



# Domain

## ENVIRONMENTAL, SOCIAL & GOVERNANCE POLICY

MARCH 2020



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# INTRODUCTION

**Domain is a property technology and services business that is home to one of the largest portfolios of property brands in Australia. Our vision is to build a customer-centric Australian property marketplace that inspires confidence for all of life’s property decisions, helping agents and consumers at every step of the property lifecycle – renting, buying, selling, investing, financing, insuring and more.**

We are committed to helping our people thrive personally and professionally by creating a culture of diversity and inclusion, and acknowledge our duty to behave in a responsible manner both within business activities and towards broader community stakeholders.

We recognise that our operating environment will grow increasingly complex into the future and accept the growing body of evidence suggesting that organisations with robust Environmental, Social and Governance (ESG) management practices will be

better positioned to manage risk, deliver shareholder value and positively impact their communities, while avoiding reputational and operational risks.

This policy has been developed to outline our position on the material Environmental, Social and Governance (ESG) issues impacting our operations. The material risks are the issues that matter most to our stakeholders and our business. The risks identified as being ‘critical’ represent both the most urgent challenges and

opportunities for us to address – and form part of an ongoing dialogue about how we can improve our practices and better respond to community expectations.

As such, this policy applies to Domain, as well as suppliers and other persons with whom Domain has business relationships.

We anticipate this document will evolve and be updated regularly, reflecting the management of ongoing ESG risks.



# OUR APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

**We are committed to delivering sustainable value to our stakeholders through embracing responsible business practices, ensuring customer satisfaction, monitoring our supply chain, being an employer of choice, managing our environmental footprint, and supporting and investing in community development.**

In October 2019, we undertook an ESG Materiality Assessment through an independent consultant. As a result of this assessment we identified a range of current and emerging environmental, social and governance risks and conversely opportunities that are likely to impact our business and our stakeholders over the short, medium and long term.

Our approach has been to quantify the material risks for Domain using the prioritisation principles as defined by the Global Reporting Initiative (GRI) Standards. These principles are:

- Significance of economic, environmental & social impacts
- Influence on stakeholder assessment & decisions

The materiality exercise included the following steps:

- Benchmarking against peers and reviewing ESG against industry practices, government policy and through the lens of external frameworks and standards, we were able to identify ESG risks that have a level of relevance to Domain.
- We facilitated focus groups with our employees to solicit their feedback on how we perform, and subsequently prioritised the ESG risks according to the prioritisation of principles as defined by the GRI Standards.
- An internal management committee reviewed the ESG risks as they were ranked by the focus groups and provided final input.

Through this process we have identified 21 topics that have a level of materiality for Domain, all of which have been displayed within our Materiality Heat Map Matrix (Figure 1). Within this policy we have also called out specific ESG risks that, while not assessed as critically material to Domain, are of paramount importance both to us as a company, and to society as a whole, and have addressed these as 'Special Considerations'.

# DOMAIN'S MATERIALITY HEAT MAP MATRIX

For the ESG Materiality Heat Map structure and clarity, we have grouped the 21 materiality topics according to our three sustainability pillars as set out in Domain's Corporate Social Responsibility framework.

