REA Group Limited is a multinational digital advertising company specialising in property. Listed on the Australian Securities Exchange (ASX:REA), we operate Australia’s leading residential, commercial and share property websites, realestate.com.au, realcommercial.com.au and flatmates.com.au. We also operate Chinese property site myfun.com, and iProperty Group which owns a number of leading property portals in Asia. We also have significant shareholdings in Move, Inc. in the United States and PropTiger in India.

Everything we do is driven by our purpose to ‘change the way the world experiences property’ – from product innovation to our international investments. Today, we have digital real estate sites and investments in Australia, Asia and North America. In Australia, we have the market-leading site, realestate.com.au, and its award-winning mobile apps.
In FY19, we saw a year on year reduction of CO₂ emissions from air travel of 463,154 lbs.

Our Women in Tech program has moved the dial on our gender diversity ratio within technology roles, growing from 20.4% to 29.9% as of 30 June 2019.

In FY19, we trained more than 450 employees face to face in cyber security incident response across seven cities in Asia and Australia.

We engaged an independent sustainability consultancy to undertake a materiality assessment for REA Group in FY19 as part of our commitment to sustainable business practices.

The materiality assessment found the top three areas of focus for REA Group when looking through the Environment, Social and Governance (ESG) lens, include:

1. Ethics and integrity
2. Diversity and inclusion
3. Data protection, privacy and cyber security

Innovation is built into our core Values. We never settle for the status quo and always look for opportunities to ‘re-imagine it’.

Our Women in Tech program has moved the dial on our gender diversity ratio within technology roles, growing from 20.4% to 29.9% as of 30 June 2019.

More than 3619 women and children have received financial assistance from the National Rapid Rehousing Fund we created with Launch Housing in 2015.

We are committed to reducing our impact on the environment through our business travel, building operations and data centres.

In FY19, we saw a year on year reduction of CO₂ emissions from air travel of 463,154 lbs.
Welcome to REA Group’s inaugural Sustainability Report.

As a leading global digital business, we’ve come a long way since starting out in a garage 25 years ago. Today we operate in six countries across 11 locations and our team is united by our purpose - to change the way the world experiences property.

Our commitment to responsible and sustainable business practices underpins everything we do at REA Group. Through this report, we’re delighted to share what we’re doing across the areas of Environment, Social and Governance, as well as our plans for the year ahead.

As part of this commitment, we engaged an independent sustainability consultancy earlier this year to undertake a materiality assessment. We did this with a view to exploring and prioritising the most relevant areas related to Sustainability for REA Group.

There was strong alignment between our internal and external stakeholders’ rankings of these areas, with consistency in the top three topics selected by each stakeholder group. These included: ethics and integrity; diversity and inclusion; and data protection, privacy and cyber security.

For a business like ours, it’s hard to think of more important focus areas. We believe the principles of being ethical, transparent and accountable are essential for the long-term performance and sustainability of our Company.

I was particularly pleased to see diversity and inclusion rank in the top three topics. This is an area I’m personally very passionate about. The most successful teams I’ve worked in, have been the most diverse; in addition to the variety of opinions and views, the different lenses a diverse team brings to the table on how to address opportunities and challenges is invaluable.

We recognise that our long-term commitment to sustainability will be integral to REA Group’s ongoing success and we are proud of our achievements to date. We will continue to respond to the needs of our stakeholders and the environment, participate positively in the communities we operate in, invest in our people, and create innovative customer solutions and consumer experiences.

I hope you enjoy reading our first Sustainability Report, outlining our performance and future commitments to create positive change. We welcome any feedback you may have via our becausewecare@rea-group.com mailbox.

Owen Wilson
Chief Executive Officer
In FY19 REA Group engaged an independent sustainability consultancy to undertake a materiality assessment to explore and prioritise the most relevant areas of focus for REA Group related to sustainability.

A combination of internal and external stakeholders were engaged in the materiality process through surveys, interviews and focus groups. Stakeholders included:

- **Internal**: REA Group CEO and Executive Leadership Team members; Heads of our businesses in Asia; representatives from our lines of business and functional groups across Australia.
- **External**: consumer and customer representatives; government and regulators; industry bodies and associations; local communities; suppliers; educational institutions; and investors / analysts.

Stakeholders were asked to consider key issues under the headings of Environment, Social and Governance (ESG) in relation to how important they were to REA Group.

These results were then analysed to create a prioritised list of sustainability issues for REA Group. The top eight ‘issues’ identified for REA Group through this process include:

1. Ethics and integrity
2. Diversity and inclusion
3. Data protection, privacy and cyber security
4. Health, safety and wellbeing
5. Service quality and safety
6. Employee engagement
7. Innovation
8. Customer satisfaction

All areas of focus considered as part of the Materiality Assessment have been mapped on the Materiality Matrix (below).

In this report, we are pleased to share what we currently do from an ESG perspective and where relevant, the targets we’ve set for the year ahead.

Certain areas present opportunities to evolve and grow what we’re doing, while in other areas we are ahead of the curve. We’re very proud to be sharing our progress in a transparent way as part of our ongoing commitment to sustainable business practices.

This report has been guided by Global Reporting Initiative (GRI) standards. We are looking to expand our approach to data with our FY20 Sustainability Report by having it independently assured.
Good governance is essential to protect and enhance the long-term performance and sustainability of our company. It also supports the interests of our shareholders, employees, customers, consumers and the broader community.
Ethics and integrity

Conducting all business activities in line with the highest ethical and legal standards.

Doing business transparently and in a way that promotes the highest levels of business ethics and integrity is central to how we operate at REA. Our ‘Doing Business Ethically and with Integrity’ policy outlines to our people the key role they play in ensuring these standards are maintained, so they’re completely clear on what’s okay as well as what’s not acceptable.

This is also supported by our ‘Code of Conduct’ which sets out professional standards of behaviour for all REA Group employees in all our interactions. It is fundamental to our culture and provides an important bridge between our values, our policies and our legal requirements.

In addition, our ‘Avoiding Conflicts of Interest’ policy sets out clear guidelines to help our people understand their obligations when it comes to avoiding conflicts of interest and in the event of a potential conflict arising, sets out a process for ensuring that a conflict is averted through disclosure. It also outlines the consequence of breaching the policy.

We recognise entertainment and gifts are a part of business, which is where our ‘Giving and Receiving Gifts’ policy comes in. This policy goes hand in hand with our ‘Code of Conduct’, ‘Doing Business Ethically and With Integrity’ policy and our ‘Business Travel and Expense Reimbursement’ policy and of course – local laws.

The ‘Giving and Receiving Gifts’ policy outlines the following: what a gift is; giving gifts; the limits on giving gifts; how to expense gifts and entertainment; receiving gifts; the limits on receiving gifts from external parties; how to record gifts in the Gift Register; consequences of breach of policy.

When new people join REA Group, we share our ‘Employee Handbook’ with them, which provides insight into the following: our Values; conducting ourselves professionally; ensuring everyone’s safety, wellbeing and inclusion; using technology safely; engaging with social media; building a high performance culture; avoiding conflicts of interest; how to raise concerns.

Our policies are reinforced with mandatory online training for all new people who join REA to create awareness and understanding and foster a culture of respect, diversity and inclusion.

In FY20, we will be expanding our anti-corruption training for all new people who join REA to create awareness and understanding and foster a culture of respect, diversity and inclusion.
Ethics and integrity (continued)

Competition and Consumer law compliance

REA Group is committed to complying with the Competition and Consumer Act 2010 and the promotion of fair trading, healthy competition and consumer protection. Our philosophy in relation to competition and consumer protections is that:

- **Competition never hurt anybody** – competitors in the market keep us on our toes, so we innovate and provide superior experiences for our customers and consumers.

- **Honesty is the best policy** – we have controls in place to ensure our people don’t say anything in conversations that is likely to mislead or deceive consumers, customers, shareholders or third parties. These controls also extend to our marketing materials.

- **Reviews** – our ‘honesty is the best policy’ rule applies to online reviews, which means they shouldn’t be misleading. We take steps to detect and remove fake or inflated reviews, and we don’t selectively delete or modify reviews, post or request fake or inflated reviews and don’t offer incentives for reviews.

- **We play fair** – we don’t have unfair terms in our agreements with our customers, consumers or suppliers, nor do we act unconscionably.

Tax transparency

REA complies with all tax laws and regulations which apply to REA Group and its subsidiaries. Our Tax Governance policy reinforces our objectives:

- We pay the legally correct amount of tax and do not knowingly partake in tax avoidance/fraud.

- We assess tax effective opportunities that are supportable, founded in prevailing commercial rationale and that do not damage our corporate reputation.

- We engage with regulators, tax authorities, external advisors, and industry groups in an ethical, transparent and professional manner.

The REA ‘Whistleblower’ policy and process provides a way to confidentially and anonymously report any suspected instances of wrongdoing which may include illegal, unethical or inappropriate conduct. It is accessible to current and former employees, contractors, suppliers and external parties. The policy provides details of what a wrongdoing is, how to make a report and the steps REA will take to keep things confidential and protect the whistleblower. There are internal and external channels for making a report including through an independent third-party whistleblower service which can be accessed online or by telephone.

