

Risk management and internal control are integral to managing our business. Schiphol Group, with its vital role in Dutch infrastructure, connects the Netherlands in a safe, secure and financially robust manner. This comes with a broad range of strategic, operational, financial and compliance risks.



Risk management and internal control

Schiphol Group's approach to risk management and internal control

General

Our company plays a vital role in Dutch infrastructure, connecting the Netherlands in a safe, secure and financially robust manner. To fulfil this role, Schiphol Group has defined its ambition, value model and objectives. A wide range of strategic, operational, financial and compliance risks could potentially prevent us from achieving these objectives and ambitions.

We have an obligation to our stakeholders to manage these risks appropriately and demonstrably to, amongst others, maintain our license to operate, comply with the Dutch Corporate Governance Code and inform our stakeholders through our annual report. Risk management and internal control therefore form an integral part of the management of our business. We do this based on our Risk Management Framework.



The objective of the Risk Management Framework is to ensure that we have sufficient control over our risks by continuously evaluating the risks and opportunities.

Our definition of risk management is 'a systematic process to identify, assess, manage and control potential events or situations to ensure the the achievement of our objectives and Top Performance Indicators (TPIs)'.

Our approach to risk management is based on the COSO Framework and extends to our entire organisation, including our partners. Enterprise Risk Management (ERM) supports a Schiphol Group-wide focus on key risks and is aligned with Operational

Risk Management (ORM). ORM is defined as risk management at the business unit level, with a more detailed focus on specific operational requirements and laws and regulations.

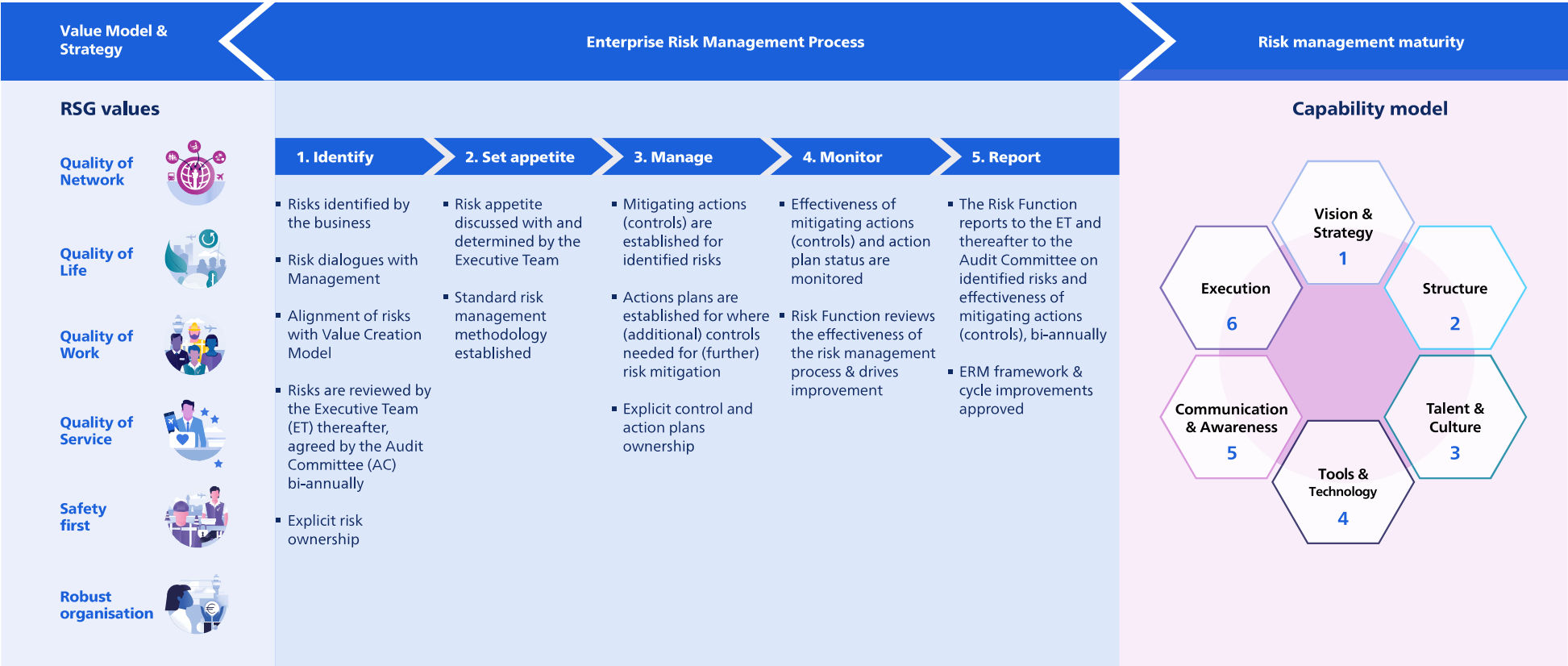
Enterprise Risk Management

Our ERM approach has three distinct elements:

