SUSTAINABILITY REPORT 2022

OUR COMMITMENT

CoStar Group is committed to building a foundation of responsible business strategies that drive value for our people, communities and shareholders through positive environmental, social and governance practices.

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CoStar Group™

LETTER FROM THE FOUNDER & CEO

We are proud to publish our first Corporate Social Responsibility report. CoStar Group stands for excellence and transparency in all dimensions, and that includes environmental, social and governance (ESG) factors. At CoStar Group we are committed to supporting ESG principles both inside and outside of our company.

Inside CoStar Group we have quietly been a leader in sustainability for decades, converting our fleet of nearly 200 research vehicles from gasoline to hybrid and then to electric, selecting LEED certified and/or Energy Star rated buildings for most of our 80+ office footprint, and reducing total annual data center energy consumption despite significant company growth.

Outside of CoStar Group we help millions of consumers and real estate professionals achieve their sustainability goals. We are democratizing access to real estate information, tools, and marketplaces; helping to digitize the $200 trillion global real estate asset class; and transforming the way people interact with real estate.

The United Nations estimates that buildings and construction account for 36% of global final energy use and 39% of energy-related carbon dioxide emissions. We believe CoStar Group is part of the solution to that problem. Our Apartments.com, Homes.com, LoopNet.com, and Lands.com marketplaces enable people all over the world to digitally visit properties for lease or sale without the environmental impact of physically traveling to them. In addition, the CoStar information and analytics product provides all subscribers with data on green rated buildings so they can identify locations that are Energy Star, BREEAM, and LEED certified.

At CoStar Group we believe it is important to combine technology and information with community involvement. CoStar Group works with dozens of organizations to help improve and brighten the lives of those in need. Those efforts range from CoStar Group's volunteer arm, CoStar Group Builds, to Management Leadership for Tomorrow (MLT), a national non-profit that provides educational resources to high achievers in underrepresented communities.

CoStar Group recognizes that diversity, equity and inclusion are at the center of our culture. To build a better future, we commit to taking greater steps to ensure equity at all levels. With strong corporate governance principles, rigorous oversight and a framework set by our Board of Directors, we are on track to meet our strategic objectives.

Our technology, deep understanding of real estate, and connected real estate communities are creating transformative value for our clients. In addition, we believe that the creativity, innovation and determination of our employees position us for long-term success. We are excited by the opportunities we have before us to grow our business, to produce positive change in the world in 2022 and beyond, and to help create a sustainable future for our company, clients, consumers, employees, communities, and shareholders.

Andrew C. Florance,
Founder & CEO

ENVIRONMENTAL

CoStar Group is a technology and research company that develops and operates information products and marketplaces. We are committed to environmental sustainability both inside the company—through management of our data centers, overall energy consumption and greenhouse gas emissions—and outside the company through our product offerings.
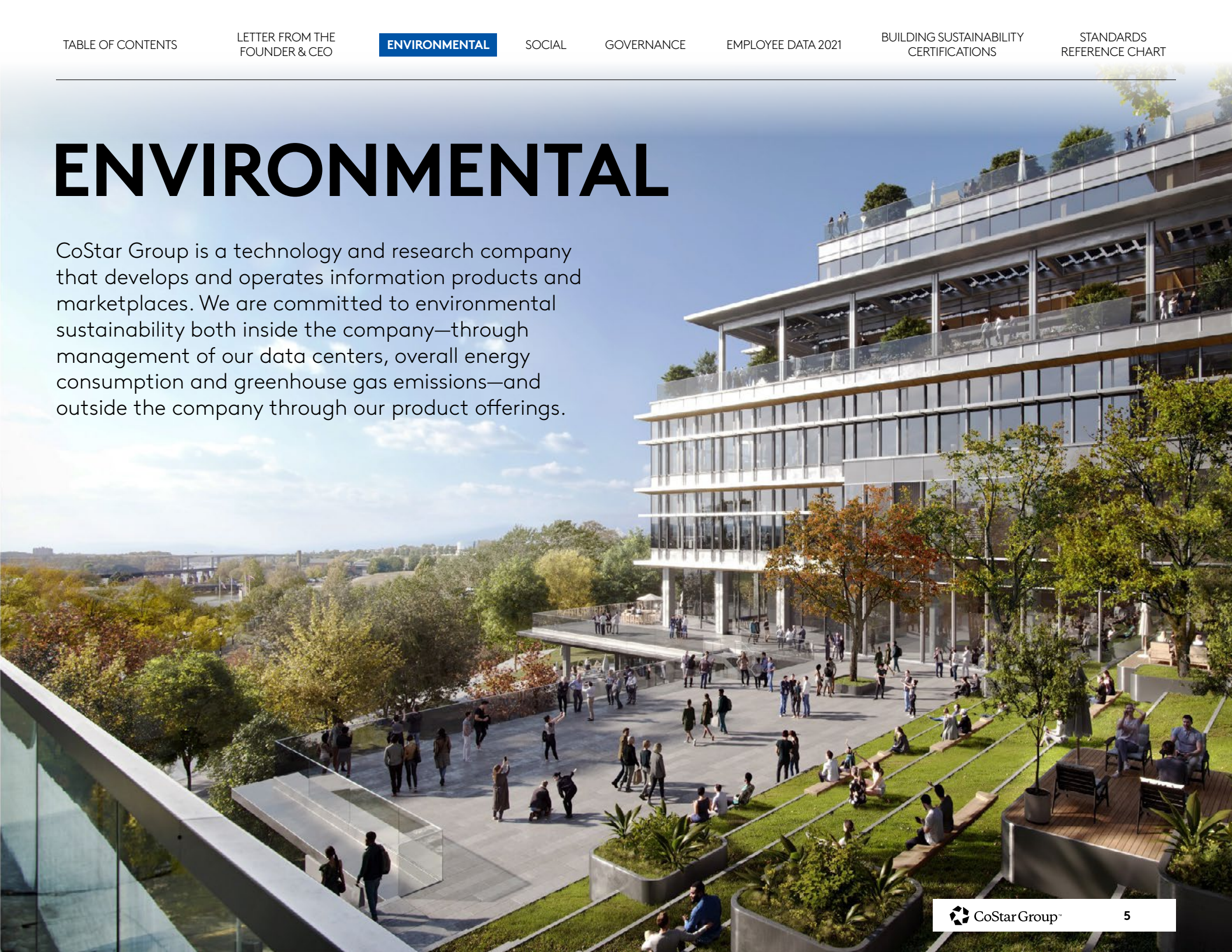
DATA CENTERS

CoStar Group is committed to reducing the amount of electronic waste and power consumption associated with our data center usage. In 2014, we embarked on a data center consolidation initiative that reduced the number of physical data center locations by over 75%, from 18 to 4, and our data center cabinet counts by over 40%, from 70 to 40. This consolidation transitioned our on-premise sites to more energy-efficient colocation facilities. We achieved this reduction by replacing slower, less energy-efficient spinning disk technologies with multi-terabyte flash arrays.