Whistleblowers are protected from victimisation, adverse action or intimidation. Our Board, via the Audit, Risk and Compliance Committee, receives regular updates on ‘Whistleblower’ matters.
Cyber security

Safeguarding data and networks from corruption, loss and cyber attacks.

Strategy

Our philosophy is to embed security throughout REA, empowering our people to make good risk decisions and equipping them with the tools to do so – a cyber ‘health service’, not a police force.

Our strategy centres around five simple principles:

1. Visibility of key assets and threats
2. Prioritising good technology hygiene and getting the basics right
3. Broad adoption of key security controls
4. Promotion of a risk aware culture
5. Data protection

Our security program extends to assessing our business partners and supplier security posture.

Building cyber resilience at REA Group

As a company operating in the digital arena, risks arising from cyber threats are front of mind for REA. Cyber security continues to gain attention in both customer facing and non-customer facing teams across our business. Public awareness has been driven by new legislation and the increasing frequency of publicity surrounding scams and fraud particularly resulting from email phishing and prominent social media activity.

REA has a dedicated Cyber Security team that works with business and technology teams to proactively monitor REA systems for vulnerabilities, prevent malicious activity and manage threats to our business. In addition, we have worked to build both employee and customer risk awareness through extensive education, including:

- An industry first ‘Security Guide for Real Estate Agents’
- A ‘Netflix-style’ cyber risk awareness program for all REA employees
- Real-time email phishing simulations
- Developer specific training in secure development practices
- Board level awareness of cyber security issues
Industry standards

REA uses the National Institute of Standards and Technology (NIST) Cyber Security Framework, an internationally recognised approach to the implementation of controls. We use NIST to manage risks to our business and we measure our maturity against this framework annually. This framework enables us to continually assess where to focus investment and measure our security maturity.

REA leverages external expertise where appropriate to augment its security services, including conducting security testing, compromise assessments and independent reviews.

Collaboration across industry and with peers

REA does not exist in a vacuum and the risks we face from cyber attacks and criminal activity are common across different industries. We believe in the value of sharing our experience with others and learning from peers in return. REA Group’s Cyber Security team invests significant effort collaborating with government agencies such as the Joint Cyber Security Centre (JCSC) and with security teams from other organisations.

REA Group’s Chief Information Security Officer sits on several executive advisory boards for cyber security including Deakin University and the Australian Information Security Association; is a CyRise mentor – an accelerator for Australian cyber security start-ups, and former winner of the Australian Information Security Association (AISA) Security Professional of the Year.

The Security team at REA Group regularly speaks at conferences in Australia and abroad, including the prestigious Blackhat Conference in the USA and DevSecCon in Israel.

Building a risk aware culture, giving back to the community

Equipping our people to recognise and respond to cyber risk is as important as implementing technology and a key strategic priority at REA. We regularly hold events and sessions where our people can engage in security conversations, including opening a pop-up ‘Privacy Bar’ where the Security team can help employees check their social media privacy settings and provide advice about how to protect their families online.

In FY18, REA Group Security collaborated with the Office of the eSafety Commissioner at our REAio Hack Day, our internal festival of inventorship, to build a prototype Facebook ‘bot’ that would provide advice for young adults experiencing cyber-bullying.

In FY19, REA Security helped REA Group’s charity partner Orange Sky Australia, to conduct a security risk assessment of its business operations as part of our community partnership.

Our security education also extends to:

- **Developer training program**: How to code securely.
- **Security Guild**: A Tech Community at REA Group that runs fortnightly security orientated showcases and presentations for our people.
- **External speakers**: Over the past year, we have held more than 15 speaker sessions on topics ranging from Dark Web marketplaces, Privacy, Incident Response and Cybercrime.
Governance

Environment Social Governance

Introduction

Cyber security
(continued)

DATA PROTECTION AND PRIVACY

Ensuring privacy of personal information

REA recognises the responsibility of protecting personal information and we take privacy laws extremely seriously. We want our customers and consumers to rest easy knowing that we treat their data with the utmost respect. We follow a privacy by design way of thinking, which means that we build privacy considerations into our products and processes from the beginning of each new project and continue to develop those projects with privacy in mind every step of the way.

Global privacy laws have radically shifted in recent years, which means that we are always learning and redeveloping our ways of working to ensure that we keep pace. REA continually monitors these changes and ensures that they are implemented wherever relevant across our international businesses.

We recently introduced our cookie policy on 1 July 2019. The policy provides particulars of how REA conducts personalised advertising and how consumers can opt out. Cookie consent banners are also now displayed to our European Union audience across our key REA sites.

Security incident response and recovery

Building cyber resilience

At REA we recognise that despite our best efforts, it is inevitable that our business will experience security incidents - which we prepare for. In 2018, REA experienced a cyber attack, which we successfully held off.

As part of our continuous improvement culture we have also made enhancements and as a result we have:

> Trained more than 450 employees face-to-face in incident response across seven cities in Asia and Australia.
> Standardised our process and procedures around a central incident management platform.
> Conducted more comprehensive post incident reviews to incorporate lessons learned.

Our incident management improvements have been recognised by peers and we now have external participation in our training program.
Innovation

Investing in new ideas, solutions and innovations to create better products and services.

At the heart of REA Group is a focus on innovation - innovation in technology, in sales and marketing, and innovation in customer and consumer-focussed product and services development.

Alignment to our REA Values

Innovation is built into our core values (read more on page 27) – which includes the drive to never settle for the status quo and always look for opportunities to ‘re-imagine it’. We’re inspired to try new things and love experimenting, inventing and working on a great idea that will wow our consumers and customers and drive the industry forward.

The need for innovation

We believe innovation is the search for a product-to-customer, or product-to-market fit. With more than two decades in business, REA Group uses this definition of innovation as its core operating model – with multi-disciplinary teams focusing their energy on testing and learning to enhance the experience of our consumers and customers.

‘Invention’ at REA Group is the prequel to innovation – defined as the combination of two or more things that form a new product or service. A key point of leverage for us is our global footprint - as our customers and consumers increasingly become mobile prime users who are heavily reliant on data for doing business - we see emerging themes and trends. We have the people and the know-how to build services that create value through the power of the digital medium in a way that embraces security of information and transparency for our customers and consumers.

RECENT HIGHLIGHTS AND ACHIEVEMENTS

REA Group has grown and diversified substantially over the last 25 years, as a result of its continual focus on innovation. The business has been transformed from a 1990s property-search model, to a 2020s lifetime-relationship-with-consumers model, proactively matching solutions to their individual, lifelong needs.

Machine learning and Artificial Intelligence enable new services to work at global scale, in real time – using digital envisioning tools to find great knock-down and rebuild opportunities in Australian residential real-estate - purely from data. New business models have been developed and grown, for example servicing new property sectors such as co-work, through the internal start-up Spaceley; building a property data business built on top of the acquisition of Hometrack in Australia, and growing our financial services business.

Voice services such as Amazon Alexa have been experimented with, and REA Group launched the first property news service on Amazon Alexa in the world. REA thoroughly investigated and prototyped new virtual reality (VR) and augmented reality (AR) in FY19, positioning us well should the appetite from consumers evolve in this space.
Inspired by customer needs, changing markets and new technologies, a deliberate program of invention is undertaken across the Group. One of the many ways inventing is fostered is at our REAio – a festival of inventorship, formerly called ‘Hack Days’. We hold three events each year involving hundreds of team members, customers, partners and allies. We also know we can’t do it alone. For this reason, REA launched ‘The Real Ideas Prize’ to help stimulate ideas from our customers and inspire them to ‘re-imagine the rental experience for Australians.’ In its first year, there were more than 130 submissions, five finalists and three winners of prize money to help further advance their ideas.

How do we nurture innovative ideas at scale?

Innovation begins with massive monitoring of global technology and market trends as well as attending technology and industry conferences around the world. We also have a dedicated Strategy Team that maintains relationships with educational institutions, incubators, lobby groups and venture capitalists.

At the other end of the scale, special emphasis is kept on being close to our customers, consumers and channels. REA is very deliberate in its attention to the way the system of work is managed across the Group and is renowned as a leader in agile working with multi-disciplinary global teams, massive cloud technology infrastructure, and the ability to critically explore and analyse new opportunities and markets. We pride ourselves in this space, and actively share our learning and experience with other organisations through office walk-throughs, in-house speaker sessions and external panel participation.

REA Group also plays an active part in the big picture thinking around the property and media ecosystem, with input into the Australian Government’s enquiries into the operations of global media giants in Australia.

What’s next?

In 2020, we plan to roll-out a broader Innovation Framework. This will enable us to create further alignment around our approach to innovation on a day-to-day basis.

Innovation isn’t an idea. Inventions come from all over the company at all different levels. Through the Framework, we will group different types of innovations from small but great improvements, through to large innovations which will deliver value to our customers in new and unique ways.
The quality and standards of our products and services has always been a central focus at REA Group. With different markets presenting unique challenges, and having diversified into new segments over the last couple of years, we continue to focus on maintaining high standards in these evolving areas and markets.

