

Economy

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CSR reporting based on the standards (2016) of the Global Reporting Initiative (GRI)

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Economy

We connect people with homes and cars through our digital platforms. We offer them inspiration and useful assistance which meets their individual needs. Customer and data security are a matter of course for us. They form an important platform for our success as a responsible marketplace.

Business model

Scout24 creates value added for private and business customers with its professional digital platforms. We primarily operate our marketplaces under the well-known brands of ImmobilienScout24 (IS24) and AutoScout24 (AS24). The products and services on our platforms have been specially tailored to the needs of our target groups – whether they are looking for, offering or advertising properties or automobiles on our platforms.

GRI 102-2, -6

We offer consumers and customers useful additional information, services and products which help them to find the appropriate property or the right car. This also allows them to gather comprehensive information and make the right decisions. We have a track record of almost twenty years of experience and a broadly based range of products and services. This combination makes us a reliable partner for successfully bringing together supply and demand. Our objective is to move from being a classifieds business and develop into a genuine data-based and forecast-oriented business. We believe that it is important to create maximum transparency and at the same time offer our customers and consumers maximum security.

Scout24 offers professional and private advertisers effective tools to present their real estate and automotive listings on our portals with optimum impact and to reach a large, relevant and engaged audience. We generate sales with classifieds and other services such as additional offers for professional providers in the areas of advertising, generation of leads and other products along the value chain. We offer our professional customers three different models in the area of listing products: a membership model, a package model and a usage-based model (Pay-Per-Ad model). Users can use various channels to access our offering free of charge: desktop PC, mobile applications (apps) and through our mobile websites.