75%
REDUCTION
IN PHYSICAL DATA CENTER LOCATIONS

By lowering our physical footprint, CoStar Group increased energy efficiencies and reduced total annual data center power consumption by more than 2,400 KW. Even more impressive is that this reduction occurred during significant company growth and a 40% increase in CPU cycle consumption.

We strive to enhance our data processing technologies to increase processing capacities and security as well as reduce costs and data center CO_2 emissions. All of CoStar Group's computer equipment is Energy Star rated and uses automated shut-down controls whenever possible. By partnering with local electronics recyclers, we dispose of equipment responsibly. In 2021, for example, CoStar Group recycled roughly 5 tons of computer workstations and monitors through a combination of resale on the secondary market, donation to schools, and recovery by recycling companies.

We plan to continue to optimize sustainability by moving a significant amount of processing capacity to the cloud. Our research shows that CoStar Group's movement to cloud service implementation is 3.6 times more efficient than a colocation footprint. The greater efficiency is the result of lower office energy consumption both directly—from the more efficient systems—as well as indirectly—from the lower cooling requirements of the more efficient Energy Star systems. In addition, our cloud provider is on the path to reach 100% renewable energy by 2025, which will provide opportunities to harness wind and solar technologies.

5 TONS
OF COMPUTER EQUIPMENT RECYCLED IN 2021

ENERGY CONSUMPTION

As a technology and research company that develops and operates global information products and marketplaces, our energy consumption comes primarily from our data centers (as previously described), our facilities and our research fleet.

Facilities

The majority of CoStar Group's office footprint is in buildings that are LEED certified and/or Energy Star rated and have updated base and mechanical systems to improve energy and water efficiencies.

[Building Sustainability Certifications](#)

Research fleet

CoStar Group's Field Research fleet is comprised of customized, high-tech and eco-friendly electric and hybrid vehicles, equipped with state-of-the-art technology to collect comprehensive real estate information and high-quality property photography. Our office parking garages are equipped with electric charging stations. Additionally, CoStar Group owns and operates a Cessna Grand Caravan aircraft that can perform in one day the same amount of work that would take five cars a full week. The result: 160,000 fewer gallons of fuel per year, or about 3 million pounds of carbon emission saved per year.

Looking toward the future

- Transitioning from colocation infrastructure to cloud service providers
- Providing just-in-time processing to energize CPU cycles according to customer demand
- Growing our pay-for-CPU usage model to reduce total CPU costs and CO2 emissions
- Implementing elastic services and using these advances to reduce costs and emissions in 2022 and 2023

REDUCES FUEL CONSUMPTION

160,000

GALLONS PER YEAR
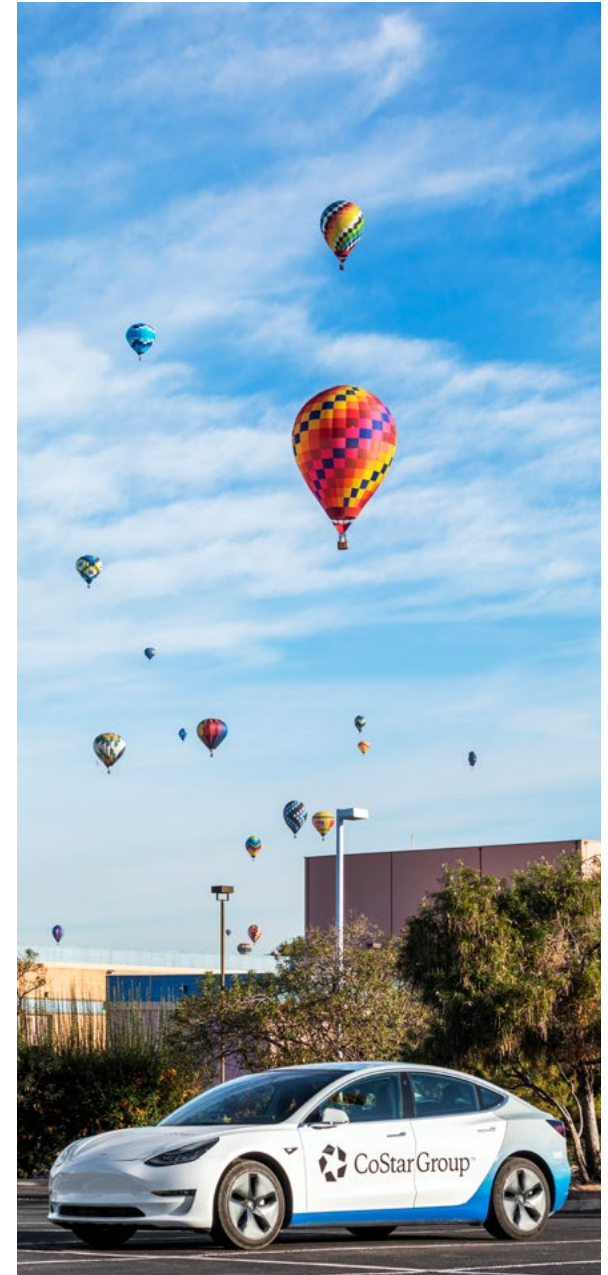
CLIMATE CHANGE

CoStar Group is incorporating resilience and efficiencies into our workplaces to conserve resources and use energy responsibly. Through a combination of energy efficient facilities, a fleet of energy efficient vehicles, and our aircraft, we can maintain a sustainable work environment.

Employees benefit from substantial mass transit commuter subsidies to encourage the use of public transportation opportunities, which reduces CO_2 emissions. In addition, our Washington, D.C., and Richmond offices provide electronic vehicle charging stations so that our employees and fleet can park-and-charge.

Offices including Washington, D.C., Richmond and Atlanta are constructed with an open work environment utilizing daylight harvesting technology that controls the light levels and window shades to optimize energy savings and reduce glare. Office lighting systems help us save energy since open spaces throughout our facilities are controlled with occupancy sensors, while lighting in enclosed spaces is controlled by vacancy sensors.
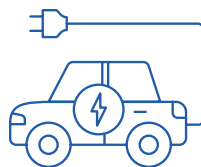
194
HYBRID VEHICLES -
188 METRIC TONS OF
EMISSIONS EACH YEAR
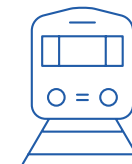
70%
OF HEADQUARTERS STAFF IN
WASHINGTON, D.C. AND OVER
30% OF U.S. STAFF RECEIVED MASS
TRANSIT SUBSIDIES

CoStar Group™   **8**

PRODUCT OFFERINGS

CoStar®, our subscription-based integrated platform for commercial real estate intelligence, provides users with green rating certifications on buildings. Customers can identify properties that are Energy Star, BREEAM, and LEED certified.

