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Corporate governance statement (unaudited)

In this report, the Instone Group provides information about the company's corporate governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) on the principles of corporate governance and Section 161 of the German Stock Corporation Act (AktG) and in accordance with the German Corporate Governance Code (DCGK). In addition to the declaration of compliance with the DCGK, the corporate governance statement also contains information about corporate governance and the compliance management system, the composition and working methods of the Management Board and Supervisory Board, as well as the Supervisory Board committees. The Instone Group also provides information on the implementation of the gender quota and the diversity policy. [GRI 2-14](#)

Implementation of the DCGK

Corporate governance involves the responsible management and control of companies, geared towards long-term value creation. The corporate governance and corporate culture of Instone Real Estate Group SE comply with the legal requirements and – with a few reasonable exceptions – the additional recommendations of the DCGK. The Management Board and Supervisory Board are committed to good corporate governance and all divisions are guided by this objective for the benefit of all internal and external stakeholders. The company places values such as expertise, transparency and integrity, clear management structures, effective risk management and strict adherence to legal and internal company requirements (compliance) at the centre of its activities. Responsibility for the environment and society are key aspects in this regard, which is why the Instone Group integrates sustainability principles into decisions, processes and projects.

The Management Board and Supervisory Board have carefully considered the fulfilment of the DCGK requirements. In doing so, they have taken into account the DCGK in the version dated 28 April 2022 and, in accordance

with Section 161 AktG submitted their joint regular declaration of compliance with the recommendations of the DCGK in December 2024 and commented on the few exceptions.

The statement and any further declarations of compliance since the IPO are published on the company's website in the [Instone Group Declaration of Compliance](#).

Declaration of compliance

The Management Board and Supervisory Board of Instone Real Estate Group SE (hereinafter referred to as the "Company") are required pursuant to Section 161 (1) of the German Stock Corporation Act (AktG) to issue an annual declaration of compliance stating that the recommendations of the Government Commission on the German Corporate Governance Code published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and will be complied with or stating which recommendations have not been or will not be complied with and why not. The Management Board and Supervisory Board last issued a declaration of compliance in December 2024.

The Company's Management Board and Supervisory Board declare that for the period since the declaration of compliance was submitted in December 2023, they have complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version last published in the official part of the Federal Gazette on 27 June 2022 and dated 28 April 2022 ("2022 DCGK") and will also do so in future:

1. In accordance with recommendation B.3, the first appointment of members of the Management Board is for a maximum of three years. In the 2023 financial year, the Supervisory Board filled the position of CFO left vacant following the departure of Dr Foruhar Madjlessi with David Dreyfus for a term of appointment of four years and three months. The Supervisory Board has therefore deviated from recommendation B.3 in the interest of the Company because David Dreyfus emerged from the structured recruiting process as the clear favourite and first choice of the Supervisory Board and one of the conditions by which he was recruited for this position was on the basis of the agreed term of his appointment. In addition, the agreed term of appointment reflects a reasonably long-term, sustainable appointment pursued by the Supervisory Board, which at the same time also prevents the existing Management Board mandates all expiring within a short period of time. The deviation from recommendation B.3 will continue to apply in the 2024 declaration period.

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2. In accordance with recommendation G.7 of the DCGK 2022, the Supervisory Board must define the performance criteria for all variable remuneration components for each member of the Management Board for the forthcoming financial year, which, in addition to operational targets, should primarily be based on strategic objectives. The corporate planning and the forecast, from which the relevant performance criteria for the Management Board are derived by the Supervisory Board, are adopted at the beginning of the financial year due to the higher level of planning accuracy. Based on this, the Supervisory Board also defines the performance criteria for the variable remuneration components at the beginning of the relevant financial year. From the Supervisory Board's point of view, this is appropriate to harmonise the corporate planning adopted with the performance criteria for the Management Board. This recommendation will therefore not be followed in the future.
3. Under recommendation G.10 sentence 2 of the DCGK, a member of the Management Board should not actually receive variable long-term remuneration amounts for four years. The remuneration system for the Management Board and the contracts of employment for the members of the Management Board, however, state that long-term variable performance-related remuneration should be paid at the end of a three-year performance period. This is in line with the requirements under stock corporation law for long-term assessment bases for variable remuneration as well as the recommendations of various institutional advisers. In the view of the Supervisory Board, however, a longer delay in the payment of the variable long-term remuneration has no added value for the incentive of the Management Board compared to the existing contractual provisions. This recommendation will therefore not be followed in the future.

Essen, December 2024

The Management Board

The Supervisory Board

Corporate governance practices

The management of Instone Real Estate Group SE is largely determined by the provisions of the German Stock Corporation Act (AktG) and is also focussed on the requirements of the German Corporate Governance Code. In addition, the Management Board has laid down fundamental values of lawful and ethical conduct in a group-wide code of conduct, which is also available on our website at [Instone Group Code of Conduct](#). This specifies existing duties and responsibilities at the Instone Group and derives various codes of conduct on the basis of the law or existing official instructions. The Code of Conduct provides guidance and assistance to Instone Group employees in their day-to-day work while at the same time defining binding requirements for the actions of all employees. Instone Real Estate Group SE is expressly committed to the values reflected in the Code of Conduct. In addition, the Management Board has defined overarching principles for the thoughts and actions of the Instone Group, which can also be viewed on our website at [Instone Group](#). These include and reflect the Instone Group's position on topics such as social responsibility and social added value, the environmental sustainability of our projects and economic growth, as well as external communication and dealings with stakeholder groups relevant to our Company, including customers, employees, contractual parties and other parties involved.