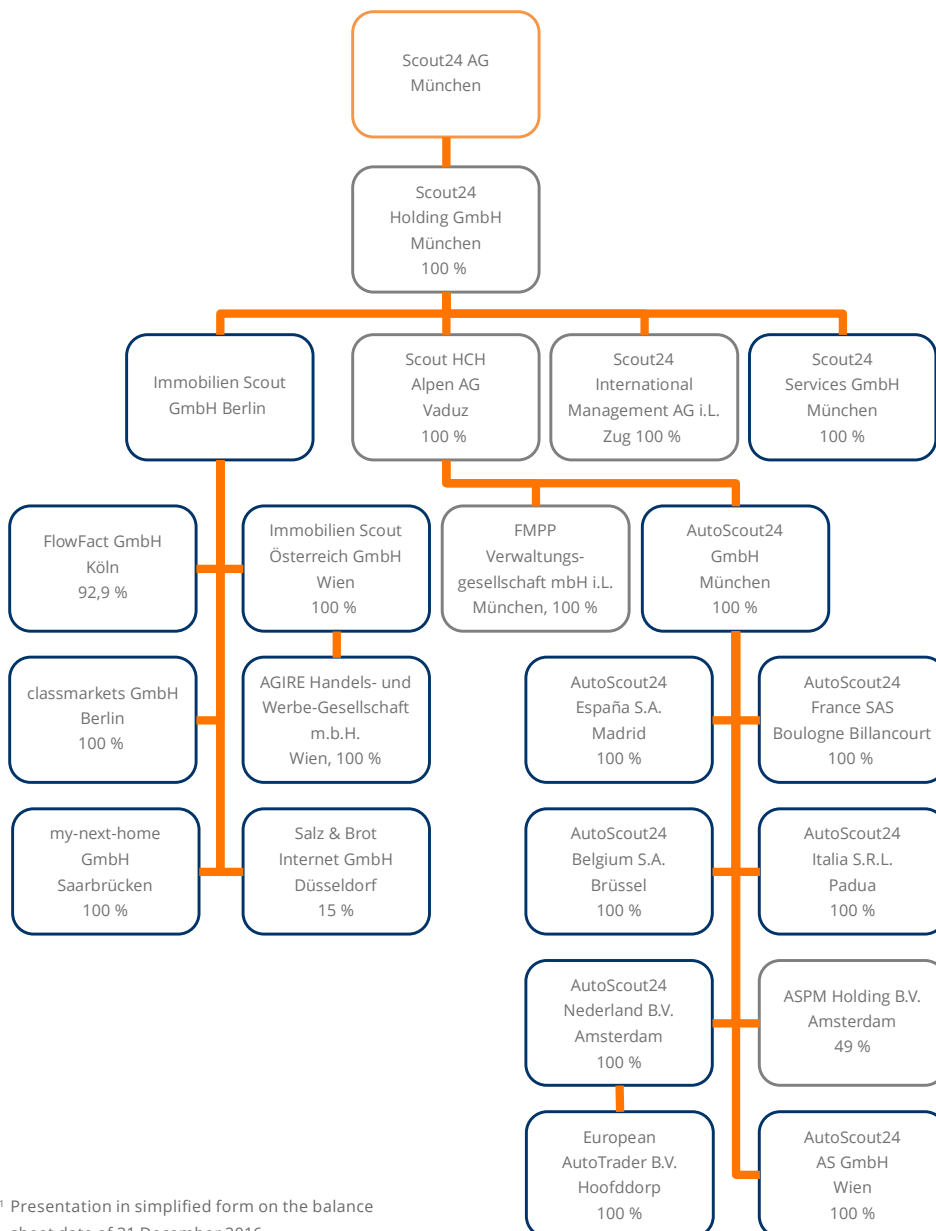
Company structure

Scout24 AG is based in Munich and bundles investments in 17 operating subsidiary companies. The following organisational chart shows our business structure.

GRI 102-3

Overview of direct and indirect investments of Scout24 AG¹

GRI 102-2, -5, -10, -45



¹ Presentation in simplified form on the balance sheet date of 31 December 2016.

In 2016, the following changes took place in the organisational Group structure:

GRI 102-10

- On 1 February 2016, AutoScout24 Nederland B.V., Amsterdam, purchased 100 percent of the shares in European Auto Trader B.V., Hoofddorp.
- On 1 June 2016, Immobilien Scout Österreich GmbH in Vienna purchased 100 percent of the shares in AGIRE Handels- und Werbe-Gesellschaft m.b.H., Vienna.
- On the same date, Immobilien Scout GmbH, Berlin, purchased 100 percent of the shares in my-next-home GmbH, Saarbrücken.
- On 6 December 2016, Immobilien Scout GmbH, Berlin, sold its entire shareholding to Stuffle GmbH, Berlin.
- On 11 August 2016, easyautosale GmbH, Munich, was merged into AutoScout24 GmbH, Munich, at book values in order to streamline the Group structure.
- Scout24 HCH Alpen AG also relocated its registered office from Zug, Switzerland, to Vaduz, Liechtenstein, in 2016.

On 10 September 2015, ASA NewCo GmbH was converted to a joint-stock company and rebranded as Scout24 AG at the same time. Since 1 October 2015, our company has been listed on the Frankfurt Stock Exchange and was included in the SDAX in the same year. The following table provides an overview of the shareholder structure.

GRI 102-5

Overview of the shareholder structure¹

Shareholders	Shares	In Prozent
Willis Lux Holdings 2 S.à r.l. in Liquidation	24,723,517	22,98 %
Deutsche Telekom AG	9,968,954	9,26 %
MEP Ord GmbH & Co. KG	2,988,938	2,78 %
German BMEP Ord GmbH & Co. KG	125,930	0,12 %
Scout Lux Management Equity Co S.à r.l.	2,982,787	2,77 %
Free float	66,809,872	62,09 %
Total	107,600,000	100 %

¹ Presentation from January 2017 for reasons of actuality.

Scout24 does not receive any financial contribution from the government.

GRI 201-4

Size of company

Our focus is on sustainable and profitable growth as well as on a sustainable increase of our company value. In 2016, we were able to successfully continue following this roadmap. Scout24 increased Group revenues by 12.3 percent compared with the previous year and also managed to generate above average growth for our EBITDA from ordinary operations to 224.5 million euros.

GRI 102-7

In the business year 2016, 1,135 employees were employed in nine European countries with Scout24. Scout24 operates in the real estate sector in Germany and Austria. The Group has operations in the automobile sector in Germany, Italy, Belgium (including Luxembourg), the Netherlands, Spain, France and Austria, i.e. within the eurozone. In the business year 2016, Germany generated 83 percent of the sales and is therefore the main market of Scout24.

GRI 102-4

Number of locations

GRI 102-7

	2016	2015
Locations AS24	8	7
of which AS24 (AT)	1	1
AS24 (BE ¹)	1	1
AS24 (DE)	1	1
AS24 (ES)	1	1
AS24 (FR)	1	1
AS24 (IT)	1	1
AS24 (NL)	2	1
Locations IS24	4	4
of which IS24 (AT)	1	1
IS24 (DE)	3	3
Location FinanceScout24 (DE)	1	1
Locations	23	22

¹ Luxembourg is included within the Belgian location. As a non-operating business, it is not therefore necessary to take account of Luxembourg separately in this listing.

