

Digital Services Act

2024 Audit Implementation Report

Booking.com

Part 1 - Introduction

The Digital Services Act (“DSA”) requires “very large online platforms” (VLOPs) to be subject to, at least once a year, an independent audit to assess their compliance with the DSA. If the audit outcome is not “positive”, providers are required to adopt an audit implementation report that addresses measures to be taken in view of operational recommendations received from the independent auditor. The Booking.com online platform (“Booking.com” or the “platform”) was designated a VLOP under the DSA and Booking.com B.V. has undergone the first required audit as stipulated under the DSA and the Delegated Regulation on Independent Audits. Here is our 2024 Audit Implementation Report.

The DSA was enacted to foster a safer digital space where the fundamental rights of users are protected. As such, the core objective of the DSA is to reduce risks associated with digital services, ensuring that online environments are secure, transparent and accountable. At Booking.com, we attach significant importance to the objectives of the DSA and have long been advocates and proponents of online safety and consumer protection.

A significant part of Booking.com’s success is built on its trusted and secure environment for our users - both for our travellers and supply partners. Unlike social media platforms, our business model and sector do not present core DSA risks such as negative effects on civic discourse, electoral processes or public security. Our 2023 and 2024 DSA systemic risk assessments validate that the design and functioning of **Booking.com does not pose significant systemic risks to EU citizens because of the nature of our service and our history of continuously assessing and mitigating risks to society**. Particularly, travellers spend their time on Booking.com in a focused and targeted way: to search and seamlessly book travel experiences. Our services by nature are not designed to be “binged”, lead to addictive consumption of content and do not organically carry that kind of allure. Compared to other types of platforms designated as VLOPs by the European Commission such as social media platforms, we consider that Booking.com places at the low end of the DSA risk spectrum.

We take our regulatory obligations seriously. To ensure compliance with the DSA, Booking.com established a cross-functional team with employees across our product, tech, commercial business units and other corporate functions. We focused significant resources on implementing the DSA diligently and forthrightly as a company-wide priority - introducing a range of new functionalities and enhancing some of our existing compliance mechanisms. Nearly half of the 80 obligations applicable to Booking.com were assessed positively by the auditor for the full audit period, either within the audit period or shortly thereafter. However, developing solutions and building new functionality to address all different aspects of the DSA has been complex and challenging - particularly due to the technical complexity of our digital environment and the diversity of business verticals and product offerings on our platform, the short timeframes prescribed by the DSA, and the novelty of the regulation. Our recent audit report reflects the complex reality of navigating a new regulatory landscape.

One of the principal challenges we faced was the short period for implementing the required measures which necessitated expeditious deployment of new systems and controls. The compressed timeframe mandated by the DSA did not always allow for the thorough testing and optimization of measures and controls that complex digital systems often require. This increased the risk of functional deficiencies and drove a number of

the negative audit findings identified by our auditor. These issues are not atypical for systems undergoing initial deployment and refinement and a number of them have been remediated within, or shortly after, the audit period. In addition, our auditor assessed compliance throughout the period, which means that an instance of non-compliance - even if momentary, and later resolved or mitigated - nonetheless drives a “negative” finding on the obligation for the full audit period.

Moreover, the Delegated Act on Independent Audits requires the auditor to ascertain with a “reasonable level of assurance” that the DSA obligations have been met, which is the highest standard of assurance for audit processes. This standard involves rigorous scrutiny of controls. Our primary focus was on rapidly developing and deploying functional solutions to meet DSA requirements. Where an auditor is unable to reach a “reasonable level of assurance” on a particular obligation, it may issue a “no opinion” finding. The audit highlighted certain aspects where our IT controls environment has not yet matured to the level necessary for a comprehensive evaluation. In view of the compressed timeframe mandated by the DSA, the design of controls to ensure regulatory compliance necessitated prioritisation over controls designed to ensure systems can be audited. Importantly, “no opinion” does not entail non-compliance.

As further detailed in this audit implementation report, Booking.com is undertaking a multi-year audit implementation plan aimed at achieving a fully positive audit report. Our goal for Q4 2024 is to address all currently outstanding negative findings and to ensure that any unresolved issues are remediated. Additionally, we will develop a comprehensive and actionable plan to address the instances where the auditor was unable to issue an opinion. Our objective is to remediate as many of these as possible before the close of the current audit period.

We remain committed to delivering and improving our processes and operating in compliance with the DSA while delivering on our mission to make it easier for everyone to experience the world.

Part 2 - Audit Implementation Report

Drafted in accordance to the template published in the Commission Delegated Regulation (EU) 2024/436

SECTION A: General Information	
<p>1. Audited provider: <i>Booking.com B.V.</i></p> <p>2. Address of the audited provider: <i>Oosterdokskade 163, 1011 DL Amsterdam</i></p> <p>3. <u>Audit report on which this implementation report is based</u></p> <p style="margin-left: 40px;">Date of adoption of the audit report: <i>August 28, 2024</i></p> <p style="margin-left: 40px;">Reference to the audit report (for example an URL): <i>To be included upon publication</i></p> <p>4. Information on the underlying audit and the involved parties:</p>	
1. Audited service:	Booking.com online platform
2. Audited provider:	Booking.com B.V.
3. Address of the audited provider:	Oosterdokskade 163, 1011 DL AMSTERDAM
4. Point of contact of the audited provider:	Femi Thomas (Vice President, Chief Compliance Officer - Head of the Compliance Function)
5. Scope of the audit - <i>Does the audit report include an assessment of compliance with all the obligations and commitments referred to in Article 37(1) of Regulation (EU) 2022/2065 applicable to the audited provider?</i>	Yes
<p>i. Compliance with Regulation (EU) 2022/2065</p>	
<p>Obligations set out in Chapter III of Regulation (EU) 2022/2065:</p>	
Audited obligation	Period covered
A listing of the audited obligations can be found in Appendix 1 of the DSA Audit Report.	29 August 2023 to 31 May 2024
<p>ii. Compliance with codes of conduct and crisis protocols</p>	
<p>Commitments undertaken pursuant to codes of conduct referred to in Articles 45 and 46 of Regulation (EU) 2022/2065 and crisis protocols referred to in Article 48 of Regulation (EU) 2022/2065</p>	

Audited commitment	Period covered
N/A: No codes of conduct or crisis protocols were issued in relation to the audit period covered.	N/A
Audit start date	Audit end date
29 August 2023	31 May 2024
Name(s) of organisation(s) constituting the auditing organisation	
Deloitte Accountants B.V.	
Information about the auditing team of the auditing organisation	
<p>Paul Seegers (Partner) was the overall responsible person from Deloitte Accountants B.V. Wilhelminakade 1, 3072 AP Rotterdam, P.O. Box 2031, 3000 CA Rotterdam, The Netherlands. Deloitte Accountants B.V. has maintained a list of the assurance team members.</p>	
Auditor's qualification	
<p>There were more than 15 assurance team members with university degrees, of which more than 5 are Chartered Accountants, involved in the execution of the engagement. Personnel directing the assurance engagement collectively have significant experience related to auditing the technology industry, performing risk assessment, assessing compliance functions, content moderation, privacy matters, GDPR and other related topics. The team included individuals with the following credentials:</p> <ul style="list-style-type: none"> • Extensive experience across audit, assurance, and regulatory compliance, as well as regulatory investigations and disputes. • Proficiency in evaluating risk governance frameworks, testing of risk management systems and operational controls against industry best practices. • Experience of working with multiple providers of online platforms around implementing governance and internal controls for DSA compliance. Specifically advising the Head of a Compliance Function and overseeing development of risk and control matrices for another Very Large Online Platform. • Deep understanding of algorithms and thorough technical knowledge of the regulatory landscape related to internet services. • Strong knowledge of internal controls and risk management that informed the development of DSA and DMA audit methodologies. 	
Documents attesting that the auditing organisation fulfils the requirements laid down in Article 37(3), point (b) of Regulation (EU) 2022/2065 have been attached as an annex to the DSA Audit report	
Response included in Appendix 6 of the DSA Audit Report.	
Auditor's independence	
a. Declaration of interests	

Deloitte Accountants B.V. performs audits, reasonable and limited assurance engagements, and related permissible professional services, for Booking.com B.V. In order to ensure the auditor independence, Deloitte Accountants B.V. operates a robust process to ensure the teams for each engagement are independent from each other and from the audited entities. All services that Deloitte provides to Booking.com are submitted to, reviewed and pre-approved by the Booking Holdings Inc Audit Committee.

b. References to any standards relevant for the auditing team's independence that the auditing organisation(s) adheres to

Refer to the DSA Audit Report. As noted in the DSA Audit Report, Deloitte Accountants B.V in accordance with Dutch law, including the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of ethics for professional accountants, a regulation with respect to independence) are required to be independent of their 'assurance clients' which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards

Independence is comprised of independence of mind and independence in appearance, both of which are required of the engagement team members engaged in providing reasonable assurance engagements. Independence of mind requires that the members maintain a state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgement, thereby allowing an individual to act with integrity and exercise objectivity and scepticism. Independence of appearance is achieved by the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would likely conclude, weighing all the specific facts and circumstances, that a firm's, or a member of the audit team's, integrity, objectivity, or professional scepticism has been compromised.

