

GRI Report including the Non-financial Report

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# **About this Report**

In our CSR Report, we inform all our stakeholders comprehensively about Corporate Social Responsibility (CSR) at Scout24. Every two years, the Scout24 Group publishes a comprehensive report in the form of a twopart online report with a magazine section and a GRI Report. The GRI Report is also updated in alternate years. This report is the update for the GRI Report 2017. The update presents experts with all the data and facts relevant to CSR for the reporting year 2018.

GRI 102-46, 102-49, 102-54 This GRI Report was prepared in accordance with the Standards of the Global Reporting Initiative (GRI) option "Core" published in 2016. In order to select the relevant topic-specific disclosures, the CSR Management carried out a materiality analysis in 2017, validated the result at an internal workshop and reviewed it for validity (comprehensive information is provided in the section on Management, p. 8). The table below provides information on the material CSR matters identified in that context and the allocation of the corresponding GRI topics derived from the materiality analysis. The GRI Indicator numbers reported in the relevant section are noted in the page margins in the different sections of the report. Furthermore, the GRI Content Index, p. 80, provides an overview of the locations of the GRI Report content.

#### GRI 102-47

# Allocation of GRI topics to the material CSR matters of Scout24

Material CSR matters	GRI topics
Corporate Governance & Compliance	Anti-corruption Anti-competitive Behaviour Socioeconomic Compliance
Dialogue & Transparency	Marketing and Labelling
Product Safety	Customer Health and Safety
Sustainable Product Development	Equal Opportunity
Data Protection & Security	Customer Privacy

GRI 102-47

Material CSR matters	GRI topics
Fair and Attractive Working Conditions	Employment
Employee Promotion	Training and Education
Diversity and Equal Opportunity	Diversity and Equal Opportunity
Occupational Health and Safety	Occupational Health and Safety
Social Engagement	Indirect Economic Impacts
Knowledge Transfer	Indirect Economic Impacts
Climate Protection & Energy Consumption	Energy Emissions
Resource Consumption	Materials
Waste and Recycling	Effluents and Waste
Sustainable Procurement	Supplier Environmental Assessment Supplier Social Assessment Procurement Practices

#### GRI 102-1, 102-45, 102-56

This GRI Report also includes the separate Non-financial Group Report of the Scout24 Group, required under statutory legislation and monitored by Scout24 AG, in accordance with the German Commercial Code (Handelsgesetzbuch, HGB) Article 315b and Article 315c in conjunction with 289b to 289e. The report comprises the subsidiary companies included in the Group financial statements (see Annual Report, section 1.4). If content only relates to individual parts of a company, this is identified. The KPMG Wirtschaftsprüfungsgesellschaft AG (audit firm) carried out a limited assurance engagement on the content within the scope of the separate Non-financial Group Report. This content is set in the bodytext in boldface. Audited tables and charts are marked with the symbol <sup>©</sup>. Additional links and references within the reviewed content are not part of the limited assurance engagement. GRI 102-50, 102-51, 102-52 The reporting period is identical with the 2018 financial year, which was from 1 January to 31 December 2018. The editorial deadline for qualitative information was 1 February 2019. Full reporting is carried out every two years and will therefore take place again in April 2020. Most recently, the CSR report was published in April 2018.

The segments AutoScout24, ImmobilienScout24 and Scout24 Consumer Services are abbreviated in tables as "AS24", "IS24" and "CS". If the content relates to the legal entities AutoScout24 GmbH, Immobilien Scout GmbH and Consumer First Services GmbH, this is indicated. In this year's report, we have attempted to use maximally inclusive and gender-neutral formulations. In individual cases when the generic male form had to be used for reasons of clarity and readability in exceptional cases, this shall be interpreted to include both the male and female genders.

The CSR Report can be found by clicking on the link csrbericht.scout24. com. The GRI Report can also be downloaded from the corporate website. The publication is available in German and English. Ð

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#### Dear Readers,

Last year was defined by dynamic activity. We started out on our journey to drive forward Corporate Social Responsibility and anchor the concept within our processes. This departure was only possible as a result of the close cooperation with our partners, our customers, consumers and our Scouts. They are our source of inspiration, constructive criticism and motivation to strive for our mission every day. We consider continuous communication to be strategically decisive and it provides valuable input for our future work. This also proved to be the case with our first Stakeholder Round Table held in 2017.

One initiative from our stakeholders was the targeted use of our large database portfolio for socially relevant topics. Our campaign entitled "Baut, was gesucht wird!" was an initiative that enabled us to pursue the desires of our stakeholders and make targeted use of our database. On the occasion of the housing summit organised by the Federal Government, we analysed the types of apartment that are currently in most demand. As a result, we were able to identify genuine bottlenecks in the residential housing market and formulate needs-based requirements for new-builds on that basis.

Adopting a responsible approach also means increasing our knowledge beyond the confines of our business at Scout24. The Hack Weeks give our employees the opportunity to develop innovative technology and product solutions – outside the routine of their daily work. Expanding this event with the "Social Impact" category has enabled us to use this event for developing product innovations with social value added since the beginning of last year. For example, the teams worked on a translation service in the contact manager or on the translation of our portals into other languages in order to further reduce barriers on our pages.

We also made progress with our environmental management last year and initiated corresponding processes. We recorded our environmental data and structured the collection process in a more systematic approach. The focus was initially on our biggest locations of Berlin, Munich and Cologne (Flowfact). We laid the foundation stone with these businesses but more action is required here. That's why we want to expand data recording in 2019 to additional sites and make it universal. As a company, we are only successful as a result of the commitment of our motivated, dedicated and ambitious employees. We revised the People Development Strategy of Scout24 in order to promote their careers individually and we are committed to an open and intensive dialogue with them. We are proud of our achievements – while at the same time being aware that there remains much to do. Together with our internal and external stakeholders, we are committed to further development, identifying new potential and reflecting on our performance.

We would like to wish you an interesting read and we look forward to a rewarding exchange of views with you.

Yours,

Ohn. beg Christian Gisy



# MANAGEMENT

Scout24 has made a commitment to responsible corporate governance – provided by integrity and conduct in accordance with statutory rules and regulations. We intend to build on this platform and anchor sustainability more firmly in all the areas of our business operations. This is why we validated our materiality analysis in the reporting year and made it more focused.



We have defined our CSR guiding principles in our Code of Conduct.

p. 9



Scouts are part of the Cares Team and they take CSR into the company.

p. 11

CSR topics are material for Scout24.

p. 13



In 2018, Scout24 integrated CSR risks in the internal risk assessment.

p. 26



Compliance breaches can be reported using an anonymous whistle-blower system.





# WELL CONNECTED

In 2018, we communicated particularly intensively with our stakeholders at a network event organised by the Berlin Social Academy. Around 100 delegates from government, business and civil society joined us in a discussion about the topic of "Social Cohesion in our Digitalised World". They contributed a wide variety of inputs and perspectives. The results are being channelled into our focus area of "Sustainable Product Development."

### Our perception of corporate social responsibility

As an operator of leading digital marketplaces, we connect people with homes and cars every day. The Scout24 Group does not operate disengaged from its social environment but regards itself as a "Corporate Citizen" in all business activities and as a hub in a network of different players and partners. As far as we are concerned, Corporate Social Responsibility (CSR) means dealing responsibly and sustainably with our internal and external stakeholders.

On the one hand, this means avoiding potential negative influences on society and the environment. On the other hand, looking at CSR as a model for the future, we want to join forces with our stakeholders to develop solutions and contribute to sustainable development. Our aim is also to make our business fit for the future. We have therefore set out to embed social and environmental aspects in our day-to-day activities and in the individual business areas. This has already enabled us to achieve important milestones. At the same time, we are aware that we still have some way to go on our journey.

#### CSR guiding principles

Social responsibility at Scout24 is a corporate culture that is lived and practised. Our employees commit enthusiastically to CSR and sustainability – for example on the well-established Social Day. We have developed awareness for continuous integration of CSR in company operations. The Code of Conduct provides company-wide binding guidance for responsible behaviour to the employees of the Scout24 Group. The Code can be publicly accessed on our website. The following CSR guiding principles are set out here:

- We are committed to our customers and consumers.
- Data is treated with absolute confidentiality and we communicate professionally.
- We value the diversity and commitment of our employees and do not tolerate any discrimination.
- The focus is always on the importance of social responsibility in all our business activities.

#### GRI 102-16

#### Objectives

As part of the Group-wide launch of the agile management method "Objective and Key Results" we also tightened the objectives for the CSR working area in January 2019. This methodology is intended to redefine our corporate objectives. The result: In the 2019 financial year, the CSR management wants to concentrate on driving forward the areas of sustainable product development, employer branding/corporate volunteering,

In 2019, we want to drive forward sustainable product development, corporate volunteering and recording non-financial indicators.

and the expansion of non-financial indicators.

Our IT and product know-how for finding creative and inspiring solutions to resolve social issues serves as the most important instrument for structuring our engagement and commitment. For example, we strategically meet the needs of people with a disability on our online platforms. We exchange ideas with local associations like Berlin Social Heroes and conclude long-term cooperative ventures at our locations.

Over the medium term, we want to make even more intensive use of our platforms in order to raise awareness for community challenges and use our digital expertise to support people engaged in providing social assistance in the process of digitalisation. Over the long term, it is our aim to ensure that CSR and sustainability become an integral element of product development at Scout24.

### **CSR** organisation

CSR is dealt with operationally and strategically at Scout24 in an independent section as part of the Corporate Communications Department. Our Chief Financial Officer Christian Gisy is responsible for the topic of CSR. The CSR Management reports regularly to him at intervals of between four and six weeks. Furthermore, the CSR Department is in constant dialogue about strategic decisions with the managers of relevant specialist departments like Human Resources, Marketing, Product and IT.

At operating level, CSR is taken into the company by the Cares Team. This team is made up of 16 employees from different specialist areas at the Berlin and Munich locations, who provide support for the implementation of CSR measures.

#### CSR organisation at Scout24



### Materiality analysis

GRI 102-46

The concept of CSR comprises various environmental, social and economic action areas. However, not every action area is material for our business activities. In order to deploy the available resources in a maximally efficient way, we need to understand which topics we should focus on – both in management and in reporting. In order to enable us to identify these material areas, the CSR Team of the Scout24 Group joined forces with internal and external stakeholders to carry out a comprehensive material analysis in 2017. When this process was carried out, steps were taken to ensure that the requirements of the Global Reporting Initiative (GRI) and the CSR Directive Implementation Act (CSR-RUG) were met (see GRI Report including the Non-financial Report 2017, p. 12–17).

In 2018 we validated our materiality analysis and made it more focused.

Validation of the materiality analysis 2017

#### GRI 102-46, 102-49

In order to ensure that the results continue to remain valid, we validated the materiality analysis in the reporting year 2018. The basis for this was provided by the list of 17 potentially relevant material CSR matters drawn up in 2017. The definition of the CSR matters was initially reviewed. During the course of this review, we focused specifically on environmental topics because the environmental matters need to be tightened up in view of the establishment of Group-wide environmental data recording (see also the Environment section, p. 68). The definitions of the three topics "Climate Protection & Energy Consumption", "Resource Consumption" and "Waste and Recycling" have been adapted accordingly (see also Table, p. 16). GRI 102-46

#### Impacts on the environment and society

A key assessment criterion for the materiality of a matter is the impact on society and the environment which occurs as a result of the business activities of Scout24. This is of strategic importance for the GRI and for the CSR-RUG. The assessment of the impact was carried out at the Stakeholder Round Table in 2017. The validity of this assessment was reviewed in a validation workshop with CSR Management, Facility Management and Risk Management, alongside external sustainability experts (see also Table, p. 14–16).

The stakeholder relevance also plays a role for the GRI in determining the materiality. However, this perspective was not additionally surveyed because the impacts had already been assessed from stakeholder perspectives. It should be assumed that the stakeholder relevance is closely linked with the assessment of the impacts by the stakeholders.

out of 17 CSR matters are

material for Scout24.

#### Business relevance of a matter

In contrast to the GRI, the CSR-RUG also asks about the relevance of a matter for the results of operations, financial position and net assets of the Scout24 Group. For the purpose of validating this materiality criterion, the responsible process owners were asked by Scout24 to review these 17 material matters in relation to their relevance for the business. At the end of the process, their assessment was also discussed in the validation workshop.

