of debts	292,599	318,662
<b>Total</b>	<b>808,013</b>	<b>704,029</b>

INTEREST EXPENSES	2017	2016
Interest on Municipality of Amsterdam loan	-	11,936
Interest on employee benefits	-	176,221
Interest on late payments to creditors	11,908	41,133
<b>Total</b>	<b>11,908</b>	<b>229,290</b>

EFFECT OF CHANGE IN ACCOUNTING POLICY ON DECONTAMINATION LIABILITIES	2016
Balance of decontamination liabilities interest in 2016 financial statements	4,939,852
Effect of change in accounting policy	-4,939,852
<b>Aangepast saldo 2016</b>	<b>-</b>

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## 18 Taxes

The applicable rate is 25% (2016: 0%) and the effective rate is 367% (2016: 0%).

The applicable rate was nil in 2016 because Havenbedrijf Amsterdam N.V. has been subject to corporate income tax only since 1 January 2017.

	2017	2016
Corporate income tax	-14,161,395	-
Movement in deferred taxes	289,876,323	-
<b>TOTAAL</b>	<b>275,714,928</b>	<b>-</b>

## 19 Share in results of participating interests

	2017	2016
Results of Hallum Cruise B.V.	295,319	156,164
Results of Hallum B.V.	113,092	377,357
Results of RON N.V.	-388,525	-
<b>TOTAL RESULTS OF PARTICIPATING INTERESTS</b>	<b>19,886</b>	<b>533,521</b>

# Signature page

Amsterdam, 26 April 2018  
For the 2017 financial statements:

## Supervisory Board

*signed:*  
**K. (Koos) van der Steenhoven**  
Chair

*signed:*  
**R.I. (Ingrid) Doerga**

*signed:*  
**J.F.J.M. (Jeroen) de Haas**

*signed:*  
**W.J. (Willemijn) Maas**

*signed:*  
**P.G. (Philip) Stibbe**

## Board of Directors

*signed:*  
**K.J. (Koen) Overtoom**  
Managing Director

*signed:*  
**M.R. (Michiel) de Brauw**  
Chief Financial Officer

## Other data

### Provisions in the articles of association on profit appropriation

When Port of Amsterdam became an independent entity, agreements were made concerning the dividend distribution to the Municipality of Amsterdam. Following this change, the Municipality of Amsterdam and Port of Amsterdam signed new agreements in 2017 concerning the dividend policy.

The dividend policy, as agreed on the port's independence in 2013 and set out in Article 9 of the Port Agreement, was thereby revoked. Instead of that policy, a provision was included in the articles of association of Havenbedrijf Amsterdam N.V. to the effect that the dividend policy would henceforth be established by the shareholder, based on a proposal from the Supervisory Board and the Board of Directors. The dividend policy set by the shareholder would ideally follow the four-year term of Port of Amsterdam's strategic plan. On 9 November 2017, the shareholder established a new dividend policy for the period 2017-2021.

The basic principles of the policy for determining the dividend are the continuity of the company and a robust capital structure. There must be sufficient scope for investment, with the investment agenda in the Strategic Plan 2017-2021 serving as a starting point. The policy allows sufficient scope for a substantive balance between the investment agenda and the level of the dividend.

### Independent auditor's report

To: the shareholders and the Board of Directors of Havenbedrijf Amsterdam N.V.

### Report on the audit of the financial statement 2017 included in the annual report

#### Our opinion

We have audited the 2017 financial statements of Havenbedrijf Amsterdam N.V., based in Amsterdam.

In our opinion the accompanying financial statements give a fair and true view of the financial position of Havenbedrijf Amsterdam N.V.'s as at 31 December 2017 and of its results for 2017, in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- the balance sheet as at 31 December 2017;
- the statement of profit and loss for 2017;
- 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 Havenbedrijf Amsterdam 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).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on 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 that consists of:

- the Directors' report; and
- 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;
- contains the information as required by Part 9 of book 2 of the Dutch Civil Code.

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 Board of Directors is responsible for drawing up the other information, including the Directors' report and the other details in accordance with Title 9, Book 2 of the Dutch Civil Code.

## Description of the responsibilities for the financial statements

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management 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.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment 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 have uncovered all material errors and fraud.