List of documents attesting that the auditing organisation complies with the obligations laid down in Article 37(3), points (a) and (c) of Regulation (EU) 2022/2065 attached as Appendix 6 to this report

The engagement agreement between Booking.com B.V. and Deloitte Accountants B.V. notes the auditing organisation's compliance with Article 37 (3) (a) (i).

References to any auditing standards applied in the audit, as applicable

Refer to the DSA Audit Report. As noted in the DSA Audit Report, the audit engagement was conducted in accordance with Dutch law, including the Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)' (Assurance engagements other than audits or review engagements of financial statements (attestation engagements) and the conditions in accordance with Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 (EU) (the "Digital Services Act" or the "DSA") and the Commission Delegated Regulation (EU) [2022/2065] of 20 October 2023 supplementing the DSA (the "Delegated Act"). Those standards require that the auditing organisation plans and performs a reasonable assurance engagement to obtain reasonable assurance about whether management's assertion is appropriately stated, in all material respects.

References to any quality management standards the auditing organisation adheres to, as applicable

Deloitte Accountants B.V. applies the International Standard on Quality Management I (ISQM 1) 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems). Accordingly, they maintain a comprehensive system of quality control / management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Furthermore, Deloitte Accountants B.V. is registered with the Trade Register of the Chamber of Commerce in Rotterdam number 24362853. Deloitte Accountants B.V. is a Netherlands affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a registered audit firm with the Public Company Accounting Oversight Board ("PCAOB") of the United States and is an American Institute of Certified Public Accountants ("AICPA") member firm. Refer to Deloitte's Transparency Report 2023 for further background.

5. Does the audit implementation report refer to an audit report on compliance with all the obligations and commitments pursuant to Article 37(1) of Regulation (EU) 2022/2065 applicable to the audited provider? Yes.
6. Where applicable, references to other audit reports resulting from audits pursuant to Article 37 of Regulation (EU) 2022/2065 that the audited provider is or will be subject to concerning the audited period: *Not applicable*.

SECTION B: Follow-up to the operational recommendations concerning audited obligations set out in Chapter III of Regulation (EU) 2022/2065

In the *Introductory Comments Covering All Obligations* section of the Appendix 1 of the "Booking.com B.V. DSA assurance report" issued on August 28, 2024 (hereinafter, the "Audit Report"), the auditor noted that the completion of their audit procedures led to the identification of findings related to processes and controls, as well as a number of recommendations for Booking.com management to consider. Having determined that some common set of root causes existed across audited requirements, the auditor grouped the corresponding recommendations into four themes (outlined below).

For consistency and convenience, Booking.com has adopted a similar approach in presenting our Audit Implementation Report:

- In section B.1, we address the operational recommendations concerning audited obligations for which the audit conclusion was "negative" during the August 28, 2023 - May 31, 2024 period;
- In section B.2, we address the operational recommendations concerning audited obligations for which the audit conclusion was "unable to form a conclusion" during the August 28, 2023 - May 31, 2024 period;
- In section B.3, we address the operational recommendations concerning audited obligations for which the audit conclusion was "positive with comments" during the August 28, 2023 - May 31, 2024 period.

Our responses to the auditor's recommendations are specific to the themes they had identified. Where the auditor expressed the same recommendation (i.e., reference to the same theme(s)) for different obligations with the same audit conclusion, we have grouped our responses together as well. For the benefit of the

reader, we include the themes identified by the auditor here:

1. **Theme “RCM”** (risk assessment and maturity of mitigation of risk measures - processes and controls): [the auditor] recommends that management consider further refining of the risk assessment process and scoping considerations, including updates to the Risk and Control Matrix:
 - a. Further refining the determination of whether a compliance risk needs to be addressed by a policy or procedure, a formalised and documented process and/or a formalised and documented control (i.e. ensuring the responses are reasonable, proportionate and effective to address the risk of non-compliance).
 - b. Reconsidering the control frequency of certain controls that are currently only performed annually.

For most obligations where [the auditor] was unable to rely on the effectiveness of the processes and controls, the corresponding documentation related to their execution should be improved, as it was either not retained, could not be (fully) reproduced or was insufficiently documented.

[the auditor] recommends that Management consider providing further training and guidance on the expectations related to control documentation and formalisation to ensure the process and/or control activities can be reperformed from an internal monitoring or testing perspective and from an audit perspective.

2. **Theme “Controls over underlying data”** (controls over data used in DSA processes and/or controls, given the high reliance on system data and general lack of alternative data to obtain comfort over the completeness of data): [the auditor] recommends management develop an inventory of the systems, tools, databases, data interfaces and other relevant systems of records (e.g. functional mailboxes) relevant to DSA compliance (‘DSA IT landscape’). Such inventory is an important basis for the further design of processes and controls that use data hosted in and flowing through the DSA IT landscape.

[the auditor] recommends management consider the design & implementation of controls covering fundamental control objectives over this DSA IT landscape over:

- a. User access
- b. Change management
- c. Data interfaces
- d. Batch jobs
- e. Report logic for reports generated from the DSA systems
- f. Reconciliation controls across systems (also noted below)

In considering such controls, [the auditor] recommends management evaluate which existing business and IT controls may already be operating effectively and can be expanded in terms of scope to also cover DSA audit requirements.

[the auditor] also recommends management consider streamlining, standardising and rationalising the systems, tools, databases, data interfaces and other relevant applications used for DSA

compliance purposes across the businesses and access points to reduce the number of systems and data sources, reduce complexity and thus drive process efficiency and consistency.

Identify DSA compliance data requirements and define DSA data collection processes to ensure relevant data (for the purpose of executing processes and/or controls, or for Transparency Reporting purposes) is captured accurately, completely, timely and in a repeatable manner to support management's testing and the external audit requirements.

Management should consider implementing further processes and controls related to DSA data reconciliations, to mitigate challenges around DSA process and control deficiencies and also ensure any (future) deficiencies identified in the overall General IT Controls are effectively mitigated for DSA compliance purposes:

- Aggregating data residing in and extracted from the various data sources across the DSA IT landscape and the verticals into an aggregated data set for reporting, internal monitoring and external audit purposes.
- Documenting the reconciliation of the aggregated data sets to the underlying datasets.
- Retaining the data sets and the reconciliations in an efficient systematic manner, for example develop and retain a dataset and the relevant reconciliations to specifically serve Transparency Reporting purposes.

The recommendations indicated above apply to the obligations where [the auditor] noted findings related to controls over completeness and accuracy of the underlying data.

3. **Theme “Transparency Reporting”:** [the auditor] recommends that Management consider further improvements to the process and controls around Transparency Reporting, specifically around the following themes:
 - a. Accuracy and completeness of metrics reported in the Transparency Report – see also the theme on controls over data above.
 - b. Documenting and retaining documentation supporting management’s review process around the report content and the referencing and footing of data disclosed in the various topical disclosure tables.

The recommendations indicated above apply to the obligations related to Transparency Reporting (Articles 15, 24 and 42).

4. **Theme “Traders data”** (DSA process or data needs that overlap with other regulatory requirements or business needs): for the trader traceability obligations, there is a clear overlap with other regulatory (e.g. DAC-7) or business requirements. [the auditor] recommends that management continue and accelerate their initiative of implementing common processes and controls that are designed and operated in a way that all regulatory requirements and business needs are met. The recommendations indicated above apply to the obligations related to Trader Traceability (30 and 31).