**Financial services**

For more than 25 years, realestate.com.au has helped Australians find their perfect place. Now we are providing people with the tools to secure the finance that will bring their property dreams to life. Part of this strategy is Smartline, our mortgage broking franchise business. Smartline has a Client Charter that includes 16 promises of the highest standards of service and client care, a Code of Conduct and a Compliance Assurance Program that tests compliance with required standards, both regulatory and professional.

REA Group first acquired an 80.3% stake in Smartline in 2017 and on 1 July 2019, Smartline was 100% acquired by REA. The team sets a high benchmark, with every member of the Smartline team a member of the Mortgage and Finance Association of Australia (MFAA) industry body. Smartline is also a member of the Australian Financial Complaints Authority (AFCA), the dispute resolution standard in Australia – and complies with the Franchise Code of Conduct. Our Smartline business has been named Australia’s Top Franchise ten times over the last 11 years.

**Hometrack**

Our Hometrack business is a service provider to large financial institutions and is accustomed to managing risk in the delivery of mission critical systems and the handling of sensitive customer data. Hometrack operates a Risk Management framework as part of its certified externally audited ISO 27001 Information Security Management System (ISMS).

**Quality and compliance in our broker offering**

When it comes to the quality and safety of the home loans related tools and content offered by realestate.com.au, our aim is to create experiences that demystify complex financial concepts and genuinely assist people in navigating the home buying journey.

Our suite of digital calculators has been built by our team of user experience experts and are powered by logic supplied directly from our banking partner, National Australia Bank (NAB). Both NAB and REA legal teams maintain a regular review to ensure we are compliant with all relevant regulation.

Our content relating to home loan matters is developed by specialist finance writers wherever possible and reviewed by our legal team. When it comes to the data consumers share with us via the digital home loans experience, we take particular care in our technology design to secure storage, transmission and access. Our experience clearly communicates why and when consumers should share data and enables them to control when to share or use our tools anonymously. We feel these quality measures are essential for us to participate in this market.

‘Locke’: more than just a security play

As the biggest address in property in Australia, data is our currency and gives us a significant competitive advantage. In order to be more productive, provide better value, and ensure the protection of our users’ data, our team launched ‘Locke’ – a single sign on solution.

This involved developing a single purpose system based on the OpenID Connect standard and then consolidating the majority of our sign-in pages into one central authentication system.

While Locke follows ideal architectural principles and is built to the OpenID Connect standard, the technology is not nearly as important as the approach taken. Locke has been REA’s fastest...
consolidation project to date, onboarding on average one system per month. This is largely due to our ‘Colab’ initiative, which aims to treat our internal platform building block systems as internal products – complete with product manager, internal marketing and customer support.

In June 2019, we transitioned more than 7.8 million customers and users from Australia and Asia over to Locke, making REA Group the biggest user of Amazon Web Services (AWS) Cognito in the Southern Hemisphere.

While the implementation of Locke has removed a heavy security burden, the benefits of the centralised system extend far beyond data protection, also driving product growth through consistent user experience and a single view of who our users are.

This project has also harnessed REA Group’s start-up mentality, allowing product teams to build features based on client demand, delivering value as soon as possible and avoiding multi-year roadmap hold-ups.

**Listing quality**

Duplicate, fake and low-quality listings are a reality in Asian markets and very much part of the way the industry works – particularly due to the lack of exclusive agent listings. As part of an effort to improve the consumer experience and to educate the market on effective ways to drive return on investment (ROI), we have put a number of measures in place to shift the market.

For Property Description Pages (PDPs) we are looking to supplement the listings with content we have identified as important to consumers as part of their property search journey. We are rolling out data to power points of interest so consumers can see what is in their area. Public Transport, education and medical facilities are extremely important and can sometimes play a significant part of the decision making process when it comes to choosing property.

This data is often not centralised and we have found the only way to get accurate data is to source it from multiple sources that we then clean. The result is ownership of accurate and trusted data.

We have also included transaction data on our listings so consumers can see how properties have been tracking – this is particularly important when prices are not always listed or accurate. This provides our consumers with a sense of trust to be able to benchmark against real datapoints. In Malaysia we have been able to build and aggregate this data ourselves, as such we have built a competitive advantage from owning the data.

We are also designing our products to encourage our customers to provide more information to boost rankings. Our results show the more content and data we provide, leads to increased ROI for our customers. We have seen these methods are taking seed and customers are now providing more images and content for their listings.

### Loancare

Housing affordability and understanding the landscape to secure finances to buy property are real concerns in Malaysia. If a consumer’s loan application is rejected by a bank, they are automatically black-listed from applying for a loan with any bank for up to six months. This poses challenges for both our consumers and customers: for consumers their dreams of buying a house are delayed and for customers, consumers that may have been nurtured to transact – are out of the game for six months.

Loancare offers an affordability calculator that shows consumers their Debt Service Ratio (DSR) and also up to 18 banks that will give them a loan – minimising the risks of applying for a loan at the wrong bank.

REA Group’s business in Malaysia – iProperty, is still growing its reputation in financial advice, so for this reason we ensured we designed a trusted experience and only asked for the minimum amount of information to use the tool; it is not mandatory to provide any private information.
Responsible marketing

Setting clear policies and expectations on use of media.

Programmatic advertising

We maintain an Advertising Block List which identifies advertisers we do not accept advertising from, which includes explicit content and/or imagery; hate speech; weapons; gambling (lotteries are permitted). Every programmatic exchange has a different way of categorising advertisers and different processes for manually blocking advertisers. We have documentation for the blocking process across every exchange to ensure advertisers on our Block List do not advertise across our network.

Sponsored content

Sponsored content is sold as a product to media and developer customers directly through our Sales team. We identify sponsored content by marking it as ‘Presented by’ with the customer’s name listed as the author and the customer’s logo included. We also include a blurb about the advertiser within the sponsored content and include a disclaimer at the footer to identify it as such.

News Corp Australia (Australia only)

News Corp Australia is REA Group’s majority shareholder and through a commercial arrangement with News Corp, we also publish News Corp content across our site. This content is identified as such by the author and name of the News Corp publication it was first published in. This content is bound by the News Corp Editorial Code of Conduct.
Sustainable procurement

Ensuring the selection, management and payment of suppliers is fair and transparent. Promoting local sourcing and supplier diversity.

Sustainable Procurement at REA is important and assists us in understanding the impact of our suppliers on society and local communities. It also helps us understand which suppliers align with our values, which is key to a sustainable and valuable partnership.

Our RFP process

When conducting Request for Proposals (RFP), we ask suppliers to share their company values, how they support the local community and how employees are celebrated. The flow-on effect of requesting this information and using it as part of our decision-making process, is encouraging more businesses to invest in these areas.

Our Due Diligence program

This Program is triggered for all new suppliers and used as a tool to check-in on existing suppliers. The assessment covers risk of exposure of highly confidential information, personal information, material financial risk, material reputational risk, risk of infringing third party intellectual property rights, and access to candidate or employee records.

Supplier Code of Conduct

We also require suppliers meet our Supplier Code of Conduct. This Code expects suppliers comply with all their laws in relation to workers’ rights and human rights, anti-bribery and anti-corruptions laws and other laws in relation to business integrity, privacy, health and safety, and environmental considerations. Suppliers must also have adequate policies and procedures in place to monitor compliance with these laws.

Our supplier management approach

This approach ensures we have regular check-ins with our top suppliers to encourage continuous improvement across their Environment, Social and Governance processes. The Procurement team manages a preferred supplier list, which encourages consolidation of suppliers and enhances economies of scale by continuing to support suppliers that have been assessed against our governance and sustainability priorities.

Payment terms

REA Group’s payment terms are 30 days which really encourages sustainable relationships with our suppliers too. Furthermore, we also have flexibility to offer shorter payment terms to support small and start-up businesses.

FIVE AT HEART

Orange Sky Australia is one of REA Group’s charity partners and when the team was on a tour of REA Group’s Melbourne headquarters in 2017, they paused when we arrived at the showers and towel-service on the ground floor.

The fresh towels in our office each day are supplied by Five at Heart, an organisation REA has worked with for many years. The Orange Sky team was interested in the towel service as they were looking to solve a challenge around the time it was taking Orange Sky volunteers to wash and dry towels after each Orange Sky Shower shift.

A few conversations later and Five at Heart had come on board to supply our charity partner Orange Sky Showers with a pro bono towel service.

The Orange Sky volunteers drop the used towels at REA’s Melbourne HQ after each shift and collect the freshly laundered towels supplied by Five at Heart in preparation for the next shift. The Five at Heart team has positively differentiated themselves from other suppliers and people in need have benefited as a result.
Human rights and labour standards

Respecting and promoting human and labour rights within our workforce and supply chain and ensuring no modern slavery is taking place.

REA Group’s Supplier Code of Conduct sets out the standards of behaviour. REA expects suppliers to meet when doing business with us. Our expectation is that suppliers read, understand and comply with these standards and ensure that any authorised sub-contractors comply with the minimum standards set out in the Code.

Modern slavery

Our Supplier Code of Conduct also plays an important role in protecting workers’ rights and human rights; protecting business integrity; ensuring compliance with Privacy requirements; maintaining workforce health and safety, and minimising environmental impacts.