Working methods of the Management Board and Supervisory Board

The Instone Real Estate Group SE is a European listed company (SE) with headquarters in Essen, Germany, which in accordance with its articles of association, has a dual management system consisting of the Management Board and Supervisory Board. These work together closely and trustingly for the benefit of the Company. The Management Board manages the Company whereas the Supervisory Board provides advice and supervision.

Both the Management Board and the Supervisory Board each have their own rules of procedure which include detailed regulations about the respective activities of the Boards and the internal organisation, as well as for the collaboration between the Management Board and the Supervisory Board which go beyond the provisions of stock corporation law. [GRI 2-9](#)

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The Management Board and the Supervisory Board maintain an intensive, continuous dialogue, which forms the basis of efficient and targeted corporate management. The Management Board develops the strategic direction of Instone Real Estate Group SE, coordinates this with the Supervisory Board and ensures its implementation. [🔗 GRI 2-12, 2-13](#)

Both Boards also hold an annual joint strategy meeting, at which the respective members exchange views openly outside formal meetings on the strategic direction of the Company and initiatives of the Management Board. The Management Board also discusses the status of the strategy implementation with the Supervisory Board at regular intervals. The Chair of the Supervisory Board and the Chair of the audit committee regularly liaise with the Management Board between meetings and discuss questions of strategy, planning, business development, risk situation, risk management, compliance, the internal control system and aspects of sustainability with the Management Board. The Chair of the Supervisory Board is informed by the Management Board without delay about important events which are of material importance for the assessing the financial position and performance as well as for managing the Company and its group companies. The Chair of the Supervisory Board then informs the Supervisory Board and convenes an extraordinary Supervisory Board meeting if necessary. In addition, the Management Board reports to the Supervisory Board regularly and as required by law, the articles of association and the Management Board's rules of procedure, which contain comprehensive regulations for the reports to be submitted and the information to be reported over and above the legal requirements. [🔗 GRI 2-30, 3](#)

The articles of association and the rules of procedure for the Management Board also include provisions for certain reservations of consent in favour of the Supervisory Board for measures and legal transactions of fundamental importance. The relevant rules of procedure of the Management Board and Supervisory Board also contain provisions for handling conflicts interest within the Supervisory Board and the Management Board. In addition to an obligation to disclose conflicts of interest without delay, these provisions provide for the approval of the Supervisory Board in the event of material conflicts of interest within the Management Board and, in the event of conflicts of interest identified on the Supervisory Board, prevent the member concerned participating and/or voting. In the event of material and not merely temporary conflicts of interest, the Supervisory Board member concerned must resign from office. In the reporting year, Stefan Mohr voluntarily and as a precautionary measure did not take part in the Supervisory Board's deliberations in view

of a conflict of interest that could not be ruled out. Otherwise, no conflicts of interest were identified on the Management Board and Supervisory Board.

Transactions between members of the Supervisory Board and the Management Board and related parties with the Company or its affiliates also require the approval of the audit committee of the Supervisory Board. The assumption of ancillary activities outside the Company by the members of the Management Board – in particular, supervisory board mandates and mandates on comparable supervisory bodies of commercial enterprises – requires the approval of the Supervisory Board.

The members of the Management Board and Supervisory Board are included in a D&O group insurance policy. It provides for a deductible for members of the Management Board that complies with the legal requirements of Section 93(2) 3 AktG. [🔗 GRI 2-25, 2-26](#)

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Management Board

Composition

According to the Company's articles of association, the Management Board consists of at least two persons. The number of members is determined by the Supervisory Board. In the 2024 financial year, the Management Board consisted of three members with equal rights, each responsible for the departments assigned to them.

Details of the members of the Management Board can be found in the notes to the consolidated financial statements of Instone Real Estate Group SE in accordance with Section 285 No. 10 of the German Commercial Code (HGB) [☰ page 212](#). CVs of the members of the Management Board can also be found on the Instone Group website under [🔗 CVs of the Management Board](#).

Roles and responsibilities

The Management Board manages the Company on its own responsibility in accordance with the statutory provisions, the articles of association and the rules of procedure for the Management Board. It is committed to acting in the Company's best interests. The Management Board develops the strategic direction of the Company, coordinates this with the Supervisory Board and ensures its implementation. It also bears responsibility for maintaining an appropriate, effective internal control system, risk management and controlling and regular, timely and comprehensive reporting to the Supervisory Board.

In accordance with the general representation rules of the articles of association, the Company is represented by two members of the Management Board or by one member of the Management Board together with an authorised representative. [🔗 GRI 2-9](#)

Distribution of duties and rules of procedure

The Management Board performs the management function as a collegial body. Irrespective of the overall responsibility for the management, the individual members of the Management Board are responsible for the departments assigned to them in accordance with the legislation, the articles of association and the rules of procedure for the Management Board, and are personally responsible in the context of Management Board resolutions. The Management Board has not formed any committees.

The work of the Management Board, including the allocation of responsibilities, is governed by the rules of procedure for the Management Board, which were adopted by the Supervisory Board and last amended on 6 March 2024.

The organisational chart defined for the Management Board is shown on the following page. The Management Board's rules of procedure also set out the cases which require a resolution by the entire Management Board. Management Board meetings are held fortnightly when possible, but at least once a month, in face-to-face or virtual form, chaired by the Chair of the Management Board. The rules of procedure for the Management Board also allow resolutions to be passed outside of meetings. Resolutions are passed by a simple majority of the votes cast unless the law provides otherwise.