Users can also add Flood Risk layers to any map search to assess potential risks associated with a property.

CoStar News delivers breaking updates and features on commercial real estate. Our award-winning international news operation highlights news coverage on sustainability and leadership in healthy building environments.

100%

OF COSTAR SUBSCRIBERS HAVE ACCESS TO THE GREEN RATING SUSTAINABILITY DATA

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FOUNDER & CEO

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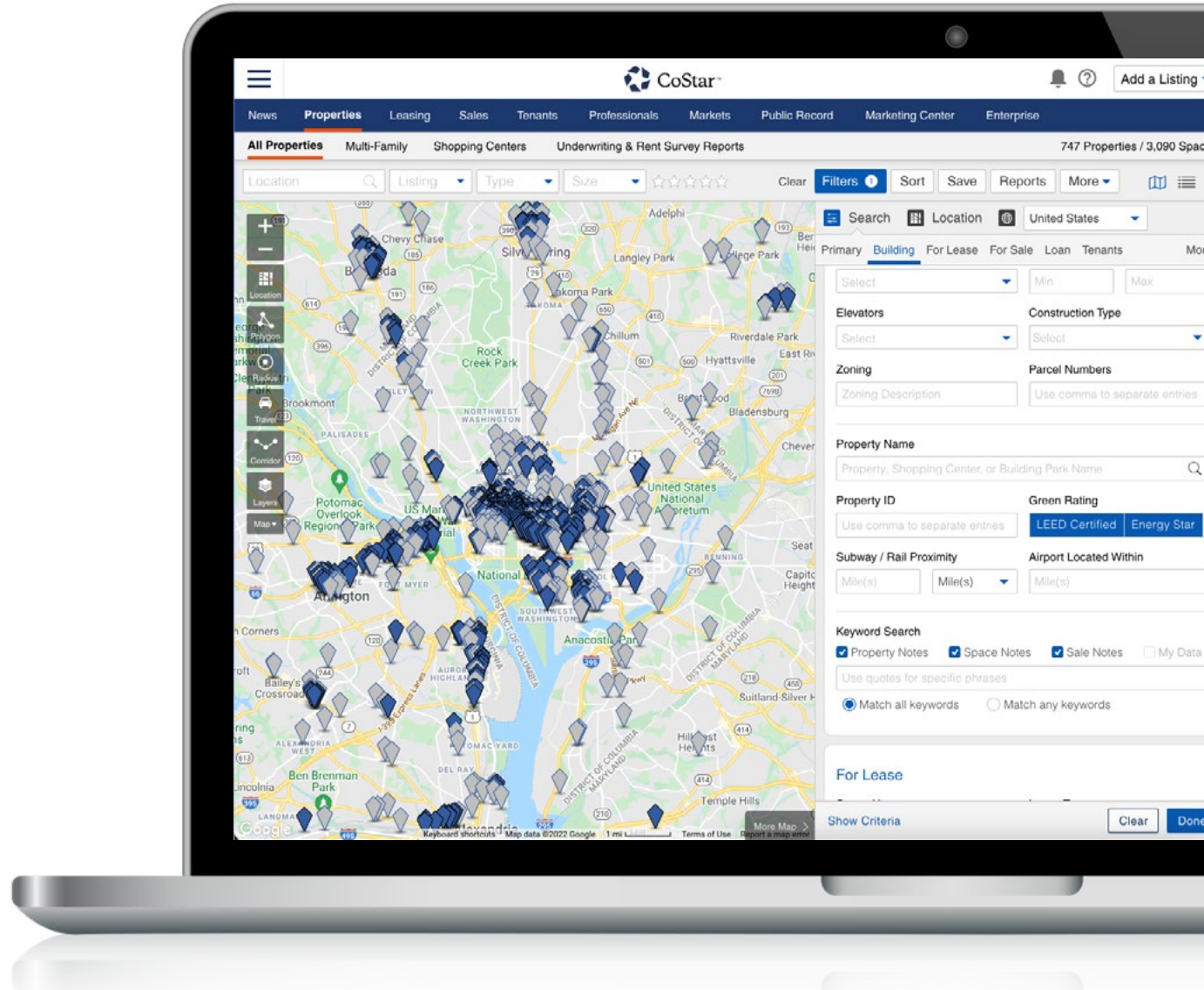
SOCIAL

CoStar Group is powered by its people. Through training and collaboration, we work diligently to provide our employees with the skills needed to transform real estate information and marketplaces. Along with quality healthcare, continuous learning and development, and community programs, we strive to create an inclusive culture that supports diversity and an environment that is committed to their success.

EMPLOYEE ENGAGEMENT

Building employee affinity with resource groups, mentoring and strong educational and health benefit programs help to foster a collaborative and healthy work environment. Each year CoStar Group partners with a third-party agency to administer an Employee Engagement Survey to all employees. In 2021, 3,871 employees participated in the survey which contained 46 survey questions in the following areas:

- Team Performance
- Growth & Development
- Customer Focus
- Culture
- Benefits
- Diversity, Equity and Inclusion (DEI)
- Supervisory Leadership
- Senior Leadership
- COVID Response

Key Results:
- 3-Year Overall Engagement Score: 76%
- 2021 Participation: 91%
- 2021 DEI Dimension Score: 79%

Our Surveys Drive Change
CoStar Group uses the survey results to identify opportunities for improvement and creates action plans to address employee feedback.

The CoStar Group Mentoring Program was created in 2020 and has been growing momentum. Since its inception, approximately 600 individuals have participated in the program. Mentor pairs are matched based on goals and interests, and participants are provided training as well as a roadmap and toolkit to help support the working relationship.

The most recent feedback survey indicated that 90% of mentees reported their mentor to be a good match, and more than 85% of mentors and mentees expressed overall satisfaction with the program.

600
EMPLOYEES
PARTICIPATED IN THE MENTORING PROGRAM

TRAINING & EDUCATION

The attraction, development, and retention of talent is a critical success factor for CoStar Group. The breadth of our Learning and Development programs include:

- **Expert-Led Professional and Personal Development:** We offer employees an expansive catalog of digital and instructor-led courses, to facilitate personalized learning pathways for upskilling, reskilling, and general professional growth.

- **Peer-to-Peer Learning:** Our popular Mentoring program pairs individuals across the organization to spark learning and career development.

- **Leadership Development:** CoStar Group provides training opportunities for managers of others, as well as nomination-based, experiential programming for high-potential leaders. In addition, 100% of our of employees starting before October 1 receive a regular performance and career development review.

