

READY TO
CONNECT

GRI Report
including the
Non-financial
Report 2017



About the Report

In our CSR Report 2017, we inform all our stakeholders comprehensively about Corporate Social Responsibility (CSR) at Scout24. In order to meet the specific information needs of our stakeholders, the CSR Report has been structured in two sections – a magazine section and a GRI Report. In the magazine, we present selected projects and highlights of the reporting year to a broad readership. The GRI Report will be published as a pdf file and here we have presented experts with all the data and facts relevant to CSR.

GRI 102-46, 102-49, 102-54

The report was prepared in accordance with the Standards of the Global Reporting Initiative (GRI) option “Core” published in 2016. In 2017, the CSR Management carried out a materiality analysis to select the relevant topic-specific disclosures in cooperation with internal and external stakeholders (comprehensive information on this is provided in the section on Management, p. 12). The table below provides information on the material CSR matters and the allocation of the corresponding GRI topics derived from the materiality analysis. The GRI Indicator numbers being reported in the relevant section are noted in the page margins in the different sections of the report. Furthermore, the GRI Content Index, p. 62, provides an overview of the locations of all 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 & Safety	Customer Privacy

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 Impact
Knowledge Transfer	Indirect Economic Impact
Climate Protection and Energy Consumption	Energy Emissions
Resource Consumption	Water Materials

GRI 102-1, 102-45, 102-49,
102-56

[This GRI Report also includes the statutory required separate Non-financial Group Report of the Scout24 Group, controlled by Scout24 AG, in accordance with the German Commercial Code (Handelsgesetzbuch, HGB) Article 315b and Article 315c. The report comprises the subsidiary companies included in the Group financial statements (see Annual Report, from p. 106). If content only relates to individual parts of a company, this is identified. KPMG Wirtschaftsprüfungsgesellschaft AG carried out a limited assurance engagement on the content within the scope of the separate Non-financial Group Report and this content is marked with the symbol [...] (bodytext) and  (tables). 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 business year 2017, which was from 1 January to 31 December 2017. The editorial deadline for qualitative information was 23 February 2018. The update of the Non-financial Report will be published in April 2019. Full reporting is carried out every two years and will therefore take place again in April 2020.

We use the short form “AutoScout24” and “ImmobilienScout24” in the report for the companies AutoScout24 GmbH and ImmobilienScout24 GmbH. In the tables, the companies are shortened to “AS24” and “IS24”. When for reasons of simplicity and readability the male form is used to designate persons and functions in this documentation, this shall be interpreted to include equally the male and female gender.

The entire 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. A small edition of the magazine has also been printed.



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Dear Readers,

We are on a journey to drive forward Corporate Social Responsibility. We are ready. Our approach is to regard CSR as a holistic endeavour and naturally we integrate social and environmental aspects relating to our core business in our processes. We are ready to engage in continuous communication. And we are ready to work together with our employees, customers and partners in order to contribute to a sustainable development. We are “Ready to Connect”.

Last year, we already achieved a great deal and our employees made a major contribution to this. A second Cares Team was set up in Munich in order to organise sustainability activities there and take CSR topics further into the company. Our employees are also working more intensively within the framework of the “Diversity in Tech Community” initiative to promote female developers at Scout24. And we held the first Social Hack Day. This involved our workers supporting different volunteering organisations with their know-how and their ideas on three days.

What challenges will we be confronted with in the future? We joined forces with our stakeholders to identify material CSR matters that Scout24 needs to address more intensively in the future. The focus next year will be on the topic of the environment. We need to adopt a clearer positioning here and expand our activities in this area. We want to create the platform for this with a systematic environmental concept.

The CSR Report describes our sustainability activities and also presents the Non-financial Report in accordance with the European CSR Directive at the same time. Here, too, we have undergone further development. For the first time, we are reporting in accordance with the new GRI standards, and an independent practitioner from an auditing firm has performed a limited assurance engagement on the Non-financial Report.



Our aspiration is to integrate sustainability into our everyday routine. We will only achieve this if we all pull in the same direction. I would like to sincerely thank our employees, who renew their commitment to work for a sustainable future at Scout24 every day. CSR is a continuous process in which we are continuously redefining ourselves and developing further. You can support us on this journey – we look forward to receiving your suggestions and ideas.

Yours,

Christian Gisy

Chief Financial Officer of Scout24



Scout24 in figures

13

13 material CSR matters were identified in a materiality analysis

1

1st Stakeholder Round Table organised with internal and external CSR sources of inspiration

20

For almost 20 years, Scout24 has been bringing providers and consumers together at online marketplaces

1,244

1,244 employees form the workforce of the Scout24 Group

25

25 employees contributed their expert knowledge in the Social Hack Days to help 16 volunteering projects

4,800

More than 4,800 corporate volunteering hours invested in volunteering projects

16

16 Cares Team members support the central CSR management in establishing CSR in the company

2

2 employee surveys were carried out to improve employer appeal

252.8

252.8 million euros EBITDA from ordinary operations



MANAGEMENT

Scout24 has made a commitment to responsible corporate governance. The foundation for this is 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. In 2017, we worked together with our internal and external stakeholders to identify the material CSR action areas for Scout24. This enabled us to achieve an important milestone for the strategic ongoing development of





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 employees, customers and partners 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.

GRI 102-16

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.

Our IT and product know-how in finding creative and inspiring solutions for social issues serves as the most important instrument to structure 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.

To be able to embed the complexities of sustainability in our enterprise even more effectively, we concentrated on advanced strategic development in 2017. We worked together with our stakeholders to identify the material CSR action areas relevant for Scout24 (see page 12).

Sustainability organisation

[CSR is dealt with operationally and strategically at Scout24 in an independent department 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. The team is made up of 16 employees from different specialist areas who provide support for the implementation of CSR measures.] In 2017, a Cares Team was set up for the first time at the Munich location. This was rolled out in September 2017, when the CSR Management staged a one-day workshop in which the material CSR topics for Scout24 were discussed. The results were channelled into the materiality analysis.

Materiality analysis

The concept of CSR comprises various environmental, social and economic action areas in which Scout24 could become active. However, not every action area is material for our business activity. In order to allocate resources and the available funds in a maximally efficient way, we want 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 Management of the Scout24 Group joined forces with internal and external stakeholders to carry out a materiality analysis in the reporting year 2017. When the analysis was carried out, steps were taken to ensure compliance with the requirements of the Global Reporting Initiative (GRI) and the CSR Directive Implementation Act (CSR-RUG).

GRI 102-46

Population of the CSR matters to be evaluated

[An initial step involved identifying the population of the CSR matters to be evaluated. The results of a workshop of the Scout24 Cares Team Berlin and Munich were compared with external sustainability standards and frameworks. They were reviewed for completeness and condensed to form a topics list. However, it was important to note that at present there are hardly any specific CSR guidelines for the online sector in existence. It was important to ensure that the CSR matters are covered if they are particularly relevant for a digital company like Scout24 – even if they have not so far been incorporated into the relevant standards. The topics list was therefore validated with internal and external stakeholders at a Stakeholder Round Table in October 2017. The issue of what responsibility Scout24 has to its customers and employees, as well as to the environment and society at large, was discussed openly (further information about this is available on p. 20 and in the [online report Magazine](#)). At the end of the discussion, a list of 17 CSR matters potentially relevant for Scout24 was put together (see Table p. 14). These matters were then assessed in light of their relevance for society and the environment, as well as for the business activity of Scout24.

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 activity of companies. 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.

The internal and external participants engaged in group workshops and were asked to assess which CSR matters exert significant impacts on the environment and society (see also the table on p. 14).]

GRI 102-46

The stakeholder relevance also plays a role for the GRI in determining the materiality. This perspective was not additionally surveyed because stakeholder representatives had already assessed the impacts. It should be assumed that the stakeholder relevance is closely linked with the assessments of the impacts by the stakeholders.

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 investigating this materiality criterion, the responsible process owners were asked by Scout24 to survey these 17 material criteria in relation to their relevance for the business (see also the table on p. 14). At the end, their assessment was then discussed and validated in a workshop held by the CSR Management.]

