Development of the Group
A strong Group

The synergies between Schiphol's various divisions and areas of activity are among our core strengths. Schiphol Group aims to get the most out of the interactions between Amsterdam Airport Schiphol, the regional airports and the Group's international activities. We are also implementing further organisational improvements by strengthening the business culture at Schiphol and by taking full advantage of new commercial opportunities. This process is aligned with our ongoing evolution as we strive to become a flexible and sustainable High Performance Organisation (HPO).

Our focus is increasingly on developing quality physical infrastructure and capacity, while maintaining adequate yields in order to continue financing these investments independently. We strive for moderate aviation growth at our airports, in balance with the environment. Schiphol is the first European airport to issue a green bond of 500 million to support investment in sustainability projects. We coordinate our large investment projects in an integrated manner, creating synergies principally through increased efficiency within our own airport network. This network is further strengthened through our international collaborations and activities.

Objective	Progress	Achieved in 2018
High Performance Higher scores on the High Performance Organisation (HPO) benchmark		– Implementation of recommendations from the 2017 HPO measurement on track
International New international strategy		– International activities account for a significant portion of the Group's financial results – New strategy developed

Risks

Schiphol Group faces strategic, operational, financial and compliance risks. We have identified the key risks which could stand in the way of achieving our mission, and have taken the appropriate measures to mitigate these risks. Risk management is an integral part of our business operations.

An overview clarifying the relationship between the key risks facing Schiphol Group, its strategic themes and material aspects is presented in Cohesion.

The key risks are as follows:
– **Airport accessibility (landside)**: accessibility by rail and road is under pressure and not meeting the desired level of quality
– **Airport capacity (airside and terminal)**: limited capacity to achieve qualitative objectives
– **Business continuity management**: disruption of critical processes or functions due to a long-term or permanent loss of key facilities, utilities, IT infrastructure or key suppliers
– **Connectivity performance**: connectivity performance under pressure
– **Environmental regulatory changes**: impact of new/increased environmental regulation
– **Information security**: failure to implement or update technologies, processes and practices designed to protect networks, computers, programmes and data from attack, damage or unauthorised access

– **Project execution**: failure to deliver project benefits on time, within budget and of the required quality
– **Regulation and compliance:** violation of laws, internal policies or Code of Conduct
– **Safety and security**: risk of a serious safety or security incident
– **Workforce**: inability to attract and retain personnel

Control measures are covered in greater detail in the section on Risk management.

Power outage

On 29 April 2018, a voltage drop in TenneT's high-voltage grid interrupted the power supply to parts of Amsterdam Airport Schiphol. The power outage caused the failure of a number of crucial operational processes in the terminal. A large number of flights were subsequently cancelled, causing significant inconvenience to passengers, while the closure of key access roads disrupted traffic to and from the airport, resulting in further reputational damage.

Schiphol commissioned the Netherlands Organisation for Applied Scientific Research (TNO) to carry out an investigation into the incident. The interim findings revealed that the failure in critical operational processes was the result of a sequence of events in the power supply and the data network, including misaligned settings in an emergency power generator in Terminal 3. Schiphol immediately followed up these findings and addressed issues in its emergency power generator and data network.

We have asked TNO to help us address the technical side of this malfunction and offer recommendations to prevent similar incidents in the future. The organisation recommends that Schiphol apply the same standards for temporary systems, such as those used during renovations, as for permanent systems. The recommendations also advise testing the (temporary) systems under maximum operating conditions and, due to the number of changes, regularly analysing system dependencies and the settings of critical systems.

Lastly, TNO has provided recommendations for strengthening the reporting, signalling and escalation processes in the event of disruptions in the data infrastructure, as well as setting up a multidisciplinary technical incident team. Schiphol is implementing all of TNO's suggestions and is monitoring their impact closely. We have also evaluated our communication procedures with the various organisations involved, and especially with the municipality of Haarlemmermeer.