CSR REPORT 2018

We Develop Quality

We are passionate about space for people!

QPARK Quality in parking

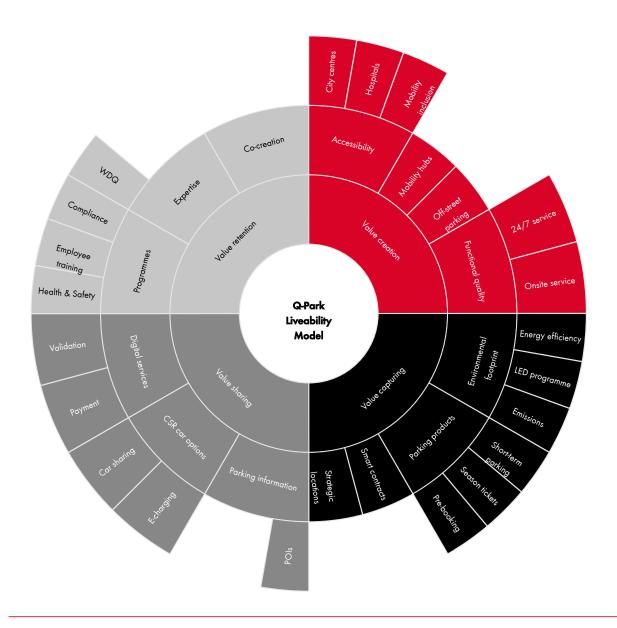**Four quadrants**

The model is based on four value quadrants;

I   Value creation

I   Value capturing

I   Value sharing

I   Value retention

In the following sections we report on our performance and explain how we create value per critical success factor (CSF) and key performance indicator (KPI) in each quadrant. We also show our results for a KPI where we have the data available.

Q-Park Liveability Model

The sunburst chart is interactive. To read about a particular CSF or KPI and see our results, click a segment in the Liveability Model to jump directly to that part of the report. This feature is only available in the online version.

RISK MANAGEMENT

A business must take risks to create value. Having a risk management policy allows a company to take risks in a managed and controlled manner. Within Q-Park strategic, operational, financial, and reputational risks are made controllable by carefully weighing risks and returns against each other. Effective risk management is integrated into its daily operations.

Q-Park deploys a top-down risk management policy in which strategic risk management is executed at corporate level. Responsibility for operational risk management lies primarily with local management of the countries in which the Group operates. The Executive Board however bears ultimate responsibility for managing the risks the company faces.

Risk management and internal control

Ongoing identification and assessment of risks is part of our governance and periodic business review. Our Enterprise Risk Management (ERM) policy is designed to provide management with an understanding of the key business risks the company faces. It also provides methods and processes to manage the risks that might hamper the business achieving key objectives and to initiate actions required to mitigate these risks.

As part of the ERM framework a separate compliance function was introduced in 2018 in order to develop and implement a Q-Park Compliance Programme. In 2018 this compliance programme was communicated to local management within the Group. The risk management mechanism ensures:

I   Top-down awareness of the importance to manage compliance areas;
I   A structured follow up of compliance action plans.

The focus areas identified for 2018 (and continuing in 2019) include information security, ethics & integrity, GDPR and PCI-DSS.

The Executive Board and key management periodically review the risks and the related mitigation controls and procedures from the ERM process. Furthermore, they provide complementary insights into existing and emerging risks that are subsequently included in the policy. The ERM policy influences the formation of controls and procedures, and the focus of business planning and performance process.

Risk appetite

Factors which determine the risk appetite include the international spread of the business, the robustness of the balance sheet, long-term duration of contracts, strength of cash flows and a commitment to conservative financial management. Our risk appetite varies per objective and risk category:

I   **Strategic**: Taking strategic risks is an inherent part of how we do business. In pursuing growth as a strategic ambition, we are prepared to take risks in a responsible way, taking account of our stakeholders' interests.
I   **Operational**: Depending on the type of operational risk, we take a cautious to averse approach. We give the highest priority to ensuring the safety of our employees and customers, to delivering the highest level of service, and to protecting the company's reputation.
I   **Financial**: We pursue a conservative financial strategy, including a balanced combination of self-insurance and commercial insurance coverage.
I   **Compliance**: We are averse to the risk of non-compliance with relevant laws or regulations, or non-compliance with our own codes, contractual agreements, and covenants.
I   **Fraudulent and unethical behaviour**: We are committed to act with honesty, integrity, and respect. We are fully averse to risks relating to fraudulent behaviour and apply a zero-tolerance policy.