GRI 102-44, 102-46

# CSR matters for Scout24 🗇

Matter	Significant impacts	Significant business relevance
Management		
<b>Corporate Governance &amp; Compliance:</b> Systematic compliance and risk management based on a Code of Conduct applicable throughout the Group and established grievance, whistle-blower and self-commitment systems with special focus on anti-competitive legislation and anti-corruption; compliance with relevant corporate governance rules and disclosure of compensation for Management Board and Supervisory Board among others on the German Corporate Governance Code.	~	~
<b>Dialogue &amp; Transparency:</b> Establishment of a continuous dialogue with relevant stakeholder groups – with special focus on employees and customers. This encompasses transparent communication of financial and non-financial information about the company and jobs at Scout24 in relation to social developments. The matter also covers active communication with employees and customers in order to find out about and understand the needs of these target groups.	~	~
Business		
<b>Product Safety:</b> Preventive measures to protect the users of the Scout24 platforms against fraud, continuous development of protective mechanisms against cyber-crime and proactive provision of information to customers and users about potential risks.	~	~
Sustainable Product Development: Integration and observation of environmental and social aspects in product development; open and barrier-free online platforms that include services for a range of con- sumer groups; raising the awareness of customers and users on the online platform for sustainability topics.	~	~
<b>Data Protection &amp; Security:</b> Responsible management of customer data; protection against misuse of data processing and protection of the right to informational self-determination.		~

#### GRI 102-44, 102-46

Matter	Significant impacts	Significant business relevance
Team		
Fair and Attractive Working Conditions: Measures and concepts for an attractive working environment: starting with consistent compliance with core labour standards and employee rights, and guaranteeing fair and transparent compensation structures in all business units relating to improved work-life balance between career and family from flexible working-time models to implementation of measures to enhance employee loyalty.	~	~
<b>Employee Promotion:</b> Continuous development of personal compe- tences and specialist qualifications of employees and junior employ- ees. Giving employees the skills to cope with changes and occupational challenges in the best possible way (resilience programme).	~	~
<b>Diversity and Equal Opportunity:</b> Promotion of gender equality, inclusion and (international) diversity within the workforce.	~	~
Occupational Health and Safety: Guaranteeing a healthy and safe workplace environment, including the prevention of work-related health impairments and advice on health, e.g. on ergonomics or overcoming stress.	~	_
Society		
Social Engagement: Voluntary social engagement at local level that is directed towards strengthening the surrounding community. This includes continuous cooperation in a spirit of partnership with non-governmental organisations	~	_
Knowledge Transfer: Provision of internal know-how and knowledge to solve social challenges. This encompasses the competences of the employees of Scout24 who share their knowledge (e.g. Berlin Social Academy) and the provision of data for community purposes and research which Scout24 collects on its platforms.	~	
<b>Corporate Volunteering:</b> Promotion and support for the social engagement of employees.	_	_

GRI 102-44, 102-46

Matter	Significant impacts	Significant business relevance
Environment		
<b>Climate Protection &amp; Energy Consumption:</b> Policies and measures to reduce electricity consumption in the offices and computer centres of Scout24 and for increasing the dedicated energy efficiency and use of renewable energies for reducing $CO_2$ emissions. This also includes avoidance of $CO_2$ emissions on business trips by the choice of transport.	~	~
<b>Resource Consumption:</b> Policies and measures to reduce the consumption of resources in the offices and computer centres of Scout24 and for increasing the efficient handling of resources and the use of recycled materials in order to reduce the environmental impacts during the extraction and production of resources. This mainly related to office materials such as paper.	~	_
Waste and Recycling: Policies and measures to avoid waste in the offices and computer centres of Scout24 and to ensure waste separation and disposal in accordance with statutory regulations in order to reduce the negative environmental impacts caused by the waste generated by Scout24. This relates to hazardous waste (e.g. IT equipment) and non-hazardous commercial waste.	~	~ ~
Nature Conservation: Promotion of species diversity at the locations and in the urban environment.	_	
Sustainable Procurement: Application of responsible practices in procurement and observation of environmental, social and human rights aspects in the allocation of orders.	~	_

The table highlights the fact that primarily topics from the areas of Management, Business, Team and Environment are material on account of significant impacts and/or business relevance. In the course of validation of the materiality analysis, the assessments were modified in the case of two topics. The matters "Sustainable Procurement" and "Waste and Recycling" were included as new elements in the reporting. A total of 15 matters are therefore material for CSR reporting – and ten of these matters are in turn relevant for the Non-financial Report and for implementation of the CSR reporting obligation. An index on page 84 presents the pages of the report where the details of material non-financial matters are reported. The responsible CSR process owners at Scout24 will focus specifically on those matters that exert significant impacts and also have business relevance from management perspectives. To this end, it is important for the specialist departments to communicate closely in order to analyse the status quo and identify additional suitable targets and measures.

#### **Overview of material CSR matters**



# Transparency and stakeholder dialogue

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GRI 102-40, 102-42, 102-43 We put great emphasis on transparency, because we know that this is
a prerequisite for building trust with key stakeholders. However, our
aim is not just to inform our stakeholders openly and honestly. We also
want to understand their needs. We are therefore in constant dialogue
with our stakeholders and exchange ideas with them. This helps us to
identify opportunities and risks more quickly both for our stakeholder
groups and for our business.
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GRI 102-40, 102-42, 102-43

Material stakeholder groups for Scout24 are all internal and external stakeholders who are directly or indirectly affected by our corporate activities at our locations. These include our employees, customers, consumers, business partners, suppliers, investors, shareholders and our community environment. We make use of various channels and formats tailored to the individual needs of the target group (see also Table, p. 18–19) for communication with these stakeholder groups. Joint communication to all the Group's companies is managed by the Corporate Communications Department. Communications from the specialist departments – such as Investor Relations, People, Organisation and Culture or Customer Care – strategically target the stakeholder groups they engage with in the course of their work on a daily basis.

# Communication formats for stakeholder dialogue 🗇

Stakeholder group	Communication tools 2018 (selection)
Social Environment	<ul> <li>Presentations and participation in panels on stakeholder engagement</li> <li>Activity and communication in CSR networks ("Volunteering Network", Phineo Working Group Corporate Volunteering) at local level and throughout Germany</li> <li>Berlin Social Academy 2018, incl. final event and feedback session with NGOs</li> <li>Regular monthly meeting with the organisa- tion Social Heroes (Sozialhelden)</li> </ul>
Investors and Shareholders	<ul> <li>Capital Market Day</li> <li>Annual General Meeting</li> <li>Quarterly financial reports (1st and 3rd quarter) and half-year and full-year financial reports</li> <li>IR releases</li> <li>Various telephone conferences as required</li> <li>International roadshows</li> <li>Participation in conferences</li> </ul>

Stakeholder group	Communication tools 2018 (selection)
Customers	<ul> <li>Customer satisfaction surveys</li> <li>Monthly (individual) discussions with customers about product ideas and market situation</li> <li>Monthly innovation tests with customers in the User Lab</li> <li>Bilateral customers' meetings as necessary</li> </ul>
Suppliers and Business Partners	<ul> <li>Visit to specialist exhibitions and trade fairs</li> <li>Regular meetings with preferred or potential new partners</li> </ul>
Employees	<ul> <li>Four Townhall Meetings and All-hands Meetings</li> <li>Brown Bag Sessions with the management</li> <li>Regular newsletter from different specialist departments</li> <li>Quarterly Dialogues between employees and managers</li> <li>Engagement Survey 2018</li> <li>Intranet</li> </ul>
	<ul> <li>Raising awareness for CSR:</li> <li>Campaign to launch the second CSR Report at the Berlin and Munich locations (quiz)</li> <li>Cares Newsletter for CSR activities at Scout24</li> <li>Various Corporate Volunteering campaigns such as the annual Social Day</li> <li>Introduction of the category Social Impact in the Hack Week (see also p. 39)</li> </ul>
Consumers	• Tests with consumers in the User Lab (nearly 54 tests for IS24)

GRI 102-12, 102-13We are also in regular and intense communication about business, social<br/>and environmental issues with other companies, organisations, networks<br/>and associations. Significant memberships of Scout24 are presented here:

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Association of Certified Fraud Examiners Deutschland e.V.
- Bitkom Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.
- Berufsverband der Compliance Manager in Deutschland e.V.
- Bundesverband Digitale Wirtschaft e.V.
- Corporate Citizenship Arbeitsgruppe des Phineo Netzwerks
- Gesellschaft für immobilienwirtschaftliche Forschung e.V.
- Immobilienwirtschaft e.V.
- Initiative Corporate Governance der Immobilienwirtschaft e.V.
- Initiative Sicherer Autokauf (www.sicherer-autokauf.de)
- Kodex für den Fahrzeughandel im Internet
- Netzwerk Ehrensache
- Royal Institution of Chartered Surveyors
- OVK Online-Vermarkterkreis
- Wettbewerbszentrale
- ZIA Zentraler Immobilien Ausschuss e.V.

In 2018, we communicated particularly intensively with our stakeholders at a network event organised by the Berlin Social Academy. Around 100 participants from government, business and civil society joined us in a discussion about the topic of "Social Cohesion in our Digitalised World". They contributed a wide variety of inputs and perspectives. The results are being channelled into our focus area of "Sustainable Product Development".



participants joined us in a discussion about the topic of "Social Cohesion in our Digitalised World".

# Obligation to provide verification and information

GRI 103, 417-1, 417-2, 417-3

Our interpretation of transparency also entails compliance with verification and information obligations in our digital marketplaces. These arise mainly from the Telemedia Act, the Data Protection Acts, the Quotation of Prices Act, various labelling directives and the German Civil Code. The energy savings regulations are also important for ImmobilienScout24 in relation to the energy-saving certificate for real estate. AutoScout24 has worked together with ADAC e.V., the German Agency to Combat Unfair Competition (Wettbewerbszentrale), mobile.de and the Central Association of German Motor Vehicle Dealers (Zentralverband Deutsches Kraftfahrzeuggewerbe e.V.) to develop binding standards for conducting online vehicle trading. AutoScout24 makes a commitment to various parameters in the "Code for Vehicle Trading on the Internet" including the use of uniform vehicle categories and provision of specific mandatory fields for placing classifieds – for example on fuel consumption and CO<sub>2</sub> emissions.

Vendors are solely responsible for the accuracy and completeness of the labelling information required on the classifieds pages, for example on the energy certificate. The customer marketing of ImmobilienScout24 and AutoScout24 informs dealers, brokers and private vendors about any mandatory details relating to real estate and cars at regular intervals – for example by newsletter or on the ImmobilienScout24 broker portal "Online Campus". Mandatory details on real estate or automobiles are also integrated in the input mask at the point of preparing the offer and are expanded or modified accordingly to meet new requirements. This ensures that the vendors are able to meet their obligation for transparency when preparing offers. The individual market segments also ensure that the data are taken into account appropriately when properties are advertised, and CXP (Consumer Experience) ensures that the details are displayed on the detailed offer page or the results list. The Legal Department is available to provide advice on implementation.

During the reporting period, there were no breaches for ImmobilienScout24 or AutoScout24 in conjunction with product and service information and labelling. In 2018, ImmobilienScout24 received warning notices for three breaches of the "Act against Unfair Competition" (Gesetz gegen den unlauteren Wettbewerb) in conjunction with marketing and communication regulations owing to misleading advertising. In each case, ImmobilienScout24 responded to this violation by discontinuing the unlawful conduct and providing a covenant to cease and desist with a penalty clause. In one case, ImmobilienScout24 had to pay a contractual fine amounting to EUR 3,500 on account of a breach of a covenant to cease and desist. The breach was immediately remedied, the financial penalty was paid and the processes for monitoring covenants to cease and desist were optimised. In one case, AutoScout24 received a warning notice on account of a breach of the Passenger Car Energy Consumption Labelling Regulations in the context of a Facebook post by Environmental Action Germany (Deutsche Umwelthilfe e.V.) and provided a corresponding covenant to cease and desist with a penalty clause. The breach was immediately remedied.

### Corporate governance und compliance

GRI 102-18

The Scout24 Group is managed by Scout24 AG, based in Munich. The latter has the standard dualist governance and supervisory structure made up of Management Board and Supervisory Board. The Management Board and the Supervisory Board of Scout24 are committed to responsible corporate governance with the objective of generating sustainable value added. They believe it is particularly important to continually strengthen the trust in the company of investors, business partners and employees, and the wider public. Open and transparent corporate communication is a top priority in this context. The corporate structure is directed towards responsible, transparent and efficient management and control of the company. In these matters, we are oriented on the recommendations of the German Corporate Governance Code. The Corporate Governance Report including the Declaration on Corporate Governance can be accessed on our website under Investor Relations/Corporate Governance.

#### **Compliance Management System**

We pursue an integrated corporate governance policy and link risk management, compliance and the Internal Controlling System (ICS) closely together with each other. The overall responsibility for governance, risk and compliance in the Scout24 Group is with the Management Board. The Management Board transfers controlling in "Risk Management, Compliance and ICS" to the Vice President of Risk and Compliance. This central portfolio integrates and controls the two systems for risk and compliance management and the ICS throughout the Group. These three units must be regularly reviewed by the Internal Audit Department, which reports directly to the Supervisory Board.

GRI 103

The Scout24 Group understands the concept of compliance to mean conformity with ethical principles, statutory regulations and internal company guidelines. Compliance breaches can lead to substantial reputational damage and impair the business success of Scout24. Our Compliance Programme is intended to avoid these risks and ensure consistent compliance with laws, regulations and internal company guidelines in the national and international context.

We have defined our compliance goals within the framework of the programme. These targets have a universal character and are based on a number of factors including the corporate goals. The compliance goals provide a benchmark for corporate actions. The overarching goal of Compliance Management is compliance with relevant statutory standards, regulations, codes of conduct and internal regulations for avoidance of liability and reputational risks that might affect the monetary and non-monetary success of Scout24. Compliance targets are as follows:

- Avoidance of liability and reputational risks
- Creation of transparency for the executive management/ Management Board and hence for a simpler and betterinformed platform for reaching business decisions
- Creation of transparency for stakeholders
- Protection of the brand and the corporate value of Scout24 by avoiding negative reporting

The following selection of relevant guidelines and instruments provides some examples of the constituent elements of the Compliance Programme and serves to attain the compliance goals:

- Data Protection Regulation
- Anti-corruption Guideline
- Gift Guideline / Conflicts of Interest
- Internal consequence management
- Signature Rights Guideline
- Code of Conduct
- Annual Compliance Risk Assessment
- Quarterly action tracking of measures derived from the Compliance Risk Assessment

GRI 419-1

#### Whistle-blower system and training sessions

The Vice President Risk and Compliance is the Compliance Officer of Scout24 and is the central contact for all employees in relation to any compliance-relevant issues. Employees of Scout24 also have access to an external confidential lawyer on a compliance hotline. They are able to ask the lawyer about fit and proper conduct on specific issues. On request, whistle-blowers consulting the confidential lawyer about issues can remain anonymous – for example, if they want to report compliance breaches. In 2018, Scout24 did not have to pay any substantial financial penalties and was not subject to substantial non-monetary sanctions in compliance cases in respect of non-compliance with laws and regulations in the social and economic spheres.

The guidelines, manuals and compliance-relevant documents are accessible on the Intranet. The employees are also regularly informed about compliance issues in newsletters published on a quarterly basis. Moreover, we provide training on compliance for our salaried employees. In 2018, more than 200 employees participated in a training course (2017: around 230). Furthermore, each employee has online access to a video training series produced in-house which won the "Outstanding Service Performance Awards" (OSPA) in 2016.



Compliance breaches can be reported using an anonymous whistle-blower system.