- **Internships:** Our early workforce recruiting strategy is growing exponentially, from hosting just over 20 summer interns in three cities in the summer of 2021 to nearly 150 summer interns in six cities in the summer of 2022.

Ongoing Skills Development

Our enterprise partnership with LinkedIn Learning gives all employees full access to a library of more than 14,000 online courses across Business, Technology and Creative topic areas.

2021 Learning & Development by the numbers:

- 3,467 employees (69%) had active accounts on the platform

- 3,133 employees (63%) actively viewed courses

- 35,794 courses were accessed, logging 9,699 hours of learning

Management & Leadership Training

Managers are also offered training through the CoStar Group Manager Development Series. This instructor-led course includes modules on making the transition from individual contributor to manager, self-awareness via a DiSC assessment, understanding CoStar Group's Human Resources policies, building trust and inclusivity among the team, and managing performance both formally through the company's performance management cycle, as well as informally through regular coaching.

Training & Education Continued

Since the manager training program launch in 2020:

- 340 managers (~40% of all CoStar Group managers at all levels) have participated
- 100% of respondents reported learning actionable strategies, tools, and/or tactics that they can implement

Beginning in Q1 2022, CoStar Group is proud to partner with the University of Virginia's Darden Executive Education School to offer experiential leadership development programs for high-potential managers and leaders (selected by senior leadership). Both programs, titled the Management Accelerator Program and the Leadership and Executive Accelerator Program, extend over multiple months and include multi-day in-person sessions with Darden Faculty, a 360 assessment, team-based project work, and individualized coaching. CoStar Group plans to invest more than $2 million in these programs over the next two years, with nearly 150 leaders from across functions and geographies participating.

Recruitment & Talent Development

Our talent acquisition team recruits from a variety of sources to contribute to the diversity of our talent pool. We partner with Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs) and a variety of student groups to ensure that we are recruiting a diverse applicant pool. In addition, CoStar Group supports several of Management Leadership for Tomorrow's (MLT) talent development programs. Our participation in the Career Prep and MBA Professional Development programs provides exposure to highly talented individuals who may become candidates for internships and/or full-time roles with our organization. In addition, CoStar Group has enrolled several employees in MLT's Career Advancement Program, a 12-month leadership development program designed to provide highly talented, mid-career professionals with the keys to unlock their full potential and advance toward senior leadership roles in their organizations. The program is an intense journey of self-discovery and professional development that includes:

- Personalized assessments with actionable steps to help participants advance toward senior leadership
- Ongoing, one-on-one sessions with executive coaches
- An intensive, week-long, leadership seminar
- Rigorous practice and real-world business simulations in a supportive, yet challenging, environment
- Sustainable strategies and tools for professional growth and development
- A cohort of peers representing various industries and functions

Tuition Assistance

In addition, with a strong emphasis on providing educational avenues to support the career growth of our employees, CoStar Group offers tuition assistance and reimbursement of up to $5,250 per year towards accredited undergraduate degree, graduate degree or graduate certificate program courses to employees located in North America.

Compliance Training

Outside of educational employee resources, mandatory compliance training is required of all employees. Annually employees must re-certify their understanding of agreement with our Code of Conduct, Anti-Corruption Policy and Policy Statement on Corporate Information, which can be found here. As of 2021, this recertification now includes digital training around key elements of the Code of Conduct, including:

- Reporting and Retaliation
- Anti-Bribery
- Confidential Information
- Conflicts of Interest
- Data Privacy
- Insider Trading
- Workplace Violence and Abusive Conduct

This training also includes a module on Anti-Human Trafficking, accompanied by CoStar Group's Anti-Slavery and Human Trafficking Policy.

In 2021, 100% of employees fulfilled their annual recertification requirement. New hires are assigned all training on their start date and are required to complete it within their first 30 days. In the Fall of 2021, Anti-Workplace Harassment and Discrimination training was required of all employees and new employees will be required to take this training upon hire. This training/certification is available in seven languages to accommodate employees globally.

DIVERSITY, EQUITY & INCLUSION

CoStar Group believes that the diversity of thought resulting from different perspectives and backgrounds can foster creativity and result in more innovative research and technology solutions that best serve our customers.

Leadership Commitment

Cultivating a diverse team requires dedication to equitable practices and a commitment to building a more inclusive workplace. We aim to build an organizational culture of authenticity in which our global talent pool feels valued and able to fully contribute. In November of 2019, CoStar Group launched its Diversity, Equity and Inclusion (DEI) program. We named a Diversity Program Manager who partnered with HR Business Partners to create content, plan Heritage Month celebrations, and establish Employee Resource Groups. In 2020, we delivered Unconscious Bias training which was completed by 100% of the global employee population. New hires are required to complete this training as part of their new hire on-boarding. In January of 2021, we hired a Vice President of Diversity Equity and Inclusion who is now responsible for DEI programming and training. We continue to invest in this function and will add staffing over the course of 2022.

Over the course of 2021, CoStar Group made significant progress in developing its diversity, equity and inclusion strategy based on four primary pillars:

- Demonstrate organizational commitment and accountability for diversity, equity and inclusion
- Cultivate an inclusive workplace culture
- Develop a diverse talent pipeline at all levels
- Build reputational excellence regarding diversity, equity and inclusion

During 2022, we plan to implement DEI training programs that supplement unconscious bias training and build a curriculum focused on antiracism, allyship and inclusive leadership.

Employee Resource Groups

In recognition of the diversity among our global talent pool, CoStar Group supports the following Employee Resource Groups (ERGs):

- Black Excellence Network
- Latinx Network
- Pride Network
- Veterans Network
- Women in Tech Network
- Women's Network

Our ERGs create avenues for belonging, mentoring and professional development within communities, as well as education and awareness across the organization. Our ERGs currently have over 1,500 members.