GRI 102-44

CSR matters for Scout24

Matter	Significant impacts	Significant business relevance
Management		
<p>Corporate governance and compliance: 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.</p>	✓	✓
<p>Dialogue and transparency: Establishment of a continuous dialogue with relevant stakeholder groups – with special focus on customers and employees. 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.</p>	✓	✓
Business		
<p>Product safety: 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 consumers about potential risks.</p>	✓	✓
<p>Sustainable product development: Integration and observation of environmental and social aspects in product development; open and accessible online platforms that include services for a range of consumer groups; raising the awareness of customers and users on the online platform for sustainability topics.</p>	✓	✓
<p>Data protection & security: Responsible management of customer data; protection against misuse of data processing and protection of the right to informational self-determination.</p>	✓	✓

Matter	Significant impacts	Significant business relevance
Employees		
<p>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.</p>	✓	✓
<p>Career development: Continuous development of personal competences and specialist qualifications of employees and junior employees. Giving employees the skills to cope with changes and occupational challenges in the best possible way (resilience programme).</p>	✓	✓
<p>Diversity and equal opportunity: Promotion of gender equality, inclusivity and (international) diversity with the workforce.</p>	✓	✓
<p>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.</p>	✓	—
Society		
<p>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.</p>	✓	—
<p>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.</p>	✓	—
<p>Corporate volunteering: Promotion and support for the social engagement of employees.</p>	—	—

Matter	Significant impacts	Significant business relevance
Environment		
Climate protection and energy consumption: 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.	✓	✓
Resource consumption: Economic and efficient handling of resources in the office area of Scout24 – particularly in relation to water and office materials such as paper.	✓	—
Waste and recycling: Implementation of a company waste management and recycling of electronic equipment/IT.	—	—
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 and Employees are material on account of significant impacts and/or business relevance. Energy consumption and the avoidance of CO₂ emissions are foregrounded and are the primary issues in relation to environmental topics. Most of the topics in the area of social engagement were classified as material by the stakeholders. However, these topics have negligible relevance for business. This entails that they are significant for GRI Reporting but conversely not for CSR-RUG. A total of 13 matters are therefore material for CSR reporting – and of these nine in turn are relevant for the Non-financial Report and for implementation of the CSR reporting obligation. An index on page 67 presents the pages of the report where details of material non-financial matters are reported.]

Four matters are not included in the report because they do not have significant impacts: “Waste & recycling”, “Nature conservation”, “Corporate volunteering”, Sustainable procurement”. It is important to bear in mind that the specialist department has classified “Sustainable procurement” as relevant to business. The CSR Management will therefore have a more

in-depth discussion with the specialist process owners and analyse the range of development opportunities. However, the responsible CSR process owners will focus primarily on the matters that exert significant impacts and also have business relevance. Here it is important to work with the specialist departments to analyse the status quo and identify additional suitable targets and measures.

Transparency and stakeholder dialogue

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 such as customers, employees and investors. To this end, Scout24 implemented a number of measures in the year under review, e.g. a company-wide employee survey (see also the Employees section, p. 35) and the first Capital Markets Day, at which we informed institutional investors and analysts about developments in their markets and business segments. Last but not least, in 2017, we laid the foundation for annual reporting on the Corporate Social Responsibility (CSR) performance of the Scout24 Group with the publication of our first CSR report of the fiscal year 2016.]

However, our aim is not just to inform our stakeholders openly and honestly, but also 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 stakeholders and for our business.

[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 customers, consumers, business partners, suppliers, investors and shareholders, and our community environment. We make use of various channels and formats tailored to the individual needs of the target group (see table on p. 17) for communication with these stakeholder groups. Joint communication to all the groups 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 2017 (selection)
Social environment	<ul style="list-style-type: none"> • Stakeholder Round Table • Presentations and participation in panels on stakeholder engagement • Activity and communication in CSR networks (“Volunteering Network”, Phineo Working Group Corporate Volunteering) at local level and throughout Germany • Berlin Social Academy 2017, incl. final event and feedback session with NGO representatives to the Berlin Social Academy • Social Hack Day • Regular monthly meeting with the organisation Social Heroes (Sozialhelden)
Investors & shareholders	<ul style="list-style-type: none"> • Annual Capital Market Day (introduced in 2017) • Annual General Meeting • Quarterly financial reports (1st and 3rd quarter) and half-year and full-year financial reports • 13 IR releases • Various telephone conferences as required • International roadshows • Participation in conferences
Customers	<ul style="list-style-type: none"> • Customer satisfaction surveys • Monthly (individual) discussions with customers about product ideas and market situation • Monthly innovation tests with customers in the User Lab • Bilateral customers’ meetings as necessary
Suppliers & business partners	<ul style="list-style-type: none"> • Visit to specialist exhibitions and trade fairs • Regular meetings with preferred or potential new partners

Stakeholder group	Communication tools 2017 (selection)
Employees	<ul style="list-style-type: none"> • Four company-wide All-Hands Meetings and All-Hands Meetings in the segments • Brown Bag Sessions with members of the management • Regular newsletter from different specialist departments • Quarterly Dialogues between employees and managers • Engagement Survey 2017 and workshops afterwards • Intranet <p>Raising awareness for CSR:</p> <ul style="list-style-type: none"> • Campaign to launch the first CSR Report at the Berlin and Munich locations (Quiz and Event) • Event on the topic accessibility of the Scout24 websites with a blind developer • Cares Newsletter for social engagement at Scout24 • Various Corporate Volunteering campaigns such as the annual Social Day
Consumers (users)	<ul style="list-style-type: none"> • Tests with consumers in the User Lab (nearly 80 tests for IS24) • Company visits to consumers (around 400 users of IS24)

GRI 102-12, 102-13

We are also in regular and intense communication about business, social and environmental issues with other companies, organisations, networks 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 – Federal Association of the Information Industry, Telecommunications and New Media (Bikom – Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.)
- Federation of Compliance Managers in Germany (Berufsverband der Compliance Manager in Deutschland e.V.)
- Federal Association of Digital Business (Bundesverband Digitale Wirtschaft e.V.)
- Corporate Citizenship Working Group of the Phineo Network
- Society of Property Researchers (Gesellschaft für immobilienwirtschaftliche Forschung e.V.)
- Real Estate Society (Immobilienwirtschaft e.V.)
- Corporate Governance Initiative for the Real Estate Industry (Initiative Corporate Governance der Immobilienwirtschaft e.V.)
- Initiative for Purchasing a Car (Initiative Sicherer Autokauf, www.sicherer-autokauf.de)
- Code for Vehicle Trading on the Internet (Kodex für den Fahrzeughandel im Internet)
- Volunteering Network
- Royal Institution of Chartered Surveyors
- Online Marketing Association (OVK Online-Vermarkterkreis)
- German Agency to Combat Unfair Competition (Wettbewerbszentrale)
- Central Real Estate Committee (ZIA Zentraler Immobilien Ausschuss e.V.)

In 2017, the CSR Management held the first Stakeholder Round Table organised by Scout24. We joined forces with twelve internal and external impulse generators to discuss issues relating to the responsibility of Scout24. What concerns our customers and what do our employees need? What special responsibility is borne by a digital company such as Scout24? What can Scout24 contribute to the solution of which challenges confronting society? The results and recommendations were presented to the Management Board and influenced the strategy development of CSR at Scout24. In the future, we want to continue to engage in communication on CSR with our stakeholders at Scout24 (further information is provided in the section Materiality Analysis, p. 12, and online in the [CSR Report Magazine](#)).

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 (e.g. energy or consumption) and the German Civil Code (e.g. electronic sales and returns rights). 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 Competition Office (Wettbewerbszentrale), mobile.de and the Central Association of German Motor Vehicle Dealers (Zentralverband Deutsches Kraftfahrzeuggewerbe e.V.) to develop binding standards for conduct of 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 CO₂.

Vendors are 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 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 2017, one breach of the Act against Unfair Competition (Gesetz gegen den unlauteren Wettbewerb) occurred at ImmobilienScout24 in conjunction with marketing and communication regulations owing to misleading advertising. ImmobilienScout24 responded to this violation by discontinuing the unlawful conduct and providing a covenant to cease and desist with a penalty clause.

Corporate governance and 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 of investors, business partners and employees, and the wider public in the company. 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.

GRI 103

[We pursue an integrated corporate governance policy and link risk management, compliance systems and the internal controlling system 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 to the General Counsel/Senior Vice President as a Member of the Executive Leadership Team. The central Risk Management portfolio with the Vice President (VP) Risk Management & Compliance is directly accountable to the Senior Vice President Legal. It integrates and controls the two systems for risk and compliance management and the internal controlling system throughout the Group. These three units must be regularly reviewed by the Internal Audit Department. The Internal Audit Department reports directly to the Supervisory Board.