#### Anti-corruption

GRI 103, 205-2

An essential condition for ethical conduct is avoidance of situations in which there is a conflict between business and private interests. Corrupt behaviour damages the relationships between Scout24 and its customers and business partners. The avoidance of corruption within the company and at our customers and in the context of business relationships is therefore a top priority. Alongside the Code of Conduct, our "Guideline on Avoidance of Corruption and Other Conflicts of Interest" and the "Guideline on Acceptance and Granting of Gifts, Invitations, Hospitality and Other Benefits" provide a binding framework. New employees are introduced to the Code of Conduct and the Anticorruption Guidelines in a training course at the beginning of their employment. All employees also have access to a training video on the topic of anti-corruption on the Intranet. The issue of anti-corruption is the organisational responsibility of "Risk Management & Compliance" (see also Corporate Governance section, p. 22). The department also manages the audit of potential corruption risks at all locations.

#### Avoidance of anti-competitive behaviour

GRI 103, 206-1

GRI 102-11

As well as our regulations on anti-corruption, bringing about or reaching agreements for the purpose of restricting competition is also prohibited. This is similarly a fixed element of the Group-wide Code of Conduct. Our employees can view the training video entitled "Price Fixing" on the Intranet in order to refine their awareness. This provides information about averting anti-competitive behaviour. During the reporting period, apart from the violations against the "Act against Unfair Competition" (Gesetz gegen den unlauteren Wettbewerb) reported on pages 21 and 22 no legal proceedings are known in relation to anti-competitive behaviour.

#### **Risk management**

Scout24 seeks to use systematic risk management to identify risks for the company at an early stage. This enables the company to take timely countermeasures and monitor their effect. The underlying design of the risk management system is based on the internationally acknowledged COSO Enterprise Risk Management Framework of the Committee of Sponsoring Organisations of the Treadway Commission. This framework connects the Group-wide risk management with the internal controlling system, which is also based on the COSO framework. This holistic approach supports the company in the alignment of controlling and monitoring activities with the corporate targets and their inherent risks.

In 2018, risk management primarily concentrated on those activities which significantly impact on future income and which are important for the future prospects of the company. Scout24 classifies its risks into external, financial, operational, strategic and compliance risks – so-called risk areas. Since 2018, these have also included social and environmental risks with potential impact on the environment, society and the reputation of the Group. During the reporting year, we included the following risk groups in the internal risk assessment:

- Climate
- External communication
- Product safety
- Customer satisfaction
- Brand management and marketing strategy

The CSR Management assesses these risks on a quarterly basis in close consultation with Risk Management. Other risk groups relevant to CSR management are evaluated by the respective specialist departments on a regular basis. Wherever possible, the risks are assessed on quantitative parameters, the probability of occurrence and the potential level of damage.



# In 2018, Scout24 integrated CSR risks into the internal Risk Assessment.

At the time when the management report was being prepared, Scout24 evaluated the risks as limited, and the overall risk situation is manageable. Compared with the previous year 2017, there has been no (fundamental) change in the overall risk situation. There are currently no risks identifiable which individually or together with other risks could exert a significant or permanent impact on the results of operations, financial position and net assets of the Scout24 Group or could be regarded as a threat to the continued existence of the company or alternatively as a serious negative impact on the environment, society and the reputation of the Group. Further information is available in the Risk and Opportunities section in the Management Report 2018.

#### Human rights due diligence

Scout24 is expressly committed to human rights due diligence and to human rights protection. We welcome the National Action Plan on Business and Human Rights (NAP) and we are analysing the resulting requirements and measures for Scout24 up at the time of reporting.

### Supply chain and procurement

GRI 102-9, 204-1

As a non-manufacturing digital company, our suppliers are restricted to the following main groups:

- Service providers (consulting, strategy, recruiting, personnel leasing)
- Offline marketing providers
- Online marketing providers
- Hardware and software providers (resellers, system houses)

In 2018, the Scout24 Group had a procurement volume of some 160 million euros (2017: 120 million euros). We source products and services from a total of approximately 1,500 suppliers (2017: approx. 1,800). Around 90 percent of these are suppliers from the regions around the locations of Scout24. All purchasing processes are managed and implemented centrally by the "Global Procurement" Department. This comprises all the processes from the tender to final approval of the purchase order. We bundle all the purchasing processes in an online supplier portal. In 2018, we further standardised this portal and optimised it for our needs. Last year, we also integrated numerous supply companies in this portal. Our Procurement Policy serves throughout the Group as a central guideline for supplier management. The following procurement criteria are defined in this policy:

- Price
- Quality
- Reliability
- Innovation strength

We have not yet been able to implement our objective of including sustainability criteria in our purchasing guidelines due to internal restructuring operations. As a result, we have not yet assessed our suppliers on the basis of social, human-rights or environmental criteria.

# BUSINESS

Our digital platforms connect people with real estate and cars. We offer customers inspiration and assistance geared to their specific needs. In order to find out precisely what our customers want, we engage in intensive communication with them. Handling their data responsibly is self-evident for us.



boost in consolidated revenues (including FINANZCHECK.de) compared to 2017.

# p. 33



15 dealers regularly advise AutoScout24 about product optimisation.

p. 36



employees in Germany and selected European countries were employed in the Scout24 workforce in 2018.

p. 48



hours are spent by our employees on social product solutions.

p. 39



10 key requirements for a better housing market were published by ImmobilienScout24.





# SHARING KNOWLEDGE

Affordable housing was a key topic at the major housing summit held at the German Chancellor's Office in September 2018. ImmobilienScout24 provided information at the summit through the campaign "Baut, was gesucht wird!" looking at how Germany really wants to live, and called for new-build activities. The research involved us in analysing 40,000 listings for rented accommodation at ImmobilienScout24 to establish what type of apartments are most sought after in Germany.

#### Group structure

GRI 102-2, 102-3, 102-5, 102-6, 102-45

Scout24 AG with head office in Munich is a leading digital marketplace with a focus on real estate and cars. For almost 20 years our two main brands, ImmobilienScout24 (IS24) and AutoScout24 (AS24), have been bringing together suppliers and customers in Germany and other selected countries in Europe. Scout24 Consumer Services (CS), newly established on 1 January 2018, forms our third operating segment (see also Annual Report 2018, section Group Annex, section 5.7).

The Scout24 Group is controlled by Scout24 AG. Scout24 AG is a holding company with Group management functions and it operates in the sphere of online and Internet business. On the balance sheet date, Scout24 AG held indirect investments in 15 operating subsidiaries, which are fully consolidated in the Group's Financial Statements, and in three at-equity consolidated companies and a minority interest. The following chart gives a simplified overview of the direct and indirect investments of Scout24 AG as at 31 December 2018.

On the balance sheet date, Scout24 AG held indirect investments in 15 operating subsidiaries.



# Direct and indirect investments of Scout24 AG

#### GRI 102-10

In the year under review, the following changes took place in the organisational Group structure:

- In July 2018, Scout24 AG, Munich, acquired 100 percent of the shares in Blitz Erste Gründungs GmbH, Munich, and renamed this company Consumer First Services GmbH, Munich. In August 2018, Consumer First Services GmbH in turn acquired 100 percent of the shares in FFG FINANZCHECK Finanzportale GmbH, Hamburg, which holds 100 percent of the shares in FVG FINANZCHECK Versicherungsvergleiche GmbH, Hamburg, and in finanzcheckPRO GmbH, Hamburg.
- In August 2018, Immobilien Scout GmbH, Berlin, acquired 100 percent of the shares in immosuma GmbH, Vienna, Austria.

- On 21 December 2018, AutoScout24 GmbH, Munich, transferred 100 percent of the shares in AutoScout24 España S.A., Madrid, Spain, to Alpinia Investments 2018, S.L.U., Madrid, Spain. In return, AutoScout24 GmbH received 49.999 percent of the shares.
- On 31 December 2018, the shares in classmarkets GmbH, Berlin, were sold, in which Immobilien Scout GmbH, Berlin, held 100 percent of the shares. The disposal was carried out by transferring all shares previously held by the company to the purchaser.

Furthermore, two mergers were carried out during the course of the 2018 financial year:

Transferee company	Transferor company
Germany:	
Scout24 Services GmbH, Munich	Scout24 Holding GmbH, Munich
Scout24 Holding GmbH, Munich	Scout24 AG, Munich

A complete list of the shareholdings of Scout24 can be found in section 2 "Changes in the circle of consolidated companies" as part of the notes to the consolidated financial statements in the Annual Report for 2018 of Scout24 AG in the notes (as part of section 2.1).

# Share performance

Scout24 has been a joint-stock company since 10 September 2015. Our company has been traded on the Frankfurt Stock Exchange since 1 October 2015. Since 18 June 2018, the Scout24 share has been part of MDAX. In this changing environment the share significantly bucked the trend in the market overall and most importantly recorded strong growth in price during the first half of the year in 2018 with an all-time high of 47.66 euros on 17 July 2018. The market reaction after the takeover of FINANZCHECK.de, the slight uncertainty caused by the premature change at the helm of the company and the potential regulatory change in the arrangement of agency contracts put the share price under extreme pressure at the tail-end of the summer. However, by the close of the year, the price had once again bucked the general market development and closed the year at a price of 40.16 euros, posting growth in share price of 17.9 percent compared with the year-earlier closing price. For a detailed presentation of the share structure and the financial indicators for the 2018 financial year see Annual Report 2018, from p. 24.

### **Business model**

GRI 102-2, 102-6

The products and services of our platforms are specifically geared to the needs of our target groups – whether they are looking for or offering housing or cars or wish to advertise on our platforms. By expanding products and services along the value chain, we are adhering to this orientation and to our strategy of extending our market network beyond pure listings. This means we are supporting the entire "consumer journey" from the functional and intuitive search through to individual supplementary services: from mediating suitable removal firms and the listing of exemplary monthly financing instalments through to the opportunity of a direct express sale of the listed automobile to a dealer or help in drawing up application documents for a new home.

We therefore generate sales through classifieds and through other services along the value chain, such as additional product solutions for brokers and automobile dealers, advertising and the generation of leads, and products and services for our consumers. We offer our professional consumers (agents) three different models for promotional products: a membership model, a package or project model, and a usage-based model (known as "pay-per-ad" model).

### Size of company

GRI 102-7

Our focus is on sustainable and profitable growth as well as on a sustainable increase in the value of our company. In 2018, we continued to follow this roadmap successfully. Scout24 boosted its consolidated revenues – including FINANZCHECK.de – by 12.5 percent compared with the previous year (2018: 531.7 million euros; 2017<sup>1</sup>: 472.6 million euros) and also managed to generate disproportionate growth in our EBITDA from ordinary operations to 291.5 million euros (2017<sup>1</sup>: 252.8 million euros).

During the 2018 financial year, on the balance sheet date Scout24 had 1,519 employees (FTE) in Germany and selected European countries. Scout24 operates in the real estate sector in Germany and Austria. The Group also operates in the automotive sector in Germany, Italy,

<sup>1</sup> The following change was made compared with the figures reported for 2017: IFRS 15 was applied as of 1 January 2018 and the figures for 2017 were adjusted retrospectively. Belgium, Luxembourg, the Netherlands, Spain, France and Austria, i.e. within the eurozone. During the 2018 financial year, Germany generated 82 percent of sales and is therefore Scout24's main market (2017: 82 percent).



boost in consolidated revenues at Scout24 compared with the previous year (including FINANZCHECK.de).

GRI 102-4

#### Number of companies and locations<sup>1</sup>

	2018
Locations AS24	8
of which AS24 (AT)	1
of which AS24 (BE)	1
of which AS24 (DE)	1
of which AS24 (ES)	1
of which AS24 (FR)	1
of which AS24 (IT)	1
of which AS24 (NL)	2
Locations IS24	2
of which IS24 (AT)	1
of which IS24 (DE)	1
Consumer First Services GmbH	1
FlowFact GmbH	2
of which FF (DE)	1
of which FF (CH)	1
classmarkets GmbH (DE) <sup>2</sup>	1
Locations	14

<sup>1</sup> Non-operational locations are not included in this listing.

<sup>2</sup> Until sale on 31 Dec 2018

#### GRI 201-1

#### **Financial indicators**

In EUR million	2018	<b>2017</b> <sup>1</sup>	<b>2016</b> <sup>2</sup>
External revenues	531.7	472.6	442.1
of which AS24	181.5	158.7	152.0
IS24	250.00	235.9	284.6
CS <sup>3</sup>	100.1	77.6	
EBITDA <sup>4</sup> (ordinary operating)	291.5	252.8	224.5
of which AS24	97.2	76.6	64.2
IS24	170.3	157.6	179.2
CS	31.6	28.4	
Capital expenditure (adjusted) <sup>5</sup>	28.8	22.8	19.5
Income taxes	54.0	54.6	31.6
Operating payments	133.6	116.9	112.0
of which wages and salaries	102.4	97.1	93.2
social security costs	14.9	14.0	13.1
pension costs	1.1	1.0	1.1
share-based compensation	15.3	4.8	4.6
Equity	1,172.8	1,065.5	990.8
Total assets	2,464.7	2,140.5	2,130.9

<sup>1</sup> The following change was carried out by comparison with the reported figures for 2017: IFRS 15 was applied as at 1 January 2018 and the figures for 2017 were adjusted with retrospective effect.

<sup>2</sup> Key financial figures for the 2016 financial year based on the old segment structure. Therefore, there is no comparability with the key financial figures for 2017 and 2018.

<sup>3</sup> The earnings of FINANZCHECK.de are included in the financial figures of Scout24 AG as of 1 September. FINANZCHECK.de is allocable to the Scout24 Consumer Services segment.

<sup>4</sup> Ordinary operating EBITDA refers to EBITDA adjusted for non-operating effects, which mainly include restructuring expenses, expenses in connection with the Company's capital structure and company acquisitions (realised and unrealised), costs for strategic projects as well as effects on profit or loss from share-based payment programmes. The ordinary operating EBITDA margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenue.

<sup>5</sup> Capital expenditure (adjusted) does not include investments (adjusted) which were incurred in the 2018 financial year on account of the application of IFRS 16.

#### Our subsidiary companies

Besides the two online marketplaces ImmobilienScout24 and AutoScout24, the companies FinanceScout24, FlowFact GmbH, classmarkets GmbH<sup>1</sup>, FFG FINANZCHECK Finanzportale GmbH and immosuma GmbH are fully consolidated companies of the Scout24 Group.