Financial indicators

GRI 102-7, 201-1

In EUR Million	2016	2015
External revenues	442.1	393.6
of which AS24	152.0	120.7
IS24	284.6	266.7
EBITDA (ordinary operating) ¹	224.5	189.6
of which AS24	64.2	43.8
IS24	179.2	159.2
Capital expenditure	19.5	19.3
Income taxes	43.0	31.4
Operating payments	112.0	99.5
of which wages and salaries	93.2	83.1
social security costs	13.1	12.1
Altersversorgung	1.1	0.8
pension costs and other post-employment benefits	4.6	3.6
Equity	990.8	921.3
Total capitalisation	2,130	2,172

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

Product responsibility

GRI 103-1, -2, -3

The objective of Scout24 is to make the search for a new apartment or a new car as easy as possible for users. We also give them comprehensive information about our supplementary services that empower them to make the right decision. Innovations are the driver for continuous ongoing development in our rapidly changing market environment. Agility is the defining feature. We create this in a number of ways including consistent pursuit of the OneScout24 Approach. This enables us to further develop the operating business in our segments ImmobilienScout24 and AutoScout24, leverage synergies and promote exchange of experiences within the Group.

During the year under review, Scout24 invested 28.7 million euros in product development (2015: 24.1 million euros). This capital expenditure was geared towards being at the leading edge of continual change and progress in our sector. The necessity to continuously improve the status quo is a key element of our basic approach. We believe that our corporate responsibility involves being excellent at meeting the needs of our

customers and users. Our purpose is defined as "inspiring your best decisions" and this is directed towards supporting them as they make important decisions about real estate and cars. As we expand our services along the value chain, we consistently pursue our dedication to meeting the needs of our users.

This also means that we are passionate at taking social responsibility with our product. One example of this is to improve the user-friendliness of ImmobilienScout24 for people with disabilities. Since 2011, we have been working on this through close cooperation with the Berlin-based organization Social Heroes (Sozialhelden e.V.). We discuss potential for improvements with the Social Heroes and we then put ideas into practice – like integration of the Wheelmap in ImmobilienScout24 and modification of search criteria (for more information see p. 12).

The people at AutoScout24 support our customers and users in buying and selling hybrid or electric vehicles and we provide them with strategic information on alternative drives. Our intention here is to make a contribution to promoting climate-friendly mobility (for more information see p. 14).

Customer security

The security of our customers has always been a top priority for Scout24. We recognise that protection against fraud is a top priority and that an ethical image affects our reputation.

GRI 103-1, -2, -3;

GRI 416-1, -2

The number of fraudulent listings on our Scout24 platforms are 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 high level of appeal. Fraudulent accounts are also in the low double-digit percentages compared with the number of new customer registrations.

We are proactive in taking action against fraud and data theft. A dedicated team at ImmobilienScout24 tackles this issue by continuously developing new measures against fraudulent activities. This team of developers specialises in early identification and systematic measures against fraud. This is because we are committed to eliminating all cases of fraud: every case of fraud is one too many. We make strenuous efforts to avoid

any form of fraud and provide our users with strategic information. ImmobilienScout24 and AutoScout24 have set up dedicated websites (sicherheit.immobilienscout24.de; sicherer-autokauf.de). These answer users' frequently asked questions, provide information on fraudulent scams and give details of contacts. We seek dialogue with our users through dedicated conversations between customers and our Call Centre attendants. 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 different 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.

Data protection

Handling customer data responsibly is an essential element in the business of Scout24. Users of our platforms entrust us with the data necessary for their registration and with information about their personal living arrangements. We need to confirm the trust that our customers have placed in the security of our platforms. Protection of their data is a top priority. Compliance in data protection and data security are therefore anchored in the self-image of the Scout24 Group. We regulate the handling of personal data and confidential information in our [Code of Conduct](#) and in standard operating procedures relating to handling personal and customer data. The Group Data Protection Officer advises the Board of Management on implementing the measures on data protection.

GRI 103-1, -2, -3

Our products are developed and established with reference to the requirements for data protection and IT security in regard to data. New employees are given an introduction to data protection, and training sessions are held in our departments giving instruction about handling personal data. This ensures that data protection remains firmly anchored in the consciousness of employees. New products and procedures are reviewed in defined processes to ensure that they comply with data protection and data security.

During the year under review, there was one complaint from the German Agency to Combat Unfair Competition (Wettbewerbszentrale) about a

data query in forms on the website. We immediately carried out a review and made changes to the forms in order to minimise data. The Berlin Data Protection and Freedom of Information Officer also issued a notification relating to the design of the declaration of consent at ImmobilienScout24. This was then amended appropriately. Other enquiries from the Berlin Data Protection Officer were answered according to the requirements.

GRI 418-1

Supplier management

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

GRI 102-9

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

In 2016, the Scout24 Group had a procurement volume of some 120 million euros. Our Procurement Policy serves as a central guideline for responsible supplier management throughout the Group. Overall, we source products and services from approximately 1,800 suppliers.