Scout24 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 that regulations and internal company guidelines are consistently complied with 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 better-informed 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
- Code of Conduct
- Annual Compliance Risk Assessment
- Quarterly action tracking of measures derived from the Compliance Risk Assessment

GRI 419-1

The Compliance Manager of Scout24 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 and employees consulting the confidential lawyer about issues can remain anonymous – for example, if they want to report compliance breaches. During the year under review, Scout24 did not have to pay any substantial financial penalties and was not subject to substantial non-monetary sanctions for 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 employees. In 2017, around 230 employees participated in a training course. Furthermore, each employee has online access to a video training series produced in-house which won the “Outstanding Service Performance Awards” (OSPA) in 2016.

Anti-corruption and avoidance of anti-competitive behaviour

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 business partners 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 Benefits” provide a binding framework. New employees are introduced to the Code of Conduct and the Anti-corruption Guidelines in a training course at the beginning of their employment. The employees also have access to a training video on the topic of anticorruption on the Intranet. The issue of anti-corruption is the organisational responsibility of Risk Management and Compliance (see also section on Corporate Governance, p. 22). The department also manages the audit of potential corruption risks at all locations.]

GRI 103, 206-1

As well as our regulations on anti-corruption, bringing about or reaching agreements for the purpose of restricting competition are 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, there was no confirmed case of anti-competitive conduct.

GRI 102-11

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.

During the period under review, 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. Wherever possible, the risks are assessed on quantitative parameters, the probability of occurrence and the potential level of damage.

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 2016, 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 as a going concern. Further information is available in the Risk and Opportunities section in the Management Report 2017 from page 65.

[Potential negative impacts

Pursuant to the CSR Guidelines Implementation Act, very probable serious negative impacts have to be reported in conjunction with a relevant CSR matter (see also page 12) which business operations could have on sustainability aspects. These potential negative impacts on the environment and the community were analysed by the CSR Management at a workshop in December 2017. The severity of the potential negative impacts and the likelihood of occurrence were assessed. The indicative gross analysis was selected (i.e. without taking account of risk-minimising measures already in existence). This method is intended to present the importance of a risk on the basis of its inherent influence – in this case on the environment and

society – in order to highlight the necessity for risk-reducing measures. The analysis yielded very probable, serious negative effects for two CSR matters if Scout24 did not act to counter these risks: “Product safety” and “Data protection and security”. Scout24 implemented systematic management concepts for the two matters including comprehensive risk-minimising measures. These are described in detail in the section Business, p. 35–37.]

Supply chain

GRI 102-9

[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 2017, the Scout24 Group had a procurement volume of some 120 million euros. We source products and services from a total of approximately 1,800 suppliers. Our Procurement Policy serves throughout the Group as a central guideline for supplier management. In 2017, we standardised this further and introduced a Group-wide online supplier portal. In 2018, we are planning to anchor our sustainability criteria more effectively in our Purchasing Guideline.]





BUSINESS

Our digital platform connects people with real estate and cars. We offer consumers inspiration and assistance geared to their specific needs. Product security and data security are a matter of course for us and an important factor in our success as a responsible marketplace.

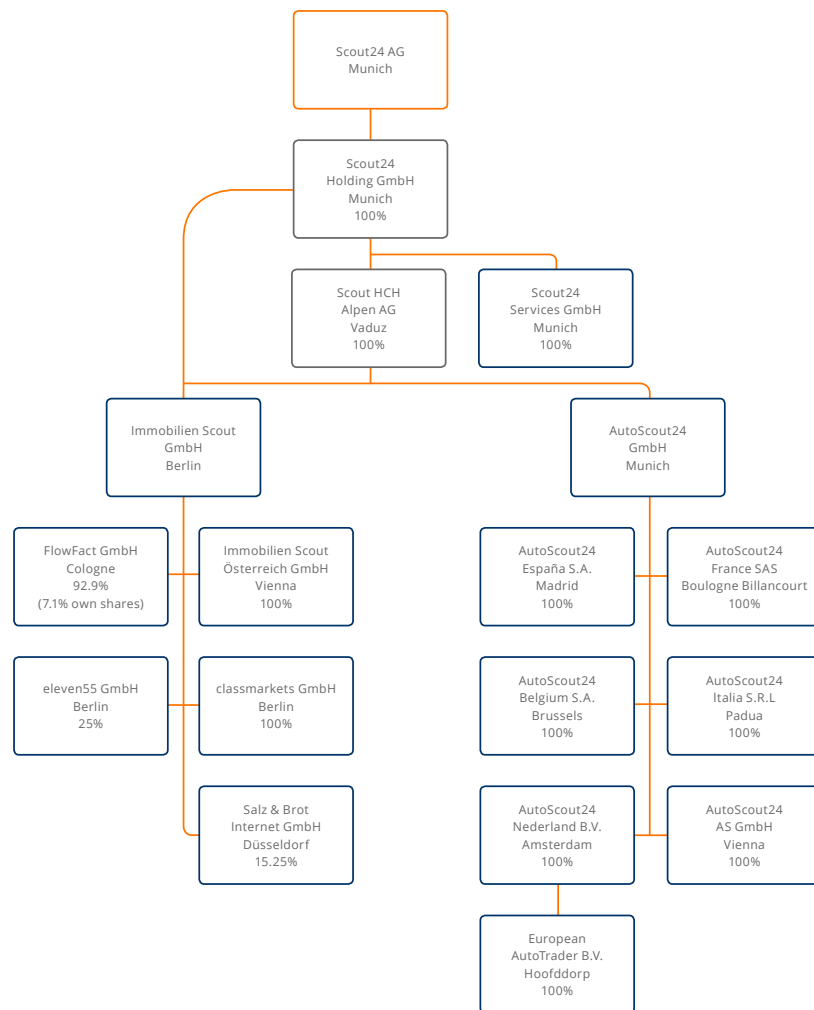




Group structure

GRI 102-2, 102-3, 102-5, 102-6, 102-45 [Scout24 AG with head offices in Munich is one of the leading digital marketplaces with a focus of cars and real estate. 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. The Scout24 Group is controlled by Scout24 AG, which in turn operates as a management holding company. At the balance sheet date, Scout24 AG held direct investments in 14 operating subsidiaries, which are fully consolidated in the Group’s Financial Statements, in two at-equity consolidated companies and in a minority interest. The following chart gives a simplified overview of the direct and indirect investments of Scout24 AG as at 31 December 2017.]

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:

- On 31 March 2017, Immobilien Scout GmbH purchased 25% of the shares in eleven55 GmbH (now wg-suche.de).
- Scout24 International Management AG i.L., Zug was liquidated on 18 April 2017. FMPP Verwaltungsgesellschaft mbH i.L., Munich and ASPM Holding B.V., Amsterdam were also liquidated on 13 March 2017.
- On 22 August 2017, AutoScout24 GmbH, Munich, purchased 100% of the equity shares in Gebrauchtwagen.at Internetportale GmbH, Leibnitz (Gebrauchtwagen.at).
- To streamline the Group structure, in the course of business year 2017, my-next-home GmbH, Saarbrücken was merged with Immobilien Scout Deutschland GmbH, Berlin; IMPLIUS GmbH, Cologne was merged with FlowFact GmbH, Cologne; and AGIRE Handels- und Werbegesellschaft mbH, Vienna was merged with Immobilien Scout Österreich GmbH, Vienna. The mergers were carried out at book value.

Shareholder structure

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, and has been listed on SDAX since December of the same year. In 2016 and 2017, the original shareholders of Scout24 AG were divested of larger share packages as part of several placement transactions. In June 2017, Deutsche Telekom AG divested itself of its entire remaining stock of Scout24 shares, with some 10 million shares changing hands in the transaction. The liquidation of Willis Lux Holdings 2 S.à r.l. in October and November 2017 placed packages of 10 million shares afresh in each instance. MEP Ord GmbH & Co. KG, the investment vehicle for some present and future Group managers, was also involved in all the transactions. The placements increased the scattered holdings to 90.26%. A detailed presentation of the share structure and financial indicators can be found on p. 37 of the Annual Report.

Business model

GRI 102-2, 102-6

[The products and services on our digital 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. With the continuous introduction of innovative ancillary services, we are adhering to this orientation and to our strategy to develop from a dedicated portal for classifieds into a market network] (see also p. 16 of the Annual Report). For example, in the year under review, we created the technical means for the first time to integrate virtual reality, 360° tours and photos into classifieds placed with ImmobilienScout24 and AutoScout24 and established Scout24 Consumer Services, a new Group-wide business. Together with the digital marketer Scout24 Media, we accompany our consumers on their “consumer journey” by fully digitising offline processes: from the mediation of suitable removal firms and financial and insurance service providers to the introduction of vehicle valuations to help in drawing up applications for a new residence.