Section B.1 - Follow-up to the operational recommendations concerning audited obligations set out in Chapter III of Regulation (EU) 2022/2065 for which the audit conclusion was “negative” during the audited period

B.1.1 - Recommendation for DSA obligation 14(6)

Auditor's recommendation: Refer to the recommendations included under the theme “RCM” in the *Introductory comments covering all Obligations* section of the Audit Report [we included this theme under section B.1 for the readers' convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	On October 31, 2023, Booking.com published its terms and conditions in Irish and Maltese, the two official EU languages that were previously missing from the platform.
(b) Time when the measure(s) were implemented or are planned to be implemented	The remedial measures were implemented within the Year 1 (2023/2024) audit period - on October 31, 2023.
(c) Result	With the inclusion of Irish and Maltese, as of October 31, 2023 the terms and conditions of the Booking.com platform are available in the official languages of all the EU Member States in which we offer our services.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately	By translating our platform's terms and conditions in Irish and Maltese, we achieved publishing our terms of services in the official languages of all the EU Member States in which Booking.com services are offered, thus reaching full compliance with DSA obligation 14(6).

observable.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

B.1.2 - Recommendation for DSA obligation 15(1)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: “RCM”, “Controls over underlying data” and “Transparency Reporting” [we included these themes under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)

By the end of October 2024, Booking.com will prepare and publish the third Transparency Report under the DSA. This will provide us with the chance to strengthen our internal processes, and to improve the formalisation of the reviews and approvals to which our report is subject to before issuance. We will focus in particular on the following information or data points, which the auditor identified to be inaccurate or missing in either one or both of the Transparency Reports we previously issued, in October 2023 and April 2024:

- Include the median time taken to respond to internal complaints (missing from both Transparency Reports);
- Ensure that items included in our tables match the total sum. In the April 2024 Transparency Report, the auditor identified that the disclosure for the total number of orders received from EU Member States for unsafe and/or illegal products did not match by one item the disclosures

	<p>provided for each Member State (note: according to the auditor, this gap did not lead to material non-compliance with the obligation);</p> <ul style="list-style-type: none"> ○ Ensure that the number of actions taken on the basis of the terms and conditions of service we report is properly allocated between actions received from our notice and action mechanisms, and from the trusted flaggers. In the April 2024 Transparency Report, this disclosure was omitted. It is worth noting that during the period in scope for the April 2024 Transparency Report, no trusted flaggers had yet been designated in the EU; in addition, according to the auditor, this gap did not lead to material non-compliance with the obligation; ○ Ensure that all the metrics included in our reports have a unit associated to facilitate readability. In the April 2024 Transparency Report, no time unit (e.g., minutes, hours, days) was included in the disclosure of the median time we took to address notifications (note: according to the auditor, this gap did not lead to material non-compliance with the obligation).
(b) Timing for implementation	The above will be completed before the issuance of the next DSA Transparency Report in October 2024.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	Not applicable: measures will be taken ahead of the issuance of the next DSA Transparency Report (October 2024).
(b) Time when the measure(s) were implemented or are planned to be implemented	Measures will be implemented by the end of October 2024.
(c) Result	The measures listed above will strengthen our internal processes, and improve the formalisation of the reviews and approvals to which our report is subject to before issuance. Inaccuracies will be subject to additional review, and gaps in the data we disclose will be fully addressed.
(d) Explanation of how the measure(s) implement the	The third DSA Transparency Report will fully address the auditor's recommendations - including the data and information

recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.

gaps that were identified as leading to non-compliance with the obligation.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement the operational recommendation under theme “Transparency Reporting”

Booking.com acknowledges the recommendations of the auditor under this theme:

- Prior to the issuance of our October 2024 Transparency Report, Booking.com will review the report production process in line with the auditor’s recommendations. We expect to introduce additional layers of review and verification to improve the accuracy and completeness of data reported therein. This process was already underway at the time of submission of this Audit Implementation Report.

In addition, as part of our multi-year plan, the Company will do the following:

- Booking.com will improve the documentation and overall governance of the Transparency reporting process.
- More specifically, the auditor’s findings regarding the accuracy and completeness of the metrics reported in our previously submitted Transparency Reports will be addressed as part of our implementation measures for themes “RCM” and “Controls over underlying data”.

B.1.3 - Recommendation for DSA obligations 17(1) and 17(2)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: “RCM” and “Controls over underlying data” [we included these themes under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the audit report is based

(a) Description of the measure(s)	<p>In line with standard risk management practices, Booking.com took a risk-based, phased approach to developing and implementing our Statement of Reasons methodology across our various products and business units - prioritising the largest and most impactful (our Accommodations business unit) before addressing others.</p> <p>For the remaining areas, the Statement of Reasons process was remediated during the first DSA audit period (August 28, 2023 - May 31, 2024) within the following timeframes:</p> <ul style="list-style-type: none"> ○ Issuance of Statements of Reason for content
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	<p>moderated under the Attractions section on our platform as of September 25, 2023;</p> <ul style="list-style-type: none"> ○ Issuance of Statements of Reason for content moderated under the “Beaches” and “Destinations” sections of our platform commenced as of October 26, 2023; ○ Issuance of Statements of Reason for content moderated under the “Partner Photos” and “Replies” sections of our platform commenced as of November 11, 2023; ○ Issuance of Statements of Reason for content moderated under the “Rental Cars” section of our platform commenced as of December 07, 2023; ○ Issuance of Statements of Reason for content moderated under the “Partner Hub” sections of our platform (for comments, images and posts) commenced as of April 01, 2024.
(b) Time when the measure(s) were implemented or are planned to be implemented	The compliance gap on the issuance of statements of reason was fully remediated by Booking.com by April 01, 2024 – within the Year 1 (2023/2024) DSA audit period.
(c) Result	As of April 01, 2024, statements of reason are provided to any affected recipient of our service pertaining to restrictions on the display or provision of information that is either of allegedly illegal content, or otherwise incompatible with our terms and conditions.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	By sending statements of reason to all affected recipients of our services we are fully compliant with the requirements of DSA obligations 17(1) and 17(2).

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems

supporting DSA compliance processes;

- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

B.1.4 - Recommendation for DSA obligation 18(1)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: “RCM” and “Controls over underlying data” [we included these themes under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Responsive to the auditor’s findings, Booking.com committed to expand its existing process for proactive reporting to law enforcement under DSA Article 18. The company has/is in the process of completing the following:
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	<ul style="list-style-type: none"> Increasing dedicated human (new FTEs), tooling and other resources for assessing and reporting criminal offences that pose a threat to the life or safety; Redesigning our reporting processes and procedures – including building new technology solutions and delivering improved training to our Trust & Safety Operations team (guidance on detection of suspicious activities involving threats to life on the platform, and the timely reporting to Law Enforcement Authorities).
(b) Timing for implementation	We expect the updated reporting process to be fully implemented by the end of 2024.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	Please refer to the table above.
(b) Time when the measure(s) were implemented or are planned to be implemented	We expect the updated reporting process to be fully implemented by the end of 2024.
(c) Result	A renewed, expanded proactive reporting process to the Law Enforcement Authorities, with more dedicated resources and an improved governance.
(d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	The updated process will ensure compliance with the obligations under DSA article 18(1): Booking.com will report all in-scope cases of suspected criminal offences involving a threat to the life or safety of people.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;

- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

B.1.5 - Recommendation for DSA obligation 23(4)

Auditor’s recommendation: Refer to the recommendations included under the theme “RCM” in the *Introductory comments covering all Obligations* section of the Audit Report [we included this theme under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the audit report is based

(a) Description of the measure(s)	Booking.com has developed and implemented a policy regulating the misuse of our services (as referred to in DSA obligations 23(1) and 23(2)); the policy is now included in the Content Standards & Guidelines section of our platform (see ‘How our strike system works’ and ‘Enforcement procedures for abusive flaggers’ sections). Those sections were published on the Booking.com website on June 11, 2024.
(b) Time when the measure(s) were implemented or are planned to be implemented	The compliance gap was remediated by Booking.com on June 11, 2024, when the above sections were published on our platform.
(c) Result	As of June 11, 2024, the policy regulating the misuse of our services is included and publicly available on our platform.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	By setting out and implementing a policy regulating the misuse of our services as referred to in DSA obligations 23(1) and 23(2), we are fully compliant with the requirements DSA obligation 23(4).

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings.
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period.
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

B.1.6 - Recommendation for DSA obligation 24(5)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the

Introductory comments covering all Obligations section of the audit report: “RCM” and “Controls over underlying data” [we included these themes under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	<p>In line with standard risk management practices, Booking.com took a risk-based, phased approach to developing and implementing our Statement of Reasons methodology across our various products and business units - prioritising the largest and most impactful (our Accommodations business unit) before addressing others.</p> <p>For the remaining areas, the Statement of Reasons process was remediated during the first DSA audit period (August 28, 2023 - May 31, 2024) within the following timeframes:</p> <ul style="list-style-type: none"> ○ Issuance of Statements of Reason for content moderated under the “Attractions” section on our platform as of September 25, 2023; ○ Issuance of Statements of Reason for content moderated under the “Beaches” and “Destinations” sections of our platform commenced as of October 26, 2023; ○ Issuance of Statements of Reason for content moderated under the “Partner Photos” and “Replies” sections of our platform commenced as of November 11, 2023; ○ Issuance of Statements of Reason for content moderated under the “Rental Cars” section of our platform commenced as of December 07, 2023; ○ Issuance of Statements of Reason for content moderated under the “Partner Hub” sections of our platform (for comments, images and posts) commenced as of April 01, 2024.
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(b) Time when the measure(s) were implemented or are planned to be implemented	The compliance gap was fully remediated by April 01, 2024 within the Year 1 (2023/2024) DSA audit period.
(c) Result	The phased implementation of Statement of Reasons measures as described above brings Booking.com into full compliance with obligation 24(5) – including the sharing of Statements of Reasons with the public database managed by the European Commission – as of April 01, 2024.
(d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	See above.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

B.1.7 - Recommendation for DSA obligation 25(1)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: "RCM" and "Controls over underlying data" [we included these themes under section B.1 for the readers' convenience]. In addition, management should evaluate and document whether the remaining deceptive patterns identified need remediation or implementation of mitigants.