The finance portal FinanceScout24 offers consumers online information and a free-of-charge comparison of insurance policies, deposit and banking products, pension products, loans for building, instalment loans, and electricity and gas tariffs.

FlowFact ranks among the leading real-estate software suppliers in Germany. The company was founded in 1985 and was acquired by ImmobilienScout24 in 2014. It has 106 employees in Germany and Switzerland.

classmarkets GmbH was owned by ImmobilienScout24 from 2015 until the shares in the company were sold on 31 December 2018. The Berlin technology start-up offers publishing houses and media companies online classifieds markets for real estate, jobs and vehicles. classmarkets also provides a real-estate search engine in Germany in the form of immobilo.de. The company employs 17 people at its site in Berlin.

FFG FINANZCHECK Finanzportale GmbH is a financial services company that specialises in the online comparison and brokerage of instalment loans and consumer finance products in Germany. With the acquisition of FFG FINANZCHECK Finanzportale GmbH, the Group has expanded its Scout24 Consumer Services operating segment. The Group intends to leverage synergies by providing financial products for prospective car and real estate buyers as well as sellers within the Scout24 Group. The Hamburg-based company has 289 employees.

immosuma GmbH operates a meta search engine for real estate listings in Austria. Together with Immobilien Scout Österreich GmbH, the Group seeks to further expand its position on the market for online real estate listings in Austria. The entity is allocated to the Immobilienscout24 segment.

# Product responsibility and sustainable product development

GRI 103

For us, product responsibility primarily means responding as appropriately as possible to the specific needs of our customers (especially dealers and brokers) and consumers. We have formulated this basic attitude in our binding Code of Conduct for all employees.

The Customer Care and Sales departments are responsible for customer support and satisfaction. In addition, our foreign locations and subsidiaries have defined their own responsibilities for customer service that meet the specific requirements of their markets. We measure customer satisfaction with the help of an ongoing online survey on the website and in the apps.

#### **Dialogue with customers**

We work closely with our customers to jointly optimise products and services. This partnership approach is exemplified by the Dealer Advisory Board of AutoScout24, which was launched in 2017. The Advisory Board comprises a representative group of about 15 dealers. It convenes twice a year and also exchanges information about product development and optimisation. The value of these initiatives can be seen, for example, in "price evaluations" – a service introduced in 2017 that provides users with more transparency regarding the price-performance ratio of the vehicles on offer. Among other things, the Advisory Board was involved in formulating the price levels and contributed its experience gained from interactions with customers.

At ImmobilienScout24, we use customer feedback from surveys, as well as user tests and direct customer contacts with our sales staff to optimise our products and services.
dealers regularly advise AutoScout24 on product optimisation.

#### Access for users

In 2018, around 14 million users visited our portal ImmobilienScout24 every month. Many of these users are people looking for affordable housing. Owing to the lack of rented apartments in large cities, the number of applicants for each listing is frequently in the tens or hundreds, or listings are only posted online for a few hours. A stated aim for ImmobilienScout24 is to provide a smooth-running real estate market by efficiently matching up supply and demand.

Since the demand usually exceeds the scarce supply of apartments in most large cities, the search process is generally unsatisfactory for many users. We provide assistance for apartment seekers with Premium membership. The digital applicant folder provided in Premium membership bundles all the application documents necessary for users so that the application process is structured in a more efficient way. The applicant folder also protects the personal data of seekers so that this does not have to be disclosed unnecessarily.

#### **Breaking down barriers**

ImmobilienScout24's goal is to make property searching more accessible to visually impaired people. The responsible platform team in Consumer Experience continuously monitors whether the requirements of the international "Web Content Accessibility Guidelines" (WCAG) can be implemented as part of the regular roadmaps. Additional requirements are implemented on a voluntary basis as part of the Scout24 Social Days and Hack Weeks by employees of the platform team. In 2016, we reached a milestone in terms of accessibility by introducing a responsive web design for searches. In 2017, a project to optimise real-estate searches for screen readers (spoken applications) was launched to make it easier for blind people to use the facility. We are currently working on our objective of providing barrier-free access to the entire home page for screen readers. At the Social Day 2018 (see also Society section, p. 62), a six-strong team eliminated major obstacles for screen-reader use, which had emerged over the course of the year on the Exposé detail page and in the results lists. Accordingly, filter and scrolling functions, and bookmarking properties in the results list were optimised. We also improved the contact form in the Exposé.

In 2018, ImmobilienScout24 worked on facilitating the use of voice control for property searches. In July 2018, we set up our Alexa Skill in the skill store. The skill can help our consumers to use voice control for the entire process of managing the property search as an alternative to the familiar use of the website or app. Additional information can be found on our blog.

#### **Cooperation with Social Heroes**

An important external partner for improving barrier-free accessibility on our digital platforms is the Berlin-based organisation Social Heroes, which has been working closely with ImmobilienScout24 since 2011. Together, we discuss potential improvements and implement ideas to enhance access for people with disabilities – for example integrating a "Wheelmap" and adjusting the search criteria on Immobilienscout24.de (see also Society section, p. 62). In 2018, we also integrated the "Wheelmap" in the results list. This means it is not only available in the Exposé in relation to a property, but it can also be activated earlier in the map search and hence contribute to faster identification of barrier-free properties.

#### Impact of Hack Weeks

In 2017, we organised the first Social Hack Days in Berlin. In 2018, we developed the format further by introducing "Social Impact" as a fixed category in the Hack Weeks of ImmobilienScout24 and AutoScout24. This format is held twice a year and it enables our employees to work together with other Scouts and develop innovative technology and product solutions. In 2018, a total of around 850 working hours were invested in social product solutions.

Around 850 hours were devoted by our employees to working on social product solutions in the Hack Weeks and on the Social Day.

#### Sharing knowledge

For us, product responsibility means applying our IT know-how as well as knowledge that we generate on our platforms in order to meet social challenges. With our unique data on real estate and mobility, we can inform the interested public about current developments.

At ImmobilienScout24, we make strategic use of our database in order to draw attention to the socially relevant topic of "Housing". For example, we are already creating rent maps for six cities that provide an overview of the average rent for a 70 m<sup>2</sup> apartment. Furthermore, users can also find office rent maps for four cities and new-build purchase maps for apartments and houses for three cities on our advisor pages. In mid-February 2019, we published 14 new-build purchase maps. They show average purchase prices for new-build apartments in seven cities and new-build houses in seven cities and the surrounding area. At the housing summit held by the Federal Government on 21 September 2018, we initiated the comprehensive communication campaign "Baut, was gesucht wird!". Our campaign is intended to direct perception to the real bottleneck on the housing market so that new-build activities can concentrate on this. To this end, ImmobilienScout24 analysed the apartments in Germany that are the most frequent subjects of searches. In December 2018, ImmobilienScout24 also presented ten key requirements for an improved housing market. The target of the measures is to make a contribution to the development of a smooth-running real-estate market by providing data and expertise.

AutoScout24 informs its users about alternative drive systems on the website <a href="http://www.autoscout24.de/auto/elektroauto">http://www.autoscout24.de/auto/elektroauto</a>. In this way, we support our customers and users in the purchase and sale of hybrid or electric vehicles, and thereby contribute to the promotion of climate-friendly mobility.



10 key requirements for an improved housing market were published by ImmobilienScout24.

## **Product safety**

As a company whose digital products are only available on web-based Internet platforms like ImmobilienScout24 and AutoScout24, Scout24 places a premium on online security and anti-fraud measures. Cybercrime, such as data phishing and fraudulent listings, can harm our customers and users, and consequently also damage our reputation. For example, users might incur monetary losses due to fake real-estate listings or "advance payment fraud". We are therefore proactive in taking action against fraud and data theft. For Scout24, product safety

GRI 103

means making our websites technically so secure that the misuse of information can be prevented as effectively as possible from the outset. We also continuously foil fraud attempts, such as fraudulent listings, by identifying them as quickly as possible and removing them from the sites.

We constantly update our internal processes and guidelines. Information security continues to be a "core value" of the company, and our internal guidelines are defined in accordance with the industry standard (ISO 27001) and describe the internal Information Security Management System (ISMS). Among other things, they describe the roles and responsibilities of all aspects of the ISMS. In 2018, we also adopted and implemented a Cloud Security Baseline that guarantees safe operation of our systems in the Cloud. This includes access regulation, encryption and continuous monitoring of all Cloud resources.

An internal team at Scout24 is responsible for preventing fraud. This development team specialises in early detection and systematic measures for fraud prevention. In addition, the Customer Care Department monitors the websites for suspicious listings.

#### Fraud avoidance

For Scout24, every fraud case is one too many. We do our best to prevent fraud and strategically educate our users.

ImmobilienScout24 and AutoScout24 have set up their own websites (https://sicherheit.immobilienscout24.de; www.sicherer-autokauf.de). These websites answer frequently asked questions that arise for users, provide information on scams and give details of contacts. We seek dialogue with our users through dedicated conversations with our customer care staff. We also send informative material by mail, and our PR staff give interviews in the public domain to update people with the latest information. We deploy a range of preventive security measures. A self-learning filter system flags up potentially fraudulent listings. Classifieds are also scanned by the quality assurance team and any scam offers are deleted. Our users are also encouraged to be proactive and support us by providing notification about suspicious listings. We create transparency internally by integrating the topic of information security into our risk management system and ensure consistency in the evaluation of potential security risks. We see information security as an ongoing improvement process. All IT systems and processes are reviewed by independent third parties using continuous security tests (e.g. penetration tests). Any improvements required are forwarded to the responsible officers and are implemented according to a defined risk management process.

We evaluate the efficiency and effectiveness of defined security measures using industry-standard metrics that show the likelihood of occurrence and the potential scope of damage. We evaluate the company's vulnerability to attacks from outside and from within with the help of the full scope of information available. This evaluation is available to all responsible parties via specific market-segment security dashboards, and a monthly aggregated report is sent to senior management.

#### Fraud cases

The number of fraudulent listings on our Scout24 platforms is in the very low single-digit percentage range by comparison with our active property portfolio. The number of monthly fraud cases is extremely low, although the perception of users is that the actual number is much higher. This discrepancy is due to the fact that fraudulent offers frequently generate a great deal of demand on account of their assumed high level of appeal (price, position, etc.). The number of fraudulent accounts is also in the low double-digit percentages by comparison with the number of new customer registrations.

GRI 416-2

### Data protection

GRI 103

Handling personal data responsibly in accordance with the EU General Data Protection Regulation (GDPR) is an essential element in the business dealings of the Scout24 Group. Users of our platforms entrust us not only with their registration data but also with information about their personal circumstances. We need to reaffirm the trust our customers place in the security of our platforms. Only if protection of their (sensitive) data is made a top priority can the danger of data misuse be ruled out and the right to informational self-determination for our customers, users and employees be maintained.

Data protection and data security compliance are therefore firmly anchored in the identity of the Scout24 Group. The Group Data Protection Officer advises the Management Board on implementing the data protection measures. In addition, our subsidiaries have nominated data protection officers where this is required by law.

#### Compliance with the GDPR

In addition to the rules defined by the General Data Protection Regulation and the individual relevant national regulations such as the German Federal Data Protection Act, we regulate the handling of personal and confidential data in our Code of Conduct and in standard operating procedures concerning the use of personal and customer data. Moreover, in the year under review, we completed the GDPR Ready data-protection project to prepare companies in the Scout24 Group for meeting the requirements of the "General Data Protection Regulation" (GDPR) introduced as mandatory across the European Union from May 2018. In this context, new or amended GDPR requirements were implemented. The measures adopted included accountability, data protection management, documentation, information obligations and data subjects' rights. Moreover, companies in the Scout24 Group were audited for data-protection compliance by an external audit firm. The final report on the audit was not yet available in time for the editorial deadline of this report.

Our products are developed with IT security in mind from the outset. Defined processes ensure that new products and procedures are checked for consistency with data protection and security. New employees are introduced to data protection during the monthly Welcome Days, and department- and topic-specific courses on handling personal data are provided. Furthermore, we work with a provider of digital training platforms to deliver mandatory online training sessions for employees every year. These ensure that data protection remains firmly anchored in the consciousness of our employees.

#### Complaints about data protection

With regard to the violation of data protection or the loss of customer data, the following well-founded complaints were among the most relevant in the 2018 reporting year:

- The Berlin Data Protection Agency issued a warning to Immobilien-Scout24 because ImmobilienScout24 had erroneously informed a customer about the use of an automated filter when property listings are released. We will take action against the complaint because our legal opinion indicates that it is based on a mistaken assessment of the facts and the applicable rule of the General Data Protection Regulation.
- On 8 October 2018, two attacks on the website of ImmobilienScout24 were identified in which the attackers were able to access around 8,600 user accounts. Both attacks were reported to the Data Protection Agency in Berlin pursuant to Article 33 GDPR. We have not had any indication that data were taken from our system. We are not aware of any further loss or damage and this is not anticipated. The affected users were asked to change their passwords. A message to users pursuant to Article 34 GDPR was not necessary.
- On 23 October 2018, an event relevant to security was identified in classmarkets GmbH. Around 52,500 sent standardised emails were affected by this event. The incident was reported to the Data Protection Agency in Berlin. We have not had any indications that third parties accessed this data. In view of this background, we did not send a message to users (Article 34 GDPR).

GRI 418-1

## TEAM

We live from the innovative strength and commitment of our 1,519 employees. Their diverse perspectives and competences make our team strong – we are convinced of this. That's why we are promoting their individual talents in our newly developed People Development Strategy.



Scouts increased the workforce at the Scout Group in 2018 compared with the previous year.

## p. 48



43 percent of the employees on parental leave in 2018 were fathers.





Scouts are engaged in "Diversity in Tech Community".

p. 58



In 2018, we recalibrated our People Development Strategy.

p. 54



1,378 Scouts participated in our training sessions in 2018.

p. 56



## GROWING TOGETHER

In 2018, we launched a comprehensive training package with the Scout24 Academy. The spectrum of content ranges from training sessions for Big Data on AWS, through creative methods, to intercultural competences. Our employees select the appropriate training courses together with their supervising managers in quarterly development meetings.