## Domain Sustainability Pillars



**Our Environment**  
Environmental Risks



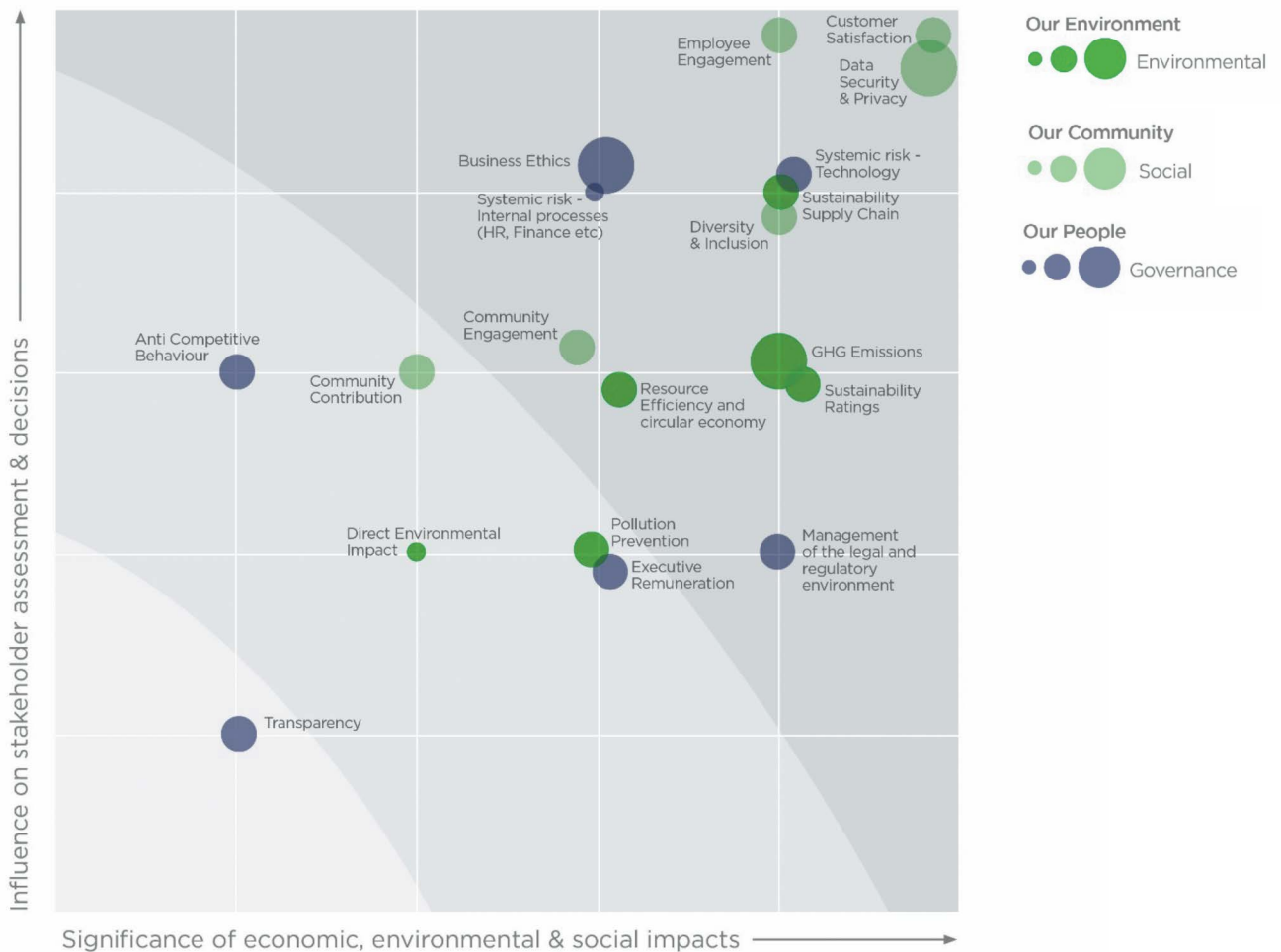
**Our Community**  
Social Risks



**Our People**  
Governance Risks

## Domain Materiality Heat Map Matrix

Figure 1: Domain ESG Materiality Heat Map



# OUR RISKS

**The risks that were ranked as critically material for Principle 1 and Principle 2 are the focus of this ESG Public Policy and ESG Plan as well as becoming a major consideration in the development of our future sustainability commitments.**

It should be noted that although a risk may not be considered a critical risk to Domain, it may still be of major importance to Domain in terms of how this risk is perceived by society as well as its potential to impact the wider community. As such, Domain will continually review the materiality of ESG risks through the reassessment of its Materiality Heat Map Matrix.

The critical risks that will become the focus for Domain moving forward are:

- Diversity and inclusion
- Data security
- Sustainable supply chain
- Employee engagement
- Customer satisfaction
- Systemic risk - Technology

## Special consideration – Climate Change

Domain acknowledges that climate change is an existential threat that will have increasingly significant environmental, social and economic impacts on all aspects of society.

Climate change is already impacting the competitive context within which all companies operate by affecting the availability and demand for resources, products and services, and the performance of day-to-day business operations, physical assets and supply chains.

Although climate change is currently not ranked as 'critically' material for Domain, and as such not a risk specifically drawn out in this policy, we acknowledge that the scale and complexity of climate change make it uniquely challenging, especially in the context of economic decision making.