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	<p>For clarity, the company reiterates that we do not employ dark or deceptive patterns as a matter of design in the operation of our platform. In the exercise of diligence and as responsive to the requirements of the DSA, the company conducted a review of potentially relevant user experiences categorising them according to the potential that they may be perceived as dark or deceptive. Our assessment identified three experiences that qualify as having a "high" likelihood of falling into this category. As recognised by the auditor, all three instances have been remediated by December 2023. We also determined that some number of those had a "medium" likelihood of being perceived as deceptive patterns - not that the patterns are <i>per se</i> deceptive, but merely that they could be perceived as such and thus warranted further analysis.</p> <p>In response to the recommendations of the auditor, the Company commits to the following:</p> <ul style="list-style-type: none"> ○ Conducting further review to determine how (if at all) the relevant user experiences might be modified to mitigate
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	<p>the risk of being perceived as potentially deceptive or otherwise adversely impacting the consumer experience. We do not anticipate a need to remediate each such experience given the risk identified is one of perception; remediation will focus on experiences, if any, that have some greater likelihood of actually impacting consumer experiences adversely.</p> <ul style="list-style-type: none"> ○ Remediating identified instances (per above) with a target of Q4 2024.
(b) Timing for implementation	Remediating identified instances (per above) with a target of Q4 2024.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	Please refer to the table above.
(b) Time when the measure(s) were implemented or are planned to be implemented	We expect the measures described above to be fully implemented by the end of 2024.
(c) Result	The referenced assessment will inform any modification or mitigation to address any functionality, if necessary.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	These measures will further reduce the existence on our platform of user experiences that might present a risk of falling into the category of a deceptive pattern.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings.

- Controls implementation and remediation expected to be completed by the end of Year 2 audit period.
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

B.1.8 - Recommendation for DSA obligations 27(1) and 27(2)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: “RCM” and “Controls over underlying data” [we included these themes under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	This auditor’s finding results from a limited non-compliance
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	<p>within the DSA audit period. As validated by the audit, Booking.com modified its terms and conditions on October 31, 2023 – resulting in a brief period of two months in which one of our main parameters for recommender systems used in our Accommodations Business Unit and our Car Rentals, Flights and Private and Public Transportation segments was not included. This gap impacted our compliance with DSA obligation 27(1) and 27(2).</p>
(b) Time when the measure(s) were implemented or are planned to be implemented	<p>As stated above, this compliance gap was fully remediated within the audit period - on October 31, 2023.</p>
(c) Result	<p>As a result of the measures taken, Booking.com has fully remediated the compliance gap. Our terms and conditions set out:</p> <ul style="list-style-type: none"> - the main parameters used in our recommender systems, along with options available to our users for the recipients of the service to modify or influence those main parameters; - information on the most significant criteria in determining the information suggested to the user by our recommender systems; and - the reasons for the relative importance of our “main” parameters.
(d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	<p>See above.</p>

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;

- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period.
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

B.1.9 - Recommendation for DSA obligation 30(1)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: “RCM”, “Controls over underlying data” and “Traders data” [we included these themes under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Article 30(1) of the DSA requires platforms to obtain certain information, including the payment account details, where applicable to the trader. In the context of the relationship with Booking.com, the obligation to obtain payment account details would only be applicable in the payment model where
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	<p>Booking.com requires and uses the payment account details of the trader, which is the Payment by Booking - Bank Transfer model. All other payment models do not involve bank account details and as such this obligation is not applicable to the traders in those scenarios.</p> <p>Currently, Booking.com collects payment account details once traders sign up for the Payment by Booking - Bank Transfer payment method. By the end of Q4 2024, Booking.com will implement the suspension of the payment services for traders who do not provide their bank account details within 30 days of signing up to Payment by Booking - Bank Transfer payment method.</p> <p>The gaps in collecting the payment account details of the traders does not apply to our Trips unit (i.e., to the Car Rentals and Rides business units). Payment account details are collected for all Trips unit partners prior to onboarding given that all EU-based products and services must be paid for at the time of reservation.</p>
(b) Timing for implementation	See above.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	Not applicable.
(b) Time when the measure(s) were implemented or are planned to be implemented	Not applicable.
(c) Result	Not applicable.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	Not applicable.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement the operational recommendation under theme “Traders data”

Booking.com acknowledges the potential overlap in regulatory requirements highlighted by the auditor – including concerning trader traceability obligations under the DSA and other applicable EU regulations. As recognized by the auditor, we have initiated an exercise to avoid duplication of requests and thus improve the platform experience for our partners. Booking.com notes that these initiatives pertain to the efficiency of our internal processes only and do not pose a risk of non-compliance with DSA obligations related to traceability of traders or compliance-by-design.

We continue to prioritise remediation efforts on items rated “Negative” by the auditor, while maintaining

our continuous improvement discipline across other items – including in the instant case.

B.1.10 - Recommendation for DSA obligation 30(7)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: "RCM", "Controls over underlying data" and "Traders data" [we included these themes under section B.1 for the readers' convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	Following the identified gap by the auditor, Booking.com has conducted an internal assessment to assess the accuracy of new traders' data displayed. Booking.com identified two further instances of incorrectly displayed data in addition to the instance identified by the auditor in the Rides business unit. All instances have since been remediated.
(b) Time when the measure(s) were implemented or are planned to be implemented	Implementation of measures was concluded on September 16, 2024.
(c) Result	All cases of discrepancy of data were fully corrected to reflect the correct business details of the three traders.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the	The discrepant data was found in a specific Business Unit that rely, to a certain degree, on manual processes for displaying the collected data. As described above, the assessment covered traders in this business unit and any discrepancies were remediated. Furthermore, as stated below, Booking.com will work on process

measures will lead to compliance, where this is not immediately observable.

and control improvements in order to prevent and/or detect any future discrepancies of data.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement the operational recommendation under theme “Traders data”

Booking.com acknowledges the potential overlap in regulatory requirements highlighted by the auditor – including concerning trader traceability obligations under the DSA and other applicable EU regulations. As recognized by the auditor, we have initiated an exercise to avoid duplication of requests and thus improve the platform experience for our partners. Booking.com notes that these initiatives pertain to the efficiency of our internal processes only and do not pose a risk of non-compliance with DSA obligations related to the

traceability of traders or compliance-by-design. We decided not to commit to a precise timeline or remediation plan in this Audit Implementation Report.

We continue to prioritise remediation efforts on items rated “Negative” by the auditor, while maintaining our continuous improvement discipline across other items – including in the instant case.

B.1.11 - Recommendation for DSA obligation 32(1)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: “RCM”, “Controls over underlying data” and “Traders data” [we included these themes under section B.1 for the readers’ convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	<p>In view of the services we offer, we consider the Booking.com platform to have a low risk of offering illegal products or services. Among the services we offer however, we believe Short-Term Rentals (STRs) to be the segment with a higher risk of being illegal. In relation to STRs, Booking.com works closely with public authorities and has a process in place to act quickly upon formal requests from Member State authorities to take down a listing on our platform because of its illegal nature. This process was in place prior to the DSA’s enactment and consists of removing illegal STRs and informing guests who were yet to stay at the accommodations concerned. As of July 01, 2024, we expanded our existing process to cover, in line with article 32, EU consumers who purchased illegal products or services in the previous six months. Those affected EU consumers are contacted via our Customer Service and informed of the following:</p> <p>(a) the fact that the listing is illegal;</p>
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	(b) the identity of the trader; and (c) any relevant means of redress.
(b) Time when the measure(s) were implemented or are planned to be implemented	The above process was implemented and operating as of July 01, 2024.
(c) Result	The expanded process covers all in-scope listings of Article 32.
(d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	See above.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement the operational recommendation under theme "Traders data"

Booking.com acknowledges the potential overlap in regulatory requirements highlighted by the auditor – including concerning trader traceability obligations under the DSA and other applicable EU regulations. As recognized by the auditor, we have initiated an exercise to avoid duplication of requests and thus improve the platform experience for our partners. Booking.com notes that these initiatives pertain to the efficiency of our internal processes only and do not pose a risk of non-compliance with DSA obligations related to the traceability of traders or compliance-by-design. We decided not to commit to a precise timeline or remediation plan in this Audit Implementation Report.

We continue to prioritise remediation efforts on items rated "Negative" by the auditor, while maintaining our continuous improvement discipline across other items – including in the instant case.

B.1.12 - Recommendation for DSA obligation 38(1)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: "RCM" and "Controls over underlying data" [we included these themes under section B.1 for the readers' convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	Not applicable. No residual measures are planned: implementation has already been completed.
(b) Timing for implementation	Not applicable. Implementation has already been completed.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	As part of the DSA implementation, Booking.com developed a toggle in 2023 to enable users to switch off personalised recommendations, i.e. profiling. In June 2024, shortly after the end of the first DSA audit period, our Machine Learning team
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	conducted an additional analysis based on further privacy guidance of all Machine Learning models feeding into recommender systems to identify if any such models use profiling and to ensure that all models identified are linked to the toggle. As a result, all users are provided with at least one option that is not based on profiling.
(b) Time when the measure(s) were implemented or are planned to be implemented	The remediation work was completed by August 13, 2024.
(c) Result	See above.
(d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	See above.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings.
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period.
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

B.1.13 - Recommendation for DSA obligations 39(1) and 39(2)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: "RCM" and "Controls over underlying data" [we included these themes under section B.1 for the readers' convenience].