- Strategic alignment: alignment with the value model of Schiphol, strategic objectives and Top Performance Indicators. Developments and progress related to values, objectives and (top) performance indicators in 2024 are explained in the Strategy and performance chapter of this annual report.

- The ERM process: completion of the ERM cycle (identify risks, set appetite, manage, monitor and report). The ERM (net) results are described in the following paragraphs related to Schiphol Group's risk profile, including the risk rating of the 17 enterprise risks.
- Risk management maturity: We follow a generally accepted risk management maturity capability model where Schiphol Group strives to achieve a mature risk management set-up that enables us to achieve our objectives.

Enterprise Risk Management approach



Risk appetite

Our risk appetite describes the extent to which we accept risk in the pursuit of our objectives. Given Schiphol Group's vital role in Dutch infrastructure, we have a very low to moderate risk appetite.

The Executive Team of Schiphol Group has made the following risk appetite statements guiding our (risk) management decisions.

1. We recognise the need to strike a balance between our socio-economic role (low risk appetite) and our commercial ambitions (moderate risk appetite).
2. Our primary focus is to ensure the continuity of our business in a safe and secure manner, whatever the circumstances. Risks that threaten this continuity should therefore be minimised, resulting in a very low risk appetite.
3. Ensuring a sound financial position, represented by at least an A+ rating from one or more reputable credit rating agencies, and ensuring transparency and reliability of our financial reporting is key. Our risk appetite financial and reporting risks is therefore low.
4. We strive to comply with all applicable laws and regulations, focusing on those necessary for the continuity of our aviation activities and business requirements, such as EASA, health and safety, security, environmental, competition, tendering, sanctions, privacy and information security laws. Our risk appetite for compliance is low.

Residual risks are evaluated by senior management and discussed with the Executive Team.

Risk profile

The risk profile provides context to the level of risk exposure and our risk environment. It also highlights the main areas of risk that Schiphol Group currently faces.

In 2024, Schiphol Group was able to reduce its risk exposure compared to a year ago. However, RSG's business is complex by nature, involves many stakeholders and is heavily influenced by external developments. The following main developments are driving the risks of RSG.

Political volatility driving uncertainty

In today's geopolitical climate, Schiphol Group is increasingly exposed to external threats, which although we manage and plan for, cannot always be fully mitigated. Uncertainty on the allowable flight movements influences the process of obtaining our license to operate and could impact the quality of our network and connectivity. At the same time, managing the interests of external stakeholders such as local communities and regulators is critical, the success of which also impacts our license to operate.

Improving airport attractiveness

Schiphol Group is focused on improving the attractiveness of its airports to consumers and end-users, which is crucial to our mission of providing seamless and enjoyable travel experiences across all our airports. Improvement is dependent on several key processes and the delivery of key projects, such as those relating to replacing and maintaining critical assets and the redevelopment of lounges. Rising expectations and increasing passenger volumes, combined with current and upcoming terminal redevelopments are, however, also straining the passenger experience. Schiphol's plans to take more ownership and shared responsibility in operating key airport processes, despite the outsourcing of such processes, should lead to a more controlled, reliable and predictable passenger experience.

Focus on project control and portfolio delivery

In the coming years, RSG will execute a multi-billion investment project portfolio to improve its infrastructure and thereby the attractiveness of its airports. In 2024, RSG improved its project and maintenance processes and took control over the project portfolio and maintenance planning. To remain in control of current and upcoming investments to improve airport attractiveness, the portfolio delivery is closely monitored by a

portfolio board. The actual delivery of the portfolio has its risks due to its size, the large interdependency between projects, the execution of the projects in a brown field site that is largely operational 24/7, contractor management and need to ensure project scopes remain fixed.