Reservations of consent and rules of information

In addition to certain approval reservations contained in the articles of association, the Supervisory Board has set out certain other transactions and measures of fundamental importance in the rules of procedure for the Management Board which require its prior approval. These include, for example, the adoption of the annual planning, larger land acquisitions, the conclusion and amendment of certain financing agreements, and the implementation of certain corporate law measures. Transactions between the Company or one of its subsidiaries and members of the Management Board or related parties also require the approval of the Supervisory Board audit committee and must comply with the usual market conditions.

The Management Board informs the Supervisory Board regularly and comprehensively as well as promptly, and when appropriate, and in accordance with the legislation, the articles of association and the principles of information defined in the rules of procedure for the Management Board, in particular with regard to strategy and the course of business, as well as its prospective development and on fundamental matters relating to the Company, including the assets, finance and earnings situation, the risk situation, risk management and risk controlling, compliance, sustainability matters as well as ongoing projects and the Company's finance situation. The Chair of the Management Board and the Chair of the Supervisory Board are also in regular communication.

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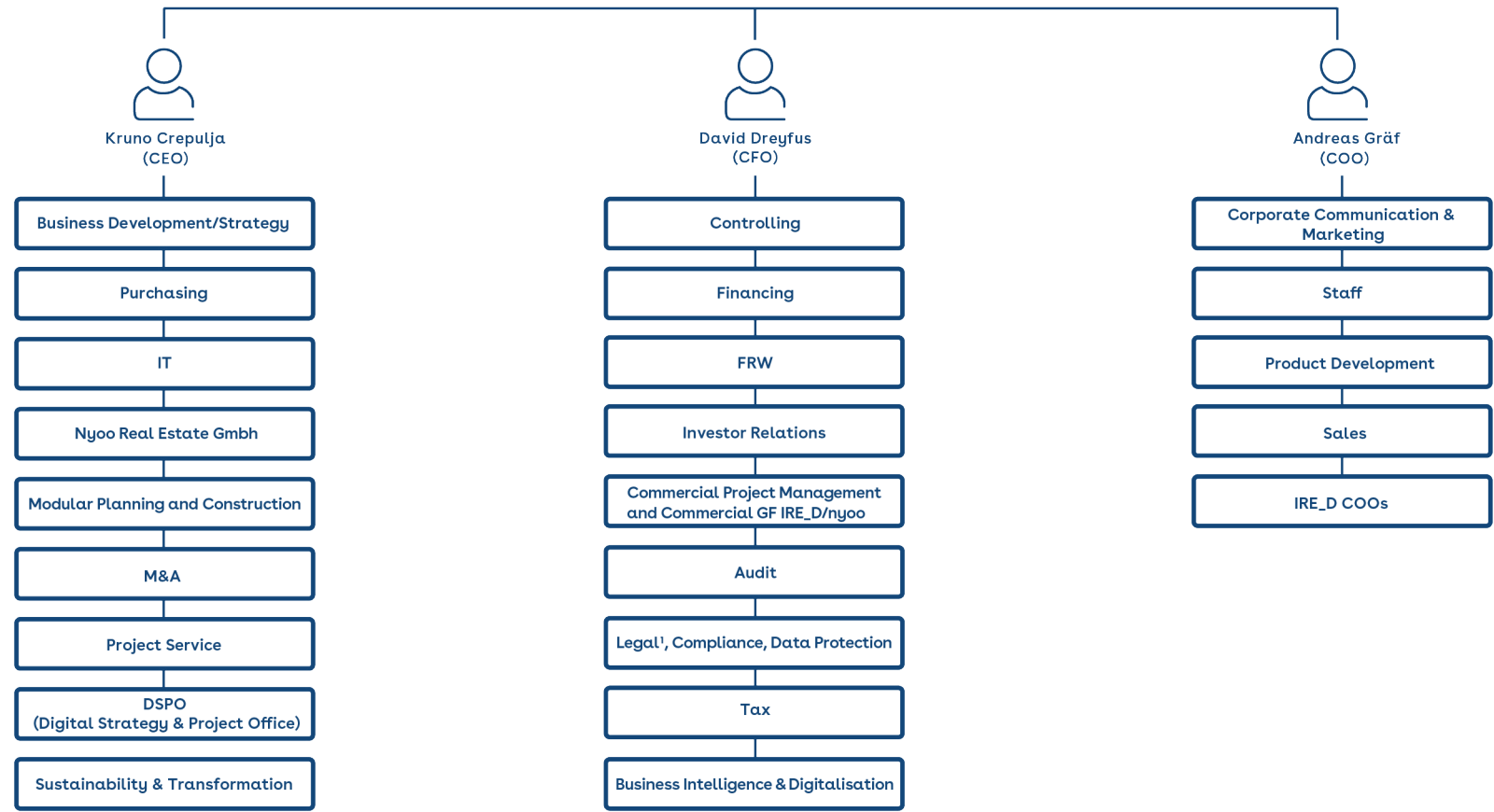
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Management Board organisational chart of Instone Real Estate Group SE dated 6 March 2024

FIGURE 018



¹ Including corporate and capital market law as well as support for the Supervisory Board.

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Supervisory Board

Composition

According to the articles of association, the Supervisory Board consists of six members. It is not subject to employee co-determination. All members are elected as shareholder representatives by the Company's Annual General Meeting.

All members of the Supervisory Board are independent in accordance with the recommendations of the DCGK. Details of the members of the Supervisory Board can be found in the notes to the consolidated financial statements of Instone Real Estate Group SE in accordance with Section 285 No. 10 HGB [page 214](#). CVs of the members of the Supervisory Board are also available on the Instone Group website at [CVs of the Supervisory Board](#).