[We therefore generate sales through classified and increasingly also through other services along the value chain, such as additional offers for consumers and products for professional suppliers in the fields of advertising and the generation of leads.] We offer our professional consumers three different models for promotional products: a membership model, a package model and a usage-based model (known as the pay-per-ad model). As a matter of principle, consumers can use our services free of charge through various channels: through desktop computers, mobile apps or our mobile websites.

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 2017, we continued to follow this roadmap successfully. Scout24 boosted its consolidated revenues by 8.5 percent compared with the previous year (479.8 million euros) and also managed to generate disproportionate growth in our EBITDA from ordinary operations to 252.8 million euros.

During the 2017 business year, Scout24 had 1,244 employees in nine European countries. Scout24 operates in the real estate sector in Germany and Austria. The Group also operates in the automotive sector in Germany, Italy, Belgium (including Luxembourg), the Netherlands, Spain, France and Austria, i.e. within the Eurozone. During the 2017 business year, Germany generated 82 percent of sales and is therefore Scout24's main market.

GRI 102-4

Number of companies and locations

	2017
Locations AS24	8
of which AS24 (AT)	1
of which AS24 (BE ¹)	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
FinanceScout24 (DE)	1
FlowFact GmbH (DE)	1
classmarkets GmbH (DE)	1
Locations	14

¹ Non-operational locations are not included in this listing.

GRI 201-1

Financial indicators

In EUR million	2017	2016	2015
External revenues	479.8	442.1	393.6
of which AS24	175.1	152.0	120.7
IS24	298.8	284.6	266.7

In EUR million	2017	2016	2015
EBITDA¹ (ordinary operating)	252.8	224.5	189.6
of which AS24	85.9	64.2	43.8
IS24	185.7	179.2	159.2
Capital expenditure	22.8	19.5	19.3
Income taxes	54.6	43.0	31.4
Operating payments	116.9	112.0	99.5
of which wages and salaries	97.1	93.2	83.1
social security costs	14.0	13.1	12.1
pension costs	1.1	1.1	0.8
share-based compensation	4.8	4.6	3.6
Equity	1,065.5	990.8	921.3
Total capitalisation	2,140.5	2,130.9	2,173.2

¹ Ordinary operating EBITDA corresponds to EBITDA adjusted for non-operating and one-off effects.

Besides the two online marketplaces ImmobilienScout24 and AutoScout24, the companies FinanceScout24 (operated by Scout24 Services GmbH), FlowFact GmbH and classmarkets GmbH are fully consolidated companies of the Scout24 Group. The finance portal FiananceScout24 provides consumers with online information and a free comparison of insurance deals, investment and banking products, pension products, construction finance packages, instalment loans and power 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 over 120 employees at the Cologne site. Over 22,000 consumers rely on solutions from FlowFact, among other things to transfer their properties to portals such as ImmobilienScout24.

Since 2015, classmarkets GmbH has been owned by ImmobilienScout24. 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.

Product responsibility and sustainable product development

[For us, product responsibility primarily means responding as appropriately as possible to the specific needs of our customers (especially traders) 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.]

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 Council comprises a representative group of about 20 traders. It convenes twice a year and also exchanges information about product development and optimisation twice a year. 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, consumer tests and direct customer contacts with our sales staff to optimise our products and services.

GRI 103

[We aim to make our services available to a wide group of users and reduce any barriers on our websites – a task for which Consumer Experience is responsible. ImmobilienScout24’s goal in 2017 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 Social Hack Days by developers and product managers of the platform team.] (see below and the Society section on p. 52).

[In 2016, we reached a milestone in terms of accessibility by introducing a responsive web design for searches. Visually impaired users can now achieve a magnification effect by using the zoom function in their browser or by setting a low screen resolution. 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. We achieved the first results in 2017: both in the results list and on the Exposé detail page, we provide a “code checker” to help developers determine whether a newly installed code screen reader works properly. For 2018, we intend to make the complete website fully usable for screen readers.]

An important external partner for improving 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 improve access for people with disabilities – for example integrating a “Wheelmap” and adjusting the search criteria on Immobilienscout24.de (see also p. 13 of the [2016 CSR Report](#)).

In 2017, we organised our first Social Hack Days in Berlin. Several times a year our IT staff have the opportunity to participate in Scout IT Days, during which they work with colleagues to develop useful, creative or entertaining technology-based solutions. Scout24 used this format to give non-governmental organisations and social start-ups access to the know-how and creativity of our employees. Over the course of three days and more than 600 working hours, 25 employees contributed their expertise to advance 16 non-governmental projects. At the same time, we gathered useful ideas to make our online services accessible to specific target groups: ImmobilienScout24, for example, took up the challenge of making housing searches in Germany accessible to Arabic-speaking users. In the “Wohnen für Alle” (housing for all) project, they developed an Arabic version of the ImmobilienScout24 app (see also the online Report Magazine and the Society Section on p. 52).

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 mobility and real estate, we can inform the interested public about current developments. For example, we are already creating [rent maps](#) for seven cities that provide an overview of the average rent for a 70 m² apartment. AutoScout24 publishes a [city ranking](#) every year, showing average prices for used cars in the five biggest cities of each state. AutoScout24 also informs its users about alternative drive

systems on the website <http://www.autoscout24.de/auto/elektroauto/>. In this way, we support our customers and consumers in the purchase and sale of hybrid or electric vehicles, thus contributing to the promotion of climate-friendly mobility.

Product safety

GRI 103

[As a company whose digital products are only available on the internet, Scout24 places a premium on online security and anti-fraud measures. Cybercrime, such as data phishing and fraudulent listings, can harm our customers and consumers and damage our reputation. For example, consumers might incur monetary losses due to fake real-estate listings or “advance payment fraud”. We are proactive in taking action against fraud and data theft. For Scout24, product safety means making our websites technically secure so as to prevent the misuse of information 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. In 2016, for example, we updated our internal guidelines and continued to embed them in the core values of our company through a company-wide “information policy” initiated by the management. Based on the industry standard (ISO 27001), the guidelines describe the internal Information Security Management System (ISMS). Among other things, they describe the roles and responsibilities of all aspects of the ISMS.

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

For Scout24, every fraud case is one too many. We do our best to prevent fraud and to educate our users. ImmobilienScout24 and AutoScout24 have set up their own websites (sicherheit.immobilienscout24.de and www.sicherer-autokauf.de). These websites answer users’ frequently asked questions, provide information on scams and give details of contacts. We seek dialogue with our consumers 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 by means of continuous security tests (e.g. penetration tests), and 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 within and without with the help of the full scope of information available. This evaluation is available to all responsible parties via market-segment-specific security dashboards, and a monthly aggregated report is sent to senior management.]

GRI 416-2

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 because the fraudulent offers generate a great deal of demand on account of their supposed high level of appeal. Fraudulent accounts are also in the low double-digit percentages with respect to the number of new customer registrations.

Data protection

GRI 103

Handling customer data responsibly is an essential element in the business dealings of the Scout24 Group. Users of our platforms entrust us with their registration data and 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, consumers and employees maintained.

Data protection and data security compliance are therefore firmly anchored in the self-image of the Scout24 Group. The Group Data Protection Officer advises the Executive Board on data protection measures. In addition, our subsidiaries have nominated data protection officers where required by law.

We regulate the handling of personal and confidential data in our Code of Conduct and in standard operating procedures defining the handling of personal and customer data. Moreover, in the year under review we launched the GDPR Ready data-protection project to prepare companies of the Scout24 Group for meeting the requirements of the “General Data Protection Regulation” (GDPR), which will come into force throughout Europe in May 2018. In this context, we performed gap analyses and implemented the new or amended GDPR requirements. Measures are being introduced with regard to accountability, data protection, documentation, information obligations and data subjects’ rights.

Our products are developed with IT security in mind from the get-go. 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. We also plan to provide mandatory online training sessions for employees in future to ensure that data protection remains firmly anchored in the consciousness of our employees.

GRI 418-1

During the year under review, the following justified complaints arose regarding violations of data protection or the loss of customer data:

- In a legal dispute against Immobilien Scout GmbH before the Berlin Regional Court, the Berlin Consumer Agency called for better transparency of the consent form on ImmobilienScout24 regarding the use of customer data for promotional purposes. The consent form was revised accordingly.
- The Berlin Data Protection Agency drew ImmobilienScout24’s attention to the presence of customer data in (image) files. The files concerned were immediately deleted, and customers were warned not to upload files containing personal data of third parties onto the platform. Further enquiries by the Berlin Commissioner for Data Protection were answered in accordance with the requirements.]