Domain is in the early stages of evaluating the impact of climate change on our businesses and strategies, and follows the Task Force on Climate-related Financial Disclosures (TCFD) recommendations to disclose information on our governance and risk management practices. We do this through the

CDP questionnaire, a global environmental disclosure system that supports thousands of companies, cities, states and regions to measure and manage their risks and opportunities on climate change, water security and deforestation.

Domain regards activity to reduce its impact on the planet as of paramount importance, both as a way to create a better society in line with the United Nations Sustainable Development Goals and to future proof ourselves against the potential impacts of climate change, including but not limited to:

- Predicted increase in regulatory measures, increasing (and volatile) energy costs, carbon-pricing, and impacts to supply chain
- Floods, storms, and increasing sea levels and the physical impact this will have on corporate assets.

Actions we are currently undertaking include:

1. Advocating, educating and providing information to our stakeholders on addressing climate change in the built environment
2. Implementing the Domain Supplier Code of Conduct (Supplier Code) which sets out the minimum standards that Domain expects of its suppliers, covering Environmental, Social and Governance risks.
3. Responding to the international CDP questionnaire on an annual basis. The CDP encourages companies to improve on their previous CDP score by undertaking enhanced sustainability initiatives. The CDP publicly releases this information for all stakeholders to view, and as such creates a strong incentive for companies to improve year on year.
4. Improving the energy efficiency of our assets
5. Engaging staff in energy and resource efficiency practices through our Corporate Social Responsibility Framework
6. Developing Domain's Sustainability Strategy that will provide direction for our business to operate in a zero-carbon emissions future.

## Special consideration – Human Rights

Our approach to human rights is based on doing business in a way that respects the rights and dignity of people, avoids human rights abuses and upholds applicable legal requirements. Human rights is absolutely paramount to Domain, however was assessed as not being a critical risk to Domain for the following reasons:

- We operate solely within Australia, a country with extremely low frequency of current day human rights violations, and which is tightly monitored by the Australian Human Rights Commission
- Our products are all online and developed within Australia. As such our supply chain is relatively small meaning we have high visibility and control through our Supplier Code of Conduct.

Providing care to people who have the potential to be impacted by our business is vital to our governance approach and we are committed to the betterment of the communities in which we operate.

The actions we are currently undertaking to address human rights under our operational control are:

1. Reporting annually on the risks of modern slavery in our supply chain as per the Modern Slavery Act (2018). This report will be approved by the Board of Directors or equivalent and signed by a Director, and includes preparing a Modern Slavery Statement which will be released in 2020.
2. Implementing a Supplier Code of Conduct (Supplier Code) which sets out the minimum standards that we expect of our suppliers.
3. Continually reviewing our supply chain to identify and address any modern slavery risks in our operating and supply chain.
4. Investigating the potential to report on human rights issues in line with the UN Guiding Principles Reporting Framework
5. Focussing our fundraising in FY19 to address the issue of homelessness facing young people. Our deep expertise in technology and property allow us to make a meaningful contribution through our involvement in community organisations such as Raize the Roof and Vibewire's Hack4homelessness.



# HOW DOMAIN IS ADDRESSING THE CRITICAL ESG RISKS

Our material ESG risks are the issues that matter most to our stakeholders and our business. These risks, however also present opportunities to:

- improve how we as a company behave as a steward of nature,
- manage relationships with employees, suppliers, customers, and the communities where we operate; and
- effectively influence our company's leadership, executive pay, audits, internal controls, and shareholder rights.



To assist in providing a common language amongst our stakeholders on what is 'sustainable' to Domain, we have linked our critical ESG risks to the United Nation Sustainable Development Goals (UN SDGs). While the UN SDGs are more comprehensive and globally focused than organisational specific ESG issues, there are many overlaps, such as climate change, gender equality and decent work and economic growth. Hence, well-managed ESG issues on the corporate level can provide a framework for a common way of referencing contribution to a more sustainable world, and thus strengthen investors' ESG risk frameworks.


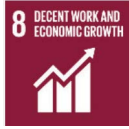
In line with best practice, we have specified the UN SDG's targets we will address through our actions in addressing our critical ESG risks.