Roles and responsibilities

The Supervisory Board advises and monitors the Management Board. It works closely with the Management Board for the benefit of the Company and is involved in all decisions of fundamental importance.

Its rights and duties are determined by the statutory provisions, the articles of association, the rules of procedure for the Supervisory Board of 14 October 2021 and the rules of procedure for the Management Board. It appoints and dismisses the members of the Management Board, represents the Company when dealing with them and works with the Management Board to ensure long-term succession planning.

The work of the Supervisory Board takes place both in plenary sessions and in committees. The work of the committees aims to further increase the efficiency of the Supervisory Board's work. The committee chairs regularly report to the Supervisory Board on the work of their respective committees, which includes in particular the preparation of resolutions by the plenum on specific topics within the scope of the respective committee's responsibilities. In accordance with the articles of association, the Supervisory Board must hold at least two meetings in six calendar months. In addition, it must hold meetings as often as and when the interests of the Company so require. The number and material content of the meetings and resolutions passed in writing by the Supervisory Board in the 2024 financial year are explained in more detail in the Supervisory Board's report from [page 233 et seq.](#) onwards.

Evaluation of committee work and advanced training of the members of the Supervisory Board

The Supervisory Board assesses the efficiency of its activities at regular intervals, most recently in the 2023 financial year, based on a structured review process in which it critically evaluates and assesses the work of the committees.

The Company also supports the members of the Supervisory Board with training and continual professional development.

Skills profile and qualification

The Company has complied with the requirements of the composition of the Supervisory Board under corporate law and the individual recommendations in section C.1 of the DCGK relating to the determination of specific objectives for the composition of the Supervisory Board under certain criteria, the consideration of these objectives in the Supervisory Board's proposals and the publication of these objectives and their implementation status in the corporate governance statement.

To this end, the Supervisory Board has adopted objectives for its composition, a skills profile and a diversity policy to ensure that the Supervisory Board provides qualified control and advice to the Management Board. It most recently reviewed this in December 2022 and, as part of this, expressly expanded it to include "sustainability". The members of the Supervisory Board must have the following overall knowledge, skills and professional experience required for the proper performance of the duties of a Supervisory Board in a capital market-based real estate company:

- Experience in managing or supervising medium-sized or large companies or complex organisations
- Members as a whole must be familiar with the real estate sector and the project development industry
- In-depth knowledge about finance, accounting treatments, accounting, law and compliance in the general committee as a whole

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- At least one member of the Supervisory Board must have accounting expertise and at least one other member of the Supervisory Board must have auditing expertise (Section 100 (5) AktG), whereby accounting and auditing also includes sustainability reporting and its audit.

- Experience with capital market instruments and bank financing
- Expertise on sustainability issues in the real estate sector and the project development business which are important for the Company

Skills matrix for the Supervisory Board of Instone Real Estate Group SE

FIGURE 019

		Stefan Brendgen	Dr Jochen Scharpe	Christiane Jansen	Dietmar P. Binkowska	Sabine Georgi	Stefan Mohr
	Member of the Supervisory Board since	13 August 2018	13 August 2018	20 September 2021	3 April 2019	3 July 2023	14 June 2023
	Appointed until	oHV2026	oHV2026	oHV2026	oHV2026	oHV2026	oHV2026
Knowledge, skills or professional experience	in managing or supervising medium-sized or large companies or complex organisations	++	++	++	++	+	++
	Familiarity with the real estate sector and project development business	++	++	+	++	++	++
	Finance, accounting and financial reporting	++	++	++	++	++	++
	Financial reporting ¹	++	++	+	+	+	++
	Annual audit ¹	+	++	+	+	+	+
	Legal and compliance	+	+	++	+	+	+
	Capital market instruments and bank financing	++	+	+	++	+	++
	Sustainability	++	+	+	+	++	+
	Independence	Yes	Yes	Yes	Yes	Yes	No

¹ Including sustainability reports and auditing of sustainability reports

+ Expertise
++ Special knowledge

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The Supervisory Board should also have an appropriate number of independent members.

The status of the implementation of the skills profile is also shown for the individual members of the Supervisory Board in the above skills matrix and updated as appropriate. [🔗 GRI 2-10](#)

In the interests of complementary cooperation, the selection of candidates for the Supervisory Board should also ensure adequate diversity with regard to different professional backgrounds, specialist knowledge and experience. The members of the Supervisory Board should also have sufficient time to carry out their mandate. In the opinion of the Supervisory Board, this is the case for all members.

Only persons who have not yet reached the age of 70 at the time of appointment are to be proposed for election as a member of the Company's Supervisory Board. The standard limit for the period of membership of the Supervisory Board is twelve years. These requirements were also met; as of 31 December 2023, no member of the Supervisory Board had reached the age of 70 or exceeded the regulatory limit for membership of the Supervisory Board.

Supervisory Board committees

In the 2024 financial year, the Supervisory Board had at its disposal three committees: the nomination committee, the audit committee and the remuneration committee. Further committees can be formed as required. The tasks and responsibilities and the personnel composition of the committees are set out below:

Audit Committee

The audit committee is responsible, in particular, for monitoring the accounting process, effectiveness of the internal control system and internal auditing system, the audit, in particular, the independence of the auditor, additional services provided by the auditor, the appointment of the auditor, granting the audit assignment to the auditor, the determination of audit priorities, the fee agreement, the assessment of the quality of the annual audit as well as compliance.