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	<p>The auditor identified that less than 5% of the ads campaigns that were run on our platform during the DSA audit period (corresponding to roughly 350 properties) had not been consistently included in the Booking.com Ads Repository and in the database of our third party intermediary service provider, Koddi. After investigation, Booking.com management identified the root cause behind this issue: in the past year, our company had used an identifier for the ads campaigns that we thought had a unique correspondence with each property being advertised. That was not the case: in some instances, several properties could be combined under the same identifier on our provider's side, which caused a certain number of properties (~350) and corresponding ads campaigns (~1,500) not to be included in the Ads Repository. To remediate this issue, we will perform the following actions:</p> <ul style="list-style-type: none"> ○ Ensure that properties IDs that are internal to Booking.com are used in addition to the fields (i.e., campaign_id and group_id received) from our third party
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	<p>provider to aggregate impressions for ads per EU Member State.</p> <ul style="list-style-type: none"> ○ To verify this change, we will perform a reconciliation of the two databases, focusing on the number of accommodation properties that had been advertised, and on the impressions received by each one in return.
(b) Timing for implementation	We expect to complete the above measures by the end of 2024.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	See above.
(b) Time when the measure(s) were implemented or are planned to be implemented	We expect to complete the above measures by the end of 2024.
(c) Result	The Booking.com Ads Repository will include all ads presented to users on our platform and information on these ads, as required by article 39(1) and (2) of the DSA.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	See above.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;

- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Specific measure(s) for 39(2):

Auditor’s recommendation: Further, Booking.com should consider to:

- Update the Ads Repository to make clear the “natural or legal person who paid for the advertisement” to align with the language in the audit criteria.
- Update the Ads Repository to make clear that payments are remitted to Booking.com via an intermediary service provider Koddi.
- Update the Ads Repository to make clear the legal person (i.e., legal entity) on whose behalf the ad is presented and/or paid for in order to comply with articles 39(2)(b) and 39 (2)(c).

Measures to implement the operational recommendation:

By the end of 2024, we will update the language used in the Booking.com Ads Repository, to fully align it with the text of the regulation. Instead of “The Company or person that funded the ad”, for every advertisement we will show “The Company or person that paid for the ad”.

2. Reasons for not implementing the recommendation

(a) Justification for not implementing the recommendation

Including in the ads repository that payments are remitted via an intermediary service provider Koddi carries a risk of decreasing the

	<p>user's understanding of our Ads Repository and of the payment process behind it. Koddi is purely an intermediary: it transfers money from the companies/persons who paid for the ad, but does not actively "pay" Booking.com for any service. As such, we do not believe that the inclusion of the name of the service provider is responsive to this regulatory requirement.</p> <p>Similarly, including the legal entity of the party which paid for the ad, instead of the name of their business or brand, will likely decrease the understanding of users in respect of our Ads repository.</p>
(b) Alternative measure(s) taken to achieve compliance	Not applicable as the findings related to those recommendations did not lead to material non-compliance.
<p>B.1.14 - Recommendation for DSA obligation 42(2)</p> <p>Auditor's recommendation: Refer to the recommendations included under the following themes in the <i>Introductory comments covering all Obligations</i> section of the audit report: "RCM", "Controls over underlying data" and "Transparency Reporting" [we included these themes under section B.1 for the readers' convenience].</p>	
<p>1. <u>Measures to implement the operational recommendation</u></p> <p><u>1.1 Planned measure(s)</u></p>	
(a) Description of the measure(s)	<p>The auditor identified the following inaccurately stated or missing data points in Booking.com's previously issued Transparency Reports:</p> <ul style="list-style-type: none"> ○ information on the qualifications held by our employees working in the content moderation team; and ○ further details in the section covering accuracy rates of the items processed solely by automated means for all official languages of the EU Member States, to ensure that accuracy rates do not apply to those official languages for which we do not have automated means on our platform. <p>Booking.com is strengthening its internal processes for the Transparency Report in respect of reviews and approvals of</p>

	reports prior to their issuance to ensure that these data points are (sufficiently) captured in future Transparency Reports starting with the next iteration (which is due end of October 2024) in accordance with article 42(2) of the DSA.
(b) Timing for implementation	See above.

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	See above.
(b) Time when the measure(s) were implemented or are planned to be implemented	See above, the measures will be completed before the issuance of the next transparency report under the DSA, in October 2024.
(c) Result	See above.
(d) Explanation of how the measure(s) implement the recommendation from the Audit Report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	See above.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings.
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period.
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement the operational recommendation under theme “Transparency Reporting”

Booking.com acknowledges the recommendations of the auditor under this theme:

- Prior to the issuance of our October 2024 Transparency Report, Booking.com will review the report production process in line with the auditor’s recommendations. We expect to introduce additional layers of review and verification to improve the accuracy and completeness of data reported therein. This process was already underway at the time of submission of this Audit Implementation Report.

In addition, as part of our multi-year plan, the company will do the following:

- Booking.com will improve the documentation and overall governance of the Transparency reporting process.
- More specifically, the auditor’s findings regarding the accuracy and completeness of the metrics reported in our previously submitted Transparency Reports will be addressed as part of our implementation measures for themes “RCM” and “Controls over underlying data”.

Section B.2 - Follow-up to the operational recommendations concerning audited obligations set out in Chapter III of Regulation (EU) 2022/2065 for which the audit conclusion was “unable to form a conclusion” during the audited period

B.2.1 - Recommendation for DSA obligation 14(1)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: “RCM” and “Controls over underlying data” [we included these themes under section B.1 for the readers’ convenience]. In addition, due to the revision of the Terms & Conditions (T&Cs) in October 2023 in order to meet the audit criteria,

management should consider the implementation of processes and controls to monitor compliance throughout the period.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement additional specific recommendations:

With respect to the additional recommendation from the auditor specific to DSA obligation 14(1), Booking.com has already put in place processes and controls to govern the updating of our terms and conditions twice yearly. As part of our continuous improvement exercises, we will periodically evaluate the need for additional controls and procedures in furtherance of governance and auditability.

B.2.2 - Recommendation for DSA obligations 14(4), 16(5), 16(6), 17(3), 17(4), 17(5), 18(2), 20(1), 20(2), 20(3), 20(4), 20(5), 23(1), 23(2), 23(3), 24(1), 39(3), 40(12)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: "RCM" and "Controls over underlying data" [we included these themes under section B.1 for the readers' convenience].

Measures to implement the operational recommendation under theme "RCM"

Booking.com fully adopts the auditor's recommendation under the theme "RCM" and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme "Controls over underlying data"

Booking.com here incorporates by reference its response to the operational recommendation under theme "RCM" - adopting the measures and procedures outlined there as appropriately responsive to the theme "Controls over underlying data."

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

B.2.3 - Recommendation for DSA obligation 16(4)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: "RCM" and "Controls over underlying data" [we included these themes under section B.1 for the readers' convenience]. In addition, management should consider the design and implementation of monitoring controls to ascertain that, when

recipients of the service submit a notice via the Content Actions page, a confirmation is sent by the system.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement additional specific recommendations:

As part of our revamping exercise following the Q4 assessment, we will evaluate whether to address the auditor’s specific recommendation for this DSA obligation (i.e., management should consider the design and implementation of monitoring controls to ascertain that, when recipients of the service submit a notice via the Content Actions page, a confirmation is sent by the system).

B.2.4 - Recommendation for DSA obligation 20(6)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the

Introductory comments covering all Obligations section of the Audit Report: “RCM” and “Controls over underlying data” [we included these themes under section B.1 for the readers’ convenience]. In addition, management should consider the design and implementation of controls for the tracking and recording of compliance with the internal training curriculum on moderation policies.

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor’s recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement additional specific recommendations:

With respect to the auditor’s recommendation regarding article 20(6), newly hired content moderators are required to undergo onboarding training on Booking.com’s moderation policies. The successful completion of the training is manually recorded by their managers in a tracker. Given the current size of the Content Integrity team and the close cooperation with their managers, we believe that the current system represents a proportionate and reasonable solution. As part of our revamping exercise following the Q4

assessment, we will evaluate whether to address - and in case, how to prioritise - the auditor's specific recommendation on automated tracking.

B.2.5 - Recommendation for DSA obligation 26(1)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: "RCM" and "Controls over underlying data" [we included these themes under section B.1 for the readers' convenience]. In addition, management should consider the implementation of monitoring controls to ascertain the complete and accurate transfer and processing of advertising data with the third-party intermediary services provider.