Committed to improving labour and workforce working conditions

People working across the entire value chain and their diverse skill sets are critical to RSG and its ability to execute key processes. The current labour market continues to pose challenges in this respect. At the same time, there is ongoing attention for working conditions, particularly related to workers who are exposed to ultra fine particles (e.g., in ground handling) and excessive manual lifting (baggage handling). RSG wants to restore Schiphol Airport's magic by providing a rewarding work environment and prioritising the well-being and development of its employees. This includes safe working conditions until retirement. The details of RSG's action plans for further improvements can be found in the Quality of Work paragraph in the [Strategy and performance](#) chapter and the [Sustainability statement](#).

Restoring financial resilience

Financial resilience is a prerequisite for realising our ambitions. Since the COVID-19 period, RSG's financial resilience has steadily improved. However, it needs to further improve in order to withstand disruptions (e.g., another pandemic), maintain the stability of airport operations and associated costs, and execute the required investment portfolio. The airport charges are a cornerstone for financial resilience and an increase of these charges has been proposed. Airlines have been consulted and the calculation of the charges has followed a regulated process in accordance with the Aviation Act. Several airlines have challenged the charge increase. The Autoriteit Consument en Markt ('the Netherlands Authority for Consumers and Markets'; ACM) will take a decision on these complaints before 1 April 2025. Other key risks are raising sufficient additional external funding at favourable rates and keeping costs under control.

Aiming for a balanced airport

Schiphol Group published an 8-point plan called Quieter, Cleaner, Better to restore the balance between quality of life in the surrounding area and Schiphol Airport, in particular in relation to noise. Schiphol cares about quality of life, has ambitious sustainability goals and is actively implementing the Most Sustainable Airports roadmap. With improved quality of life high on the Schiphol agenda, our achievements are also dependent on the whole aviation sector becoming more sustainable. Schiphol is committed to the government's objectives for reducing noise and improving quality of life for local communities. In the Sustainability statement you can read how Schiphol is currently managing its material environment, social and governance topics to become a balanced airport.

In conclusion

Schiphol's risk profile has decreased slightly compared to 2023 due to many improvement actions, which are predominately outlined in Strategy and performance chapter. Looking ahead, the risk profile is not expected to change significantly in 2025, as risks continue to emerge, external geopolitical threats intensify, uncertainty regarding the outcome of court cases and related

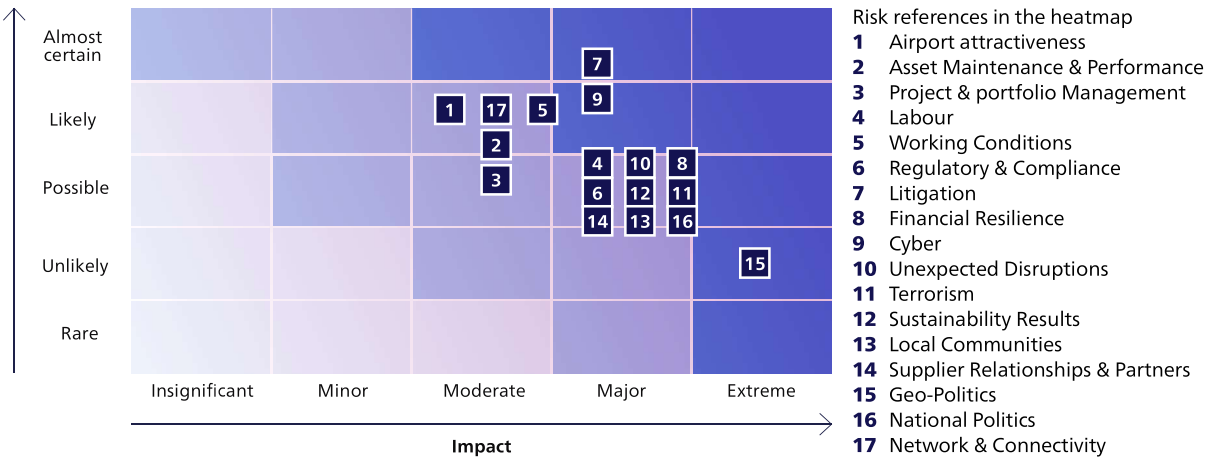
political decision-making persists, and mitigating actions take time to materialise.