In FY20, REA Group will proactively contact all suppliers we have had commercial dealings with of AUD$1,000 or more, to share our Supplier Code of Conduct with them. The purpose of doing so is to make suppliers aware of our expectations that suppliers comply with the Code and understand our stance on workers’ rights and human rights, business integrity, privacy, health and safety and environmental considerations.

In addition to outlining our requirements and expectations, our Supplier Code of Conduct is also a way we can ensure people employed by our suppliers are not experiencing discrimination, that no modern slavery is taking place and that people are being paid above minimum wage. Our Code outlines that we have the right to audit our suppliers and end commercial relationships where the Code is not complied with.
Championing the needs of our stakeholders, participating positively in the communities we operate in, investing in our people, creating innovative customer solutions and consumer experiences.
Diversity and inclusion

Providing a fair and equitable workplace, free from discrimination.

We believe a workforce with a diversity of ideas and experiences is more creative, more effective and fuels disruptive thinking. It’s widely known that differences in cultural and ethnic backgrounds, gender identity, disability, age, and sexual orientation generate creativity and diversity of thought and are critical to maintaining success. But it’s more than that. We believe in fostering a culture where our people feel comfortable to bring their entire self to work every day, where those differences are valued and celebrated.

Our Diversity and Inclusion focus spans LGBTIQ+ inclusion, developing female talent, Women in Tech, learning opportunities, encouraging gender parity, supporting parents and families, celebrating cultural diversity, neurodiversity awareness, creating inclusive teams and supporting work / life balance.

Women in Tech

To support diversity in technology, REA Group established a Women in Technology program in January 2018, which includes three streams to support women grow a career in tech:

- **Springboard to Tech**: open to women both in and outside of REA, who are interested in moving into a technical career or are looking at returning to tech after a career break.
- **Accelerated Leadership**: designed for women already working in tech at REA Group but wanting to move into a senior leadership position. This program is specifically designed to enhance leadership skills and commercial acumen of women working in male dominated areas.
- **Mentoring Program**: a structured, funded and resourced mentoring program for women working in technical careers at REA Group.
The Australian program was recognised in FY19 by the #TechDiversity Foundation, winning the #TechDiversity Media Award. Since the launch of Women in Tech, REA has moved the dial on our gender diversity ratio within technology roles from 20.4% to 29.9% as of 30 June 2019. When including Product and UX and Design communities, this figure jumps to 33%, which is well ahead of the industry average globally.

In Malaysia, we partner with non-profit organisations such as Women Who Code, to host public events connecting, inspiring and educating women about technology and technical careers. In FY19, we hosted more than 80 attendees from various backgrounds, companies and countries across two events, which resulted in new hires for the technology team.

Spectrums of Equality

Spectrums of Equality is a network which enables people who identify as Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (as well as their allies) to come together to share information, support each other and to ensure we maintain a comfortable and fully inclusive environment in which we can all reach our full potential at REA.

Every person deserves to feel as though they belong, that they are valued, celebrated and accepted. Not only for what makes them similar to those around them, but for their unique attributes and contributions. Spectrums is a group of open-minded and open-hearted team members that passionately believe in creating this sense of belonging for everyone at REA. We do this by coming together to empower, support and celebrate our LGBTIQ+ community.

Spectrums of Equality aims to:
> Celebrate, educate and empower our peers regarding the LGBTIQ+ community and sensitivity to LGBTIQ+ community needs.
> Provide community support of LGBTIQ+ initiatives i.e. International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT Day) and Mardi Gras or Pride.
> Provide a forum for networking and a means of peer support between LGBTIQ+ employees (and friends) via social activities i.e. Spectrums of Equality drinks/ brown bags/ lunches.
> Support issues escalation for LGBTIQ+ employees.

LANGUAGE MATTERS

This campaign was designed to inspire our people to think differently about some of the phrases we all use in everyday language and specifically the impact of gendered language. We connected with people through digital screens and posters, showing them the gendered language that exists in everyday phrases and alternative phrases. For example, instead of saying ‘Don’t worry your pretty little head about it’, say ‘Don’t worry about it’. The Language Matters campaign raised awareness among employees about the importance of thinking differently before they speak. This campaign has helped shape the way our people work together today.
Diversity and inclusion (continued)

You’re My Kind. Because You’re Kind

This campaign aimed to foster a culture of empathy in which our people feel equipped to raise issues and do so in a respectful manner. It focused on increasing awareness around the subtle behaviours and commentary in everyday interactions and the impact this can have on us. You’re My Kind aimed to:

- Increase awareness of common everyday behaviours and biases that may be experienced by our people.
- Support increased bystander intervention when subtle behaviours come into play.
- Provide tangible, immediately applicable tips and tricks for fostering inclusive teams and preventing these behaviours.
- Plug the gap between explicit forms of bullying and harassment and subtle, more nuanced experiences.

Along with posters and videos to help raise awareness about this campaign, our people added their own personal touch by posting blogs which shared their perspectives on being kind and tips on how we can all show empathy in every interaction.

Neurodiversity awareness

Neurodiversity awareness is about informing our people that neurological differences are to be recognised and respected as any other human variation. In FY20, we are running a series of sessions about neurodiversity for employees and managers to help increase understanding, sensitivity and awareness of neurodiversity and how we can increasingly build a culture of acceptance and inclusion.

Asia

With REA’s team in Asia being spread across unique markets including Hong Kong, Indonesia, Malaysia, Singapore and Thailand, we naturally enjoy a culturally diverse workplace.

Our Equality in Employment policy covers our markets across Australia and Asia. This policy demonstrates REA’s commitment to developing and maintaining a diverse workforce and to providing a work environment in which every employee is treated fairly and with respect, has the opportunity to contribute to business success and realise their potential.

Parental Leave at REA

REA Group proudly supports our people who are growing their families through our Parental Leave policy. In our FY19 engagement survey in Australia, 89% responded favourably to the question ‘REA is supportive of parents in the workplace’.

Primary Caregivers in Australia are given 20 weeks’ paid leave (inclusive of annual leave accruals), which they can take any time during the first 12 months after the birth, adoption or surrogacy of their child. This can be taken at full pay over 20 weeks or half pay over 40 weeks. We also continue to pay 12 months of their superannuation across both paid and unpaid leave, which is then paid upon their return to work. Our Secondary Caregivers are eligible for six weeks of full-pay, plus an additional six weeks at half-pay.

To help our people stay connected with what’s going on at REA while on parental leave, we have our Keeping in Touch Program – providing employees on Parental Leave with the opportunity to bring their new babies in to hear presentations from senior leaders, connect with others on parental leave and visit their team.

We understand that returning to work after parental leave can be a challenge, so we have introduced the following return to work packages to help support our people in this transition:

**RETURN TO WORK BONUS FOR PRIMARY CAREGIVERS**

- **Six weeks’ pay** – meaning our Primary Caregivers are given a total of 26 weeks’ pay

**FLEXIBLE RETURN TO WORK FOR PRIMARY CAREGIVERS**

- **75%**
  - Working only 75% of their regular agreed hours their first four weeks and still getting paid for 100% of agreed hours
so we want to support these team members as much as we can, both financially and with flexibility. We do this by giving our Primary Caregivers a:

- Flexible Return to Work - working only 75% of their regular agreed hours their first four weeks and still getting paid for 100% of agreed hours.
- Return to Work Bonus – calculated at six weeks’ pay – meaning our Primary Caregivers are given a total of 26 weeks’ pay.

If an employee who has been a Secondary Caregiver in Australia decides to become the Primary Caregiver, they are eligible to receive the Primary Caregivers leave (providing their partner returns to work for a minimum of 30 hours per week and the leave is taken within the first 12 months from birth/placement). If this occurs, any secondary leave taken is deducted from the Primary Caregiver leave entitlement. They can also qualify for the flexible 75% return to work and six weeks bonus (as long as 12 weeks of leave are taken). Our Parental Leave policy outlines everything our people need to know about taking parental leave at REA.

In the very sad event that an employee’s pregnancy ends in miscarriage or stillbirth, they are eligible for maternity leave if the pregnancy ended after the first trimester (12 weeks). In these circumstances, REA provides up to 12-weeks of paid leave, in addition to any personal leave the employee may have accrued should they wish to take additional paid leave. This is on top of any unpaid entitlements as defined in the Fair Work Act. REA also encourages employees in this situation to access the confidential counselling service available through REA’s Employee Assistance Program.

Our Parental Leave policy in Asia has recently been updated to introduce provision so unmarried people can access parental leave. Each market in Asia varies slightly in relation to the conditions and length of paid maternity leave, with the minimum across all markets being three months’ paid leave. We also offer permanent male employees in Asia access to five days of paid Paternity Leave. Our teams in Asia can also access Marriage Leave / Wedding Leave which ranges from one to three consecutive days across the five markets.