Measures to implement the operational recommendation under theme "RCM"

Booking.com fully adopts the auditor's recommendation under the theme "RCM" and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme "Controls over underlying data"

Booking.com here incorporates by reference its response to the operational recommendation under theme "RCM" - adopting the measures and procedures outlined there as appropriately responsive to the theme "Controls over underlying data."

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement additional specific recommendations:

With respect to the additional auditor's recommendation regarding article 26(1), Booking.com implemented - before August 28, 2023 - two dedicated business controls, DSA-CTRL-30 ("Daily data feed to DSA Ad Repository (ABU)") and DSA-CTRL-31 ("Daily data feed to DSA Ad Repository (TBU Cars)") to ensure all required data is transferred to the DSA Ads Repository). As part of our revamping exercise following the Q4 assessment, we will evaluate the appropriateness of the design (including frequency) of these existing business controls.

B.2.6 - Recommendation for DSA obligation 28(1)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: "RCM" and "Controls over underlying data" [we included these themes under section B.1 for the readers' convenience]. In addition, management should consider aligning the User Interface of the platform to the age requirement indicated in the T&Cs.

Measures to implement the operational recommendation under theme "RCM"

Booking.com fully adopts the auditor's recommendation under the theme "RCM" and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme "Controls over underlying data"

Booking.com here incorporates by reference its response to the operational recommendation under theme "RCM" - adopting the measures and procedures outlined there as appropriately responsive to the theme "Controls over underlying data."

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement additional specific recommendations:

As part of the above exercises, and specifically for DSA obligation 28(1), Booking.com will consider aligning the User Interface of the platform to the age requirement indicated in our T&Cs (18 years).

B.2.7 - Recommendation for DSA obligations 30(2), 30(3), 30(4), 30(6), 31(1), 31(2)

Auditor's recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the audit report: "RCM", "Controls over underlying data" and "Traders data" [we included these themes under section B.1 for the readers' convenience].

Measures to implement the operational recommendation under theme "RCM"

Booking.com fully adopts the auditor's recommendation under the theme "RCM" and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme "Controls over underlying data"

Booking.com here incorporates by reference its response to the operational recommendation under theme "RCM" - adopting the measures and procedures outlined there as appropriately responsive to the theme "Controls over underlying data."

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement the operational recommendation under theme “Traders data”

Booking.com acknowledges the potential overlap in regulatory requirements highlighted by the auditor – including concerning trader traceability obligations under the DSA and other applicable EU regulations. As recognized by the auditor, we have initiated an exercise to avoid duplication of requests and thus improve the platform experience for our partners. Booking.com notes that these initiatives pertain to the efficiency of our internal processes only and do not pose a risk of non-compliance with DSA obligations related to the traceability of traders or compliance-by-design. We decided not to commit to a precise timeline or remediation plan in this Audit Implementation Report.

We continue to prioritise remediation efforts on items rated “Negative” by the auditor, while maintaining our continuous improvement discipline across other items – including in the instant case.

B.2.8 - Recommendation for DSA obligation 42(3)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: “RCM”, “Controls over underlying data” and “Transparency Reporting” [we included these themes under section B.1 for the readers’ convenience].

Measures to implement the operational recommendation under theme “RCM”

Booking.com fully adopts the auditor’s recommendation under the theme “RCM” and will take the following steps:

- Review set of current business and IT controls relevant for DSA compliance and map IT systems supporting DSA compliance processes;
- Conduct risk assessments and gap analysis against the universe of identified controls and systems;
- Design and implement new controls or enhance existing controls in line with risk assessment/gap analysis findings;
- Controls implementation and remediation expected to be completed by the end of Year 2 audit period;
- In addition to controls design and implementation, we will provide training and guidance to control owners on relevant topics - including formalisation and documentation of controls processes.

Measures to implement the operational recommendation under theme “Controls over underlying data”

Booking.com here incorporates by reference its response to the operational recommendation under theme “RCM” - adopting the measures and procedures outlined there as appropriately responsive to the theme “Controls over underlying data.”

In addition to those measures and procedures, the company expects to further assess, design and implement such other controls as are necessary to govern DSA-relevant data hosted in (and transacting through) our IT systems.

This exercise will allow us to:

- Improve the auditability of our DSA compliance processes;
- Address the auditor's recommendation to ensure that data relevant for compliance with the DSA is captured accurately, completely, timely and in a repeatable manner.

We expect to complete the assessment and implementation of new (or enhancement of existing) controls by the end of the Year 2 audit period. As a matter of practice, we engage in continuous assessment and improvement of controls across our platform - including those relevant to DSA compliance.

Measures to implement the operational recommendation under theme "Transparency Reporting"

Booking.com acknowledges the recommendations of the auditor under this theme:

- Prior to the issuance of our October 2024 Transparency Report, Booking.com will review the report production process in line with the auditor's recommendations. We expect to introduce additional layers of review and verification to improve the accuracy and completeness of data reported therein. This process was already underway at the time of submission of this Audit Implementation Report.

In addition, as part of our multi-year plan, the company will do the following:

- Booking.com will improve the documentation and overall governance of the Transparency reporting process.
- More specifically, the auditor's findings regarding the accuracy and completeness of the metrics reported in our previously submitted Transparency Reports will be addressed as part of our implementation measures for themes "RCM" and "Controls over underlying data".

Section B.3 - Follow-up to the operational recommendations concerning audited obligations set out in Chapter III of Regulation (EU) 2022/2065 for which the audit conclusion was "positive with comments" during the audited period

B.3.1 - Recommendation for DSA obligations 14(2), 14(5), 16(1), 16(2), 26(3), 27(3), 28(2), 34(3)

Auditor's recommendation: Refer to the recommendations included under the theme "RCM" in the *Introductory comments covering all Obligations* section [we included this theme under section B.1 for the readers' convenience].

2. Reasons for not implementing the recommendation

<p>(a) Justification for not implementing the recommendation</p>	<p>In response to the auditor's findings, Booking.com will take the following actions:</p> <ul style="list-style-type: none"> • Review existing set of business and IT controls developed for the purpose of monitoring DSA compliance and develop a complete inventory of relevant controls; • Assess and quantify residual risks to compliance processes and develop mitigating measures to drive controls efficacy and enhance auditability. <p>We expect to complete this review and mitigation exercises by the end of 2024. The process will be conducted against all obligations not rated "Positive".</p> <p>According to the Commission Delegated Regulation (EU) 2024/436, a "positive with comments" conclusion is reached when the auditor can attest with a reasonable level of assurance that the audited provider complied with a DSA obligation. The "comments" refer to either remarks expressed by the auditor on the benchmarks we use to measure our compliance, or to general improvements recommended by the auditor, which however have no substantive effect on our compliance status. In the instant audit, the "positive with comments" ratings we received pertained to the latter - general improvements.</p> <p>As Booking.com is fully compliant with the obligations rated with "positive with comments", our remediation plan will not include the auditor's recommended improvement to our processes at least in the year following the first DSA Audit Report. Booking.com commits to reviewing the obligations rated "positive with comments" upon receipt of the 2025 Audit Report and addressing these items in the 2025 Audit Implementation Report. We will instead prioritise our efforts and resources to remediate all "negative" findings (i.e., the actual instances of non-compliance) by the end of 2024, and to improve the auditability of our processes with the objective of eliminating as many instances as possible where the auditor is "unable to form a conclusion" by May 2025 with a goal towards addressing all items by end of 2025.</p>
<p>(b) Alternative measure(s) taken to achieve compliance</p>	<p>Not applicable, as the auditor concluded that Booking.com was compliant in all material respects with the above obligations</p>

	during the period in scope for the DSA audit.
B.3.2 - Recommendation for DSA obligations 22(1), 22(6), 24(2), 24(3), 40(1), 40(3), 40(7)	
Auditor's recommendation: Refer to the recommendations included under the following themes in the <i>Introductory comments covering all Obligations</i> section of the Audit Report: “RCM” and “Controls over underlying data” [we included these themes under section B.1 for the readers' convenience].	
2. <u>Reasons for not implementing the recommendation</u>	
(a) Justification for not implementing the recommendation	<p>In response to the auditor’s findings, Booking.com will take the following actions:</p> <ul style="list-style-type: none">• Review existing set of business and IT controls developed for the purpose of monitoring DSA compliance and develop a complete inventory of relevant controls;• Assess and quantify residual risks to compliance processes and develop mitigating measures to drive controls efficacy and enhance auditability. <p>We expect to complete this review and mitigation exercises by the end of 2024. The process will be conducted against all obligations not rated “Positive”.</p> <p>According to the Commission Delegated Regulation (EU) 2024/436, a “positive with comments” conclusion is reached when the auditor can attest with a reasonable level of assurance that the audited provider complied with a DSA obligation. The “comments” refer to either remarks expressed by the auditor on the benchmarks we use to measure our compliance, or to general improvements recommended by the auditor, which however have no substantive effect on our compliance status. In the instant audit, the “positive with comments” ratings we received pertained to the latter - general improvements.</p> <p>As Booking.com is fully compliant with the obligations rated with “positive with comments”, our remediation plan will not include the auditor’s recommended improvement to our processes at least in the year following the first DSA Audit Report. Booking.com commits to reviewing the obligations rated “positive with comments” upon receipt of the 2025 Audit Report and addressing</p>

	these items in the 2025 Audit Implementation Report. We will instead prioritise our efforts and resources to remediate all “negative” findings (i.e., the actual instances of non-compliance) by the end of 2024, and to improve the auditability of our processes with the objective of eliminating as many instances as possible where the auditor is “unable to form a conclusion” by May 2025 with a goal towards addressing all items by end of 2025.
(b) Alternative measure(s) taken to achieve compliance	Not applicable, as the auditor concluded that Booking.com was compliant in all material respects with the above obligations during the period in scope for the DSA audit.