Top risks

Our enterprise risk register is reviewed twice a year with the involvement of the business, including senior management. The purpose of these reviews is to verify and update the risks to ensure the register reflects the most recent and emerging risks. Each risk is assessed, and the results are shown in the risk matrix (impact and likelihood). The potential impact is measured either financially or non-financially. The position indicates the residual risk reflecting the effectiveness of mitigating actions.




Starting from 2024, we moved away from the 11 risk categories and shifted to a number of key risks. The outcome of the 2024 risk assessment has led to the 17 enterprise risks depicted in our risk heatmap and detailed below. These 17 risks can largely be related to the previous risk categories, and provide more insight and clarity of what are the key risks.

Risk heatmap 2024





Risk categories, developments and mitigation

Heatmap	Risk title	Risk relates to	Risk trend vs. 2023	Summary development 2024	Main mitigation	TPI link	More information
1	Airport Attractiveness	Airport quality of service impacting passenger experience and reputation.	==	To address the challenges of increasing passenger numbers and their rising expectations, maintenance and new capital projects are planned but not yet (fully) realised in 2024. Coordination between departments and sector partners has been improved and is essential to managing these upcoming projects and decreasing the impact of all projects on the passenger experience.	Continuous monitoring of the passenger experience and targeted project development and initiation to address the bottlenecks and enhance the passenger experience.	Net Promoter Score	See also the Quality of Service paragraph in the Strategy and performance chapter and the Sustainability statement.
2	Asset maintenance & performance	Asset maintenance planning and failure to change, adapt or replace assets risks costly disruptions.	↓	Asset management, prioritised maintenance and asset replacement, with contingency plans are in place for critical assets. Alignment between departments to match maintenance priorities with critical processes is ongoing.	Development and execution of the annual maintenance plan, the execution of the project portfolio/ investment plan in combination with continuous monitoring of asset continuity.	All TPIs	
3	Project & portfolio management	Portfolio delivery and project execution fail to deliver value on time, within budget and with the required quality.	↓	Significant improvements in governance and control over project and portfolio were realised. Future enhancements in project management tools will further improve control. Despite progress, the portfolio's size and dependencies still pose challenges to meeting targets and timelines.	Continuous monitoring of the project and CAPEX performance, which is reported and acted on monthly.	All TPIs	
4	Labour	Ability to offer employees attractive working conditions.	==	Schiphol is facing challenges from a tight labour market and increasing operational complexity. There is a strong focus on improving working conditions, enhancing employer branding and implementing various rewards initiatives. Efforts include better employee engagement, talent acquisition processes, and sector-wide collaboration to improve working conditions and attractiveness.	Schiphol revises the Talent Acquisition Plan on a yearly basis to face the challenges of the current and future labour market. In 2024, a new Collective Labour Agreement (CAO) was agreed upon. Schiphol also monitors employee satisfaction on a continuous basis.	Employee Promoter Score	See also the Quality of work paragraph in the Strategy and performance chapter
5	Working conditions	Ability to offer RSG employees and other workforces at Schiphol a safe, healthy and pleasant working environment.	==	Many improvements regarding working conditions have been made, such as the ongoing installation of lifting aids in baggage halls and staff restroom renovations. Governance was enhanced and sector-wide occupational health initiatives were implemented. RSG has shifted towards longer-term sector-wide collaboration and improved working conditions, though some dependency on sector partners remains.	Concrete action plans for improving quality of work for RSG employees and other workforces at the airport. A Quality of Work paragraph has been created to include all new contracts with sector partners working for/at Schiphol and the License to Operate for Ground handlers is being monitored on a continuous basis.	Employee Promoter Score	See also the Quality of work paragraph in the Strategy and performance chapter.