**Leave options**

While the arrival of a new baby is one of the happiest times in people’s lives, we know that there are other significant times we need to show care for people. During these pivotal moments, we have a number of different leave options to help support them:

- **Personal/Careers Leave** – 10 days paid leave per annum. If someone has exhausted this leave, we allow a further two days as Unpaid Carers’ Leave per occasion, which doesn’t need to be taken consecutively.
- **Compassionate Leave** – at two days paid leave.
- **Annual Leave** – 20 days paid leave per year.
- **Purchased Annual Leave** – where people can purchase an additional one to two weeks per year.
- **Domestic Violence Leave** – if anyone at REA is subject to domestic or family violence, we support them with up to 20 days paid leave throughout their employment, plus an additional five days unpaid leave per year. This leave helps impacted team members in making plans for their safety, relocating, attending court and accessing police or medical services. This support, along with other work we do has awarded us a White Ribbon Accreditation which we received in 2017 and is valid for three years.
- **Flex @ REA** – which offers flexible options in both how, when and where they work. Read more in the Flex @ REA section on this Report.

**INCLUSIVE PRODUCT EXPERIENCES**

Our commitment to diversity and inclusion goes beyond our internal operations. The mission of REA Group’s Consumer Product and Experience Group is to constantly evolve and improve the end-to-end property experience for everyone who uses realestate.com.au. This means our product experiences must be inclusive and easy to use for people with all levels of abilities, regardless of their, age, income, culture, gender, sexuality and other variables. In FY20, we are focusing on evolving the inclusivity of our product experiences in the following ways:

- **Research** – actively recruiting people of all abilities, from rural and urban locations, and with a socio-economic demographic representative of the audience.
- **Language** – in recognition of the more than 300 separately identified languages spoken in Australian homes, we are ensuring the language used in all our consumer-facing products is concise and easy to navigate.
- **Product development initiatives** - with a focus on people with: colour blindness; low-vision or blindness; physical impairments; and, cognitive or neurological disabilities.
Maintaining a healthy and safe work environment and the wellbeing of our people is of the utmost importance at REA. We want to support our people to be the best versions of themselves. Beyond our core measures of workplace safety which are industry leading, our health and wellbeing programs in Australia focus on improvement across Physical, Emotional and Financial Health:

> **Physical** – free annual flu vaccinations and onsite massages twice a month, with REA partially subsidising the cost. We also provide massage chairs, 1:1s with a resident health coach, free weekly yoga classes and fruit. We have a dedicated parents’ room and provide end of trip facilities so our people can access showers, clean towels and toiletries.

> **Emotional** – our Employee Assistance Program (EAP) provides our people and their immediate family members four consults each year. We also have a games room where people can take a break to play Xbox, PlayStation or table tennis, and we also allow our people to bring their dogs to work.

> **Financial Health** – includes discounts for private health insurance across three main providers along with presentations and onsite 1:1s.

In our FY19 Employee Engagement survey in Australia, ‘REA cares about my health and wellbeing’ scored 87% favourably. To celebrate our passion for family, health and wellbeing, we also invite our people to take part in:

> **Virgin Pulse Global Challenge** – in FY19 we worked in teams, competing to improve our lifestyle habits – across physical activity, sleep, fatigue, nutrition, stress and happiness. The challenge resulted in our people improving their overall health by 27% (with a score of 50% pre-challenge, vs 77% post challenge). We had 53% of REA people sign up to the challenge from across Australia and Asia.

> **Mental Health Awareness Month** – several employees wrote personal blogs sharing their experiences. This played an important role in raising awareness and helping our people feel more comfortable and confident when talking about mental health.

> **R U OK Day** – 150 people attended an event hosted by our Chief People Officer. The event focused on the importance of looking after our mental wellbeing and included employees sharing personal experiences living with anxiety and depression, a TED Talk on Emotional Agility and the opportunity to participate in ‘Broga’ (Men doing Yoga) session to shine a light on men’s health.

> **Resilience Project** – whose mission is to help Australians be more mentally healthy. With around 150 employees in the room and 70 who dialed in from around Australia, we learnt about the keys to living a life filled with resilience and happiness – Gratitude, Empathy, Mindfulness and Connection - and what we can do to integrate this into our everyday lives.

At REA, we are a family and we know that work-life and home-life can often blend into one. Our workplace health, safety and wellbeing initiatives aim to help our people be the best versions of themselves at work and at home.
Our Health and Safety Committee in Australia meets every six weeks to discuss any health and safety issues from across the business. The Committee includes representatives from across the business including a member of our Executive Leadership Team (ELT) who champions any issues needing to be reviewed by the ELT or Board. The ELT and Board also receive a monthly report on any incidents reported from a health and safety perspective.

REA Group’s Lost Time Injury Frequency Rate (LTIFR) which is the represented rate of injuries per one million hours worked in FY19 was 1.10 in Australia and 1.09 for Asia, making our global LTIFR 1.09. The FY20 target is an LTIFR of two or less.

Our commitment to the health, safety and wellbeing of our people is tailored to the unique needs of each of the markets we operate in. To promote a healthy and safe work environment for our teams in Asia, we have provided air purifiers in the office and have the air quality independently checked so we can keep our people informed. We also provide our people with flexible working arrangements when it’s safer to be at home for social or environmental reasons.

In REA Group’s FY19 Employee Engagement survey, 82% of employees in Asia responded favourably to the question ‘REA Group Asia cares about my health and wellbeing’ and 81% of employees agreed ‘Everyone at REA Group Asia cares about creating a safe working environment’.

We have an employee organised and company sponsored sporting club in our Malaysia head office and have a corporate partnership in Malaysia with the HiA Vitality Program. The positive engagement with this program was 67% at the end of FY19.

We provide medical insurance coverage for all permanent employees in Asia. In FY20, we will be providing fresh fruit each week in each head office across Asia to remind our people about the importance of healthy snacking.
Talent development and management

Managing current and future talent needs through attraction, retention, training and development.

At REA, developing our people is a top priority. We believe everybody has something to teach, to inspire in others and to learn. We give people the chance to do this every day.

With more than 35% of our people internally promoted – including our CEO and two of our Country Managers in Asia, we’re committed to people building their careers. Last year we launched ‘REAcareers’ and rolled out our own career philosophy: ‘I know me, I know what’s possible and I know how to bring this to life’. We also set capabilities for our people to ‘Lead Self’ and ‘Lead Others’. These capabilities guide our people to create their career plan, but also help REA achieve its goals.

We also have Career Pathways to help plan for ‘what’s next’. We link learning and development opportunities back to the capabilities and career pathways, to demonstrate the role learning plays as an enabler to career development. We want our people’s career conversations to be impactful, which is why we provide our people and leaders with education, information and support, including discussion planners.

Agile way of working

We’ve embraced learning and development beyond traditional approaches. Within a team, structured one on one collaboration is encouraged to develop skills, which in our software development teams - is called ‘pair programming’. This is not only effective for junior members, but also provides an opportunity for our senior members to develop their mentoring skills. We also have ‘guilds’, where people across REA connect in their specialist guild to promote learning and best practice. Guilds operate under the REA University umbrella and are run by our people.

REA-U

In FY19 we launched REA University (REA-U) - our new destination for development where everyone can learn, teach and grow. It currently houses four schools, each with their own programs and learning content, including: Self; Business; Leadership; and Tech.

REA-U gives people free access to resources including e-learning, suggested on the job activities as well as specific resources such as LinkedIn Learning and Get Abstract – which provides access to thousands of the world’s best video-based learning, business books and TED talks summarised into bite-sized reads.

Our Learning @ REA policy helps inform employees about the wide range of learning and development opportunities ranging from on the job training, secondments and coaching, seminars and conferences as well as online and face-to-face training.

In FY20, REA University will launch in Asia with tailored learning offerings for our team members, people managers and senior leaders.

We have been recognised as #2 in the Australian Association of Graduate Employers (AAGE) Top Graduate Employers and the #1 Tech program. A significant part of our grad learning journey is technical which they achieve through the three separate six-month rotations within their applied stream (we have four grad streams).

While our grad learning initiatives are highly experiential, our grads benefit from being embedded in their rotation teams and performing agile rituals which require participation and sharing of responsibilities such as leading stand-ups and pair programming. While embedded in their Rotation teams, grads participate in training events as they occur and are encouraged to attend leading edge in-house technical training, via Guilds and other Community run training.
Recognising our people

Recognising the contributions and achievements of our people is essential, and we do this in a variety of ways.

The Real Deal Awards

Our monthly peer nomination program recognising those who go ‘above and beyond’. People can nominate either individuals or teams they want to recognise, by sharing some background on what they did and which REA value they lived up to. Nominations are reviewed by a cross-functional committee responsible for deciding who deserves the recognition for the month; the number of these monthly awards is uncapped. Individual winners receive a payment of $1500. Team winners are rewarded with an activity of their choice to the value of $250 per head.

Any individual or team who wins a monthly award goes into the yearly draw, where the ELT review and select the top 10 nominations they want to further recognise. These individuals and teams are celebrated at the annual Global Kick Off (GKO), where individuals and teams are awarded a meaningful cash payment.

The Real Deal extends to our teams in Asia to recognise and reward team members who go over and above to demonstrate our Values, with some slight variations on the Asia version of the program to align with the local markets.