Misstatements may 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 effects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 26 April 2018

Ernst & Young Accountants LLP

*signed by*  
drs. J.M.A. Drost RA

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## Appendix A:

List of all partnerships and guidelines that we endorse

	STRENGTHENING CLUSTERS AND NETWORKS	DIVERSIFYING AND INNOVATING	DEVELOPING INTO A PREFERRED PORT	ENSURING A HEALTHY AND EFFECTIVE ORGANI- ZATION
Amsterdam Ports Association (Amports)	X			
Amsterdam Cruise Port Foundation	X			
Amsterdam Port Consultants Foundation	X			
Amsterdam IJmuiden Offshore Ports (AYOP)		X		
Stichting Westpoort Bereikbaar (Accessible Westpoort Foundation)			X	
Amsterdam Collective Security Association			X	
Sea Port Sector Organization (BOZ)	X			
North Sea Canal Area (NSCA) Administrative Platform	X			
North Sea Canal Area Central Nautical Management				X
Port of Zwolle Advisory Board	X			
Amsterdam Airport Area Association	X			
National Nautical Traffic Training Foundation				X
European Sea Ports Organisation (ESPO)	X			
Port of Amsterdam International B.V.	X			
Portbase		X		X
Organization of Own-Account Carriers (EVO)			X	
Holland International Distribution Council (HIDC)	X			
Temporary Nature Foundation			X	
World Ports Climate Initiative (WPCI)			X	
International Association of Ports and Harbors (IAPH)				X
World Association for Waterborne Transport Infrastructure (PIANC)			X	
International Harbour Masters' Association (IHMA)				X
Local Authorities International Environmental Organisation (KIMO) (EUR 10,000)			X	
Emma@Work (EUR 30,000)				X
Pantar				X
Commodity Agreement		X		
OECD Guidelines		X		
Netherlands Energy Agreement (2013)		X		
UN Sustainable Development Goals (SDG)				X
Paris Climate Agreement		X		
United Nations Global Compact (UNGC)		X		
Corporate Governance Code				X

## Appendix B:

### List of acronyms and their meanings

<b>ACM</b>	Authority for Consumers and Markets	<b>LME</b>	London Metal Exchange	<b>SCRUM</b>	Software development method for using agile methodology to create software products
<b>ACP</b>	Amsterdam Cruise Port	<b>LNG</b>	Liquefied natural gas	<b>SDG</b>	Sustainable Development Goal
<b>AKEF</b>	Amsterdam Climate and Energy Fund	<b>HIDC</b>	Holland International Distribution Council	<b>SHIP</b>	Lock and Port Information Point
<b>AMAS</b>	Amsterdam Mutual Aid System	<b>NSCA</b>	North Sea Canal Area	<b>UNGC</b>	United Nations Global Compact
<b>APA</b>	Aruba Ports Authority	<b>OECD</b>	Organization for Economic Cooperation and Development	<b>WPCI</b>	World Ports Climate Initiative
<b>ARA-regio</b>	Amsterdam, Rotterdam, Antwerp	<b>OR</b>	Works Council		
<b>AYOP</b>	Amsterdam IJmuiden Offshore Ports	<b>ORAM</b>	Amsterdam Region Employers' Association		
<b>BOZ</b>	Sea Port Sector Organization	<b>PAS</b>	Integrated Approach to Nitrogen		
<b>CNB</b>	Central Nautical Management	<b>PCS</b>	Port Community System		
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission	<b>PDENH</b>	North Holland Sustainable Economy Participation Fund		
<b>CPB</b>	Netherlands Bureau for Economic Policy Analysis	<b>PFSO</b>	Port Facility Security Officers		
<b>DHM</b>	Harbor Master's Division	<b>PIANC</b>	World Association for Waterborne Transport Infrastructure		
<b>ESI</b>	Environmental Ship Index	<b>PoA</b>	Port of Amsterdam		
<b>ESPO</b>	European Sea Ports Organisation	<b>PoAI</b>	Port of Amsterdam International		
<b>EVO</b>	Organization of Own-Account Carriers	<b>PoF</b>	Port of Fujairah		
<b>IAPH</b>	International Association of Ports and Harbors	<b>PTA</b>	Amsterdam Passenger Terminal		
<b>IHMA</b>	International Harbour Masters' Association	<b>REVV</b>	Westas Spatial and Economic Exploration		
<b>IIRC</b>	International Integrated Reporting Council	<b>Ro-Ro</b>	'Roll on roll off' cargo		
<b>ISPS</b>	International Ship and Port Facility Security Code	<b>RvC</b>	Supervisory Board		
<b>KIMO</b>	Local Authorities International Environmental Organisation	<b>RWS</b>	Directorate-General for Public Works and Water Management (Rijkswaterstaat)		

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