Heatmap	Risk title	Risk relates to	Risk trend vs. 2023	Summary development 2024	Main mitigation	TPI link	More information
6	Regulatory & compliance	Compliance with critical legislation and adequate anticipation of new and changing legislation.		Considerable efforts are made to remain compliant with new and evolving legislation. For larger and multidisciplinary themes, the monitoring of compliance can pose a challenge. It is expected that the implementation of an improved compliance management framework and new compliance technology will reduce this risk in the future.	For all legislation that is critical, RSG continuously monitors compliance. When monitoring does not take place sufficiently, increased attention including involvement of Corporate Legal will lead to theme-specific initiatives to increase the level of compliance.	Reputation Score	
7	Litigation	Litigation by external stakeholders towards RSG or other parties that are important in the stakeholder domain of RSG.		A shifting societal perception of the aviation industry and the impact of Schiphol's operations on local residents and the environment leads to a risk of litigation by external stakeholders towards RSG, the Dutch State and other industry players. Recent court rulings require the government to enforce laws protecting local residents. Despite these developments, political uncertainty remains, and stakeholder litigation is expected to continue.	Continuous monitoring of litigation and when necessary involvement of multidisciplinary Schiphol teams in combination with intervention in external stakeholder litigation.	Reputation Score	
8	Financial resilience	Insufficient cash inflows could lead to financial instability, hindering operations and capital projects.		Financial resilience is crucial for maintaining stable airport operations amid rising costs and significant investments. To secure cash inflows, Schiphol intends to increase airport charges as of 1 April 2025 and obtained external funding, including 600 million euros through bond issuance in 2024. To control cash outflows, improved controls over the investment portfolio are in place, however due to its size, it adds complexity and risk, necessitating careful cost management.	Continuous monitoring of our financial cashflows and strengthening our project- and cost controls.	Return on Equity	See also the Robust organisation paragraph in the Strategy and performance chapter.
9	Cyber	IT abuse (cyber) with negative business outcomes related to critical business processes.		Increased digitisation and dependency on IT keep Schiphol's cyber risk level high. Effective defense mechanisms have countered several attacks without severe impact. Schiphol is enhancing cyber governance, testing, disaster recovery, and controls, with a focus on critical IT assets and partner cooperation. Continuous development and investments are needed to address emerging threats and comply with new regulations.	Continuous monitoring, strengthening of controls, education of end-users and mitigation of cyber attacks by the security operating centre.	On-time performance Net Promoter Score	

Heatmap	Risk title	Risk relates to	Risk trend vs. 2023	Summary development 2024	Main mitigation	TPI link	More information
10	Unexpected disruptions	Activism, riots and crime that can result in operational disruption or unsafe situations for passengers, employees and the neighbourhood.	==	In 2024, Schiphol faced strikes and protests, without significant operational disruptions. The airport's social image remains negatively affected by sustainability discussions, with increasingly creative and disruptive demonstrations. Given the geopolitical situation, more events are likely, requiring enhanced security measures.	Scenario and crisis planning is established, monitored and improved on a periodic basis.	Net Safety Score	See also the Safety first paragraph in the Strategy and performance chapter.
11	Terrorism	Serious safety and security incidents causing injuries, casualties or damage.	↑	Geopolitical developments and increased terrorism threat levels are impacting Schiphol's risk landscape. For Schiphol, compliance with relevant security legislation as well as the quality standard of security measures continue to have full focus.	RSG works closely with Koninklijke Nederlandse Marechaussee ('Royal Netherlands Marechaussee'; Kmar), the Dutch Customs, the National Coordinator for Counterterrorism and Security (NCTV), private security firms, airlines and other partners to drive compliance with relevant security laws and regulations.		
12	Sustainability results	Ambition and progress on sustainability of airport and aviation (impacting the license to operate).	==	RSG has ambitious sustainability objectives and works on executing the roadmap Most Sustainable Airports. A 'better and balanced' plan was created to reduce CO ₂ e emissions as well as the 8-point plan Quieter, Cleaner, Better for improving quality of life for people near Schiphol.	Continuous monitoring of the airport's sustainability performance together with compliance with CSRD requirements enables RSG to track its progress on the ambitions.	CO ₂ e emissions	See also the Quality of Life paragraph in the Strategy and performance chapter and the Sustainability statement.
13	Local communities	Commitments to noise reduction not being met could result in legal conflicts, financial liabilities and reputational damage.		Increasing attention for noise disturbance and environmental impact has raised concerns among local residents, politicians and environmental groups. RSG continues to move forward with its strategic plan to improve Quality of Life while maintaining Quality of Network. Focused efforts on communication, stakeholder management, and collaboration are essential to addressing potential impacts.	Continuous monitoring of the overall satisfaction of surrounding communities together with organising information evenings and active stakeholder management.	Local residents	See the Affected communities paragraph in the Strategy and performance chapter.
14	Supplier relationship & partners	Ineffective implementation of tailored business models could lead to operational disruption and declining customer satisfaction.	↓	Schiphol transitioned to a robust and improved supplier management model within the sector to build on trust and long-term equal relationships to deliver higher quality work and service across the airport. This was first demonstrated with the new cleaning contract.	Continuous monitoring of the implementation of the business model framework should mature the relationship with suppliers and partners.		See also the Quality of work paragraph in the Strategy and performance chapter.
15	Geopolitics	Potential long-term events or geopolitical developments (e.g., pandemic, war, elections) possibly resulting in decreased control over Schiphol operations	==	Geopolitical developments, including ongoing wars and tensions, remain a pressing concern, impacting the quality of Schiphol's network as airlines avoid high-risk destinations. Close monitoring and dynamic adaptation of operations are essential due to the current geopolitical situation.	Scenario and crisis planning established and monitored on an annual basis.		