THE REAL DEAL AWARDS

$1,500

for individual winners. Team winners are rewarded with an activity of their choice to the value of $250 per head.
CEO Award
Once a year, we invite our senior leaders to nominate three to four individuals who are universally recognised for what they do and how they do it. Our Executive Leadership Team (ELT) review nominations and choose the winners, which are announced at our GKO. The winners are each invited to bring a guest of their choice, on an all expenses paid, once in a lifetime trip. The CEO Award winners and their guests attend the trip with our CEO, members of our ELT and the top performers from our Sales community. In FY19 the trip was to Oman (on the southeastern coast of the Arabian Peninsula in Western Asia) and the year prior it was Capetown in South Africa.

Incentives and remuneration review process
We aim to remunerate our people competitively relative to their contribution to the company’s success. Through our remuneration review processes, we ensure that individual growth is recognised and that our people are paid fairly within our various markets for talent. All of our employees participate in incentive plans that differentiate outcomes on the basis of individual performance while at the same time ensuring alignment with company outcomes.

We place a big emphasis on gender equity and consider all remuneration decisions through this lens.

Employee sentiment in this area is something we have focused on improving and we are proud to see the impact of these changes in our FY19 Employee Engagement survey. Questions relating to our remuneration and bonus processes in Australia saw an increase of seven to 10 percentage points in the last year as a result of our focus on creating a consistent remuneration review process for all.

Length of Service Rewards
When our people reach five, 10, 15 and 20 years of service milestones, they are rewarded with a voucher to the value of $100 for each year of service.

Employee referral
We award people who have successfully referred a friend with a $2,000 payment upon commencement of the new employee. We trust our people’s judgement and find that referrals is one of our strongest channels for attracting talent.

In FY19 engagement survey, 83% of people in Australia scored favourably to the question ‘I understand and value the benefits that are available to me’.

In addition to the ‘Physical’ and ‘Emotional’ benefits outlined in the Workplace Health Safety & Wellbeing section of this report, our people can also encouraged to take advantage of the following Financial benefits:

- **Property Advertising Upgrade** – a free upgrade to their listing when selling or renting their property.
- **Flatmates.com** – free account.
- **Realestate.com.au home loans** – at a discount rate or a discount rate through NAB.
- **Red Hot Rewards** – discounts through an online shopping portal.
- **Myki Commuter Card** - 10% discount on the value of the card. For new employees, we pay the initial $2000, and over their first 12 months, only 90% is paid back.
- **Property Advertising Upgrade** – a free upgrade to their listing when selling or renting their property.
We undertake our company wide Employee Engagement survey once a year using Culture Amp, which provides insights into each group and country we operate in. There is a huge sense of pride our people feel working for REA, with our FY19 Employee Engagement survey in Australia showing a score of 93% favourable to ‘I am proud to be part of REA’. This pride people feel also comes from our rich history and strong performance.

We are proud to be the market leader and we recognise this is because of the calibre of people we employ. Key to our culture are our Values. REA Group’s Values were built by our people, which means they’re relatable and encapsulate what is special and unique at REA. From our FY19 engagement survey, 88% of employees in Australia believe their manager lives the REA values.

REA Group was proud to have been recognised as one of Australia’s Top 50 Best Places to Work in 2019 as part of Great Place to Work Australia, ranking at number six in the category of organisations with more than 1000 employees.

Our Values

**Re-imagine it** – reflecting our love for experimenting and innovating. We’re not afraid to try new things or fail fast. We are all about the status quo and taking risks.

**Own it** – about getting it done – creating things we know our consumers and customers will love. We’re committed to achieving our goals despite the challenges that may come our way. With everything we do, we review what happened, learn from it and move on, smarter and better than before.

**Do it with heart** – people are at the heart of REA. Every connection we have with each other, with our customers and with our community matters.

**Inspire it** – we believe everyone at REA has something to teach, to inspire in others and to learn. Our curiosity is endless and every day we seek out opportunities to grow ourselves and others.

**Do it as one team** – everything we achieve, we achieve as one team. There are no heroes. It’s our collective that gives us our edge and willingness to stand by any decision that’s made for the greater good of REA.

**Keep it real** – we don’t expect anyone to fit a certain mold – we accept everyone for who they are, quirks and all. We’re down to earth, we listen and tell it like it is, respectfully.

Creating a culture and workplace where our people have a positive attitude towards REA Group and our Values.
Global Kick-Off (GKO)

Our GKO is the biggest REA-event of the year where we bring our business together for a full-day to celebrate the previous year, build connections with one another and understand what’s coming up in the year ahead. The theme at our FY19 GKO was ‘Raise the Roof’ to motivate and generate excitement. GKO leaves people feeling inspired and united for the year ahead.

Flex @ REA

We know that being able to work flexibly is important to our people. We recognise that people have busy lives outside of REA and we want to support them to live the best way they can. Everything we achieve at REA, we achieve as one team. So, we strive to create a culture that balances working together with working flexibly. Our ‘Flex @ REA’ policy sets the stage for communicating our commitment to flexible working, with guiding principles for teams and individuals to decide what flex works best for them. These principles include:

> We recognise there are different ways of working – there’s not a one-size fits all solution.
> Creating time for connection is critical – having adequate time to co-locate and connect with one another is important.
> Flexibility goes both ways – it needs to work for the individual, the team and the business.
> Mutual trust, respect and accountability are the foundations – we expect our people to do the right thing.
> Every conversation on flexibility is okay – it’s not just for parents, and it’s not a set and forget arrangement.

We give our people different options to work flexibly, both in how they work, as well as where they work:

How they work:

- Flexi-time – any pattern of working hours outside our core hours.
- Job sharing – with two or more employees sharing the same role (with some overlap).
- Return from parental leave – working 75% of agreed hours to help employees integrate back to work.

Where they work:

- Flexi-place – allowing people to work anywhere other than their REA office, either ad hoc or regularly. To make this possible, all employees have laptops.
- Working from another office in Australia – on a temporary or occasional basis.
- Working from overseas – this can be at a REA Group Office or from another overseas location on a temporary or occasional basis for compassionate or extenuating reasons.

With 83% of our people in Australia responding favourably to the FY19 Employee Engagement question ‘I feel genuinely supported to make use of my flexible work arrangements’, we know that working flexibly forms an integral part of who we are, what we do and how we do it.

In FY20, we will introduce a Flexible Working policy specific for our teams in Asia to enable them to access flexi-time and flexi-place arrangements, while still performing all key aspects of their role.
Customer satisfaction

Meeting our customers’ expectations through superior product and service quality and enhancing their user experience.

Our customers are our partners and we believe in the value they provide consumers. Our role is to help our customers succeed by creating class-leading experiences and products that deliver results.

Understanding our customers’ needs is key to driving innovative and effective products and services.

We have several different touchpoints with our customers to gather feedback, including our face-to-face sales channels, Customer Operations team, national events and forums, and digital communication channels.

Other ways we measure customer satisfaction and sentiment are through our Customer Sentiment Monitor and Customer Service Feedback Program (CSFP), which provide insights across a number of areas including our products, services and account management.

Our Complaints Management process is an integral part of how we improve products and services and the complaints process itself. We are committed to evolving this process in FY20 to ensure we are meeting customer needs and we will also be establishing a Customer Council to continue championing the voice of the customer.

Our Customer Operations team supports Customers and Consumers across Australia and all contacts to our Customer Care team are followed up with a Customer satisfaction survey. Performance targets are set, and our feedback survey is monitored daily and reviewed weekly to drive improvements in satisfaction.

In FY19, we introduced a Customer Experience Team (CXP) in Hong Kong and Malaysia and we also measured customer sentiment across Asia through an annual survey.

In FY20, we plan to create a centralised cross-business Customer Experience dashboard to surface key factors, both internally and externally, driving industry sentiment.

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Advantage program

Our Advantage program supports our network of real estate professionals with exclusive events, professional development opportunities, office technology support, industry sponsorships and community grants.

Our events portfolio consists of thought leadership programs, education-based series and an array of broad hospitality and networking opportunities for customers nationally. Each year we deliver close to 300 events of various size and scale, directly reaching more than 23,000 customers and many more indirectly.

The Advantage program supports real estate agents to engage in their local community groups, sporting organisations and other charitable causes. Together, we can bring about positive change and ensure our communities are primed for the future.

In FY19, we received 333 submissions for Advantage Community Grants, and provided customers with 116 grants totalling $174,000, to make a difference in their local community.

TOTAL ADVANTAGE COMMUNITY GRANTS IN FY19

$174,000
Customer satisfaction (continued)

Product development

Product feature input from our customers is key to our design and development process. There are different ways in which we do this, including state-based focus groups, one on one feedback sessions, and via National Forums. Some examples of customer co-created product experiences include our Agent Search feature, Listing Products and Agent Reach.

Customer Service Feedback Program (CSFP)

The CSFP is an always-on customer survey, focusing on the performance of customers’ allocated Account Managers. We use the results to provide training and coaching to Sales teams highlighting the areas individual Account Managers do well and areas where additional coaching is required.

ANNUAL REA EXCELLENCE AWARDS – AREAs

The Annual REA Excellence Awards (AREA) were established in 2015 to celebrate the success and achievements of our customers in the property and media industries. Finalists are invited to attend the Gaia Dinner awards with several colleagues enjoying the evening’s proceedings.