The audit committee prepares the resolutions of the Supervisory Board relating to the annual financial statements and the consolidated financial statements. It is primarily responsible for the preliminary examination of the documents relating to the annual financial statements and the consolidated financial statements, as well as the preparation of the statement or its approval and the profit appropriation proposal of the Management Board. Furthermore, the audit committee prepares the agreements with the auditor (in particular the appointment of the auditor), the determination of audit priorities and the fee agreement, as well as the engagement of the auditor by the Annual General Meeting. This also includes auditing the necessary independence, whereby the audit committee takes appropriate measures to ascertain and monitor the independence of the auditor. Instead of the Supervisory Board full meeting, the audit committee decides on agreements with the auditor (particularly issuing the audit mandate, determining the main audit areas and the fee agreement). The audit committee also decides on related party transactions instead of the full Supervisory Board meeting. The audit committee discusses the principles of compliance, risk assessment, risk management and the appropriateness and functionality of the internal control system with the Management Board. [🔗 GRI 2-16](#)

The audit committee is also responsible for sustainability matters and sustainability reporting and advises the Management Board on sustainability-related issues.

The following members were members of the audit committee in the 2024 financial year:

- Dr Jochen Scharpe (Chair)
- Stefan Brendgen
- Stefan Mohr

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Due to their training, professional experience as CEOs or managing directors of large real estate companies and many years of membership on supervisory committees of large companies, Dr Jochen Scharpe and Stefan Brendgen each has expertise in the field of accounting and are familiar with the sector in which the Company operates. The same applies to Stefan Mohr due to his many years as a partner and head of corporate investments at private equity company Activum SG Capital and his previous professional activities for leading German financial institutions. Dr Jochen Scharpe also has expertise in the field of auditing, so that all members of the committee in the 2024 financial year are qualified as financial experts within the meaning of Section 107 (4) sentence 3 in conjunction with Section 100 (5) AktG.

Nomination committee

The nomination committee proposes suitable candidates to the Supervisory Board for its election proposals at the Annual General Meeting and deals with succession planning in the Supervisory Board.

Members of the nomination committee in the 2024 financial year were:

- Stefan Brendgen (Chair)
- Christiane Jansen
- Stefan Mohr

Remuneration Committee

The remuneration committee advises on the employment contracts of the members of the Management Board and prepares resolutions of the Supervisory Board on topics relating to remuneration.

In the 2024 financial year, the remuneration committee consisted of the following members:

- Dietmar P. Binkowska (Chair)
- Stefan Brendgen
- Dr Jochen Scharpe

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Diversity

🔗 GRI 405, 405-1

Instone Real Estate Group SE places great value on diversity, both with regard to its administrative bodies and its employees as a whole, and sees diversity as one of the Company's strengths. Diversity is therefore an important element for Instone Real Estate Group SE for sustainable corporate success. To underpin this approach, the Company has signed up to the Diversity Charter and promotes diversity in line with its core principles.

Given this, the Supervisory Board determined for the first time in the 2018 financial year that diversity should continue to be taken into account in the composition of the Management Board in the future. The Supervisory Board has also set a target for the proportion of women on the Management Board and a standard retirement age of 65 for Management Board members. In the interests of complementary cooperation within the Supervisory Board, the selection of candidates for the Supervisory Board should also be based on sufficient diversity with regard to different professional backgrounds, specialist knowledge and experience.

According to the self-assessment of the Supervisory Board, the composition of the Supervisory Board and the Management Board as at 31 December 2024 complies with the described diversity policies. The members of the Management Board have a range of different professional qualifications and many years of experience in international corporations, investment banks and consultancies, for example. David Dreyfus, the successor to Dr Foruhar Madjlessi, is another member with many years of international experience and specialist expertise in capital markets and corporate finance and has been a member of the Management Board since 1 September 2023. Furthermore, none of the members of the Management Board has reached the age of 65. The Supervisory Board continued to have a diverse composition as at 31 December 2024. In addition to increasing gender diversity with the appointment of Sabine Georgi, the diversity profile of the Supervisory Board has also been further enhanced in terms of age, professional background, expertise and experience.

Targets figures for the proportion of women

The German Stock Corporation Act obliges Instone Real Estate Group SE to set targets for the proportion of women on the Supervisory Board, the Management Board and in the first two levels of management below the Management Board.

Supervisory Board target

In December 2020, the Supervisory Board defined a target figure for the proportion of women on the Supervisory Board, which at the time was set at 20%. The proportion of women on the Supervisory Board was 20% until the expansion of the Board in the 2023 financial year, meaning that the target was continuously met.

Due to the Supervisory Board's strong commitment to diversity, it initiated an expansion of the Supervisory Board in the 2023 financial year to include an additional female member and raised the target for the proportion of female members to at least one third. The expansion was implemented with the appointment of Sabine Georgi, in line with the Supervisory Board's election proposal. Since then, the proportion of female members has been one third, as intended by the Supervisory Board, meaning that the target figure for the Supervisory Board has been met in full.

Target size for the Management Board

For the Management Board of Instone Real Estate Group SE, the target for the proportion of women set by the Supervisory Board is currently still 0%. This is not least due to the fact that the Supervisory Board, having taken into account the current circumstances, in particular the current term of office of Kruno Crepulja and Andreas Gräf until the end of 2025 and the size of the Management Board, which only has three members, did not consider an early review and, if necessary, setting a higher quota before the end of 2025 to be expedient. Regardless of this, when it came to filling the position of CFO, which became vacant in the 2023 financial year, the issue of diversity with regard to female candidates was also taken into account in the requirements profile due to its importance. Ultimately, however, a male candidate, David Dreyfus, prevailed in the selection process. The Supervisory Board's actual composition has taken account of the overriding principle of filling a position primarily based on qualification and competence, irrespective of gender.

