

risk & opportunity management.



risk & opportunity management

Risk and opportunity management is essential to help us achieve our strategy. While entrepreneurship and innovation are stimulated throughout the organization, there are measures in place to define the risk boundaries and opportunities in steering our business in the right direction – especially in the current period of greater geopolitical uncertainties and the challenging economic situation. This section provides an overview of our Risk & Control framework and its effectiveness in order to substantiate our Risk & Control statement.



risk profile and risk management approach

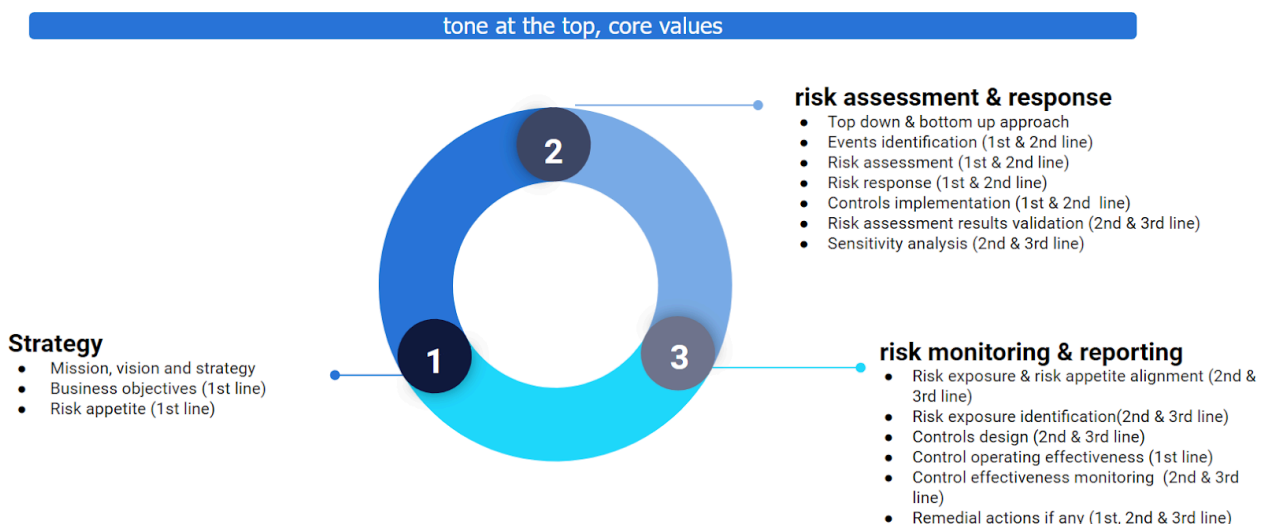
We have a presence in both mature and emerging markets as well as in industries with varying degrees of economic and regulatory development, market dynamics and competition. As a result, we are faced with continuous changes, which may impact our risk and opportunity exposure. At the same time, a risk such as employee displacement due to an economic slowdown presents new opportunities for some of our business lines, such as RiseSmart. Consequently, agility and adaptability are key in our risk and opportunity management approach. We are committed to ESG, and therewith constantly evaluate applicability of frameworks such as Task Force on Climate-Related Financial Disclosures (TCFD) and legislation such as Corporate Sustainability Reporting Directive (CSRD). This evaluation includes the effectiveness of implementing elements of such frameworks to reach our ESG objectives.

Our local-for-local business steering provides agility in converting risks into opportunities. We manage our risks and opportunities through the boundaries defined by our risk appetite. Global policies and frameworks are then developed to support local management in determining the best approach in light of local circumstances.

A three line of defense model exists in our risk & opportunity management structure to provide sufficient independence and objectivity over the process.

1st line	For risk & opportunity management the executive management (i.e. business leadership) of the Markets are the owners of the operational and enterprise risks & opportunities.
2nd line	<p>For risk management the specialist and expert Functions perform operational risk management analysis in their area of responsibility. This includes Functions such as IT, Information Security and Data Protection and Treasury. The Functions create policies and standard operating procedures that are followed in the Markets. The Functions monitor and oversee the risk & opportunities and control improvement requirements.</p> <p>The business risk & audit partners facilitate the broader enterprise risks analysis on the Market level. Through these interactions regular and implicit risk management training and awareness is being incorporated across the business. In which market's management indicates top risks & opportunities and develops mitigating actions if so needed. The business risk & audit partners consolidate the Markets risk views and associate actions, to a global risk profile, which includes perspective of the operational risks derived from the Functions risks & opportunity analysis. This is a shared responsibility between the expert Functions, business and the business, risk and audit Function.</p>
3rd line	<p>For risk management the Business Risk & Audit leadership team challenges the operational risk management practices of the Functions. The Business Risk & Audit leadership also challenges the Functional operational and broader enterprise risk & opportunity positions of the Markets and Group. Therewith attaining a calibrated Group risk & opportunity profile. This approach, interim outcomes and final risk & opportunity overview are discussed with experts and ultimately with the Group Executive Leadership Team. This provides the checks and balances over the quality of our risk & opportunity management process.</p> <p>The finalised risk & opportunity profile and related actions, including our approach to obtain that insight, are reviewed by the Executive Board for final endorsement.</p>