There are 21 accolades highlighting industry excellence across three categories, including Innovation, Service and Marketing, and Community. REA Group’s charity partners help to judge the Contribution to Community award, recognising companies and individuals supporting not-for-profit organisations and initiatives in their local community.

Ignite and Pro

Ignite (for Australia) and Pro (for Asia) is a single self-service mobile-first platform. Ignite enables our customers to view the performance of their live listings in real time in Australia. Launched in November 2018, Ignite empowers individual agents by unlocking insights and arming them with up-to-date information to help inform their clients and key campaign decisions.

Pro was launched in Hong Kong in November 2018. With customers increasingly mobile first in Asia, Pro provides them with one place to upload and manage their listings in real time, view their campaign performance, manage their profile and see how the usage of what they’ve purchased is progressing.

In response to customer requests, we also now provide the ability for agencies to distribute their listing and upgrade allocations to their branches and agents with full visibility of usage.

In FY20, Pro will continue to be rolled out to other markets in Asia with enhanced capabilities in market analytics and enquiry management.
Community partnerships and investments

Giving back to local communities through charity partnerships and programs.

Our ‘Do it with Heart’ value is something our people are extremely passionate about. Our FY19 Employee Engagement survey in Australia showed 92% of people believe REA makes a positive contribution to our community and 95% of people responded favourably to the question ‘I am aware of the opportunities available to me to give back to the community through the Because We Care program’.

Community partnerships

Our community partnerships are founded on our belief that everyone deserves to have a safe place to sleep, every night. We recognise we are not experts in homelessness, which is why we chose to partner with organisations who know a lot more about it than we do. Our current multi-year charity partners were formed for the FY18 – FY20 period. In FY20 we will be undertaking a program of work to determine our charity partnerships for the FY21 – FY23 period. The charities we are very proud to partner with include:

Launch Housing

An independent community organisation providing housing and homelessness support services. We first partnered with Launch Housing in 2014 and together, we launched the National Rapid Rehousing Fund in 2015 to support women and children at risk of or experiencing homelessness as a result of family violence. Since launching the National Rapid Rehousing Fund, it has provided financial assistance to 3619 individuals, including 2005 children.

The fund is brokered through Launch Housing and Justice Connect in Victoria, Micah Projects in QLD, Ruah Community Services in WA, Women’s Safety Services in SA, Northern Rivers Social Development Council in NSW, Anglicare in TAS and Dawn House in NT.

REA Group employees also continue to support Launch Housing clients by building furniture for people transitioning back into housing, at our corporate induction for new employees every six weeks. We also ran a winter blanket appeal pilot in FY19, collecting more than 60 blankets from our people and clients for Launch Housing’s Southbank Crisis Accommodation Centre.

Launch Housing also runs a not-for-profit real estate agency - HomeGround Real Estate in Victoria and NSW, providing landlords with a professional property management service, while reinvesting revenue back into the community. REA Group provides HomeGround Real Estate and a number of other not-for-profit real estate agencies across Australia with $0 subscriptions for advertising properties on realestate.com.au.

NATIONAL RAPID REHOUSING FUND HAS PROVIDED FINANCIAL ASSISTANCE TO:

3,619 people, including 2,005 children

Launch Housing Harris Transportable Housing Project – Tiny homes
Community partnerships and investments (continued)

The Big Issue

We have supported The Big Issue’s Women’s Subscription Enterprise (WSE) through our subscription of 100 copies of the magazine each fortnight, since 2014. The WSE provides employment for women from marginalised and disadvantaged backgrounds who come into the comfort of a Big Issue office and package up the magazines for subscribers like REA Group. In February 2019, our CEO Owen Wilson teamed up with Big Issue Vendor Phil as part of the CEO Selling initiative to help raise awareness about The Big Issue. Phil now sells The Big Issue out the front of REA Group’s Richmond head office every second Tuesday from 8am – 10am.

HomeShare Melbourne

In FY19 Flatmates.com.au has supported Homeshare Melbourne, which is part of Homeshare Australia & New Zealand Alliance. Homeshare Melbourne is an affordable housing program which carefully matches people who need affordable housing, with people who have spare rooms. In the last year Flatmates.com.au has supported Homeshare Melbourne by promoting the program to room listers on Flatmates.com.au in a pilot area in Melbourne. Our support of the program, together with the excellent team at Homeshare Melbourne has resulted in a number of successful matches and ultimately supported people who were either at risk of homelessness or elderly people who are now able to remain independent in their own homes.

International Committee of the Red Cross (ICRC)

Our REA Group Asia business has proudly supported the International Committee of the Red Cross (ICRC) since FY17. We have provided financial assistance to support the organisation’s endeavours to prevent suffering by promoting and strengthening humanitarian principles. In October 2018, representatives from the ICRC presented to our teams across Hong Kong, Malaysia, Indonesia, Thailand and Singapore about the work they do around Asia and all over the world supporting vulnerable members of the community.

Smartline

Our Smartline team is also big on giving back through donations and volunteering. For every loan Smartline organises, $10 is paid into a fund which is then donated to charities as determined by the Smartline team. To date, more than $2 million has been donated to charity this way.
Community partnerships and investments (continued)

Because We Care – Australia

Our ‘Because We Care’ Program in Australia also gives our people opportunities to support the causes they are passionate about. They can do this through a number of different programs.

Matched Payroll Giving

We partnered with not-for-profit organisation, Good 2 Give to manage our Matched Payroll Giving program. Our people can choose from more than 2400 charities with Deductible Gift Recipient (DGR) status on the Good 2 Give platform to donate to as a once off or recurring donation out of their pre-tax salary. Donations are also matched dollar for dollar up to $500 per employee each financial year, up to the annual company cap of $75k.

In FY19, the combined employee and company donation through our Matched Payroll Giving program came to $185,533 and 15.3% of our people in Australia chose to donate to charities in this way. A total of 35% of our people in Australia have signed up to our Matched Payroll Giving program. The total amount donated to charity through our Matched Payroll Giving program since we introduced it in FY15 is $494,459.

In FY20, we have set a target of having between 37% - 40% of our people in Australia signed up to Matched Payroll Giving and a combined employee and company matched donation of $200,000.

Community Champions

Information about our charity partners and Because We Care program in Australia is championed and shared via our national network of Community Champions. This group meets every second month for an update on what’s taken place in the charity partnerships and programs patch as well as to understand what’s coming up.

Our Community Cafe opened in July 2017 and is 100% funded by REA Group. Employees are invited to order a barista made coffee or hot drink between 8am – 11am each weekday. In return, employees make a donation to one of our charity partners or the employee nominated ‘cause of the month’. Donations can be made via cash in a jar or through our internally created and award winning cashless payment system – the Beancounter.

The Beancounter was created at one of our three-day REAio (Hack Days) events. It enables employees to scan their security pass, nominate which charity they’d like their donation made to and the donation amount, then the money is deducted from their post-tax salary. In FY19, the Community Cafe generated a total of $119,300 for charity, with the total charitable donations from the Community Cafe throughout FY18 and FY19 coming to $192,100.

REA Group was named a joint Gold winner in the Most Unique Innovation category at the 2018 Australian Workplace Giving Awards for the Beancounter, which accounts for 90% of the donations made at the Community Cafe.

In FY20 we are aiming to increase donations at our Community Café by 10%.
Volunteer Bank

Every employee in Australia has one day of paid volunteer leave each year to volunteer with a not-for-profit organisation of their choice. They can also access their colleagues’ unused days, so they can take more than one day to volunteer if they’d like to. In FY19, 181.8 days of Volunteer Bank leave were used by 14% of our Australian based employees.

In FY20, we aim to increase use of our Volunteer Bank to between 16 – 18% of our people in Australia.

Employee Community Grants

We have $60,000 of grants available for our people in Australia to apply for each Financial Year, to support a community organisation they or family members are involved with. Employees can apply for one grant every 12 months and the money must be used to purchase something the organisation needs.

In FY19, we distributed 62 grants, bringing the total number of grants we have distributed since the program began in FY15 to 258, valued at $319,358.78. The one thing each of these 258 local grassroots community organisations have in common is that they are important to our people.

In FY20, we aim to again distribute the full $60,000 in Employee Community Grants to eligible organisations as nominated by our people in Australia.

Fundraising

Our Community Champions select four national fundraisers for our people to support at a company level each year. In FY19 we supported Beyond Blue, Act for Peace, Polished Man and Kids Under Cover. Our people also champion fundraising initiatives at an individual and team level, such as ‘Movember’ – the men’s health fundraising initiative. In FY19, REA Group’s team of Mo Bros and Mo Sistas – the ‘REA Super Mo Bros’ raised more than $17k in FY19 for this important cause.

In FY20 we intend to re-launch our Fundraising program to enable our people to nominate and vote in five Fundraising Charity Partners from around Australia to support for the financial year.

Because We Care – Asia

In October 2018, we launched Because We Care Asia, inclusive of a Matched Giving and Volunteer Leave program, supported by a network of Community Champions across Asia.

Our employees in Hong Kong, Indonesia, Malaysia, Singapore and Thailand were invited to nominate charities they’d like to support through this program. Each of the five countries voted in three Volunteer Leave charity partners and one Matched Giving charity partner.