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The Supervisory Board remains firmly convinced that diversity is a key component of a successful Management Board team. Therefore, within the scope of its personnel competence, the Supervisory Board ensures that diversity is taken into account in the composition of the Management Board. The most recent example of this was when filling the position of CFO at the beginning of the last financial year. The Company met the target during the period under review.

The target last confirmed for the Management Board in December 2020 is valid for five years until December 2025 in accordance with the guidelines issued by the Supervisory Board. The target for female members of the Supervisory Board increased in the 2023 financial year to at least one third of the members and this will also apply for five years, in other words until December 2028. The Supervisory Board will review and redefine the targets at the latest when these periods have elapsed.

Target for first level of management

For the proportion of women at the first level of management below the Management Board, which consists of the members of the Management Board of Instone Real Estate Development GmbH and Nyoo Real Estate GmbH, the Management Board decided in December 2020 to raise the target figure to 25% (without taking into account double mandates), after the target was previously 0%. The proportion of women at the first level of management was 17% as at 31 December 2024 (previous year: 20%), meaning that the target figure was still not achieved in the past financial year. The reason for this is that since 2024, the area of expertise of serial production and technical project management has been embedded in Nyoo Real Estate GmbH in order to expand nyoo's expertise at management level, and a male member has been added to the existing two-person management team due to his experience and qualifications in this area. Irrespective of this, the Instone Group continues to attach great importance to achieving this target at this management level.

Target for second level of management

In December 2020, the Management Board decided to set the target at 30% for the proportion of women at the second level of management below the Management Board, which consists of branch management, commercial management, division management and department management. The proportion of women at the second level of management was 33% as at 31 December 2024 (previous year: 28%), meaning that this target was achieved for the first time in the past financial year. This

affirms the Management Board's view that consistent promotion of female managers leads to the desired gender diversity at management levels. Accordingly, the Instone Group is continuing to work on making further progress in order to achieve the target set for the first management level in the future.

The Management Board has set a deadline of five years, ending in December 2025, for achieving the targets for the first and second management levels.

Management development

The Management Board promotes the achievement of targets through long-term staff planning and development. This includes, for example, the targeted support of female employees through training and professional development courses as well as the working time models offered by the Instone Group to promote equal opportunities in order to increase the number of women in management positions. In line with the practice adopted since the IPO with regard to the recommendation of Section A.2 of the DCGK for management appointments within the Company, the Management Board has also determined that diversity should also be respected and promoted. The Management Board has also implemented an internal mentoring programme for young managers at the Instone Group, in which experienced managers support selected promising employees as advisors, sparring partners, supporters and motivators. With 35% of participants being female, the Instone Group is once again emphasising the importance of gender diversity as a key component of corporate success. However, the Management Board believes that diversity includes, but is not limited to, age, gender, international background, education and professional experience. Notwithstanding this, appointments to and promotions to senior management positions in the Company and the underlying selection decisions will continue to be substantially based on specific qualifications. The Management Board will therefore continue to select managers based primarily on their professional ability and aptitude for the specific roles in this management role, regardless of their background, gender or other non-performance characteristics.

The Management Board reports regularly to the Supervisory Board on the appointment and succession planning at levels of management below the Management Board.

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Succession planning in the Management Board and the Supervisory Board

Together with the Management Board, the Supervisory Board ensures long-term succession planning for appointments to the Management Board. The long-term succession planning of Instone Real Estate Group SE is based on the corporate strategy, and takes into account the duration of the employment contracts of members of the Management Board and the standard age limit of 65 years laid down by the Supervisory Board for the members of the Management Board. The Supervisory Board has stipulated that before the regular expiry of an employment contract, it will generally negotiate an extension of the expired contract together with the Management Board and/or, if necessary, initiate a succession by another suitable person. The Supervisory Board shall draft a job profile for vacant positions on the Management Board or for external candidates for positions to be filled, taking into account the diversity policy of the Company. In doing so, the Supervisory Board shall ensure that the knowledge, skills and experience of the candidates are in line with the requirements of the position to be filled and that they are balanced across the Management Board as a whole.

Succession planning in the Supervisory Board is the responsibility of the nomination committee of the Supervisory Board, which identifies suitable candidates in the event of any existing or prospective vacancy on the Supervisory Board, taking into account the competence and diversity profile of the Supervisory Board, and recommends them to the Supervisory Board as an election proposal for the Annual General Meeting.

Remuneration systems and remuneration report

The remuneration report for the 2024 financial year, the auditor's note under Section 162 AktG, the existing remuneration system under Section 87a (1) and (2) sentence 1 AktG and the last remuneration resolution under Section 113 AktG for the members of the Supervisory Board and the Management Board are publicly accessible on the Instone Group website at [Remuneration of the Management Board and the Supervisory Board](#). [GRI 2-19, 2-20](#)

Annual General Meeting and shareholders

The shareholders of Instone Real Estate Group SE assert their rights at the Annual General Meeting and exercise their voting rights. Each share in the Company grants one vote.

As a rule, the Annual General Meeting takes place annually within the first six months of the financial year. The agenda for the Annual General Meeting and the reports and documents required for the Annual General Meeting are published on the Company's website at [Instone Group Annual General Meeting](#) and, if necessary, displayed at the venue during the Annual General Meeting.

Fundamental decisions are made at the Annual General Meeting. These include, for example, resolutions on the appropriation of any profits, the discharge of the Management Board and Supervisory Board, the election of Supervisory Board members, the selection of the auditor, and amendments to the articles of association and capital measures. The Annual General Meeting offers the Management Board and the Supervisory Board the opportunity to liaise directly with the shareholders and discuss the further development of the Company.