## Attractive employment conditions

GRI 103

In the twenty years of our company's history, the Scouts, as our employees call themselves, have been a rock underpinning our success from the start. We intend to preserve and develop this relationship. Demographic changes and skills shortages pose daunting challenges for Scout24, which we will continue to address in our HR work. Because the digital business is so fast-paced, we rely on well-trained, innovative employees.

We want to attract the very best talent to Scout24 and provide them with an optimal, agile and diverse work environment that fosters an entrepreneurial mindset and inspires ideas. This requires open and constructive cooperation. Our "Core Values" are known throughout the company and serve our employees as a binding model for their conduct:

- One Team
- Outcome-oriented
- Winning
- Data-driven

HR work at Scout24 is handled and coordinated by the interdepartmental People, Organisation & Culture Team. In 2018, the People, Organisation & Culture team was managed directly by the Vice President "People, Organisation & Culture", who reports to the CEO.

#### **HR** survey

In order to provide our employees with an attractive working environment, we need to understand what is important to them. For that reason, we have conducted regular structured surveys (engagement surveys) since spring of 2017. In June 2018, employees throughout the Group were asked to provide their feedback in a survey containing about 50 questions. 86 percent of our workforce (2017: 75 percent) across the company responded to the invitation to share their opinions with us. 84 percent (2017: 88 percent) participated in the follow-up survey in autumn 2018 (2017: 88 percent). Complementary workshops were held in the departments and on the teams. The results served as a basis for various measures aimed at enhancing the satisfaction of our employees. Consequently, in 2018 there was a special focus on the topic "Learning & Development" with regular feedback discussions on performance and attitude, as well as professional and personal career development, because this is one of the core issues addressed in the survey (see also Employee promotion, p. 53).

In the autumn of 2018, a short survey was conducted to assess the progress of the measures made so far, so that these could form a platform for development in the coming year. This revealed significant evidence that communication of the campaigns needs to be further enhanced during the coming months.



of the employees participated in a survey across the company in 2018.

## HR structure

#### **HR** indicators

The number of employees is given for the legal entities of the Scout24 Group. Only the consolidated workforce size can be provided for the Group as a whole. All other HR figures are currently available only for the three largest companies in the Scout24 Group: ImmobilienScout24 in Berlin, and AutoScout24 and Scout24 AG in Munich. Those figures are systematically and uniformly compiled by the Controlling Department via the payroll program. As a rule, we express the number of employees in terms of fulltime equivalents (FTEs). These are recorded for the report cut-off date (31 December 2018). Active and inactive employees (those on parental leave, long-term sick leave or unpaid leave) are recorded separately, as is the number of students (including interns, apprentices and trainees). As at 31 December 2018, the Scout24 Group had 1,519 employees in seven European countries (2017: 1,244 employees). Of those, the biggest proportion worked at ImmobilienScout24 and AutoScout24. The growth in personnel of around 20 percent (284 employees) was due to the purchase of Finanzcheck. Women accounted for 39 percent of the workforce (2017: 38 percent). In 2018, 92 percent of the employees at Scout24 Germany had permanent employment contracts (2017: 90 percent) (AS24: 94 percent (2017: 91 percent), IS24: 90 percent (2017: 90 percent), Scout24 AG: 93 percent (2017: 90 percent)). In the period under review, part-time employees made up 9 percent (2017: 8 percent) (AS24: 9 percent (2017: 6 percent), IS24: 11 percent (2017: 9 percent), Scout24 AG: 7 percent (2017: 9 percent)).

#### GRI 102-7, 102-8

#### Employees (FTE) by region<sup>1</sup>

	2018	2017	2016
Total employees (FTE²) from Scout24 <sup>3</sup>	1,519.1	1,244.2	1,134.6
AS24 total	353.3	366.9	377.9
of which AS24 (DE)	234.1	243.9	265.6
AS24 (IT)	44.3	39.9	36.5
AS24 (NL)	23.2	31.6	29.0
AS24 (ES)	20.7	22.5	23.7
AS24 (BE)	18.0	20.0	18.0
AS24 (AT)	13.0	9.0	5.0
IS24 total	644.5	655.6	653.3
of which IS24 (DE)	607.8	620.7	625.1
IS24 (AT)	36.0	34.1	27.6
IS24 (CH)	0.7	0.7	0.6
Finanzcheck (DE)	284.1	0.0	
Scout24 AG (DE)	237.3	221.7	94.6

<sup>1</sup> Rounding differences may mean that the numbers do not add up precisely to the totals indicated.

<sup>2</sup> FTE: Full Time Equivalent not including students; reference date for analysis 31 December 2018.

<sup>3</sup> The total number includes all employees who are recorded in the annual financial statements for 2018.

#### GRI 102-8

### Employees (FTE) at AutoScout24 by employment relationship<sup>1</sup>

	2018	2017	2016
Employees with permanent contracts	219.5	222.6	247.7
of which women	80.2	73.3	74.2
men	139.3	149.3	173.6
Employees with temporary contracts	14.6	21.4	17.9
of which women	5.8	6.6	3.9
men	8.8	14.8	14.0
Employees with full-time contracts	214.0	230.0	247.0
of which women	74.0	71.0	63.0
men	140.0	159.0	184.0
Employees with part-time contracts	20.1	14.0	18.6
of which women	12.0	8.9	15.1
men	8.1	5.1	3.6

<sup>1</sup> Rounding differences may mean that the numbers do not add up precisely to the totals indicated.

GRI 102-8

## Employees (FTE) at ImmobilienScout24 by employment relationship<sup>1</sup>

	2018	2017	2016
Employees with permanent contracts	445.6	451.4	440.6
of which women	182.9	190.0	178.9
men	262.7	261.4	261.7
Employees with temporary contracts	49.4	50.0	59.4
of which women	23.1	16.7	28.2
men	26.4	33.4	31.2
Employees with full-time contracts	441.0	454.0	448.0
of which women	169.0	171.0	170.0
men	272.0	283.0	278.0
Employees with part-time contracts	54.0	47.4	52.0
of which women	37.0	35.7	37.0
men	17.1	11.8	15.0

<sup>1</sup> Rounding differences may mean that the numbers do not add up precisely to the totals indicated.

GRI 102-8

#### Employees (FTE) Scout24 AG by employment relationship<sup>1</sup>

	2018	2017	2016
Employees with permanent contracts	221.3	200.2	90.4
of which women	82.2	69.7	38.4
men	139.1	130.5	52.0
Employees with temporary contracts	16.0	21.5	3.4
of which women	2.0	8.5	0.4
men	14.0	13.0	3.0
Employees with full-time contracts	220.0	202.0	88.0
of which women	73.0	65.0	33.0
men	147.0	137.0	55.0
Employees with part-time contracts	17.3	19.7	5.8
of which women	11.2	13.2	5.8
men	6.1	6.5	0

<sup>1</sup> Rounding differences may mean that the numbers do not add up precisely to the totals indicated.

#### GRI 401-1

At 25 percent, the proportion of new appointments fell in 2018 compared to the previous year (2017: 43 percent). 25 percent of the employees at AutoScout24 were new appointments (2017: 27 percent), while the corresponding figure was 23 percent (2017: 38 percent) at ImmobilienScout24 and 29 percent at Scout24 AG (2017: 73 percent). 54 percent of the newly appointed employees are male (2017: 63 percent).

At the same time, the turnover rate for 2018 came down from 28 percent to 22 percent (AS24: 28 percent, (2017: 27 percent), IS24: 18 percent (2017: 28 percent), Scout24 AG: 24 percent (2017: 29 percent)). However, the still very high turnover rate is essentially due to the fast-moving nature of the Internet sector. Employees often only stay with a company for a short period of time.

	2018	2017	2016
Terminations	215.4	240.3	263.6
of which AS24	68.9	72.9	62.9
of which women	24.1	18.7	21.9
men	44.8	54.2	41.0
of which IS24	92.2	140.3	190.7
of which women	37.1	62.9	61.4
men	55.1	77.4	129.4
of which Scout24 AG	54.3	27.1	10.0
of which women	19.5	9.1	4.(
men	34.8	18.0	6.0
New hires	239.1	332.5	287.4
of which AS24	60.7	73.0	59.5
of which women	32.7	23.0	20.5
men	28.0	50.0	39.0
of which IS24	113.3	190.9	190.8
of which women	50.5	74.3	77.9
men	62.8	116.6	112.9
of which Scout24 AG	65.1	68.7	37.1
of which women	26.4	21.9	14.1
men	38.8	46.8	23.0

### Terminations and new hires (FTE for AS24, IS24 and Scout24 AG)<sup>1</sup>

<sup>1</sup> Rounding differences may mean that the numbers do not add up precisely to the totals indicated.

#### GRI 401-1

## Age structure of new employees in 2018 by gender (headcount for AS24, IS24 and Scout24 AG)<sup>1</sup>

Age	Women	Men
<= 30	55.8	56.0
31–50	53.8	73.5
> 50	0	0
Total	109.6	129.5

<sup>1</sup> Rounding differences may mean that the numbers do not add up precisely to the totals indicated.

## Compensation structure and company benefits

With regard to compensation, we attach great importance to the fair treatment of our employees. Compensation is determined primarily on the basis of the function, associated tasks and duties, and assigned responsibilities of the individual employee. At the beginning of 2018, we rolled out a new compensation model. This gave employees a one-off option of choosing a fixed salary or a fixed salary with a bonus. This gives interested salaried employees an opportunity to share directly in the business success of Scout24. The model is offered to all permanent employees of Scout24 AG, AutoScout24 and ImmobilienScout24 (with the exception of Sales). In the first quarter of 2018, each employee has been able to select their favoured compensation model, which then applies throughout their employment. 75 percent of our workforce opted for the bonus model. The bonus model is mandatory for managers.

#### **Compensation ratio**

For the 2018 reporting year, we analysed the ratio of the remuneration of our male and female employees by hierarchy level and functional area for ImmobilienScout24, AutoScout24 and Scout24 AG. The analysis shows that only in individual reporting lines are women paid less than 93 percent of the remuneration of male employees. This is due to the low number of comparable employee profiles in these areas. In 2017, the tolerance value was 90 percent. We are confident that we will be able to continue bridging this salary gap still further by adjusting salaries in 2019.

More information on the compensation system of Scout24 – especially with regard to the Management Board and the Supervisory Board – is presented in the Compensation report, see Annual Report 2018, from p. 183. It is consistent with the relevant statutory regulations and the recommendations of the German Corporate Governance Code (DCGK).

GRI 405-2

GRI 201-3

43 percent of the employees on parental leave in 2018 were fathers.

#### **Company benefits**

Scout24 provides its employees in Germany with a company pension plan as an important supplement to the statutory pension scheme. We offer a defined contribution benefit commitment that can be implemented through direct insurance policies. This pension plan can be continued at a subsequent employer if desired. We support our salaried employees with a contribution that depends directly on the deferred compensation amount for the individual employee. This is not a standard percentage. Rather, each employee defines an individual amount within the framework permitted by legislation. Scout24 doubles this amount by an equal contribution with a maximum ceiling of 110 euros per month. On 31 December 2018, 614 employees (2017: 742 employees) were participating in the scheme and took out one or more contracts (AS24: 171 (2017: 219), IS24: 313 (2017: 341), Scout24 AG: 130 (2017: 167)). Detailed information on pension obligations can be found in the Annual Report 2018, from p. 158.

GRI 102-41, 401-2There are no collective agreements based on uniform tariff agreements at<br/>Scout24. Entitlement to company benefits is not restricted in any way for<br/>salaried employees on part-time or temporary employment contracts.

## **Employee promotion**

GRI 103

Scout24 is a learning organisation. Continuing education is a major priority – particularly in our fast-moving business. Only in this way can we promote innovation and guarantee continuous development. We achieve this through open communication and new career training formats and by sharing expertise within the organization. **Together with our employees**, we aim to identify individual strengths and to promote and apply them. Anchoring employee promotion in the company is a continuous process and responsibility for this area resides centrally with the "People Development" team. In 2018, the team recalibrated the People Development Strategy at Scout24. Key targets for the People Development Strategy include the following:

- Launch of the One Scout Performance Management Process (performance assessment process)
- Establishment of the Scout24 Academy with a needs-oriented offer of training sessions in a range of different formats
- Initialisation of a Leadership Initiative for strengthening the leadership culture
- Establishment of a programme for talent management and junior staff development



In 2018, we recalibrated our People Development Strategy.

#### Company-wide needs analysis

All employees<sup>1</sup> have a feedback discussion every quarter, known as a "Quarterly Dialogue", in which personal achievements are discussed, and strengths and areas of development along with mid- to long-term goals, and appropriate measures are defined together with the individual's supervisor. In this connection, a company-wide needs analysis for continuing education measures was carried out for the first time during the course of the third quarter and approximately 600 development fields were identified. Out of these, 40 percent were on-the-job measures and approximately 60 percent were individual off-the-job measures. The latter include the areas of social competences, tools and methods, leadership competences, coaching and language training. The results of the needs analysis formed the basis for the development of our continuing education programme.

<sup>1</sup> All employees of Scout24 AG, AutoScout24 GmbH, Immobilien Scout GmbH and Scout24 Holding GmbH in Germany, with the exception of interns and trainees, working students, apprentices and managers.

GRI 404-3

600

development fields identified in a needs analysis.

#### Continuing education programme

In 2018, cross-company continuing education measures of more than 140 hours with 28 participants were organised centrally by the "People Development" team. In addition, internal Scout24 Academy partners carried out a variety of continuing education measures – ranging from training measures to Risk & Compliance, through sales training sessions to employment law.

Our employees from more than 50 countries also have the opportunity to take business language courses to improve their English and German language skills. A wide range of packages are on offer to cover the needs of all our employees:

- Open group courses in language schools
- · Virtual individual training courses with live training
- e-learning courses

In 2018, Scout24 arranged e-learning language courses for a total of nearly 60 employees. Some 65 more employees participated in onsite language training courses.