EMPLOYEES

The success of Scout24 relies on every single one of our 1,244 employees. We thrive on the basis of their innovative strength, drive and commitment. We want to provide our employees with an optimum work environment and understand what motivates them in order to enable them to apply their talents. For this reason, we conducted a company-wide survey in 2017 and initiated employee support projects in response to the findings.





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
- Agile
- Winning
- Data Driven

[HR work at Scout24 is handled and coordinated by the interdepartmental People, Organisation & Culture Team. In 2017, the People, Organisation & Culture team was managed directly by the Senior Vice President in the Executive Leadership team.

In order to provide our employees with an attractive working environment, we need to understand what is important to them. For that reason, we conducted a large-scale, Group-wide Commitment Survey (employee survey) in the spring of 2017. Three-quarters of our employees across the company responded to the invitation to share their opinions with us, and nearly 90 percent participated in the follow-up survey. Complementary workshops were held in the departments and on the teams. The results served as a basis for various activities and measures aimed at enhancing employee satisfaction. Consequently, the communication formats of the management team were redesigned with, for example, periodical video messages. Staff meetings ("All Hands") were revamped and now include simultaneous interpreters. Additional interactive formats were also created, such as a mailbox for questions addressed directly to the management team, and "Brown Bag Sessions" – shared lunches with members of the management team – were expanded.

In the autumn of 2017, a short survey was conducted to assess the progress made so far. Within a few months, substantial progress had been made in the area of transparency and information flow in the company and interdepartmental cooperation between internal teams. In addition, employee commitment – in terms of strength of enthusiasm and a sense of affinity with the company – increased significantly, especially at the Berlin site. In particular, we take requests for changes and ideas from the teams to heart. For 2018, we have set ourselves the goal of further developing the topic of “Learning & Development” with regular feedback talks on performance and conduct as well as professional and personal development and career prospects] (see also Employee Promotion, p. 45).

Employee structure

GRI 102-48

Key Employee Figures

[Only the consolidated workforce size can be provided for the Group as a whole. All other employee 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 HR Controlling Department via the payroll program. As a rule, we express the number of employees in terms of full-time equivalents (FTEs). These are recorded for the report cutoff date (31 December 2017). 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 2017, the Scout24 Group had 1,244 employees in seven European countries. Of those, the biggest proportion worked at ImmobilienScout24 (656 employees), AutoScout24 (367 employees) and Scout24 AG (222 employees). Women accounted for 38 percent of the workforce. In 2017, 90 percent of the employees at Scout24 Germany had permanent employment contracts (AS24: 91%, IS24: 90%, Scout24 AG: 90%). In the period under review, part-time employees made up 8 percent of the workforce (AS24: 6%, IS24: 9%, Scout24 AG: 9%).

GRI 102-7, 102-8

Employees (FTE) by region¹

	2017	2016
Total employees (FTE²) from Scout24³	1,244.2	1,134.6
AS24 total	366.9	377.9
of which AS24 (DE)	243.9	265.6
AS24 (IT)	39.9	36.5
AS24 (NL)	31.6	29.0
AS24 (ES)	22.5	23.7
AS24 (BE)	20.0	18.0
AS24 (AT)	9.0	5.0
IS24 total	655.6	653.3
of which IS24 (DE)	620.7	625.1
IS24 (AT)	34.1	27.6
IS24 (CH)	0.7	0.6
FinanceScout total (DE)	0.0	8.9
Scout24 AG (DE)	221.7	94.6

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

² FTE: Full-Time Equivalent not including students; reference date for analysis 31 December 2017.

³ The total number includes all employees who are recorded in the annual financial statements for 2017.

GRI 102-8

Employees (FTE) at AutoScout24 by employment relationship¹

	2017	2016
Employees with permanent contracts	222.6	247.7
of which women	73.3	74.2
men	149.3	173.6
Employees with temporary contracts	21.4	17.9
of which women	6.6	3.9
men	14.8	14.0
Employees with full-time contracts	230.0	247.0
of which women	71.0	63.0
men	159.0	184.0
Employees with part-time contracts	14.0	18.6
of which women	8.9	15.1
men	5.1	3.6

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

GRI 102-8

Employees (FTE) ImmobilienScout24 by employment relationship¹

	2017	2016
Employees with permanent contracts	451.4	440.6
of which women	190.0	178.9
men	261.4	261.7
Employees with temporary contracts	50.0	59.4
of which women	16.7	28.2
men	33.4	31.2
Employees with full-time contracts	454.0	448.0
of which women	171.0	170.0
men	283.0	278.0
Employees with part-time contracts	47.4	52.0
of which women	35.7	37.0
men	11.8	15.0

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

GRI 102-8

Employees (FTE) of Scout24 AG by employment relationship¹

	2017	2016
Employees with permanent contracts	200.2	90.4
of which women	69.7	38.4
men	130.5	52.0
Employees with temporary contracts	21.5	3.4
of which women	8.5	0.4
men	13.0	3.0
Employees with full-time contracts	202.0	88.0
of which women	65.0	33.0
men	137.0	55.0
Employees with part-time contracts	19.7	5.8
of which women	13.2	5.8
men	6.5	0

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

GRI 401-1

At 43 percent, the proportion of new appointments rose slightly in 2017 compared to the previous year (2016: 36%). 27 percent of the employees at AutoScout24 were new appointments, while the corresponding figure was 38 percent at ImmobilienScout24 and 73 percent at Scout24 AG. 64 percent of the newly appointed employees are male.

[At the same time, the turnover rate for 2017 came down from 33 percent to 28 percent (AS24: 27%, IS24: 28%, Scout24 AG: 29%).] The 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.

Terminations & new hires of employees (FTE for IS24, AS24 and Scout24 AG)¹

	2017	2016
Terminations	240.3	263.6
of which AS24	72.9	62.9
of which women	18.7	21.9
men	54.2	41.0
of which IS24	140.3	190.7
of which women	62.9	61.4
men	77.4	129.4
of which Scout24 AG	27.1	10.0
of which women	9.1	4.0
men	18.0	6.0
New hires	332.5	287.4
of which AS24	73.0	59.5
of which women	23.0	20.5
men	50.0	39.0
of which IS24	190.9	190.8
of which women	74.3	77.9
men	116.6	112.9
of which Scout24 AG	68.7	37.1
of which women	21.9	14.1
men	46.8	23.0

¹ 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 2017 by gender
(headcount for IS24, AS24 and Scout24 AG)¹

Age	Women	Men
<= 30	76.8	97.4
31-50	42.4	114.9
> 50	0	1
Total	119.2	213.3

¹ 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 assigned responsibilities. We plan to roll out a new compensation model in 2018. By giving employees the option of a fixed salary or a fixed salary with bonuses, we are giving interested 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). From 2018, each employee will be able to select their favoured compensation model. The model is mandatory for executives.

GRI 405-2

For the 2017 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 a few reporting lines are women paid less than 90 percent of the remuneration of male employees due to the small number of employees considered or special circumstances. We are confident that we will be able to continue bridging this salary gap in 2018 with our new compensation model and salary adjustments based on an external benchmark.

More information on the compensation system of Scout24 – especially with regard to the Executive Board and the Supervisory Board – is presented in the compensation section of the 2017 Annual Report (2017 Annual Report, p. 172). It is consistent with the relevant statutory regulations and the recommendations of the German Corporate Governance Code (DCGK).

GRI 201-3

Scout24 provides its employees in Germany with a company pension plan as an important supplement to the statutory pension scheme. We offer a defined premium 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 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 2016, 742 employees were participating in the scheme and took out one or more contracts (AS24: 219, IS24: 341, S24AG: 167, Holding: 10, Services: 5). Detailed information on pension obligations can be found on p. 142 of the 2017 Annual Report.

GRI 102-41, 401-2

There are no collective agreements based on uniform tariff agreements at Scout24. Entitlement to company benefits is not restricted in any way for 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 Scout24. [Together with our employees, we aim to identify individual strengths and to promote and apply them.

GRI 404-3

All employees have a feedback discussion, known as a “Quarterly Dialogue”, in which personal achievements are discussed, and strengths and areas of development along with mid- to long-term goals are defined with the individual’s supervisor. Managers and staff are jointly responsible for development measures and processes formulated by the People Development Team.