We are proud to take a proactive approach to addressing the ESG risks that were assessed as being critically material to Domain as highlighted in Table 1. Nonetheless, we will strive to further address the critically material risks and have outlined how we intend to do so through the '[Domain ESG Plan](#)'.



Table 1: How Domain is addressing the critical ESG risks

RISK	WHY IT IS IMPORTANT TO DOMAIN	HOW DOMAIN IS ADDRESSING THE RISK	UN SDG	UN SDG SPECIFIC TARGET ADDRESSED
<b>Diversity &amp; Inclusion</b>	<p>Domain is committed to creating a workplace that is fair and inclusive and reflects the diversity of the communities in which it operates. Domain values, respects and encourages diversity of Board members, employees, customers and suppliers. Diversity includes differences in age, nationality, cultural background, disability, ethnicity, family responsibilities, gender, language, marital status, religious belief and sexual orientation.</p> <p>By embracing a diverse and inclusive approach, there is naturally a larger pool of talented employees available for recruitment. It also enhances employee engagement and thereby supports retention and talent attraction. Continuing to focus on diversity and inclusion will assist the Company to achieve its strategic objectives and ultimately deliver sustained financial performance and greater shareholder value.</p>	<ul style="list-style-type: none"> <li>• Domain has adopted Diversity and Inclusion Guidelines</li> <li>• The People and Culture Committee oversees Domain's Diversity and Inclusion Policy and the achievement of its goals</li> <li>• Domain complies with the Workplace Gender Equality Act 2012, and has submitted its 2018-2019 Public Report under the Act</li> <li>• The People and Culture Committee has set the measurable objective that by 2020 Domain will have a representation of minimum 40% female and 40% male (with a 20% swing variance) across the Board, Executive Leadership Team and Senior Management level of the organisation.</li> </ul>	<p>GOAL 5</p> 	<p>5.C Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</p>
<b>Data Security &amp; Privacy</b>	<p>As a technology business, privacy matters and compliance with privacy laws is a non-negotiable part of how we work. We are mindful that a key role we play in looking after our community is protecting the data we receive from our customers and consumers.</p> <p>The widening reach of technology means we are more connected now than ever, but also more vulnerable. While stored data is used to benefit consumers and tailor products, services, offerings and communication to their needs and preferences, it also increases the risk of cybercrime.</p> <p>Cyber attacks can compromise customer information, operational systems and sensitive business information such as financial data, supplier details and intellectual property. Domain needs to be increasingly vigilant in protecting the integrity and privacy of data systems.</p>	<ul style="list-style-type: none"> <li>• Domain is bound by the Australian Privacy Principles contained in the Privacy Act (1988) and other applicable data protection laws, including the EU General Data Protection Regulation (GDPR).</li> <li>• Domain has an in-house information security team that oversees our data security practices, conducts periodic testing on our systems and assesses new vendors for IT Security risks</li> <li>• Domain's Data Council has monthly meetings to ensure all proposals for sharing Domain data with third parties are appropriately justified. The multi-disciplinary team comprises data scientists, product managers, engineers, researchers and lawyers.</li> <li>• In FY20, we will be continuing our focus on ensuring data governance at Domain is in line with best practice.</li> </ul>	<p>GOAL 8</p> 	<p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>