risk & opportunity management process



Through our central risk management activities we aim to bring risk intel together working both bottom-up and top-down. Top-down - executive management sets the risk appetite for the company defining a frame within which individuals in the company can act. Bottom-up - the operating companies provide executive management insights on our current risk position.

Risk & Control activities secure our in-control position. Risk registers are compiled to identify the market specific, enterprise and business risks and opportunities, together with action plans and deadlines for addressing them. Risk management relies on the ability to identify risks that impact our ability to meet our objectives. To enable priority setting and a meaningful conversation, classification on the identified risks is required. For this Randstad has a standard risk rating guidance for global use. This includes a definition of risk rating criteria over 3 dimensions: impact, likelihood and velocity. The aggregate of that data enables us to get insight into the most important risks impacting the Group, and their correlation. The overall consolidated risk profile is discussed three times a year by the Executive Board and with the Audit Committee.

Our central risk management activities thereby not only heavily rely on the risk assessment cycle but also on risk management activities performed by different functions and operations within Randstad on a daily basis. These activities provide essential insights to the consolidated risk view for Randstad as a group.

Risks are linked to other key areas such as audits, internal controls and fraud. It is also linked to initiatives of other Global functions such as vendor assessment and DPIS risk assessment.

While we focus on managing existing key risks, we are also keenly aware of imminent emerging risks (and opportunities) that can significantly impact us. Climate change is a reality and artificial intelligence (AI) is progressively integrated with our lives. For more details, see emerging risks section in the annual report (see page 86).

The Business Risk and Audit Function (BR&AF) conducts emerging risk identification and assessment process biannually in the second and fourth quarters of each year. The objective of these sessions is to proactively identify and evaluate potential emerging risks that may impact Randstad. To support this process, the BR&AF leverages a diverse range of information sources, including open-source intelligence, economic forum publications, etc. During dedicated roundtable discussions, BR&AF team members contribute their expertise and insights to highlight potential developments and emerging risk trends.

risk appetite

Our risk appetite is derived from our strategy and priorities, and is broken down into four risk areas. This framework is designed to determine the risk appetite for identified risks.



risk management process assurance

To ensure our risk management processes are sufficiently and appropriately organized, we audit our risk management processes in different ways. To give assurance over our risk management practices we have the risk management and assessment process designed by our combined assurance practice (internal technical office) whilst our risk management practitioners (business risk and audit partners) facilitate the risk management and assessment process. Obviously operational line management and functional leaders remain responsible for identification and mitigation of risks. Thus

the process is conducted by multiple risk management practitioners and in various Markets, Regions and functions. To ensure the design of our risk management process follows generally accepted techniques, we query new available risk management theory/ techniques to benchmark our risk management process. We also compare the outcomes of the risk management processes (the risk profiles) in the different Markets and Regions (internally), as well as with risks profiles available from comparable companies in our sector.

The consolidated risk profile for Randstad group, that is, amongst others, compiled based on the risk profiles of the Market and Regions, is reviewed half yearly by internal subject matter experts and compared with externally available data. This helps to ensure that the risk profile as presented to, and discussed in, the Boards is a fair and appropriate reflection of the current situation. As a final validation on the quality of the risk management process, a comparison is made of the internally established risk profile with an AI generated risk profile, utilizing external data.

Regularly (every 2 to 3 years) we have had external expert companies perform an impact, risk and opportunity analysis for Randstad, for the company as a whole or on particular areas. Both the methods used as well as the outcomes of these exercises are always compared with our internal risk management processes, to ensure improvements are made to our processes where possible.

From the above, there is an assurance process and a continuous improvement process in place over the quality of our risk management processes.

For more information on Randstad's risk & opportunity management, please refer to our [2024 annual report](#), page 75-87.