1,500+ MEMBERS

AMONG COSTAR GROUP'S SIX EMPLOYEE RESOURCE GROUPS
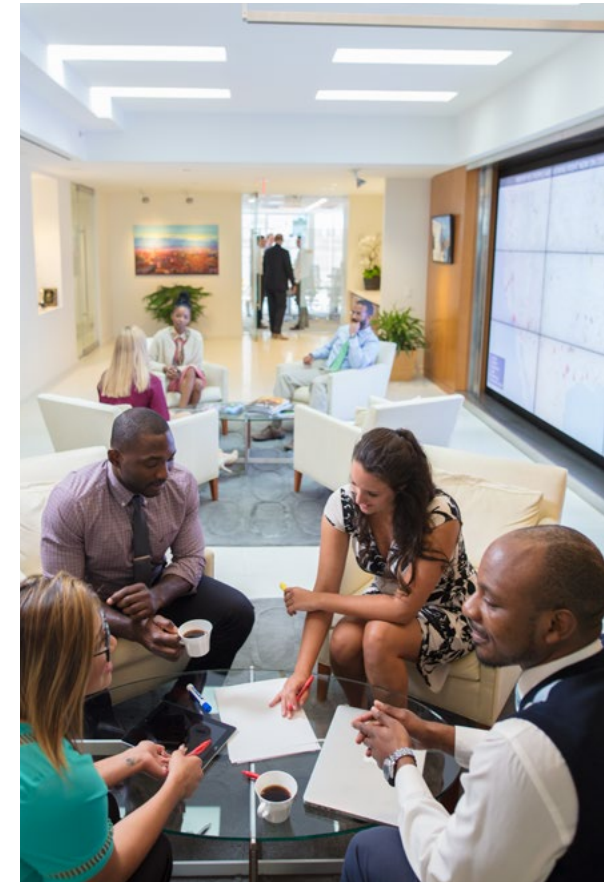
Diversity, Equity & Inclusion Continued

MLT's Black Equity at Work Certification Program

As previously referenced, CoStar Group has supported Management Leadership for Tomorrow (MLT), a national non-profit organization that provides educational resources to high achievers in underrepresented communities. Our Founder and CEO is on the Governing Board of MLT, and we have contributed $1.5 million over the last five years to support MLT and its related programs.

In 2021, we enrolled in MLT's Black Equity at Work Certification Program. The Certification focuses on three areas— people, purchasing and philanthropy—and offers benchmarks, best practices, and insights on achieving Black equity in the workplace across five pillars:

- Black representation at every level
- Compensation equity
- Inclusive, anti-racist work environment
- Racially just business practices
- Racial justice contributions and investments

During 2021, we submitted our initial baseline assessment to participate in MLT's Black Equity at Work Certification Program. We are participating with MLT on a number of initiatives including the Career Advancement Program (CAP) and partnering to launch MLT Career Prep at the University of Virginia.

MLT is furthering its commitment to support African American, Latinx and Native American

$1.5M
CONTRIBUTED
OVER THE PAST 5 YEARS TO SUPPORT MLT

students to realize their full potential, "make a mark, and make a difference." MLT bridges the critical college-to-career transition gap to help ensure their fellows succeed in that "last mile" to post-college careers.

Global Accessibility Awareness Programming

CoStar Group is dedicated to raising awareness on digital access and inclusion for the more than one billion people with disabilities and impairments. By recognizing Global Accessibility Awareness Day, we host webinars to encourage conversation, thought and learning about access and inclusion for people with different abilities. CoStar Group is committed to providing usable and accessible content for all of our users, including those with disabilities. Toward that end, we work with an outside vendor to help make our products more accessible to people with disabilities.
Accessibility Statement

GAAD Global Accessibility Awareness Day
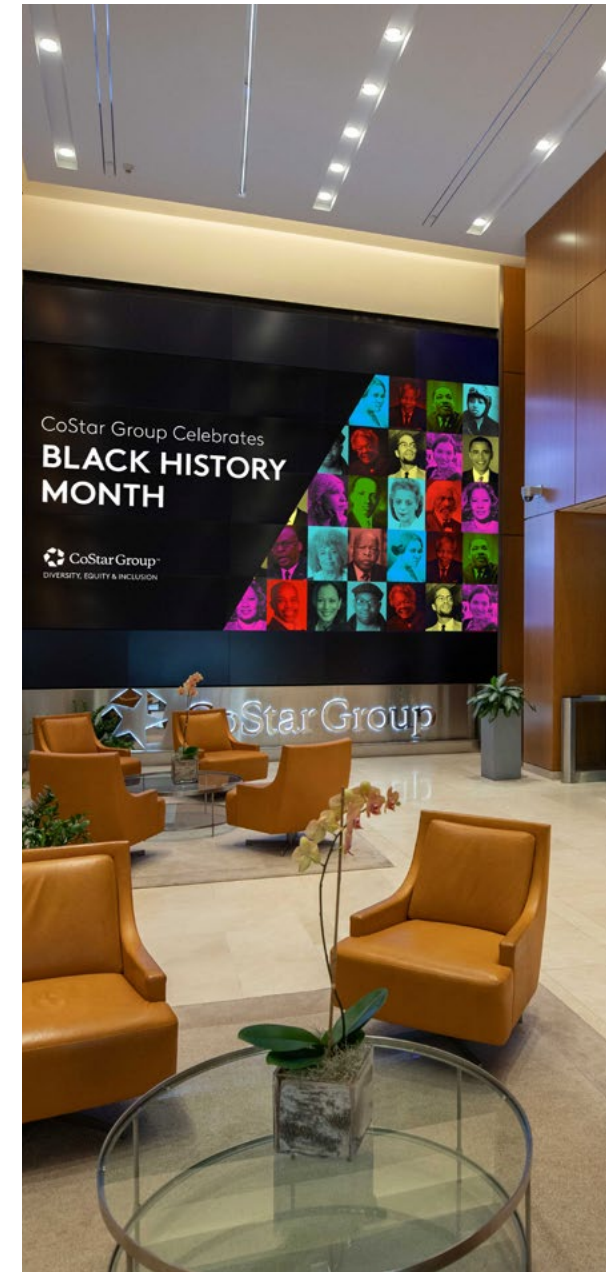
HEALTH & SAFETY

Most CoStar Group employees work at desks in offices, and we strive to ensure a safe environment in all our facilities. In the field, we maintain safety protocols and policies for our employees who drive fleet vehicles as part of their job duties. These employees are required to undergo regular Motor Vehicle Record (MVR) checks.

The CoStar Group Field Research Manual outlines and enforces fleet safety. The Fleet Safety section outlines multiple safety precautions that drivers should take while driving company vehicles.

Safety policies include:

- Corporate Vehicle Accident & Insurance Policy
- Drug and Alcohol-Free Workplace
- Prevention of Workplace Violence
- Safety in the Workplace

Supporting Healthy Habits

The healthy habits of our employees are supported by the elimination of vending machines and by stocking pantries with healthy snacks, including organic fruit and vegetable options, salads and low-sodium, low-fat fare at no cost to the employees. Additionally, our workplaces are outfitted with water coolers that use 3-level reverse osmoses filtration and help eliminate the plastic bottle waste.

CoStar Group provides a comprehensive wellness program that incorporates technology, incentives and personalization. We partner with Vitality™ to provide employees with the opportunity to participate in a unique and fun wellness program. To help employees stay active, they are rewarded and offered up to $250/year for gym, health club or at-home fitness equipment and subscriptions.