RISK	WHY IT IS IMPORTANT TO DOMAIN	HOW DOMAIN IS ADDRESSING THE RISK	UN SDG	UN SDG SPECIFIC TARGET ADDRESSED
<b>Sustainable supply chain</b>	<p>Supply-chain risks encompass a broad range of issues, including: labour and working conditions, occupational and community health and safety, biodiversity, pollution prevention and stakeholder relations.</p> <p>Domain recognises the conduct and performance of our suppliers can have a significant impact on our sustainability as a business, but also on our reputation within the communities in which we operate. Domain also acknowledges that through responsible resourcing a strong foundation will be established for us to manage risks and opportunities in our supply chain.</p> <p>Domain is committed to making sure the practices of all the businesses within its Group are fair, responsible and sensitive to the needs of stakeholders. As such, we expect our suppliers to comply with social, environmental and ethical standards of behaviour, comply with legislation and meet the required standards of the International Labour Organisation (ILO) and the Australian Human Rights Commission.</p>	<ul style="list-style-type: none"> <li>• Domain has implemented a Supplier Code of Conduct (Supplier Code) which sets out the minimum standards that Domain expects of its suppliers, covering Environmental, Social and Governance risks.</li> <li>• We encourage our Suppliers to go beyond minimum compliance to applicable laws and this Code, while taking responsibility to continually improve social and environmental conditions and ethical behaviour.</li> </ul>	<p>GOAL 12</p> 	<p>12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.</p>
<b>Employee Engagement</b>	<p>A growing body of evidence suggests that strong corporate culture and engaged employees make the best performing companies.</p> <p>We are committed to helping our people thrive, personally and professionally. In FY19, in response to employee feedback, Domain invested in articulating a vision for the Company and creating a framework of purpose and values to unify our people. Our efforts were focused on improving employee experience and encouraging diversity and inclusion.</p>	<ul style="list-style-type: none"> <li>• Domain's Employee Experience team, together with members of management, drive processes and practices internally to promote the implementation of the Diversity and Inclusion Guidelines and corresponding objectives of the Company. Domain currently has principles that support gender equality in recruitment, retention, performance management, promotions and talent identification. Domain is continuing to strive to improve its practices.</li> </ul>	<p>GOAL 8</p> 	<p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.</p>

RISK	WHY IT IS IMPORTANT TO DOMAIN	HOW DOMAIN IS ADDRESSING THE RISK	UN SDG	UN SDG SPECIFIC TARGET ADDRESSED
<b>Customer Satisfaction</b>	<p>As a leading Australian property technology business our vision is to build a customer-centric Australian property marketplace that can deliver real outcomes to our community.</p> <p>In FY19, we established our purpose as “inspiring confidence in all of life’s property decisions” and focused on our three key strategic objectives of growing our core listings business, growing new revenue in consumer solutions, and simplifying and optimising the business.</p> <p>We are doing this by boosting our existing listings business and growing and extending our ability to deliver a broader range of solutions directly to consumers.</p>	<ul style="list-style-type: none"> <li>• Our strategies are being implemented across Domain’s three segments: Core Digital (comprising Residential; Media, Developers &amp; Commercial; and Agent Services); Consumer Solutions &amp; Other; and Print</li> <li>• We aim to comply with the Web Content Accessibility Guidelines AA standard.</li> </ul>	<p>GOAL 8</p> 	<p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p>
<b>Systemic Risk – Technology</b>	<p>Systems outages due to technological failure have the potential to impact a number of Domain’s core systems, including internet and internal payment processes. This in turn has the potential to impact both external stakeholders and internal staff. Such system failures could have a significant impact on our organisation in terms of costs, lost trade and reputation</p> <p>As such, Domain’s IT team is constantly simulating against potential scenarios to consistently improve how we would respond were such a risk to become reality.</p>	<ul style="list-style-type: none"> <li>• We use Amazon Web Services (AWS) for their online infrastructure. AWS core infrastructure is built to satisfy the security requirements for the military, global banks, and other high-sensitivity organisations. AWS is backed by a deep set of cloud security tools, with 230 security, compliance, and governance services and features</li> <li>• We facilitate penetration tests each year to test the security of AWS systems.</li> <li>• We utilise multiple data centres to ensure that if one specific data centre fails, there will be no systemic technology failure</li> <li>• Using a ‘worst case scenario’, we periodically upload all critical data to a data centre outside of Australia, meaning if there is a technological issue nationwide, Domain can still restore services within the day</li> <li>• All data collected by Domain is split and stored into separate accounts, reducing the risk of confidential information being stolen.</li> </ul>		<p>This risk does not directly address the United Nations Sustainable Development Goals.</p>

# MONITORING AND REVIEW

Domain believes that it is important to take a proactive approach to understanding and addressing the ESG risks that are material to us. With this in mind, we continuously seek to identify the most pertinent risks to our business and improve the information on which we report.

Domain will periodically and formally re-assess our material issues in partnership with an independent specialist.

This policy will subsequently be updated and reviewed annually by Domain's People and Culture Committee of the Board to ensure it reflects:

- Current regulatory and legislative requirements applicable to Domain's operations; and
- Any material changes to Domain's business operations.



## FURTHER INFORMATION

For further information regarding Domain and ESG, please contact:  
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