In addition to these Group-wide continuing education opportunities, the specialist departments can launch measures independently. These are directly controlled through the specialist departments and are therefore not comprehensively reported.

At the beginning of the year, the specialist departments are provided with a continuing education budget that is based on the number of employees with a permanent contract.

<sup>1</sup> All employees of Scout24 AG, AutoScout24 GmbH, Immobilien Scout GmbH in Germany, with the exception of interns and trainees, working students and apprentices.

GRI 404-2

1,378 Scouts participated in our training courses in 2018. Added to this was participation in more than 600 continuing education courses in the area of sales at ImmobilienScout24. At the present time, we do not record continuing education hours comprehensively and are therefore unable to make any consolidated disclosures. The target for 2019 is to build up an appropriate recording system for continuing education indicators.

#### GRI 404-1

#### Training courses in 2018<sup>1</sup>

Training courses offered	Participants
Leadership programme	55
Training sessions carried out by People Development	28
Language training	121
Coupa training	68
Welcome Day Berlin and Munich (incl. training for Risk & Compliance)	337
CMS training (plus 50–60 individual training sessions)	31
SEO training	188
Builders training	540
Training in employment law	10
Total training	1,378

<sup>1</sup> Except sales training and self-organized training



1,378 Scouts participated in our training courses in 2018.

GRI 404-2

#### Management training

We train our managers in special leadership training courses. In 2018, 55 managers took part in a management training course designed specially for Scout24. This comprises two modules and encompasses a total of 48 training hours. The training package conveys specialist content and soft skills preparing managers for engagement with employees. In addition, individual measures are available to each manager in the company. An expansion of leadership qualification is planned for 2019. This includes both binding values for our leadership culture (leadership behaviours) and different continuing education measures.

## Diversity and equal opportunity

#### GRI 103, 405-1, 406-1

We are confident that a team based on diversity is a critical factor for our success. We therefore aim to strengthen diversity and inclusion. We have formulated our clearly defined position on diversity and equal opportunity in our Code of Conduct, which is binding throughout the Group. The Code states that we comply with all laws pertaining to equal opportunities and equal promotion of opportunities for our employees' career development, without distinction or discrimination on the basis of ethnic origin, skin colour, gender, age, religion, disability, familial status, sexual orientation, nationality or other characteristics. Scout24 requires all employees to report any breaches of these principles, even if they are mere suspicions. Our Compliance Hotline is available for this purpose, as is the email address compliance-scout24@fs-pp.de. We cooperate in these matters with an external lawyer who is bound by the professional ethical code of conduct to keep all matters confidential. Every report is taken seriously, treated with the utmost confidentiality and is always followed up. If desired, reports can also be filed anonymously at any time. No incidents of discrimination are known in the year under review.

The "People, Organisation & Culture" Department is responsible for the topic of diversity throughout the Group. In addition, the employee-staffed "Diversity in Tech" Group was formed in 2015 at ImmobilienScout24, AutoScout24 and Scout24 AG to promote diversity in the company.

#### Promotion of diversity

The aim of the "Diversity in Tech Community" is to increase the proportion of women in development and programming at ImmobilienScout24, AutoScout24 and Scout24 AG to 24 percent in the mid-term. Currently, 15 percent (2017: 14 percent) of engineers at Scout24 are women. There are some 15 active members in the working group. They hold regular meetings, community events and offsite events to discuss and plan current topics, ideas and initiatives. Last year, events like "Girls' Day" were organised with a view to encouraging girls and women to enter informatics and other STEM fields (science technology, engineering mathematics).

Scouts are active in the "Diversity in Tech Community" to promote greater diversity at Scout24.

## Family-friendly employer

We help our employees to achieve a better work-life balance. Scout24 offers salaried employees discussions with specialist sections of the Human Resources Department and provide information material which is tailored to the specific sites and individual employment arrangements. Flexible working time models give our employees more latitude to meet their private and professional needs. They are then able to make use of trust-based working hours, part-time models and home office programmes. In November 2018, a binding arrangement was introduced for special leave and release from work at the German locations in order to assist our employees (with the exception of trainees and executive employees) in various crisis situations in their private lives. The new arrangement guarantees them paid release from work in order to look after their sick children (up to ten working days each year) and also includes special leave in the case of changes in personal circumstances such as marriage, birth of a child, moving home or the death of a close relative.

We also support our employees through our cooperation with pmi Familienservice. Familienservice gives advice on issues relating to childcare and helps find childminders, babysitters and au pairs. Familienservice also provides information on creches, daycare centres and nurseries.

#### Entitlement to parental leave

All our employees are entitled to take parental leave. In 2018, 91 employees of Scout24 (2017: 96 employees) took parental leave for at least one day. As a progressive company, we are supportive of the fact that fathers are increasingly taking advantage of their entitlement to parental leave. 43 percent of the employees on parental leave were fathers (previous year: 45 percent).

#### **Employees on parental leave**

	2018	2017	2016
Total	91	96	95
of which AS24	25	33	28
of which women	11	14	15
men	14	19	13
of which IS24	50	48	62
of which women	34	34	38
men	16	14	24
of which Scout24 AG	16	15	5
of which women	7	5	3
men	9	10	2

GRI 401-3

We try to make returning to work as easy as possible once parental leave has finished. Scout24 remains in contact with parents while they are taking time off work. For example, we invite employees on parental leave to the Christmas and summer parties. As of 31 December 2018, 47 percent of parents who took parental leave had returned to the company, compared to 57 percent in 2017. Of those who returned to work in 2017, 85 percent (2016: 71 percent) were still employed at Scout24 twelve months after returning to work. No figure is available as yet for returners in 2018.

#### GRI 401-3

#### Return from parental leave

	2018	2017
Total	43	55
of which AS24	19	19
of which women	5	2
men	14	17
of which IS24	18	26
of which women	6	13
men	12	13
of which Scout24 AG	6	10
of which women	0	2
men	6	8

## Occupational health and safety

Maintaining the health and performance of our colleagues in the long term is a matter of growing importance for Scout24 – particularly in view of longer careers and growing stress at work and home. The Central Administration & Facility Management Department at Scout24 is responsible for occupational health and safety.

We promote the health of our employees through a range of measures. This starts at the workstation: ergonomic office furniture makes everyday work easier for jobs that mainly involve sitting at computer workstations. At the Munich site, we have therefore offered electric height-adjustable

GRI 103

tables and highly ergonomic office swivel chairs since March 2018. This gives our workforce the opportunity to work in a sitting or standing position depending on their need and individual well-being.

LED lighting meets the latest standards and makes working at screens much easier. We also offer yoga courses at the Berlin and Munich sites, and specific back training programmes. Furthermore, we regularly provide all employees with beverages, fresh fruit and muesli free of charge with the aim of promoting healthy and balanced nutrition. At the canteen in Berlin, there is a focus on vegetarian and vegan dishes so as to meet the individual nutritional wishes of our employees. Health days featuring an exciting and varied programme complement these measures.

In order to avoid any safety risks and hazards in the workplace, we also comply with the relevant statutory requirements and standards. For example, existing hazards are identified and measures are formulated in regular exchanges with our safety officers, at meetings of the Occupational Safety Committee and during preventive inspections. In addition, fire prevention officers and first responders receive initial and continuing training, and hazard evaluations are drawn up and checked by the expert responsible for occupational health and safety.

#### GRI 403-2

In 2017, around 4.0 percent of the workforce at AutoScout24, ImmobilienScout24 and Scout24 AG took sick leave. The proportion is therefore at the level of the previous year: in 2017 4.1 percent took sick leave.

On Health/Days, we provide our workforce with information on how they can keep themselves fit.

# SOCIETY

We advocate a strong civil society at Scout24. The active commitment of our employees, long-term partnerships and the sharing of knowledge and know-how have stood the test of time. We are continuously extending this commitment beyond Berlin and Munich to other sites.



participants from 160 different organisations attended the Berlin Social Academy in 2018.

## p. 66



Around 600 Scouts participated in 64 projects at the Social Day in 2018.

p. 64



In 2018, we also rolled out the Social Day at international sites.

p. 65



euros of donations were collected for non-governmental organisations in the Social Week 2018.

p. 65



Since 2011, we have been working in Berlin under one roof together with the Social Heroes association.

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## OUTSTANDING COMMITMENT

In 2018, the Berlin Social Academy was awarded the special "Berlin Company Prize". The Mayor of Berlin, the Berlin Chamber of Industry and Commerce and the Berlin Chamber of Trade confer this award on companies from Germany's capital with exemplary social engagement. Since 2013, the Academy has brought together non-governmental organisations for knowledge transfer and dialogue in Berlin once a year. GRI 103

## Fundamentals of our social engagement

Social engagement is enshrined in the corporate culture of Scout24. We take it as our corporate responsibility to contribute our fair share to the welfare of the society in which we live and work. Our commitment is also helping us to improve our understanding of the social environment. The business of Scout24 benefits from this experience. For example, it serves as an indicator of social trends and developments.

- Corporate volunteering: We encourage our employees to engage actively in social, cultural and environmental projects during working time. In this way we support outside initiatives while strengthening the internal cohesion of our employees and improving our attractiveness as an employer. At the same time, we are creating an internal awareness of social, cultural and environmental challenges.
- Knowledge transfer: Our know-how and the wide-ranging skills of our employees have the potential to help solve social problems. We therefore regularly share our expertise with social institutions, non-governmental organisations (NGOs) and social start-ups in our network. In doing so, we ourselves learn about new inspiring ideas and points of view.
- Long-term partnerships: We aim to cooperate with social players in the public domain and to adopt a partnership approach. We listen well and take the advice of our social partners seriously.

We believe that making a contribution to the well-being of society in which we live and work is part of our corporate responsibility. GRI 103, 201-1Our employees contribute to and shape the social commitment of<br/>Scout24. The Cares Team now comprises 16 employees in Berlin and Mu-<br/>nich. They support Scout24's Group-wide CSR management and help to<br/>organise, realise and track our corporate citizenship projects. In 2018, the<br/>CSR Team donated a total of 57,500 euros to non-governmental organisa-<br/>tions (2017: 73,016 euros).

## **Corporate volunteering**

GRI 203-1

The central focus of our corporate volunteering programme is the Scout24 Social Day. Since 2010, our employees have had an opportunity to get involved in non-governmental organisations for one day a year. In the year under review, the participants had over 64 different projects to choose from – ranging from work in social institutions to environmental protection and monument conservation. 14 projects this year also focused specifically on the topic of "barrier-free access". As part of corporate volunteering, our employees met young and old people, people with illnesses and disabilities, and helped out in urban gardening projects and refuge facilities for refugees. They also supported social start-ups with communication or business strategy. Nearly 600 employees at four sites – Berlin, Munich, Vienna and Cologne (FlowFact) – participated in this year's Social Days. The positive feedback in an internal survey on the Social Day once again encouraged our belief in the importance of the this event. 78 percent of the surveyed employees confirmed to our Cares Team that this corporate volunteering project helps Scout24 stand out positively from other employers.



different projects were on offer at the Social Day 2018 – they included 14 on the topic of "barrier-free access".

#### Roll-out of the Social Day

In 2018, we supported the Social Day by developing guidelines for sites outside Germany and for our subsidiary companies including a toolbox with (poster) templates and sample documents for holding a Social Day. Our aim is to make it easier for the various sites to organise Social Days and to proactively motivate them to roll out their own corporate volunteering measures. The objective is to expand the topics of "Social Engagement" and "Corporate Volunteering" and to extend concrete opportunities for implementation at Scout24 to the entire group of companies.

#### **Collecting donations in our Social Week**

We also supported the commitment of our employees beyond the Social Day: during Social Week, for example, employees collected money for non-governmental organisations through various activities over an entire week – from selling ice cream to cake bazaars. Scout24 additionally donated 250 euros to each organisation. In 2018, around 4,450 euros was transferred to participating initiatives such as the Berlin Arch and an association to combat racism.

## **Knowledge transfer**

GRI 203-1

The Berlin Social Academy is a central format for the transfer of knowledge between Scout24 and civil society. Initiated by Scout24 in 2013, the annual event has since brought experts from companies together with non-governmental organisations to transfer knowledge and exchange ideas in the capital.

#### Social Academy 2018

In the year 2018, we numbered over 500 participants from more than 160 different organisations. This meant that we had increased the number of participants by 40 percent in comparison with the previous year and the number of participating organisations had more than doubled. The 33 workshops and presentations on offer ranged from storytelling and design thinking, through to introductions to machine learning and data science, to classic project management. The local organisation of the academy distributed over different locations in the city allowed the course programme to be expanded. There are now 20 sponsors and 39 speakers and this enables us to expand the pool of local companies in Berlin participating in the Academy this year. For example, the group of supporters was expanded by Microsoft Germany during the year under review. In 2018, the Social Academy was awarded the special prize in the form of the "Berlin Company Prize". The first enquiries for scaling up the Academy from Berlin to the sites in Frankfurt and Munich are already under discussion.

delegates from 160 different organisations attended the Berlin Social Academy this year.

#### **Expansion of the Social Hack Days**

ImmobilienScout24 launched the Scout IT Day around ten years ago to creatively network our employees' know-how in matters relating to digitalisation and IT outside their daily work and to experiment with innovative ideas. This former tech event was expanded into a three-day hackathon in Berlin (Social Hack Days) for the first time in 2017. During the year under review, the Hack Weeks organised by ImmobilienScout24 and AutoScout24 were supplemented by a dedicated category on the topic of "Social Impact" (for more information see Business section, p. 39).

During the year under review, we also used our database selectively for the communication campaign "Baut, was gesucht wird!" with the aim of drawing attention to the socially relevant topic of "Housing" (for more information see Business section, p. 40).

## Long-term partnerships

In all our social commitments, we attach great importance to sustainable assistance and long-term cooperation with our social partners. Since 2011, we have had a special relationship with the Social Heroes Association. We have established a basis for mutual assistance in our everyday work with this institution, our next-door neighbour in Berlin's main building. Besides providing space for Social Heroes, we bring the entire infrastructure of Scout24 in Berlin and our expertise to bear in support of the team. In return, Social Heroes help us to continuously improve our services for people with mobility issues and visual impairments (e.g. in finding housing) (for more information on the activities in 2018 see Business section, p. 38).