From the time of launch to the end of FY19, we saw 13% of team members across Asia make use of their annual day of paid leave to volunteer with one of their Volunteer Leave charity partners and $81,077.37 in combined employee and company matched donations made for the Matched Giving charity partners.

FUNDS RAISED BY THE ‘REA SUPER MO BROS’ FOR MOVEMBER

$17,000
Reducing our impact on the environment through travel, building operations and data centres.
The world’s business community plays an important role in addressing climate change, which presents many serious risks to property, upon which our business is dependent. At REA Group, we are setting a goal in FY20 to understand our carbon footprint, report on it in a transparent way and set targets to reduce our impact. We will do this as part of a climate change policy to be developed in FY20.

**Greenhouse Gas Emissions**

The management of carbon emissions and other gaseous pollutants from our operation.

The team at REA Group is committed to reducing our impact on the environment. Being a digital business, the main ways we look to do this are through:

- **Travel**
- **Building operations**
- **Data centres**

**Travel**

In FY19, REA Group’s air travel saw 3,043,079 total CO2 lbs, across 8,333,370 miles at 0.37 CO2 lb per mile.

In FY19, we introduced a program of work to reduce flights. One of the ways we have done this is through the roll out of cloud-based enterprise video conferencing technology ‘Zoom’ across REA Group Australia, REA Group Asia and our partners at ThoughtWorks in Xi’an, which enables our people to see each other and share documents in real time regardless of which office they’re in.

The program has seen a year on year reduction of 463,154 total CO2 lbs when comparing FY18 and FY19 flight data. These calculations are based on the Greenhouse Gas Protocol (GHG Protocol), the most widely used international accounting tool for government and business leaders to understand, quantify and manage greenhouse gas emissions. In FY20 we have set a target of further reducing our CO2 from flights by 10%.

Our sales team in Australia are also on the road visiting customers. In FY19, we had 179 members of our Sales team use 24,000 litres of fuel, which is 134.07 litres per team member. In FY20 we will look to maintain this per head use of fuel.

### TOTAL REDUCTION OF CO2 EMISSIONS VIA AIR TRAVEL

- **463,154 lbs**

### REDUCTION IN AIR TRAVEL CO2 EMISSIONS FROM FY18 TO FY19

- **10%**
The management of energy consumption throughout our operations, including for data centres and buildings.

Buildings operations

REA Group’s energy data is recorded through CitySwitch for NABERS1. CitySwitch is a program which supports commercial office tenants around Australia to improve their sustainability. Our head office in Richmond, Victoria is an ‘A’ grade office building with a target NABERS rating of 4.5 Stars.

REA Group’s electricity usage in FY19 across Australia and Asia:

<table>
<thead>
<tr>
<th>Location</th>
<th>kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>16,789</td>
</tr>
<tr>
<td>Brisbane</td>
<td>40,282</td>
</tr>
<tr>
<td>Perth</td>
<td>39,454</td>
</tr>
<tr>
<td>Richmond</td>
<td>709,534</td>
</tr>
<tr>
<td>Sydney</td>
<td>76,874</td>
</tr>
<tr>
<td>Kuala Lumpur, Malaysia</td>
<td>100,794</td>
</tr>
<tr>
<td>Johor Bahru, Malaysia</td>
<td>19,936</td>
</tr>
<tr>
<td>Penang, Malaysia</td>
<td>1,960</td>
</tr>
<tr>
<td>Jakarta, Indonesia</td>
<td>242,100</td>
</tr>
<tr>
<td>Singapore</td>
<td>10,209</td>
</tr>
<tr>
<td>Bangkok, Thailand</td>
<td>8,796</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>63,956</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,330,684</strong></td>
</tr>
</tbody>
</table>

1 NABERS is a national rating system that measures the environmental performance of Australian buildings, tenancies and homes. It measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment.
Environment

The total electricity usage for REA Group Australia and Asia as measured in kWh and in FY19 totalled 1,330,684. As of 30 June 2019, REA Group’s headcount across Australia and Asia was 1,656. This equates to 803.55 kWh per employee. With an increase in the number of offices in Australia, we are setting a target in FY20 to maintain our FY19 kWh in FY20.

In FY20 we will provide data to our majority shareholder News Corp for National Greenhouse and Energy Reporting (NGER). NGER is a national framework for corporations to report greenhouse gas (GHG) emissions, energy consumption and energy production. We will share the result in FY20.

We have sensor lighting in all our buildings in Australia to reduce energy use when meeting rooms aren’t being utilised and we have committed to all new light bulbs being energy efficient LED lighting.

In FY20, we are undertaking a program of work to ensure the majority of screens in our offices automatically switch off at night time to save energy and we are committing to including solar panels in all new building fit-outs.

To reduce the use of paper in our offices in Australia, we have implemented FollowMe Print – which requires employees to scan their security pass in order to activate printing they require. This ensures printing remains confidential and reduces printed waste from documents left uncollected at the printer.

Data Centres

The growth of data centres worldwide over the last couple of decades has meant a significant increase in cooling systems required to ensure computers do not overheat. The energy used, when from non-renewable sources, contributes to carbon emissions.

REA Group has been working hard on implementing a Cloud-only vision as a way of setting the business up for future success, improving delivery efficiency, better managing security risks and reducing our impact on the environment.

The migration strategy was to re-architect systems to take full advantage of the flexibility and scalability of the Cloud. In 2019, the Cloud-only project hit a major milestone. The team successfully migrated all systems from one of the Group’s largest data centres in Amsterdam to the AWS Singapore region.

This milestone has delivered greater flexibility, improved efficiency, reduced security risks of running loads on legacy infrastructure and allowed for re-purposing investments into the future of REA Group’s Cloud-only journey. By the end of FY20 REA Group will halve its data centre footprint and is committed to reducing it to zero in the near future.
Waste management

Minimising waste generated through reduced material consumption and increased recycling.

Our other offices in Australia (outside of Melbourne) are shared office spaces, which makes capturing waste and water data challenging. We work with all employees in Australia and Asia to raise awareness about the importance of being water smart and reducing, re-using and recycling wherever possible. Recycling and organic bins are provided in all our offices alongside the general waste bins.

In FY20 we will investigate opportunities to measure water use and all various forms of waste across all our offices in Australia to enable us to set targets for reduction.

The total combined general waste and recycling in FY19 for our Melbourne office came to 562.6 cubic metres / 44.13 tonnes.

In FY20 we will work with our Procurement and Facilities team in Asia to commence reporting on the general waste, recycling, security bins and organics for our operations across Asia. We aim to reduce our general waste for our Melbourne office by 5% per employee in FY20.

Our Enterprise Technology team works with a partner called Alegre, to resell or recycle all our retired assets and another organisation called MobileMuster to keep old smartphones out of landfill. MobileMuster transforms the components from mobile phone waste into valuable materials for reuse, which means less raw materials need to be extracted and processed to make new products.

We also provide a battery recycling station at our Melbourne head office, which we have partnered with Ecocycle on. This ensures the safe recovery of mercury, lead, silver, nickel, cadmium, steel, and plastic. Battery recycling also reduces the number of batteries that end up in landfill, which can result in toxic substances leaking into the environment.

E-WASTE

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Waste management is something our team is passionate about, with a group forming at a recent REAio (Hack Day) called #bintheredonethat which was all about waste reduction, understanding and awareness. This resulted in a crockery station being created for our Melbourne head office, enabling our people to take ceramic mugs and plates to local cafes to reduce waste.

Waste in FY19 for our Melbourne head office operations:

<table>
<thead>
<tr>
<th>Type</th>
<th>Volume</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>General waste</td>
<td>235.24 m^3</td>
<td>25.63 tonnes</td>
</tr>
<tr>
<td>Recycling – comingle</td>
<td>327.36 m^3</td>
<td>18.50 tonnes</td>
</tr>
<tr>
<td>Security bins (confidential documentation)</td>
<td>208 total empties</td>
<td></td>
</tr>
<tr>
<td>Organics</td>
<td>10 total empties</td>
<td></td>
</tr>
</tbody>
</table>

Waste in FY19 for our Melbourne head office operations:
New Building: 12-18 Albert Street
Richmond, Victoria

In FY19, REA Group commenced the build on a new office next to its Melbourne headquarters in Richmond. Our new Albert Street office has a 4 Star Green Star rating. Green Star is a comprehensive, national, voluntary environmental rating system that evaluates the environmental design and construction of buildings and communities.

The new building has been designed to work in efficient and intelligent ways, while also meeting NABERS requirements. The new building has many sustainable features including:

> Efficient air conditioning system, water-saving appliances and rainwater will be treated in raingardens prior to discharge to the stormwater system.
> LED and other low energy flicker-free lighting sources have been used and are on occupancy sensors to limit energy use, while solar benefits have been maximised due to the orientation of floorplates.
> Materials for our new building include recyclable non-toxic, rapidly renewable, biodegradable, certified wood and have been manufactured using fair labour.
> Rainwater is collected and reused for toilet flushing and irrigation. End of trip facilities including bike parking, showers, lockers and change rooms have been built and we have installed two electronic car charging stations.

Employees will be moving into the new building in FY20.