GRI 404-2

The topics of training and qualification are central to our “Learning@Scout” continuing education program, which is available to every permanent employee upon completion of the trial period. The topics vary depending on the employee level. Besides individual training, the following areas may be part of the continuing education programme:

- Coaching skills
- Presentation techniques
- Negotiating techniques
- Self and time management

At the employee level, around 220 hours of continuing education measures with some 370 participants were organised across the Group. 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. The specialist departments can use a continuing education budget of up to 1,000 euros per permanent employee annually for this purpose.

Our employees from more than 45 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:

- In-house attendance courses
- Open group courses in language schools
- Virtual courses with live training
- Online courses with grammar and vocabulary training]

GRI 404-1, 404-2

We train our managers through special leadership courses. In 2017, each manager of the company had access to 48 hours of leadership training – plus other measures geared to the individual. These training packages teach specialist content as well as soft skills in dealing with employees. A total of 65 managers took part in these training programmes in 2017. At the level of Vice President (VP) and Senior Vice President (SVP), we also offer, as required, individualised, target-group-specific training and coaching sessions. Consolidating the topic of employee promotion within the company is an ongoing process. Starting in 2018, the People Development Strategy will be launched at Scout24. It includes, for example, a new integrated performance management process.

Diversity and equal rights

GRI 103

[We are confident that teams based on diversity are 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 just 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.

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 to promote diversity in the company.]

The aim of the "Diversity in Tech" Community is to increase the proportion of female engineers at ImmobilienScout24, AutoScout24 and Scout24 AG to 24 percent in the mid-term. Currently, 14 percent of engineers at Scout24 are women. There are some 15 active members in the working group. They meet regular meetings, community events and offsite events to discuss and plan current topics, ideas and initiatives. Last year a number of events, including "Girls' Day" and the "Angelhack Hackathon", were organised with a view to encouraging girls and women to enter informatics and other STEM (Science Technology, Engineering Mathematics) fields.

GRI 405-1

[Diversity and equal opportunity must also be reflected at the managerial levels of Scout24. At the end of 2017, seven women were represented at the vice president and country manager levels (23%). At the senior vice president level, none of the five managers was a woman. The Executive Board is currently occupied by men: Greg Ellis and Christian Gisy. One woman, Dr Liliana Solomon, sits on the Supervisory Board.]

Family-friendly employer

We help our employees to achieve a better work-life balance. Scout24 offers employees discussions with specialist sections of the Human Resources Department and 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. Our employees are able to make use of trust-based working hours, part-time models and home office programmes. We also support our employees through our cooperation with pmi Familienservice. Familienservice gives advice on issues relating to child-care and helps find nannies, babysitters and au pairs. Familienservice also provides information on creches, daycare centres and nurseries.

GRI 401-3

All our employees are entitled to take parental leave. In 2017, 96 employees of Scout24 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. In comparison to the previous year, 10 percent more fathers took parental leave in 2017.

Employees on parental leave

	2017	2016
Total	96	95
of which AS24	33	28
of which women	14	15
men	19	13
of which IS24	48	62
of which women	34	38
men	14	24
of which Scout24 AG	15	5
of which women	5	3
men	10	2

We try to make returning to work as easy as possible. 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 2015, 77 percent of parents who took parental leave had returned to the company, compared to 90 percent in 2016. Of those who returned to work in 2016, 71 percent were still employed at Scout24 twelve months later. No figure is available as yet for 2017.

Occupational health and safety

GRI 103

Maintaining the health and performance of our employees 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. It starts at the workplace: ergonomic office furniture makes everyday work easier for our employees whose job mainly involves sitting at computer workstations. We also offer yoga classes at the Berlin and Munich sites and specific back training programmes in Berlin. We regularly supply fruit and muesli in all the tea kitchens/living kitchens.

To avoid any safety risks and hazards at 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 2016, around 5.8 percent of the workforce at AutoScout24 and ImmobilienScout24 were on sick leave. Because the recording system was changed, no figures are available for the Scout24 Group as a whole for 2017.





SOCIETY

We advocate a strong civil society, particularly at our sites in Munich and Berlin. This commitment draws strength from the active commitment of our employees, from long-term partnerships and from the sharing of knowledge and know-how.





GRI 103

Social commitment 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 social work is also helping us to improve our understanding of our 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 ecological 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 ecological issues.
- **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 organisations, non-governmental organisations (NGOs) and social start-ups in our network. In doing so, we ourselves learn new inspiring ideas and points of view.
- **Long-term partnerships:** We aim to be a reliable partner for civil social actors and work closely with them. We listen well and take the advice of our social partners seriously.

GRI 103, 201-1

Our employees contribute to and shape the social commitment of Scout24. The Cares Team now comprises 16 employees in Berlin and Munich. They support Scout24's Group-wide CSR management and help to organise, realise and track our corporate citizenship projects. In 2017, we donated a total of 73,016 euros for charitable causes (2016: 39,408 euros; the increase in the donation amount is due to an adjustment of the cost centre).

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 charitable causes for one day a year. In the year under review, the participants had over 60 different projects to choose from – ranging from work in social institutions to environmental protection and monument conservation. Our employees met the young and old people, people with illnesses and disabilities, and helped out in urban gardening projects and refugee facilities. With just under 600 employees at four sites for the first time – Berlin, Munich, Vienna and Cologne (FlowFact) – we were able

to inspire 200 more employees to take part this year than in 2016. The positive feedback about Social Day was encouraging: 75 percent of our surveyed employees confirmed to our Cares Team that they think the Social Day is important and that this corporate volunteering project helps Scout24 to stand out positively from other employers.

We also supported employee commitment beyond Social Day: During Social Week, for example, employees collected money for non-governmental organisations through various activities – from selling ice cream to cake bazaars. Scout24 additionally donated 250 euros to each organisation. In 2017, around 4,500 euros was transferred to participating initiatives such as the Berlin Arch and a local softball club.

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. In 2017, over 300 participants from over 70 organisations took part. The content of the 26 workshops and lectures on offer ranged from storytelling to design thinking to online fundraising to data science. Now with 23 sponsors and 28 speakers, we were also able to expand the pool of local companies in Berlin participating in the Academy this year.

ImmobilienScout24 (IS24) 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. In terms of content, the focus was on digital solutions to societal challenges in cooperation with our social partners. Sixteen concrete non-profit project ideas were further developed. For example, our employees helped to launch the [konfetti app](#) for the integration of refugees through neighbourly exchange, and helped to design a web solution with the [Reading Foundation \(Stiftung Lesen\)](#), which puts individuals who read aloud in contact with children and adolescents with reading difficulties. We also plan to build on our first ideas for an app-based time management tool for the [KidsMobil](#) project, a flexible childcare service for parents who work shifts, at the next Social Day in the summer of 2018. (More information on the Social Hack Days can be found in the [CSR Report Magazine](#)).

In addition, in this year's social life process (see Management section on p. 15), our stakeholders made us aware of the possibility of making our social and research data accessible for social purposes and research. Particularly in cities, the use of our mobility and real-estate data could potentially help tackle social problems – from housing shortages in urban areas to the design of sustainable mobility concepts. We are currently reviewing the extent to which we are able to provide our data for non-profit purposes – needless to say, taking into account all data security and protection guidelines.

Long-term partnerships

In all our social commitments, we attach great importance to sustainable 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 has made us aware of improvements in our services for people with disabilities (e.g. in finding housing).





ENVIRONMENT

We aim to avoid any negative impact from our business activities on the environment and the climate. In order to do this as efficiently as possible and to focus on the main effects of our actions, we will be developing a company-wide environmental concept in 2018. This will include systematic, annual reporting of our consumption figures.





Environmental management and environmental data

GRI 103

[The materiality analysis carried out in 2017 identified the topic of “climate protection and energy consumption” as a key environmental issue for the Scout24 Group (see Management section, p. 15). As a non-manufacturing company, Scout24 can make an environmental contribution by reducing energy consumption and associated CO₂ emissions. By doing so, we can reduce the company’s energy costs at the same time. However, no systematic analysis has as yet been performed to identify exactly where our greatest levers and impact lie in the area of climate and environmental protection and the potential savings that can be achieved. We therefore intend to develop a Group-wide environmental concept in 2018.

The topic of environment is the responsibility of the “Central Administration & Facility Management” Department. Since 2016, this department has managed the energy audit carried out in accordance with DIN EN 16247 based on the provisions of the EDL-G (Act on Energy Services and other Energy Efficiency Measures). All the energy consumption data for the German Scout24 locations in 2015 were recorded within this framework. The audit provided us with the first survey of the total energy consumption for the company.