B.3.3 - Recommendation for DSA obligation 31(3)

Auditor’s recommendation: Refer to the recommendations included under the following themes in the *Introductory comments covering all Obligations* section of the Audit Report: “RCM” and “Traders data” [we included these themes under section B.1 for the readers’ convenience]. In addition, management should consider enhancing the effectiveness of their monthly random process by also taking samples from the relevant official databases to check against the internal traders’ database.

2. Reasons for not implementing the recommendation

(a) Justification for not implementing the recommendation	<p>In response to the auditor’s findings, Booking.com will take the following actions:</p> <ul style="list-style-type: none"> • Review existing set of business and IT controls developed for the purpose of monitoring DSA compliance and develop a complete inventory of relevant controls; • Assess and quantify residual risks to compliance processes and develop mitigating measures to drive controls efficacy and enhance auditability. <p>We expect to complete this review and mitigation exercises by the end of 2024. The process will be conducted against all obligations not rated “Positive”.</p> <p>According to the Commission Delegated Regulation (EU) 2024/436, a “positive with comments” conclusion is reached when the auditor can attest with a reasonable level of assurance that the audited provider complied with a DSA obligation. The</p>
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	<p>“comments” refer to either remarks expressed by the auditor on the benchmarks we use to measure our compliance, or to general improvements recommended by the auditor, which however have no substantive effect on our compliance status. In the instant audit, the “positive with comments” ratings we received pertained to the latter - general improvements.</p> <p>As Booking.com is fully compliant with the obligations rated with “positive with comments”, our remediation plan will not include the auditor’s recommended improvement to our processes at least in the year following the first DSA Audit Report. Booking.com commits to reviewing the obligations rated “positive with comments” upon receipt of the 2025 Audit Report and addressing these items in the 2025 Audit Implementation Report. We will instead prioritise our efforts and resources to remediate all “negative” findings (i.e., the actual instances of non-compliance) by the end of 2024, and to improve the auditability of our processes with the objective of eliminating as many instances as possible where the auditor is “unable to form a conclusion” by May 2025 with a goal towards addressing all items by end of 2025.</p> <p><u>Measures to implement additional specific recommendations:</u></p> <p>With respect to the auditor’s additional recommendations, Booking.com has revised the monthly random check process as suggested by the auditor. The new control design entails the following activities:</p> <ul style="list-style-type: none"> ○ The control owner selects 5 random Romanian property listings on the Booking.com platform, and checks them against the Romanian government illegal listing database (the only existing one in the European Union that applies to DSA obligation 31(3) and to the scope of the products and services we offer as of September 2024); ○ The control owner selects 5 random properties from the Romanian government illegal listing database, and verifies that they do not match any listing hosted on the Booking.com platform; ○ The control owner documents the results of this monthly check for each period. <p>The new control has already been executed in September 2024.</p>
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(b) Alternative measure(s) taken to achieve compliance	<ul style="list-style-type: none"> • The auditor’s recommendation to enhance our monthly random check process has already been implemented in September 2024. • With respect to the auditor’s recommendation under the RCM theme, we consider that the auditor concluded that Booking.com was compliant in all material respects with the above obligation during the period in scope for the DSA audit.
B.3.4 - Recommendation for DSA obligation 42(1)	
Auditor’s recommendation: Refer to the recommendations included under the following themes in the <i>Introductory comments covering all Obligations</i> section of the Audit Report: “RCM” and “Transparency Reporting” [we included these themes under section B.1 for the readers’ convenience].	
2. <u>Reasons for not implementing the recommendation</u>	
(a) Justification for not implementing the recommendation	<p>In response to the auditor’s findings, Booking.com will take the following actions:</p> <ul style="list-style-type: none"> • Review existing set of business and IT controls developed for the purpose of monitoring DSA compliance and develop a complete inventory of relevant controls; • Assess and quantify residual risks to compliance processes and develop mitigating measures to drive controls efficacy and enhance auditability. <p>We expect to complete this review and mitigation exercises by the end of 2024. The process will be conducted against all obligations not rated “Positive”.</p> <p>According to the Commission Delegated Regulation (EU) 2024/436, a “positive with comments” conclusion is reached when the auditor can attest with a reasonable level of assurance that the audited provider complied with a DSA obligation. The “comments” refer to either remarks expressed by the auditor on the benchmarks we use to measure our compliance, or to general improvements recommended by the auditor, which however have no substantive effect on our compliance status. In the instant audit, the “positive with comments” ratings we received pertained to the latter - general improvements.</p>

	<p>As Booking.com is fully compliant with the obligations rated with “positive with comments”, our remediation plan will not include the auditor’s recommended improvement to our processes at least in the year following the first DSA Audit Report. Booking.com commits to reviewing the obligations rated “positive with comments” upon receipt of the 2025 Audit Report and addressing these items in the 2025 Audit Implementation Report. We will instead prioritise our efforts and resources to remediate all “negative” findings (i.e., the actual instances of non-compliance) by the end of 2024, and to improve the auditability of our processes with the objective of eliminating as many instances as possible where the auditor is “unable to form a conclusion” by May 2025 with a goal towards addressing all items by end of 2025.</p>
(b) Alternative measure(s) taken to achieve compliance	<p>Not applicable, as the auditor concluded that Booking.com was compliant in all material respects with the above obligation during the period in scope for the DSA audit.</p>

B.3.5 - Recommendation for DSA obligation 34(1)

Auditor’s recommendation: Refer to the recommendations included under the following theme in the *Introductory comments covering all Obligations* section of the Audit Report: “RCM” [we included this theme under section B.1 for the readers’ convenience]. In addition, management should consider:

- A formalised framework or procedure to govern the execution, documentation and approval of the SRA process;
- Enhancing the documentation of their assessment of new products or functionalities deployed during the audit period for their impact on the risk assessment.

2. Reasons for not implementing the recommendation

(a) Justification for not implementing the recommendation	<p>In response to the auditor’s findings, Booking.com will take the following actions:</p> <ul style="list-style-type: none"> • Review existing set of business and IT controls developed for the purpose of monitoring DSA compliance and develop a complete inventory of relevant controls; • Assess and quantify residual risks to compliance processes and develop mitigating measures to drive controls efficacy and enhance auditability.
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We expect to complete this review and mitigation exercises by the end of 2024. The process will be conducted against all obligations not rated “Positive”.

According to the Commission Delegated Regulation (EU) 2024/436, a “positive with comments” conclusion is reached when the auditor can attest with a reasonable level of assurance that the audited provider complied with a DSA obligation. The “comments” refer to either remarks expressed by the auditor on the benchmarks we use to measure our compliance, or to general improvements recommended by the auditor, which however have no substantive effect on our compliance status. In the instant audit, the “positive with comments” ratings we received pertained to the latter - general improvements.

As Booking.com is fully compliant with the obligations rated with “positive with comments”, our remediation plan will not include the auditor’s recommended improvement to our processes at least in the year following the first DSA Audit Report. Booking.com commits to reviewing the obligations rated “positive with comments” upon receipt of the 2025 Audit Report and addressing these items in the 2025 Audit Implementation Report. We will instead prioritise our efforts and resources to remediate all “negative” findings (i.e., the actual instances of non-compliance) by the end of 2024, and to improve the auditability of our processes with the objective of eliminating as many instances as possible where the auditor is “unable to form a conclusion” by May 2025 with a goal towards addressing all items by end of 2025.