Knowledge Transfer, long-term partnerships and corporate volunteering are the fundamentals of our social engagement.

# • ENVIRONMENT

We aim to avoid negative impacts from our business activities on the environment and the climate. The platform for this is an evidence-based analysis of our consumption and emissions.
In 2018, we therefore initiated a systematic data survey that we intend to expand in 2019. This will serve as a basis for establishing a Group-wide environmental management concept.



At least 96 percent of the paper used at our Munich site is recycled paper.

p. 77



IT equipment at the Berlin and Munich sites is recycled and reprocessed.

p. 79



We cause the majority of our CO<sub>2</sub> emissions on business trips.

p. 73

# 100%

green electricity has been sourced at the Munich site since 2018.

p. 74



The new Berlin office building intends to meet the requirements for the DGNB Platinum Standard.

p. 70



## TRANSFORMATION FOR THE CLIMATE

In March 2018, AutoScout24 moved into a brand-new office complex. The new office space offers optimum conditions for routine work every day alongside significant improvements for the environment and climate. The switchover to 100 percent green electricity has significantly reduced our  $CO_2$  emissions at the Munich site. Furthermore, the new building is to receive the Gold Certificate from the certification programme for Leadership in Energy and Environmental Design (LEED). This certification is recognised worldwide for sustainable construction.

## **Environmental management**

GRI 103, 102-49

Following the validation of the materiality analysis, we focused on environmental matters in 2018. The topics of "Climate Protection & Energy Consumption", "Resource Consumption", "Waste and Recycling" and "Sustainable Procurement" were identified as key environmental issues for Scout24 (see Management section, p. 17). However, no systematic analysis has as yet been performed to identify exactly where our greatest levers and impacts lie, and to establish the potential savings that can be achieved. In the third quarter of 2020, ImmobilienScout24 will move into a new office building at the Berlin site with an improved environmental footprint. We therefore intend to develop a Group-wide environmental concept that will take the new conditions into account.

The basis for an environmental management concept is an analysis of the current data situation and the consumption values. In 2018, we carried out a systematic analysis of the key environmental data referred to above at the Berlin, Munich and Cologne sites, and following this survey we were able to plug certain data gaps by comparison with the previous year. The data situation will continue to improve with the relocations in Munich and Berlin. From 2019, the international sites will also be incorporated in the survey of environmental data in order to obtain a comprehensive picture of the entire Group.

The topic of environment is the responsibility of the Central Administration & Facility Management Department at Scout24. The department is in close communication with CSR Management, which in turn reports to the Management Board.

#### Energy and CO, management

As a non-manufacturing company, Scout24 can make an environmental contribution by reducing energy consumption and the associated CO<sub>2</sub> caused. At the same time, the energy costs can be reduced for the company. We are currently working on the establishment of systematic data recording for our consumption at the different sites. To this end, we have developed an instrument for standardised and uniform surveying of key environmental data and initially deployed it at the German sites. This will be used to provide a complete picture of the data situation, and the next step will involve extending the use of this tool to the international sites from 2019 onwards.

GRI 103

Concrete Group-wide targets relating to the topic of energy savings and reductions of CO<sub>2</sub> emissions have not yet been agreed. The intention is to define such targets after the development of an environmental management concept so that improved environmental footprints at the new office buildings of Scout24 can also be taken into account. In March 2018, the Munich site moved into a new building. Following the installation of a new accounting system, more precise energy and waste data can be provided in the next report from this point in time. The Berlin site is also planning to move to a new building in 2020. This building is to be constructed on the basis of the Platinum Standard promulgated by the German Sustainable Building Council (DGNB).

#### **Data situation**

Energy consumption (with the exception of mobility) can only be presented for the sites in Berlin, Munich and Cologne for the year 2017, since the accounts of the landlord are only available eleven months after the accounting period. All energy data – with the exception of consumption and  $CO_2$  emissions for mobility – will therefore be reported exclusively for the year 2017. All the subsequent energy consumption at the Munich offices, which have been part of the "Ten Towers" office complex, will be based on the Energy Audit 2015 and have been extrapolated for the subsequent year on the basis of the development of the number of employees. We cannot report robust indicators on energy savings and  $CO_2$  reductions yet due to insufficient data for the Munich site.

Because the available energy data for the Munich site are not sufficiently robust, the comparison of the extrapolated overall data for 2017 and 2016 are subject to reservation. Since the majority of the energy data originates from 2017, the calculations for each employee will also be based on the average personnel figures for 2017.

#### **Energy consumption**

GRI 302-1, 302-2, 302-3 Overall in 2017, the locations of Scout24 in Germany consumed energy amounting to 8,490,218 kilowatt-hours. This includes energy consumption from Scope 1, 2 and 3 at the Berlin, Munich and Cologne sites. Scope 3 exclusively included the electricity consumption at the computer centres. The mobility-related energy consumption was not included in the calculation owing to the data gaps. In 2017, each Scout24 employee therefore consumed an average of 8,367.22 kilowatt-hours.

Approximately half of this consumption – 54.55 percent – was due to the use of electricity required for the operation of office workstations and computer centres. The three computer centres in Berlin, Munich and Nuremberg make up 21.05 percent of the electricity consumption. Apart from electricity, the Scout24 Group required most energy for the purchase of heat (44.53 percent). Conversely, the energy consumption by gas is very low – not least because only the Cologne site is heated using gas.

## GRI 302-1, 302-2, 302-3, 302-4

#### Energy consumption in kilowatt-hours in 2017<sup>1, 2</sup>

Total	8,490,218
of which electricity	4,631,228
of which computer centres	1,787,216
of which purchase of cooling capacity	1,366,999
of which purchase of heat	3,858,990
of which purchase of gas	78,762
per employee <sup>3</sup>	8,372

<sup>1</sup> The data relate to the following companies in the Scout24 Group in Germany: Immobilien Scout GmbH, Scout24 AG, Scout24 Holding, AutoScout24 GmbH, classmarkets GmbH, FlowFact GmbH.

<sup>2</sup> No green electricity was purchased in 2017. The proportion of renewable energy sources in total electricity consumption is obtained from the electricity mix of the relevant provider.

<sup>3</sup> The energy intensity was calculated on the basis of the number of employees in 2017 at the German companies of the Scout24 Group referred to above (1,014.7 employees).

#### CO<sub>2</sub> emissions

We calculated our  $CO_2$  emissions on the basis of data for energy consumption from the year 2017 and the available mobility data from the year 2018. The sources of the conversion factors applied are listed at the appropriate points. The specific  $CO_2$  emission factors of the electricity tariff from the relevant electricity utility were used for the electricity consumption. These are significantly lower than the average values for Germany used in the last CSR report. The  $CO_2$  emissions relating to electricity consumption have therefore fallen, even though actual electricity consumption has increased. Overall, the Scout24 Group caused around 3,786.52 metric tons of  $CO_2$  at the Berlin, Munich and Cologne sites – this is equivalent to an average of 3.73 metric tons for each employee. Most emissions are caused by mobility, followed by electricity consumption. On a year-earlier comparison, a total of an additional 1,141.90 metric tons of  $CO_2$  were emitted. This is primarily due to the fact that mobility caused nearly 99.6 percent more  $CO_2$  emissions than in the previous year. This is due to a number of parameters including the fact that the last CSR report only took account of emissions under the topic of transport if they were generated from use of fuel for our leased company cars. In this report, mobility was included comprehensively, in other words journeys with leased company cars and rented vehicles, rail journeys and air travel. The values for fuel consumption and  $CO_2$  emissions in 2018 are therefore significantly higher than in the previous year.

In 2018, the employees of the Scout24 Group travelled a total of around 8.5 million kilometres by car, by rail and in air travel. As a result, around 1,708.26 metric tons of  $CO_2$  were emitted in the reporting year 2018 – the majority of these emissions were due to air travel.

## GRI 305-1, 305-2, 305-3,

#### 305-4

#### CO<sub>2</sub> emissions in 2017 (Scope 1, 2, 3) in metric tons<sup>1</sup>

Total	3,786.52
of which electricity <sup>1</sup>	1,516.77
of which computer centres	603.89
of which purchase of cooling capacity	456.65
of which purchase of heat <sup>2</sup>	540.34
of which purchase of gas <sup>3</sup>	21.15
of which transport⁴	1,708.26
for each employee	3.73

<sup>1</sup> The CO<sub>2</sub> emissions from electricity consumption (for operation of offices, purchase of cooling capacity and computer centres) were calculated on the basis of the electricity mix supplied by the relevant electricity utilities to the sites Berlin, Munich, Cologne, and the three computer centres in Berlin, Munich and Nuremberg.

<sup>2</sup> The calculation was carried out on the basis of the specific CO<sub>2</sub> emissions of district heating supply by the utilities Vattenfall (Berlin) and Munich municipal utilities (Stadtwerke München).

- $^3$  The CO<sub>2</sub> emissions for the purchase of natural gas were calculated using conversion factors from GEMIS (Global Emissions Model of integrated systems).
- <sup>4</sup> The calculation includes the emissions caused by fuel consumption resulting from employee-owned vehicles, and from leased company cars, information from German Rail (Deutsche Bahn) (km and emissions), car-hire companies (km and emissions) and travel management (air kilometres and emissions). Conversion factors from the Federal Environment Agency (Umweltbundesamt: 2016: Climate Change 27/2016. CO<sub>2</sub> emissions for fossil fuels) were used for purposes of converting the fuel consumption.
## GRI 305-3

## CO<sub>2</sub> emissions in 2018 as a result of business trips (in metric tons)

Total	1,708.26 <sup>1</sup>
Hire cars <sup>2</sup>	19.22
Leased vehicles <sup>3</sup>	518.59
Rail travel <sup>4</sup>	3.77
Flights⁵	1,170.45

<sup>1</sup> Rounding differences may mean that the numbers do not add up precisely to the totals indicated.

<sup>4</sup> Environmental mobile check of German Rail (Deutsche Bahn). Long-distance travel is climate-neutral on account of the use of 100 percent green electricity, i.e. only regional electricity is included here (https:// reiseauskunft.bahn.de//bin/query.exe/dn?S=Berlin&Z=Frankfurt&start=1&application= ECOLOGYINFO).

<sup>&</sup>lt;sup>5</sup> The emissions from air travel were calculated on the basis of the CO<sub>2</sub>/GHG calculation model of <myclimate.de>.



We caused the majority of our CO<sub>2</sub> emissions through business trips.

## Energy and CO, reduction

Although energy consumption for 2018 cannot as yet be quantified, a lot of energy-saving measures have been implemented since the company moved into the new office building in Munich. The building is projected to meet the Gold Standard of the Leadership in Energy and Environmental Design (LEED), i.e. environmental energy standards were complied with during the construction of the office building and in the building design, for example heat regeneration systems, CO<sub>2</sub> alarms, roof greening, an LED lighting system or movement sensors were installed in all areas of the office. The certificate is still being checked at the U.S. Green Building Council and is likely to be issued at the end of April 2019.

GRI 302-4, 305-5

<sup>&</sup>lt;sup>2</sup> Kilometres travelled are multiplied by the CO<sub>2</sub> consumption of the reserved vehicle or vehicle category in accordance with the overview of the hire firms Sixt and Europcar.

<sup>&</sup>lt;sup>3</sup> Calculation on the basis of the fuelling receipts: conversion of the diesel and petrol consumption into CO<sub>2</sub> emissions on the basis of conversion factors from the Federal Environment Agency (Umweltbundesamt: 2016: Climate Change 27/2016. CO<sub>2</sub> emissions for fossil fuels)

Furthermore, in 2018 all workplaces with desktop computers will be converted to notebooks with dock-in stations. Since the average energy consumption of desktop computers is significantly more than notebooks (according to the Eco-Institute at least 50 watts compared with approximately 8 watts), it can be assumed that this will enable energy consumption to be reduced.

In 2018, no notable energy-saving measures were implemented at the Berlin site. This is primarily due to the planned move to the new office building projected for 2020. This building is to be constructed in conformity with the Platinum Standard of the German Sustainable Building Council (DGNB).

The original lighting at the Cologne site is gradually being replaced by LED illuminants. So far, 50 percent have been replaced. Movement sensors are being installed in all kitchen areas and energy-saving lamps are being fitted in sanitary facilities.

## Conversion to green electricity

We are primarily able to reduce our  $CO_2$  emissions throughout the Group by purchasing electricity from sustainable sources. In 2018, we made substantial progress here. At the office location in Munich in October 2018, we switched to a new electricity tariff which supplies 100 percent of its electricity from renewable energy. We are working towards a switch to a green electricity tariff for all the other locations by the time the term of the contract expires on 31 December 2019.

green electricity has been purchased at the Munich site since 2018.

## **Environment-friendly mobility**

The entire Scout24 Group is implementing the general corporate policy that business trips should be avoided as far as possible. We have set up an infrastructure for video and web conferences at our locations in order to mitigate a high volume of business travel. All our sites are therefore equipped with a large number of video conference rooms. Our Travel Guideline asks our employees to always consider whether the objective of a planned business trip can be achieved in a different way – for example by a video conference.

We want to support our employees by helping them transfer to a bicycle for travelling short distances when they are out and about in the city. At the Munich site, charging stations for electric cars and electric bicycles are provided for the workforce in the parking garage and in the cycle storeroom. Furthermore, our employees have the use of six company bicycles at the Munich site.

# **Resource consumption**

Once again, the matter of resource consumption was identified as material in the materiality analysis conducted in 2018. The definition of the topic was more specific in this analysis. The focus is on policies and measures for reduction of resource consumption in the offices and computer centres of Scout24 with the aim of increasing in-house resource efficiency and for using recycled materials to reduce the environmental impacts for the extraction and production of resources. This is particularly relevant for office materials such as paper. The aspect of water is deliberately not pursued because water consumption in office buildings is restricted to the requirements of kitchen areas and sanitary facilities. This means that consumption is relatively low. It is not therefore a material environmental impact.