The energy audit was an important first step towards Group-wide data transparency, which we need to continue improving in the future. No uniform annual data collection of consumption data currently exists at our sites.] We plan to develop such a system in the course of developing our environmental concept. To this end, we need to wait for the relocation of our second-largest location in Munich in the spring of 2018 and the resulting changes in consumption measurements. All of the following energy consumption figures for our Munich offices, which used to be part of the “Ten Towers” office complex, are based on the 2015 Energy Audit and were estimated for the following year. For the Berlin and Cologne sites, consumption can only be reported for 2016, since the bills from our municipal utilities are only available eleven months after the billing period. All environmental data – apart from CO₂ emissions due to business trips – are therefore reported for 2016 only. Because the available environmental figures are not sufficiently robust, we have not provided a comparison with the previous year 2015.

Energy consumption and CO₂ emissions

GRI 302-1, 302-3

Overall in 2016, Scout24 in Germany consumed energy amounting to a total of 7,552,815 kilowatt-hours. This is equivalent to 27,082,136 megajoules. In 2016, one Scout24 employee therefore consumed an average of 7,614 kilowatt-hours. The lion's share of this – 48.1 percent – is down to the use of electricity. This is required for the operation of our office workstations and computer centres. The four computer centres in Berlin, Munich and Nuremberg account for 23.1 percent of our electricity consumption. Apart from electricity, most of the energy is required for heat (39.9%). The energy consumption resulting from gas or fuel consumption by our pool vehicles is by contrast very low.

60.6 percent of the energy consumption can be attributed to ImmobilienScout24 in Berlin and 22.6 percent to Autoscout24 in Munich. However, it is important to note that consumption by the computer centres is also integrated here.

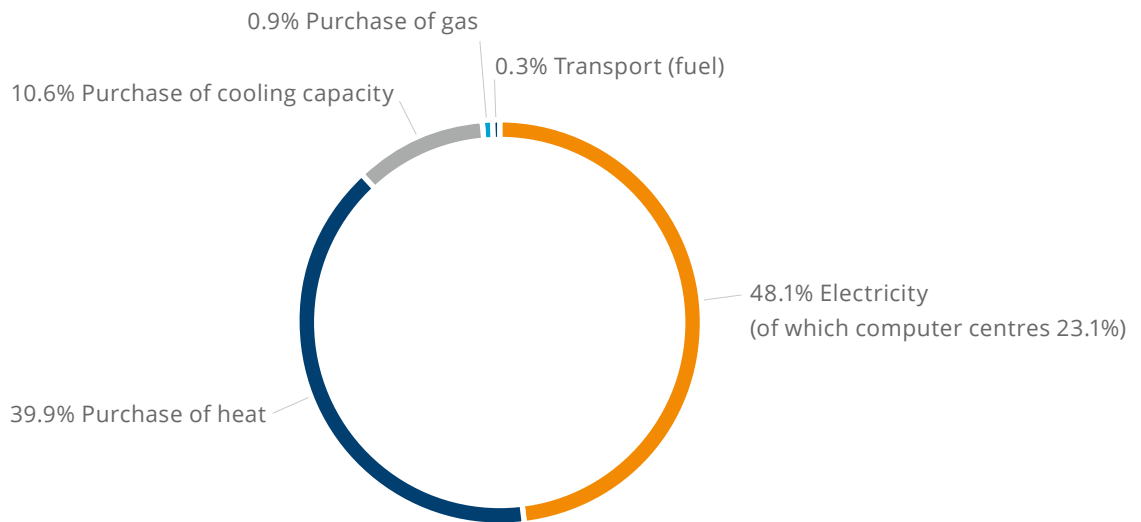
Energy consumption in 2016 in kilowatt-hours¹

Total	7,522,815
of which electricity	3,622,181
of which computer centres	1,740,749
of which purchase of heat	3,000,241
of which purchase of cooling capacity	801,926
of which purchase of gas	73,129
of which transport (fuel)	25,338
per employee ²	7,614

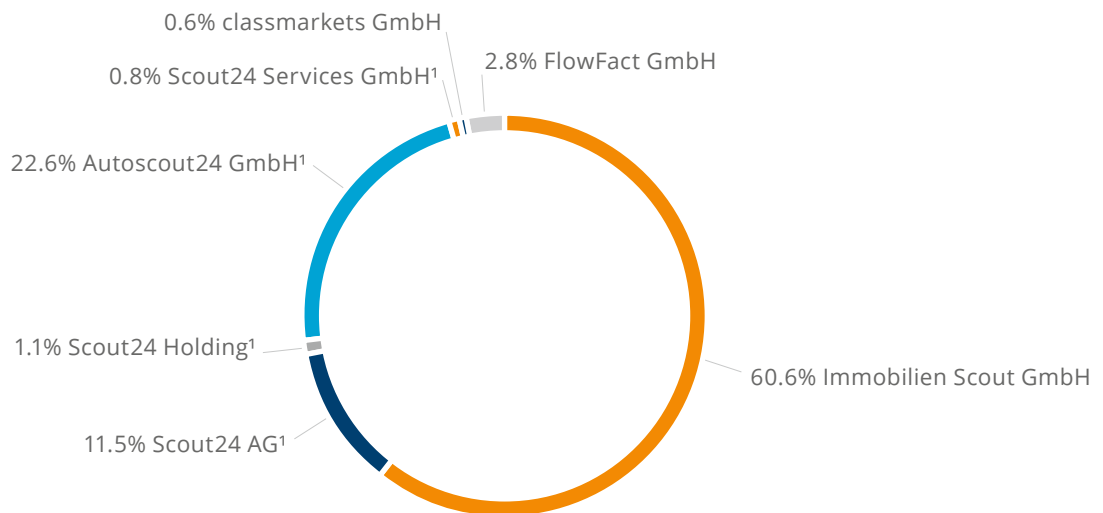
¹ The data relate to the following companies in the Scout24 Group in Germany: Immobilien Scout GmbH, Scout24 AG, Scout24 Holding, Autoscout24 GmbH, Scout24 Services GmbH, classmarkets GmbH, FlowFact GmbH in 2016. Details are not available on the proportion of energy coming from renewable sources.

² The energy intensity was calculated on the basis of the number of employees in 2016 from the German companies in the Scout24 Group (988 employees).

Energy consumption in 2016 by type of energy¹



Energy consumption in 2016 by company^{1,2}



¹ Rounding differences may occur in the tables for mathematical reasons.

² The consumption of all the companies at the Munich location was estimated on the basis of the values calculated for the energy audit in 2015.

We calculated our CO₂ emissions on the basis of data for energy consumption. Generally, the conversion factors we used for the calculations originate from Green Responsibility – Network for sustainable communication (see table p. 58). Where possible, we now specify CO₂ emissions in CO₂ equivalents. Overall, we have caused around 2,644 metric tons of CO₂ – this amounts to an average of 2.66 metric tons per employee. Most of the emissions are attributable to electricity consumption.

GRI 305-1, 305-2, 305-4

CO₂ emissions in 2016 (Scope 1 and 2) in kilograms¹

Total	2,644,614
of which electricity ²	2,137,087
of which purchase of heat ²	330,027
of which purchase of cooling capacity ³	152,366
of which purchase of gas ²	18,355
of which transport (fuel) ⁴	6,779
for each employee ⁵	2,677

¹ CO₂ emissions relate to the year 2016. Presentation subdivided into location and market-based emissions is not possible.

² Source for conversion factors:

<http://www.green-responsibility.de/wp-content/uploads/CO2-Umrechnungsfaktoren.pdf>

³ Conversion factor 0.19 kg/kWh, source: Ökotech Energiemanagement GmbH

⁴ Source for conversion factor:

<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁵ The CO₂ intensity was calculated on the basis of the number of employees in the German companies in the Scout24 Group in 2016 (988 employees).

GRI 305-5

Energy and CO₂ reduction

We cannot report robust figures on energy savings and CO₂ emission reductions yet due to insufficient data. Nevertheless, we have already implemented or initiated measures that have a positive impact on our environmental balance sheet. The energy audit identified a number of ways to make the operation of our offices and data centres more environmentally and climate-friendly. There is room for improvement in the area of office lighting and refrigeration technology. In 2016, we increased the use of free-air cooling. We also raised the chilled water temperature of the cooling system and made positive changes to the timing of the temperature control system.