Heatmap	Risk title	Risk relates to	Risk trend vs. 2023	Summary development 2024	Main mitigation	TPI link	More information
16	National politics	Failure to secure local stakeholder cooperation could lead to restrictions in airport asset development.		For the (future) development of Schiphol, we require cooperation from local stakeholders. In order to make sure the current and future airport developments are aligned with the interests of local stakeholders, a governance structure was established to facilitate collaboration and align discussions on necessary changes.	Continued discussions with local stakeholders are in place to enhance alignment and communication.	Reputation Score	
17	Network & connectivity	Structural airline industry changes, uncertain demand, competing airports, government policy-setting on air traffic movements (ATMs) and slot allocation mechanism.		Schiphol has good connectivity compared to other major European airports. However, the allowable ATMs is an ongoing discussion topic, putting pressure on connectivity as it remains uncertain how our network will develop over the coming years.	Continuous monitoring of network constraints should contribute to the network and connectivity of the Netherlands to the rest of the world.	ICA destinations	See also the Quality of Network paragraph in the Strategy and performance chapter.

Internal control systems

At Schiphol Group, we manage our risks at three levels: the first level, which owns the risks and internal controls within the business operations, operates controls to mitigate operational risks and defines actions to improve processes and mitigate risks; the second level, which facilitates and challenges on risk management processes in all layers of the organisation; and the third level, our internal audit, which provides independent and objective assurance and advice to (senior) management on the adequacy and effectiveness of governance and risk management.

The effectiveness of the internal controls are self-assessed by management on a regular basis, with reporting to the Executive Team.

Continuous improvement is in place to evaluate ineffective controls and to draw up action plans (including monitoring thereof) to address deficiencies in a timely manner.

Internal Audit

The primary role of Internal Audit is to provide independent and objective assurance that is guided by a philosophy of adding value to improve the operations of Schiphol Group. Internal Audit assists Schiphol Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the design and operational effectiveness of Schiphol Group's governance, risk management and internal control processes. Internal Audit performs a diverse range of audits, reviews and advisory engagements across the Schiphol Group organisation, mainly focused on compliance, capital projects, IT cyber and contract management topics. The audit of financial statements is the responsibility of the external statutory auditor.

Statement of the Management Board

We seek to minimise the likelihood of errors, wrong decisions and the impact of surprises due to unforeseen circumstances. However, we cannot exclude the possibility of being exposed to risks that we are currently unaware of, or which may not have been considered important thus far.

No risk management or internal control system can provide an absolute safeguard against failure to achieve corporate objectives, nor fully prevent any possible loss, fraud or breach of rules and regulations. Furthermore, as an airport, Schiphol is susceptible to adverse weather conditions and other natural phenomena; we cannot prevent or influence these. However, we can ensure that the consequences remain as limited as possible. In light of the above, we believe that the risk management and internal control systems provide a reasonable degree of assurance concerning financial reporting risks and that the financial reporting does not contain any material misstatements.

The Management Board declares, considering the above, that, to the best of its knowledge:

- The financial statements provide a true and fair view of the financial assets, liabilities, financial position and profits of Schiphol Group, as well as the combined consolidated enterprises;
- The financial statements have legitimately been prepared on a going concern basis for Schiphol Group, given its strong financial position;
- The annual report describes the material risks and uncertainties that are relevant to the assessment of the continuity of Schiphol Group for a period of 12 months following the publication of the report;
- The annual report provides a true and fair view of the situation on the balance sheet date and of developments over the course of the financial year; and
- The principal risks facing Schiphol Group are described in this annual report.