$250/YEAR

REWARD FOR IN-CLUB OR AT-HOME FITNESS EQUIPMENT/SUBSCRIPTIONS

Health & Safety continued

COVID-19 Response

Following CDC guidelines for U.S. offices and local government guidance internationally, CoStar Group maintains a safe, supportive and productive environment while also managing employee privacy rights as a top priority. Since the beginning of the pandemic, CoStar Group provided free COVID-19 testing and expanded telehealth and Teladoc services with a focus on mental health.

Additionally, we have implemented multiple cost-sharing benefits to cover in-patient admissions at all in-network and out-of-network facilities for treatment of COVID-19 or associated health complications for members of CoStar Group's health plans. Other benefits include:

- Obtained no-cost, on-demand PCR tests for employees and families through a bridged relationship with LabCorp.
- Partnered with local departments of health and vaccine providers to host multiple COVID-19 vaccination clinics for employees and their families.
- Hosted multiple COVID-19 vaccination clinics for employees and their families by partnering with local health departments.

Upon returning to the office, CoStar Group enacted a vaccination requirement for its offices that has evolved along with the pandemic. As of January 2022, and subject to jurisdictional requirements, U.S. employees will only be permitted to enter a U.S. office if they meet one of the following requirements: have received a booster shot, have received the second dose of the Pfizer or Moderna vaccine within the last six months, or received the first and only dose of the Johnson & Johnson vaccine within the last two months.

As corporate policies evolve to meet the changing COVID-19 environment, employees are required to screen for COVID-19 symptoms prior to entering the office and report positive test results and/or close contact/exposure to a person who has tested positive for COVID-19. Human Resources facilitates contact tracing and alerts employees as necessary. CDC guidance and state/local laws for masking and social distancing are enforced.

In 2021, CoStar Group took the following actions during the pandemic to ensure employees could safely and confidently return to their offices:

Air Quality Improvement

- Installed medical grade IQAir air purifiers in all locations.
- Increased frequency of building HVAC system air filter changes.
- Installed UVC lighting in the base building mechanical systems in Washington, D.C., Richmond, VA and Hendersonville, TN, to further disinfect circulating air.
- Upgraded building air filters to higher MERV rating where possible.
- Increased fresh air intake in buildings where possible.

50K
COVID-19 TESTS
PROVIDED AT NO COST
TO OUR EMPLOYEES

CoStar Group™

Personal Protection Supplies

- Stocked offices with 1 million face masks, including KN95 and N95 supplies.
- Installed hand sanitizer dispensers and pump units have been installed throughout the offices.
- Made sanitizing wipes available throughout each office.
- Added touchless door opener tools that are available to staff.

Cleaning

- Each office has contracted with professional cleaning services to provide disinfection and sanitization.
- Supplemental hospital-grade disinfection is carried out as needed.

Physical Distancing Guidelines

- Workstations in several high-capacity locations were reconfigured to provide ample physical distancing while seated.
- Workstations in all other offices are a minimum distance of 6 feet. When in doubt, staff are asked to wear a mask and maintain physical distance where possible.
- Conference room and staff lounge capacities have been reduced to meet minimum of 6-foot distancing.
- Signage has been installed throughout the office regarding physical distancing.

Vaccines

- Offices are open and restricted to staff who meet the vaccination requirement applicable to their office.
- Between April 2020 and December 2021, CoStar Group hosted four vaccination clinics and one booster clinic for employees and their family members in Washington, D.C. and Richmond, VA, administering 650 first doses and 603 second doses of the vaccine, in addition to 181 doses of the booster.

Surveillance Testing and Contact Tracing

- Executed a 10-week surveillance testing program using rapid test kits for the Washington, D.C. office, Richmond's three offices, and Atlanta offices.
- Provided return-to-work rapid test kits to facilitate a safe post-holiday return to the office for all employees at our 18 largest U.S. offices.
- Provide rapid test kits as needed for surveillance testing prior/during/post travel.
- Made PCR testing available for employees who were exposed to COVID-19.

PHILANTHROPIC PROGRAMS

Through purposeful investment and employee engagement, volunteerism and strong partnerships, CoStar Group works with dozens of organizations to help improve, sustain, and brighten the lives of those in need. Volunteerism and giving areas include Health & Wellness, Education, Environment & Sustainability, Housing and Social & Community Equity.

CoStar Group Builds

CoStar Group Builds is the volunteer arm of the company. Committee-led, employees work together to better the lives of their fellow citizens and support the communities in which they live and work.

With limited capacity to volunteer in 2021, CoStar Group focused its efforts on charitable giving by donating more than $1.1 million to over 40 partners in charitable giving and community engagement programs across the U.S., Canada and the UK.

7,220
VOLUNTEER HOURS
TRACKED SINCE THE INCEPTION OF COSTAR GROUP BUILDS IN 2008

Key Community Activities

- For the third year in a row, in 2021, CoStar Group was the presenting sponsor for the Ultimate Backpack Supply Drive in Richmond, VA. Partnering with Virginia Commonwealth University and Communities in Schools, CoStar Group donated 5,500 backpacks filled with school supplies as well as 11,000 meal gift cards to Richmond Public School students.

- CoStar Group employees in our Austin, TX office teamed up with Rise Against Hunger to pack 10,000 meals for people in need.

- Homes.com and Homesnap donated $100,000 to the National Association of Realtors for the Realtors Relief Foundation Impact fund to support victims of disaster and those in need of help during times of crisis.