Instone Real Estate Group SE provides its shareholders with a proxy who is bound to follow shareholders' instructions and who can also be contacted during the Annual General Meeting in order to allow shareholders to personally exercise their rights. The invitation to the Annual General Meeting explains how instructions can be issued prior to the Annual General Meeting. In addition, shareholders are free to be represented at the Annual General Meeting by an authorised representative of their choice or to cast their vote by postal vote in text form or by means of electronic communication using an investor portal set up by the Instone Group for this purpose.

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2024 Annual General Meeting

The 2024 Annual General Meeting of Instone Real Estate Group SE took place in Essen on 5 June 2024 and was held as a general meeting with the shareholders physically present. The shareholders were able to cast their votes at the Annual General Meeting in person, by postal vote, through a Company proxy or through an authorised third party. Those present accounted for 59.91% of the registered share capital (60.50% of the share capital taking postal votes into account). All agenda items were agreed with a large majority.

Compliance

Compliance is a significant part of successful and responsible corporate governance at the Instone Group.

We are committed to our core values of conducting our business in an ethical and legally compliant manner in accordance with applicable legal standards. We have enshrined this in our compliance management system policy and in our code of conduct for employees, which is available on our website under [Instone Group Code of Conduct](#). Our goal is to focus on compliance and find a positive and motivational approach for our employees. The code of conduct is applicable throughout the group and was introduced in all affiliated companies where we have direct or indirect controlling influence. A controlling influence is normally assumed if there is a participation in more than 50% of the voting rights.

We also expect our partners, such as customers, suppliers and other contractual partners, to comply with certain standards, particularly including compliance with legal requirements and regulations that we have set out in our code of conduct for contractual partners, available on our website [Being a Partner](#).

Our central compliance organisation sees itself as a key contributor to an integrity-led corporate governance and culture. It promotes a compliance culture and ensures that this is internalised among managers and employees. [GRI 2-27](#)

Compliance management system

The ultimate goal of the group-wide compliance management system is to prevent and identify breaches of current laws and internal policies and to protect the Instone Group and its employees from inappropriate and unlawful conduct. We have therefore implemented a compliance management system to identify and reduce risks and ensure compliance within the Instone Group. To achieve this, we make use of various internal Company policies and processes, such as money laundering prevention, business partner compliance, capital market compliance and corruption prevention, while also training and advising our employees. Other important pillars of our compliance management system are our whistleblower system and our code of conduct for our contractual partners.

Our Group Compliance Officer is responsible for the group-wide drafting, development and implementation of the compliance management system and for conducting the training courses. The Compliance Officer is available to employees as contact persons for compliance issues. The effectiveness and appropriateness of the compliance system are reviewed at regular meetings of the compliance committee, and any follow-up needs are identified and carried out. As part of the ongoing development of the compliance management system, and when dealing with legal issues, the Management Board and Compliance Officer at the group level can be given legal advice if required.

We regularly conduct compliance and data protection training that provides our employees with information about laws and codes of conduct. Attendance at the training events is mandatory for all Instone Group employees and is reviewed and documented. In the reporting year, the rate of successful completion of training sessions was 100%. In the reporting year, the topics related primarily to anti-corruption, data protection, data security and competition and cartel law. There is a compliance section on the Instone Group Intranet site so that employees have direct, compact access to any material compliance information (including contact details for compliance, links and guidelines). Information on current compliance matters is also provided here. [GRI 205-2](#)

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Whistleblower system

Despite having the best, wide-ranging prevention measures, illegal acts and breaches of duty may still occur. Employees, customers, contractual partners and other third parties may report violations or suspected violations of rights, laws and internal guidelines and regulations by email and via a digital whistleblower portal specially set up for this purpose, via which reports can be passed on anonymously to the Instone Group at the request of the whistleblower. Our employees can also contact their line managers and the Compliance Officer directly at any time with information. [GRI 2-16](#)

We check all reports and follow them up consistently. In doing so, we observe the following principles:

- The process is fair,
- Anonymity is protected,
- Investigations are confidential and
- Processes are efficient and protected.

In the 2024 financial year, there was no evidence of relevant compliance breaches at the Instone Group that have proven to be accurate. Nevertheless, the Instone Group will carefully investigate and respond to suspected cases of compliance breaches.

Money laundering prevention and business partner compliance

The careful selection of business partners, in particular to reduce corruption and fraud risks as well as to prevent money laundering is an essential component of compliance at the Instone Group. The Instone Group has therefore implemented special preventive measures, which are routinely or occasionally carried out in order to detect and counteract such suspicions, including:

- Due diligence of business partners for compliance risks,
- Due diligence around suspected money laundering,
- Checking of potential business partners against sanctions lists and
- Verification of bank details and payment transactions for contractual partners.

Prior to the conclusion of any contract (for example with contractors or buyers of our properties), a business partner audit (third party due diligence) must be carried out by the Instone Group on a regular basis. Employees of the Instone Group are obliged to first identify each potential business partner carefully. This is primarily due to those employees who conclude contracts with business partners, such as Purchasing and Project or Sales Management. If an increased compliance risk or money laundering risk is identified as part of this, the Compliance Officer must become involved.

The Instone Group and its employees also comply with the requirements of the German Money Laundering Act (GwG) in order to protect the Company from damage (in particular with regard to reputation and standing). In the case of real estate transactions, the certifying notaries are also obliged to carry out an identity check and contribute to preventing money laundering as part of said real estate transactions. If a suspected money laundering risk is identified during the business partner check, the business partner is reviewed more closely. If the suspicion of a money laundering risk is confirmed, the Compliance Officer decides on the further course of action and making a report to the relevant state authorities.