In the spring of 2018, Scout24 will move out of its office space in Munich and relocate to premises with 8,000 m² of floor space on Leuchtenberg-ring. Relocating to the LEED (Leadership in Energy and Environmental Design) gold-certified building will have environmental benefits in that it is expected to reduce power consumption for lighting by 80 percent. The entire premises are equipped with energy-saving LED lights, for example, and lights in the sanitary areas are controlled by motion detectors. In addition, air-handling ceilings store cold and warm air, making it possible to dispense with an environmentally harmful air-conditioning system.

Across the Group, we can reduce our CO₂ emissions through our electricity purchase from sustainable sources. At the moment, we are therefore exploring conversion to green electricity generated from renewable energies at all locations when we are able to change our supplier in 2019.

Employee mobility

Outside our office areas and computer centres, we cause CO₂ emissions by business trips. In 2017, our employees travelled around 6.5 million kilometres on business trips by car, by rail or by air. This travel emitted a total of 1,925 metric tons of the greenhouse gas in the reporting year – the majority of this is due to air travel.

We have set up an infrastructure for video and web conferences at our locations in order to counteract a high volume of business travel. 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 to transfer to a bicycle for travelling short distances when they are out and about in the city – this protects the climate and keeps them fit at the same time. Loan bicycles are available to our employees at the Munich location. They can be rented on an hourly basis.

Our employees are able to use eight charging stations for electric cars at our new office building in Munich.

GRI 305-3

CO₂ emissions from business trips in 2017 (in metric tons)

Total	1,924.95
Hire cars and leased vehicles ¹	299.81
Rail travel ²	91.98
Flights ³	1,825.66

¹ Kilometres travelled multiplied by the CO₂ consumption of the hired vehicle or vehicle category in accordance with the overview of the hire car companies Sixt and Europcar, and leasing partners.

² Environment mobile check by German Rail (Deutsche Bahn) (<https://reiseauskunft.bahn.de/bin/query.exe/dn?S=Berlin&Z=Frankfurt&start=1&application=ECOLOGYINFO>).

³ The emissions from flights were calculated on the basis of the CO₂/GHG calculation model from myclimate.de.

Resource consumption

GRI 103

Apart from our energy consumption, our stakeholders are also interested in how we handle other resources such as water, office paper and IT equipment (see also Materiality Analysis in the Management section on p. 15). We have compiled such information for this report for the first time. At present, we can only provide 2016 consumption figures for our largest site in Berlin (ImmobilienScout24).

We encourage prudent use of office supplies. The standard office supplies range is ordered and 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 is a classic office material. The growing establishment of digital structures, e.g. electronic billing, helps us to reduce paper consumption. In 2016, 3,777 kilograms of paper were used at the Berlin site, of which 35 kilograms were recycled paper.

GRI 301-1, 301-2

Above all, we use a large number of IT devices in our daily work. We have been working with the organisation "Work for People with Disabilities" (AfB) since 2017 with a view to reusing and recycling discarded hardware. In the year under review, AfB picked up around 14 tons of IT equipment at ImmobilienScout24 in Berlin and prepared the devices for reuse. This included certified data deletion. Hardware that could no longer be used was dismantled and recycled. All work steps at AfB are designed with special regard to accessibility and are carried out jointly by people with and without disabilities. In December 2017, an IT sale was held in Berlin, at which our employees were able to purchase rebuilt laptops, monitors and iPads at special prices for private use. The proceeds went to AfB.

GRI 303-1

We also aim to keep our water consumption as low as possible. In our Berlin office, we used a total of 5,463 cubic metres of water, which we obtained from the municipal utility "Berliner Wasserbetriebe". We use water-conserving facilities in our tea kitchens and sanitary areas, including sensor-controlled sink taps and water-saving dishwashers.



GRI Content Index and Index for the Non-financial Report



GRI Content Index

The report was prepared in accordance with the Standards of the Global Reporting Initiative (GRI) option "Core" published in 2016.

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GRI 102-3	Location of headquarters	p. 28	
GRI 102-4	Location of operations	p. 31	
GRI 102-5	Ownership and legal form	p. 28	
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GRI 102-11	Precautionary principle or approach	p. 25–26	
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GRI 102-13	Membership of associations	p. 20	
Strategy			
GRI 102-14	Statement from senior decision-maker	p. 6	
Ethics and integrity			
GRI 102-16	Values, principles, standards and norms of behaviour	p. 10	
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GRI 102-45	Entities included in the consolidated financial statements	p. 28	

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GRI 102-46	Defining report content and topic boundaries	p. 2, 12-13	
GRI 102-47	List of material topics	p. 2	
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GRI 201-1	Direct economic value generated and distributed	p. 30-32, 51	
GRI 201-3	Defined benefit plan obligations and other retirement plans	p. 45	
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		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 51	
GRI 203-1	Development and impact of infrastructure investments and services supported	p. 51-52	
GRI 205	Anti-corruption		
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GRI 206	Anti-competitive Behaviour		
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GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 24	
GRI 301	Materials		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 60	
GRI 301-1	Materials used by weight or volume	p. 60	
GRI 301-2	Recycled input materials used	p. 60	

Disclosures		Page	Comment
GRI 302	Energy		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 57	
GRI 302-1	Energy consumption within the organisation	p. 55-56	
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GRI 303	Water		
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GRI 305	Emissions		
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GRI 305-1	Direct GHG emissions (Scope 1)	p. 55, 58	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	p. 55, 58	
GRI 305-3	Other indirect (Scope 3) GHG emissions	p. 55, 60	
GRI 305-4	Intensity of GHG emissions	p. 55, 58	
GRI 305-5	Reduction of GHG emissions	p. 55, 58	
GRI 401	Employment		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 39	
GRI 401-1	New employee hires and employee turnover	p. 43	The disclosures for new employee hires and employer turnover have not been recorded broken down by age and region because the indicators are not regarded as relevant for controlling.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 45	
GRI 401-3	Parental leave	p. 48-49	Disclosures broken down by gender for returners are not available.
GRI 403	Occupational Health and Safety		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 49	

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. 49	Apart from days of absence (p. 50) Scout24 does not collect any other indicators, such as injuries and work-related deaths, because as a non-manufacturing company we do not regard these as material.
GRI 404	Training and Education		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 45-46	
GRI 404-1	Average hours of training per year per employee	p. 46	
GRI 404-2	Programmes for updating employee skills and transition assistance programmes	p. 45-46	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p. 45	
GRI 405	Diversity and Equal Opportunity		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 47	
GRI 405-1	Diversity of governance bodies and employees	p. 48	
GRI 405-2	Ratio of basic salary and remuneration of women to men	p. 44	
GRI 406	Non-discrimination		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 33-34	
GRI 406-1	Incidents of discrimination and corrective actions taken		During the reporting period, there was one case of discrimination at AutoScout24 on account of inappropriate behaviour towards female colleagues. As a consequence, the male employee had to leave the company.
GRI 416	Customer Health and Safety		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 35	
GRI 416-2	Assessment of the health and safety impacts of product and service categories	p. 36	
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GRI 417-1	Requirements for product and service information and labelling	p. 21	

Disclosures		Page	Comment
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	p. 21	
GRI 417-3	Incidents of non-compliance concerning marketing communications	p. 21	
GRI 418	Customer Privacy		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 36-37	
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 37	
GRI 419	Socioeconomic Compliance		
GRI 103	Management Approach (including GRI 103-1, 103-2, 103-3)	p. 22	
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Limited Assurance Report of the Independent Auditor regarding the Separate Non-Financial Group Report¹

To the Supervisory Board of Scout24 AG, Munich

We have performed an independent limited assurance engagement on the Separate Non-Financial Group Report (hereinafter "Report") of Scout24 AG and the Group (hereinafter "Scout24") according to Section 315b HGB (German Commercial Code) for the business year from January 1 to December 31, 2017.

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

¹ 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.

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
- 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, 2017, 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 AG, Munich, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of Scout24 AG, Munich, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Berlin, March 14, 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Laue
Wirtschaftsprüfer
[German Public Auditor]

ppa. Scholz
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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.

Due to rounding, numbers presented throughout this statement may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason. Information on quarterly financials have not been subject to the audit and thus are labelled “unaudited”.

The management report should be read in conjunction with the consolidated financial statements and the additional disclosures.

This report is a non-binding English translation of the original German Annual Report. Both reports are available for download on our Internet website at <http://www.scout24.com/en/Investor-Relations/Financial-Publications/Financial-Reports/Financial-reports.aspx>.

In case of any divergence between the two reports, the German version shall have precedence over the English translation.