Even though the Scout24 Group has not yet defined any concrete targets for the topic of resource consumption, individual measures directed towards making savings on resources or more sustainable use of resources have been implemented. The main issue for the Scout24 Group relates to paper as an office resource used every day (renewable resources) and the use of IT equipment (non-renewable resources).

GRI 103

We encourage prudent use of office supplies. The standard office supplies range is distributed centrally by the Central Administration & Facility Management Department. Special office supplies are allocated to the respective cost centre of the departments, which in turn encourages cost-effective purchasing.

## Paper consumption

GRI 301-1, 301-2Paper is a classic office material. General measures such as activating<br/>a setting for double-sided printing or personalised print request at<br/>the printer are directed towards keeping paper consumption as low as<br/>possible.

In Berlin, 100 percent of fresh fibre paper is sourced from sustainable forestry management. It has been certified by the Programme for the Endorsement of Forest Certification Schemes (PEFC). Paper consumption at the Berlin site was reduced by 4.22 percent between 2016 and 2018.

Munich uses recycled paper with the Blue Angel seal of approval for everyday internal use – in concrete terms more than 96 percent. The remaining 4 percent are provided with the FSC seal (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification Schemes).

100 percent of the paper used in Cologne is paper provided with the seal "FSC (Forest Stewardship Council) Mix". This guarantees that at least 70 percent of the fibres are based on wood or paper products from FSC wood and/or waste paper. Paper consumption at the Cologne site was reduced by 27 percent between 2017 and 2018. The phasing out of paper invoices to customers was one of the measures making a contribution to this reduction. A reduction in printing within the company also made a contribution.

## GRI 301-1, 301-2

# Type and scope of paper consumption

Type of paper	in kg
Fresh fibre (PEFC, FSC)	3,832
Recycled paper (Blue Angel)	499
Total	4,331



At least 96 percent of the paper we use at the Munich site is recycled paper.

# Paper consumption for each employee in 2018

Site	in kg for each employee
Berlin	5.5
Munich	1.6
Cologne	1.99

# Waste and recycling

GRI 103

The topic of "Waste and Recycling" was identified as a new material environmental aspect for the Scout24 Group in the materiality analysis carried out in 2018 (see Management section, p. 17). This means that negative environmental impacts from the waste generated by Scout24 (e.g. IT equipment) can be avoided in future by developing appropriate policies and measures for waste avoidance in offices and computer centres, alongside waste separation and disposal in accordance with statutory regulations.

In 2018, an initial analysis of the status quo was carried out on this issue at the Munich, Berlin and Cologne sites. A distinction was drawn in the data survey between hazardous and non-hazardous waste. No data are available yet for non-hazardous waste at the Munich site because this can only be submitted with the operating cost statement for 2018 owing to the relocation. The Berlin and Cologne sites are implementing waste separation. Berlin is separating waste into paper, light packaging (Green Dot/Yellow Bin) and residual waste, and disposing of the waste accordingly. The Cologne site separates and disposes of waste according to the categories paper, Yellow Bin, compostable and residual waste. The Scout24 Group does not yet have any concrete targets on the topic of waste reduction or separation of non-hazardous waste.

## Volume of waste

In 2018, a total of 122,541.62 kg of non-hazardous waste was produced at the Berlin and Cologne sites. It comprised paper, light packaging, compostable and residual waste. The biggest proportion at 88.64 percent was caused by residual waste. The share of residual waste at the Berlin site was by far the greatest with 94.79 percent. The volume of waste for each employee is 162.01 kg of waste per employee at the Berlin and Cologne sites. If the volume of waste for each employee in broken down by site, the volume in Berlin is 169.48 kg and in Cologne 111.95 kg.

GRI 306-2

## Recycling

As far as possible, hazardous waste is recycled and reused through third-party providers. For example, printer cartridges in Cologne are refilled after they have been emptied by a subcontractor. IT equipment (smartphones, notebooks and screens) are professionally recycled by AfG Social and Green IT and reconditioned wherever possible. Some of the reconditioned devices are then offered for resale to employees in Berlin and Munich. Since only small volumes of lamps and batteries are produced, these are taken as necessary to the recycling centres at the individual sites by facilities management so that they can be professionally disposed of there. Recording of the volume will be introduced in future.

## Sustainable procurement

Up to now, the procurement guidelines have not included any social or environmental criteria (see also Management section, p. 8). Nevertheless, environmental criteria have been included for the selection of services or products on a case-by-case basis. For example, we pay attention to environmental aspects in the selection of paper (see page 76), and we attempt to switch to low-energy lighting (see page 73) and wherever possible convert to green electricity (see page 74).

# GRI Content Index and Index for the Non-financial Report



## **GRI Content Index**

This "Sustainability Report 2018" was available to the Global Reporting Initiative for performance of the GRI Materiality Disclosure Service. The correct positioning of the "materiality disclosures" (GRI 102-40 – 102-49) in the report was confirmed by the GRI Services Team. The GRI Materiality Disclosures Service was performed on the German version of the report.

Disclosures		Page	Comment	
GRI 101	Foundation 2016			
GRI 102	General Disclosures 2016			
Organisationa	l profile			
GRI 102-1	Name of the organisation	p. 2		
GRI 102-2	Activities, brands, products and services	p. 29, 32		
GRI 102-3	Location of headquarters	p. 29		
GRI 102-4	Location of operations	p. 33		
GRI 102-5	Ownership and legal form	p. 29		
GRI 102-6	Markets served	p. 29, 32		
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GRI 102-8	Information on employees and other workers	p. 48–50		
GRI 102-9	Supply chain	p. 27		
GRI 102-10	Significant changes to the organisation and its supply chain	p. 30		
GRI 102-11	Precautionary principle or approach	p. 25		
GRI 102-12	External initiatives	p. 20		
GRI 102-13	Membership of associations	p. 20		
Strategy				
GRI 102-14	Statement from senior decision-maker	p. 6–7		
Ethics and inte	egrity			
GRI 102-16	Values, principles, standards and norms of behaviour	р. 9		
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GRI 102-18	Governance structure	p. 22		
Stakeholder er	ngagement	_		
GRI 102-40	List of stakeholder groups	p. 17–18		
GRI 102-41	Collective bargaining agreements	p. 53		
GRI 102-42	Identifying and selecting stakeholders	p. 17–18		
GRI 102-43	Approach to stakeholder engagement	p. 17–18		
GRI 102-44	Key topics and concerns raised by stakeholders	p. 14–16		

Disclosures		Page	Comment
Reporting pra	ctice		
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GRI 102-46	Defining report content and topic boundaries	p. 2, 12–16	
GRI 102-47	List of material topics	p. 2–3	
GRI 102-48	Restatements of information	no changes	
GRI 102-49	Changes in reporting	S. 12	
GRI 102-50	Reporting period	p. 4	
GRI 102-51	Date of the latest report	p. 4	
GRI 102-52	Reporting cycle	p. 4	
GRI 102-53	Contact point for questions regarding the report	p. 88	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	p. 2, 80	
GRI 102-55	GRI Content Index	p. 80-83	
GRI 102-56	External assurance	p. 85	
Material Topic	:s	_	
GRI 201	Economic Performance 2016		
GRI 103	Management Approach 2016	p. 29	
	(including GRI 103-1, 103-2, 103-3)		
GRI 201-1	Direct economic value generated and distributed	p. 34, 64	
GRI 201-3	Defined benefit plan obligations and other retirement plans	p. 53	
GRI 201-4	Financial assistance received from the government		Scout24 does not have access to any resources from the government.
GRI 203	Indirect Economic Impact 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 63	
GRI 203-1	Development and impact of infrastructure investments and services supported	p. 64–65	
GRI 204	Procurement Practices 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 27	
GRI 204-1	Proportion of spending on local suppliers	p. 27	
GRI 205	Anti-corruption 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 22	
GRI 205-2	Communication and training about anti-corruption policies and procedures	p. 24	

Disclosures		Page	Comment	
GRI 206	Anti-competitive Behaviour 2016			
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 25		
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 25		
GRI 301	Materials 2016			
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 75		
GRI 301-1	Materials used by weight or volume	p. 76–77		
GRI 301-2	Recycled input materials used	p. 76–77		
GRI 302	Energy 2016			
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 69		
GRI 302-1	Energy consumption within the organization	p. 70–71		
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GRI 302-3	Energy intensity	p. 70–71		
GRI 302-4	Reduction of energy consumption	p. 73–74		
GRI 305	Emissions 2016			
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GRI 305-1	Direct GHG emissions (Scope 1)	p. 70–71		
GRI 305-2	Energy indirect (Scope 2) GHG emissions	p. 71–72		
GRI 305-3	Other indirect (Scope 3) GHG emissions	p. 71–73		
GRI 305-4	Intensity of GHG emissions	p. 71–72		
GRI 305-5	Reduction of GHG emissions	p. 73–74		
GRI 306	Effluents and Waste 2016			
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 78		
GRI 306-2	Waste by type and disposal method	p. 78–79		
GRI 401	Employment 2016			
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 46		
GRI 401-1	New employee hires and employee turnover	p. 50–51		
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 53		
GRI 401-3	Parental leave	p. 59–60		
GRI 403	Occupational Health and Safety 2016			
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 60		

Disclosures		Page	Comment
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 61	Apart from days of absence (p. 61) Scout24 does not collect any other indicators, such as injuries and work-related deaths, because as a non-manufac- turing company we do not regard these as material.
GRI 404	Training and Education 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 53	
GRI 404-1	Average hours of training per year per employee	p. 56	
GRI 404-2	Programmes for updating employee skills and transition assistance programmes	p. 55–57	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p. 54	
GRI 405	Diversity and Equal Opportunity 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 57	
GRI 405-1	Diversity of governance bodies and employees	p. 57	
GRI 405-2	Ratio of basic salary and remuneration of women to men	p. 52	
GRI 406	Non-discrimination 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 57	
GRI 406-1	Incidents of discrimination and corrective actions taken	p. 57	
GRI 416	Customer Health and Safety 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 40	
GRI 416-2	Assessment of the health and safety impacts of product and service categories	p. 42	
GRI 417	Marketing and Labelling 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 21	
GRI 417-1	Requirements for product and service information and labelling	p. 21–22	
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	p. 21–22	
GRI 417-3	Incidents of non-compliance concerning marketing communications	p. 21–22	
GRI 418	Customer Privacy 2016		
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 43	

Disclosures		Page	Comment	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 44		
GRI 419	Socioeconomic Compliance 2016			
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	p. 22		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	p. 24		

# Index for the Non-financial Report in accordance with the CSR Directive Implementation Act

Material CSR matters for Scout24	Reportable non-financial concerns	Page
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Dialogue & Transparency	Consumer concerns	p. 17
Product Safety	Consumer concerns	p. 40
Sustainable Product Development	Human rights, consumer concerns	p. 36
Data Protection & Security	Consumer concerns	p. 43
Climate Protection & Energy Consumption	Environmental concerns	p. 69
Waste & Recycling	Environmental concerns	p. 78
Fair and Attractive Employment Conditions	Employee concerns	p. 46
Career Development	Employees concerns	p. 53
Diversity and Equal Opportunity	Human rights, employee concerns	p. 57

# Limited Assurance Report of the Independent Auditor regarding the Separate Non-Financial Group Report - translation -<sup>1</sup>

To the Supervisory Board of Scout24 AG, Munich

We have performed a limited assurance engagement on the Separate Non-Financial Group Report (hereinafter "Report") of Scout24 AG (hereinafter "Scout24") according to Section 315b to 315c in conjunction with 289c to 289e HGB (German Commercial Code) for the business year from January 1 to December 31, 2018.

## Management's Responsibility

The legal representatives of the entity are responsible for the preparation of the Report in accordance with Sections 315b and 315c in conjunction with 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

## Independence and Quality Assurance on the Part of the Auditing Firm

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the national statutory provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of



Our engagement applied to the German version of the Report. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

## Practitioner's Responsibility

Our responsibility is to express a conclusion on the Report based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance of whether any matters have come to our attention that cause us to believe that the Report of the entity has not been prepared, in all material respects, in accordance with Sections 315b and 315c in conjunction with 289c to 289e HGB. We do not, however, provide a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following procedures:

- Inquiries of personnel on the corporate level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of Scout24
- A risk analysis, including a media search, to identify relevant information on Scout24's sustainability performance in the reporting period
- Assessment of the suitability of internally developed definitions
- Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring of disclosures relating to employee and social matters, respect for human rights, and combating corruption and bribery, including the consolidation of the data
- Inquiries of personnel on the corporate level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, for conducting internal controls and consolidation of the disclosures
- Evaluation of selected internal and external documentation
- Analytical evaluation of data and trends of quantitative disclosures, which are submitted by all sites for consolidation
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data
- Assessment of the overall presentation of the disclosures.



## Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report of Scout24 for the business year from January 1 to December 31, 2018 is not prepared, in all material respects, in accordance with Sections 315b and 315c in conjunction with 289c to 289e HGB.

## **Restriction of Use/Clause on General Engagement Terms**

This assurance report is issued for the purposes of the Supervisory Board of Scout24, Munich, only. We assume no responsibility with regard to any third parties.

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Berlin, March 12, 2019 KPMG AG Wirtschaftsprüfungsgesellschaft [Original German version signed by:]

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ppa. Zimen

## Appendixes

Separate Non-Financial Group Report Scout24 AG 2018App. 1General Engagement TermsApp. 2



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#### Notice

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of Scout24 Group. These statements may be identified by words such as "may", "will", "expect", "anticipate", "contemplate", "intend", "plan", "believe", "continue" and "estimate" and variations of such words or similar expressions. These forward-looking statements are based on the current views and assumptions of Scout24 management and are subject to risks and uncertainties. Such statements are subject to a number of known and unknown risks and uncertainties and there is no guarantee that the anticipated results and developments will actually materialise. They offer no guarantee that the expected results and developments actually occur. In fact, actual results and developments may differ materially from those reflected in our forward-looking statements. Differences may be due to changes in the general macroeconomic and competitive environment, capital market risks, exchange rate fluctuations, changes in international and national laws and regulations, especially regarding tax laws and regulations, relevant for Scout24, and many other factors. Scout24 undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law.

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