Measures to implement additional specific recommendations:

With respect to the auditor’s additional recommendations:

- Booking.com accepts the auditor’s first additional recommendation for this obligation. The company will develop a unified framework that brings together currently existing ways of working pertaining to the SRA process. We expect to have both recommendations addressed by the end of Q1 2025.
- Booking.com acknowledges the auditor’s second

	<p>additional recommendation for this obligation. We will consider, where reasonable, the enhancement of the level of documentation of the company's assessments of new products and functionalities on the risks identified by the annual systemic risk assessment (SRA) under the DSA. However, it should be noted that the current level of formalisation was deemed sufficient by the auditor to reach a compliance conclusion with a reasonable level of assurance.</p>
(b) Alternative measure(s) taken to achieve compliance	<ul style="list-style-type: none"> • With respect to the auditor's recommendation under the RCM theme, we consider that the auditor concluded that Booking.com was compliant in all material respects with the above obligation during the period in scope for the DSA audit. • The auditor's recommendation about the draft of a formalised framework/procedure will be achieved by the end of Q1 2025. • The auditor's recommendation related to the documentation level of the assessments of new products and functionalities will be considered, where reasonable, throughout the next SRA cycle.
<p>B.3.6 - Recommendation for DSA obligation 34(2)</p> <p>Auditor's recommendation: Refer to the recommendations included under the following theme in the <i>Introductory comments covering all Obligations</i> section of the Audit Report: "RCM" [we included this theme under section B.1 for the readers' convenience]. In addition, management should consider:</p> <ul style="list-style-type: none"> • Enhancing the documentation of their procedures when identifying and assessing the factors referred to in Article 34.2; • Enhancing the documentation of their future SRAs to consider the testing related to the assumptions on systemic risks with groups most impacted by these risks. 	
<p>2. <u>Reasons for not implementing the recommendation</u></p>	
(a) Justification for not implementing the recommendation	<p>In response to the auditor's findings Booking.com will take the following actions:</p> <ul style="list-style-type: none"> • Review existing set of business and IT controls developed for the purpose of monitoring DSA compliance and develop a complete inventory of relevant controls;

	<ul style="list-style-type: none">Assess and quantify residual risks to compliance processes and develop mitigating measures to drive controls efficacy and enhance auditability. <p>We expect to complete this review and mitigation exercises by the end of 2024. The process will be conducted against all obligations not rated “Positive”.</p> <p>According to the Commission Delegated Regulation (EU) 2024/436, a “positive with comments” conclusion is reached when the auditor can attest with a reasonable level of assurance that the audited provider complied with a DSA obligation. The “comments” refer to either remarks expressed by the auditor on the benchmarks we use to measure our compliance, or to general improvements recommended by the auditor, which however have no substantive effect on our compliance status. In the instant audit, the “positive with comments” ratings we received pertained to the latter - general improvements.</p> <p>As Booking.com is fully compliant with the obligations rated with “positive with comments”, our remediation plan will not include the auditor’s recommended improvement to our processes at least in the year following the first DSA Audit Report. Booking.com commits to reviewing the obligations rated “positive with comments” upon receipt of the 2025 Audit Report and addressing these items in the 2025 Audit Implementation Report. We will instead prioritise our efforts and resources to remediate all “negative” findings (i.e., the actual instances of non-compliance) by the end of 2024, and to improve the auditability of our processes with the objective of eliminating as many instances as possible where the auditor is “unable to form a conclusion” by May 2025 with a goal towards addressing all items by end of 2025.</p> <p><u>Measures to implement additional specific recommendations:</u></p> <p>With respect to the auditor’s additional recommendations:</p> <ul style="list-style-type: none">Booking.com will consider enhancements to the documentation procedures relevant to compliance with DSA obligation (34.2).The company will consider enhancing the documentation of its SRA, to include the testing related to the
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	<p>assumptions on those risks with the groups identified in DSA Recital 19, where reasonable and appropriate. However, it should be noted that in both cases the current level of formalisation was deemed sufficient by the auditor to reach a compliance conclusion with a reasonable level of assurance.</p>
(b) Alternative measure(s) taken to achieve compliance	<ul style="list-style-type: none"> • With respect to the auditor's recommendation under the RCM theme, we consider that the auditor concluded that Booking.com was compliant in all material respects with the above obligation during the period in scope for the DSA audit. • The auditor's detailed recommendation for this obligation will be taken into account during the next SRA cycle.
<p>B.3.7 - Recommendation for DSA obligation 35(1)</p> <p>Auditor's recommendation: Refer to the recommendations included under the following theme in the <i>Introductory comments covering all Obligations</i> section of the Audit Report: "RCM" [we included this theme under section B.1 for the readers' convenience]. In addition, management should consider:</p> <ul style="list-style-type: none"> • A formalised framework or procedure, leveraging Booking.com's enterprise-wide risk methodology (as applicable), to govern the execution, documentation and approval of the risk mitigation monitoring process to support the identification and evaluation of mitigation measures, including how they are assessed as reasonable, proportionate and effective; • This framework should promote documentation of the ongoing evaluation of the measures put in place to mitigate the systemic risks, including whether and how the risk mitigation measures in Article 35(1), points (a) to (k) are applicable and taking into account the results of any audit activities (including the DSA audit). 	
<p>2. <u>Reasons for not implementing the recommendation</u></p>	
(a) Justification for not implementing the recommendation	<p>In response to the auditor's findings, Booking.com will take the following actions:</p> <ul style="list-style-type: none"> • Review existing set of business and IT controls developed for the purpose of monitoring DSA compliance and develop a complete inventory of relevant controls; • Assess and quantify residual risks to compliance processes and develop mitigating measures to drive controls efficacy and enhance auditability.

	<p>We expect to complete this review and mitigation exercises by the end of 2024. The process will be conducted against all obligations not rated “Positive”.</p> <p>According to the Commission Delegated Regulation (EU) 2024/436, a “positive with comments” conclusion is reached when the auditor can attest with a reasonable level of assurance that the audited provider complied with a DSA obligation. The “comments” refer to either remarks expressed by the auditor on the benchmarks we use to measure our compliance, or to general improvements recommended by the auditor, which however have no substantive effect on our compliance status. In the instant audit, the “positive with comments” ratings we received pertained to the latter - general improvements.</p> <p>As Booking.com is fully compliant with the obligations rated with “positive with comments”, our remediation plan will not include the auditor’s recommended improvement to our processes at least in the year following the first DSA Audit Report. Booking.com commits to reviewing the obligations rated “positive with comments” upon receipt of the 2025 Audit Report and addressing these items in the 2025 Audit Implementation Report. We will instead prioritise our efforts and resources to remediate all “negative” findings (i.e., the actual instances of non-compliance) by the end of 2024, and to improve the auditability of our processes with the objective of eliminating as many instances as possible where the auditor is “unable to form a conclusion” by May 2025 with a goal towards addressing all items by end of 2025.</p> <p><u>Measures to implement additional specific recommendations:</u></p> <p>With respect to the auditor’s additional recommendations, Booking.com will consider developing a more formalised framework to govern the execution, documentation and approval of the risk mitigation monitoring process as recommended by the auditor.</p>
(b) Alternative measure(s) taken to achieve compliance	<p>Not applicable, as the auditor concluded that Booking.com was compliant in all material respects with the above obligation during the period in scope for the DSA audit.</p>

B.3.8 - Recommendation for DSA obligation 37(2)

Auditor's recommendation: Management should consider conducting a thorough debrief following completion of the first-year DSA audit to identify how the audit process for the second reporting period can be further improved.

1. Measures to implement the operational recommendation

1.1 Planned measure(s)

(a) Description of the measure(s)	<p>In response to the auditor's recommendations, Booking.com initiated the following actions:</p> <ul style="list-style-type: none"> • Kicked off a process to obtain input and feedback from key stakeholders involved in the DSA audit following the conclusion of the audit; • To collect internal feedback, the DSA Compliance Function reached out to a total of 15 teams and functions within Booking.com. All stakeholders were asked to rate the DSA audit process and the role played by the DSA Compliance Function in managing and overseeing the auditor's requests; • Developed a plan to leverage information gained from stakeholders as well as other insights in debriefing and "lessons learned" sessions with the auditor. <p>We believe these actions will help improve the communication and the ways of working with the auditor ahead of the Year 2 DSA audit (2024/2025).</p>
(b) Timing for implementation	<p>We expect to complete the internal debrief and the feedback session with the auditor ahead of the Year 2 DSA audit.</p>

1.2 Measures taken since the end of the period on which the Audit Report is based

(a) Description of the measure(s)	<p>Please refer to the table above.</p>
(b) Time when the measure(s) were implemented or are planned to be implemented	<p>We expect to complete the internal debrief and the feedback session with the auditor ahead of the Year 2 DSA audit.</p>
(c) Result	<p>The feedback sessions will facilitate the identification of</p>

	improvement points for the DSA audit process in the second reporting period.
(d) Explanation of how the measure(s) implement the recommendation from the audit report effectively and why the resulting situation constitutes compliance or how the effects of the measures will lead to compliance, where this is not immediately observable.	Not applicable, as the auditor concluded that Booking.com was compliant in all material respects with the above obligation during the period in scope for the DSA audit.

SECTION C (where applicable): Follow-up to the operational recommendations concerning audited commitments undertaken by the audited provider pursuant to the codes of conduct referred to in Articles 45 and 46 of Regulation (EU) 2022/2065 and the crisis protocols referred to in Article 48 of Regulation (EU) 2022-2065

Not applicable.

SECTION D: Any other information the audited provider wishes to convey

Not applicable.