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The Instone Group complies with its legal obligations to check new customers, suppliers and service providers for their inclusion on sanctions lists. For example, existing customers and suppliers with whom a long-term relationship exists are regularly checked.

To prevent fraud, our employees are also obliged to check and release bank details, transfers and payments received by a Company directive in compliance with the principle of dual control.

Code of conduct for contractual partners

🔗 GRI 414, 414-1

We also demand compliance with our high standards from our business partners and suppliers. As mentioned above, in our code of conduct for contractual partners, they commit to refraining from any kind of corruption or acts that could be construed as such. We also expect and work to ensure that our business partners and suppliers respect these obligations, principles and values, and take all of the measures necessary to prevent and punish active and passive corruption.

Capital market compliance

As a listed company and company listed in the Prime Standard, the Instone Group is subject to a number of capital market regulations, which are based in particular on the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation), the German Securities Trading Act (WpHG) and the Stock Exchange Ordinance for the Frankfurt Stock Exchange. The Instone Group encourages its board members and employees to comply with these obligations by establishing rules of conduct that relate in particular to the following obligations:

- Ban on insider trading, unlawful disclosure of insider information and compiling of insider lists
- Obligation for ad hoc publication
- Ban on market manipulation

- Reporting of business transactions carried out by management staff on their own behalf
- Publication of voting rights notifications

The Instone Group has also set up an ad hoc committee to advise the Management Board on specific occasions and to recommend action for dealing with possible insider information. Employees are obliged to report potential insider information to the ad hoc committee without delay and, if they become aware of insider information, are added to insider lists in accordance with legal obligations. Trading in Instone Group shares with knowledge of inside information is banned. In accordance with the duties of members of the Management Board and Supervisory Board under securities trading law, employees are also urged not to conduct any direct or indirect business with Instone Group shares during so-called closed periods within 30 days prior to the publication of the half-year or annual financial statements. They are notified of the start and end of these closed periods by a traffic light system on the Instone Group intranet.

The members of the Management Board and Supervisory Board of Instone Real Estate Group SE as well as other personnel performing management tasks at Instone Real Estate Group SE, and persons closely related to them are required under Article 19 (1) of the Market Abuse Regulation to report transactions in shares of Instone Real Estate Group SE or related financial instruments with a volume of more than €20,000 in a calendar year to the Company without delay and no later than three business days after the date of the transaction. The Company publishes the notifications pursuant to Article 19 (2) of the Market Abuse Regulation without delay and no later than three business days after the transaction. The reports can be found on the Company's website under [🔗 Instone Managers' Transactions](#).

Political engagement

The Instone Group's corporate governance practices also include not making any direct or indirect donations to political organisations, parties or individual politicians. If regional educational, cultural or sporting events are sponsored for advertising purposes (sponsorship), the prior consent of the Instone Group Management Board must be obtained without exception, with the involvement of the Compliance Officer. This also applies to the sponsorship of professionally relevant events and organisations from the real estate sector. These requirements are set out in the code of conduct adopted by the Management Board, which is binding for all employees, and in the decision-making guidelines that are binding for the entire

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Instone Group. Supplementary provisions and information can be found in the funding guidelines, which are also binding and have been adopted by the Management Board, [☞ page 95](#).

The Instone Group is involved in various initiatives, trade and industry associations and organisations. These interest groups are important interfaces to the political arena. In some cases, employees of the Company assume representative duties in such organisations. The Instone Group's principles of responsible corporate governance are also ensured in this regard: No financial resources beyond normal membership fees are provided. [☞ GRI 2-23, 2-24, 2-28, 415, 415-1](#)

The Instone Group contributes to social debate by sharing expertise on relevant topics and participating in discussions on industry-specific social and political challenges, such as the provision of urgently needed affordable housing. The Group makes an important contribution to shaping political opinion through this commitment. [☞ GRI 415](#)

Memberships at company level (excerpt):

- CREC Central Real Estate Committee
- BfW Bundesverband Freier Immobilien- und Wohnungsunternehmen e.V. (Federal Association of Independent Real Estate and Housing Companies)
- Institut für Corporate Governance in der deutschen Immobilienwirtschaft e. V. (ICG) (Institute for Corporate Governance in the German Real Estate Industry)
- Charta der Vielfalt (Diversity Charter)
- Deutsche Unternehmeninitiative EnergieEffizienz e. V. – DENEFF., Initiative Immo2.Zero

- DGNB – Deutsche Gesellschaft für nachhaltiges Bauen e. V. (DGNB) (German Sustainable Building Council)

- Urban Land Institute initiative “We give life space”

- UN Global Compact Network Germany e. V.

Further information on the compliance management system and the Instone Group's measures to combat corruption and money laundering can be found on the Instone Group's website. The key figures for compliance and anti-corruption measures are included in [☞ table 004](#). [☞ GRI 205](#)

Fines

No significant fines were imposed against the Instone Group due to non-compliance with laws and regulations in the social and economic area in the 2024 reporting year.

Adequacy and efficacy of the risk management system, ICS and compliance management system

As a result of the Management Board's regular involvement with the risk management/compliance management system and the internal control system (ICS) as well as the ongoing reporting by the Internal Audit department to the Management Board, the Management Board is not aware of any circumstances that speak against the adequacy and efficacy of these systems as a whole.¹ With regard to sustainability reporting, the Management Board has taken the necessary measures to continuously improve the maturity of the related risk management/compliance management system and the ICS.

¹ Explanations on the risk management system and ICS can be found in the risk and opportunity report.