- For the past nine years, and through nearly $200,000 in contributions, CoStar Group has participated in the Children's National Health System's annual Race for Every Child event. Donations to the Children's Hospital Foundation help to ensure that every child in the community gets the best level of care at the hospital regardless of their family's financial status.
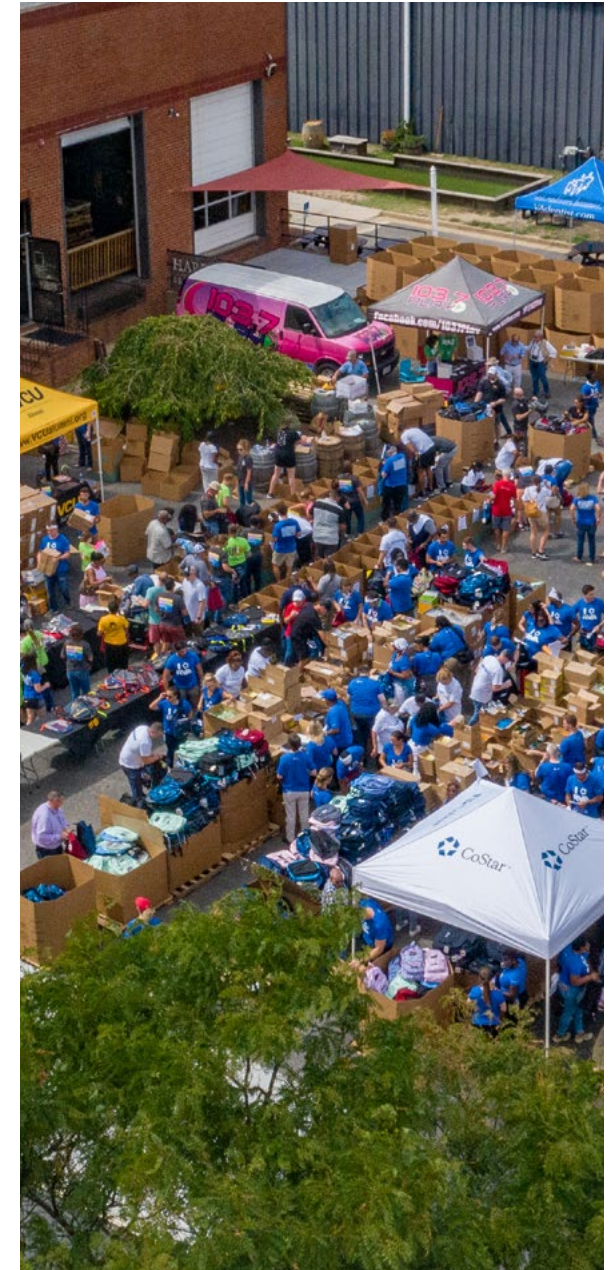
CoStar Group

GOVERNANCE

At CoStar Group we have adopted strong corporate governance principles to support stakeholder confidence, provide the foundation for our high-performing organization and ensure the company is well-positioned to respond to a external environmental changes. While good governance practices do not guarantee long-term success, we believe that poor governance significantly increases the risk of failure.

GOVERNANCE

CoStar Group adopted corporate governance principles for the Board of Directors to set a framework for the roles, size and composition of membership, a copy of which can be found here, alongside our Board of Directors' committee charters, in our Corporate Governance Documents on our corporate website.

Commitment to Diversity & Inclusion

In addition, the company furthered its commitment to diversity and inclusion by amending its Principles of Corporate Governance to provide that when identifying, screening, recruiting and recommending candidates to the Board of Directors, the Nominating & Corporate Governance Committee is committed to including in each search qualified candidates who reflect diverse backgrounds, including diversity of gender and race/ethnicity. Of our eight current board members, 37.5% are diverse, including two women and one person of color.

Commitment to Ethics

CoStar Group maintains a confidential compliance hotline, which can be accessed internationally and allows for anonymous submissions. Our Employee and Director Codes of Conduct, our supplier code of ethics and business conduct and our current Modern Slavery Statement can be found here. We conducted an enterprise-wide risk survey in 2021.

The risk survey was sent to approximately 90 participants across the company in different departments, varying product groups and across geographies, including executives and manager-level employees. The results identify the highest perceived risks based on impact, likelihood and velocity and provide focus areas for the Company for 2022. No significant risks were identified related to corruption, and in fact corruption risk ranked lowest of all risks surveyed (out of 43 potential risks).

We require vendors to complete supplier questionnaires, which are then vetted and verified through a due diligence process by our procurement team.

CoStar Group™

DATA PRIVACY

Privacy protection is a priority for our company, and we have established measures for protecting employee and customer information in compliance with privacy laws, safeguarding the information that is entrusted to us.

CoStar Group has invested in several key areas to address privacy risk. In 2021, for example, we added a global Senior Director of Privacy to our Legal team and made a $500,000 investment in OneTrust to fortify and automate our privacy operations.

Core privacy capabilities include:

- Data mapping
- Data subject rights processing
- Privacy by design processes (performing privacy and data protection impact assessments)
- Incident response, training and awareness
- Privacy policies and third party contracting

Our information services, marketplace services and external-facing privacy notices below outline how we collect, use and protect personal data.

Apartments.com privacy notice
CoStar.com privacy notice
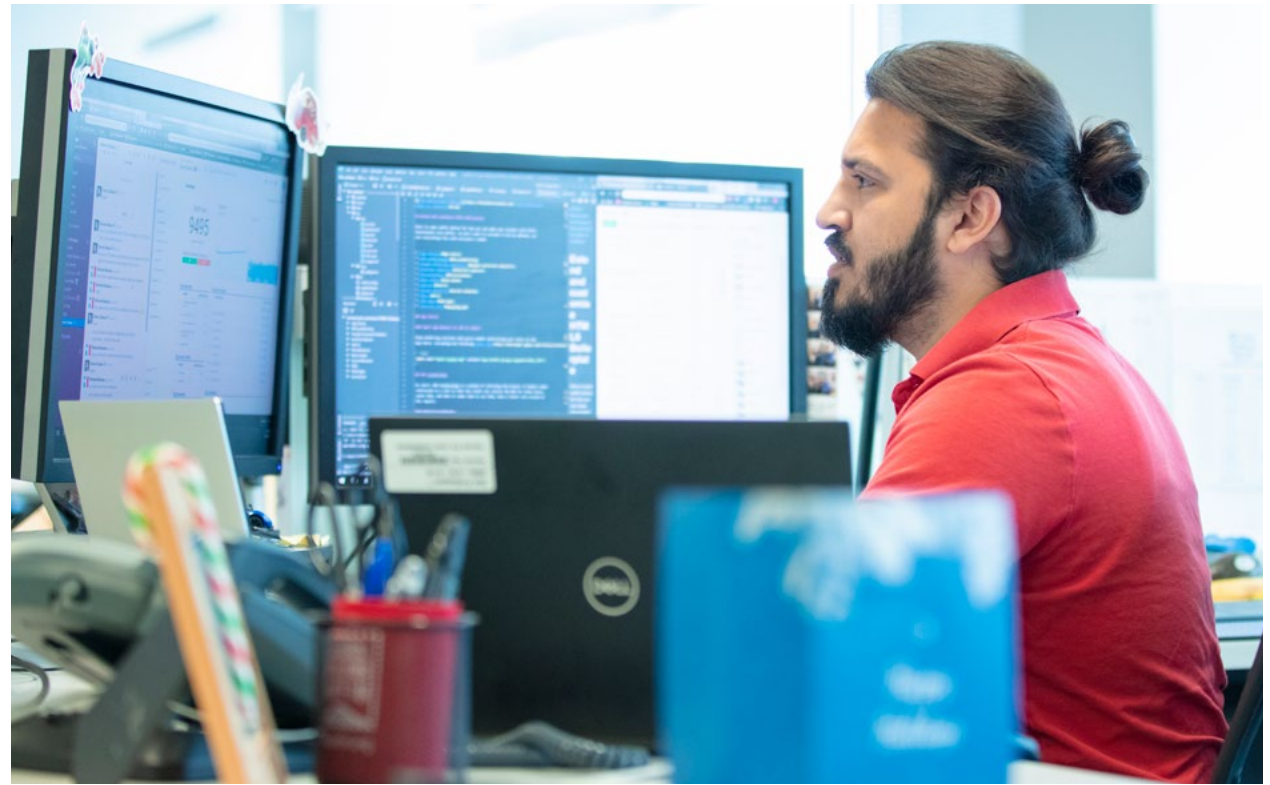
Internal facing data privacy and data protection policies include:

- Data Protection Policy
- Data Protection by Design and Default Policy
- Data Subject Rights Policy
- Privacy Incident Management & Breach Notification Policy

CYBERSECURITY

Our proprietary data, customer base and technical expertise are critical to our business and our growth. The retention of this data and information requires rigorous enterprise-wide data security, and we take this seriously by engaging in annual assessments of internal controls, like SOC 2, to safeguard customer data. With the added benefit of Carbon Black and Microsoft Defender XDR, we are better at detecting vulnerabilities, security patching and remediating risks. Additionally, all employees are required to take annual security training.

CoStar Group manages and invests in a robust cybersecurity program to protect information against risk of accidental, unlawful, or unauthorized destruction.

Our in-depth defense and state-of-the-art security technologies allow us to reduce risk by focusing on core data and ensuring that non-core data is stored by highly qualified vendors.

Below outlines our primary areas of focus:

Focus resources where the threat is highest

- E-mail
- Browser
- Web services

Reduce access to sensitive information and areas

- Require multi-factor authentication for those who must get access
- Background checks
- Risk-based login escalation
- Immediate access to sensitive assets

Implementing CoStarGroup's Zero Trust roadmap

- Focus on identity
- Use underlying secure technologies that leverage identity
- Exercise secure architecture practices

Security hygiene

- Patching
- Blocking with Intrusion Protection and architecture
- Updating security product signatures frequently
- Frequent automation

Leveraging security frameworks to thwart attackers

- Building internal threat intelligence
- Informing internal threat hunting
- Breaking lateral pathways to exploit
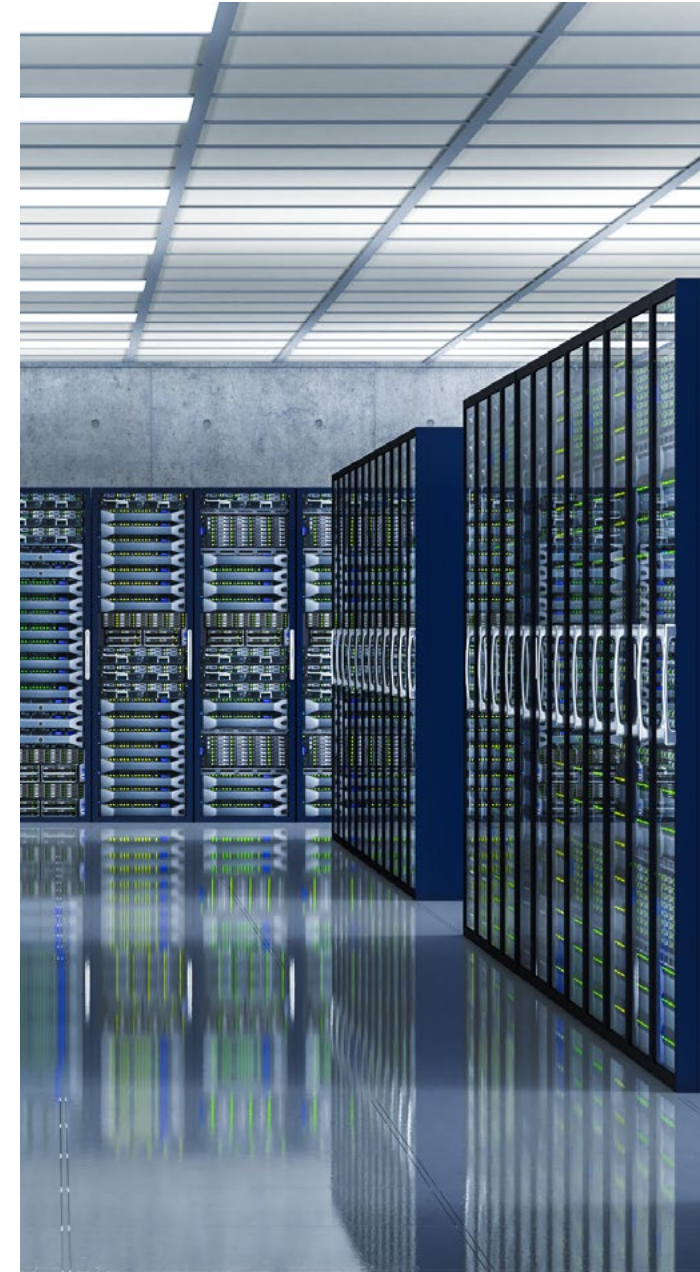
EMPLOYEE DATA FOR 2021

DEMOGRAPHICS

US Population (12/31/21)	American Indian or Alaska Native	Asian	Black or African American	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	Two or More Races	Undisclosed	White	Grand Total
Professional Roles	0.1%	14.2%	9.8%	7.3%	0.2%	3.0%	1.1%	64.3%	100.0%
All Employees	0.2%	13.0%	12.5%	7.8%	0.2%	3.2%	1.2%	61.9%	100.0%

Global Population (12/31/21)	Female	Male	Undisclosed	Grand Total
Professional Roles	34.9%	64.8%	0.3%	100.0%
All Employees	37.2%	62.5%	0.3%	100.0%

NEW HIRES

Age

Region	20-29		30-39		40-49		50-59		60 and over	
	#	%	#	%	#	%	#	%	#	%
US	515	43.4%	376	31.7%	193	16.3%	87	7.3%	15	1.3%
International	69	46.0%	52	34.7%	23	15.3%	5	3.3%	1	0.7%

Gender

Region	Female		Male		Undisclosed	
	#	%	#	%	#	%
US	425	35.8%	756	63.7%	5	0.4%
International	72	48.0%	75	50.0%	3	2.0%

Race/Ethnicity

Region	American Indian or Alaska Native		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		Two or More Races		Undisclosed		White	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
US	3	0.3%	173	14.6%	171	14.4%	81	6.8%	4	0.3%	44	3.7%	31	2.6%	679	57.3%

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EMPLOYEE RETENTION Turnover Rate (3 Year Average (2019-2021))

Age	20-29	30-39	40-49	50-59	60 and over
Percentage	34.7%	24.0%	19.8%	18.4%	27.8%

Gender	Female	Male
Percentage	28.5%	23.7%

EMPLOYEE PARENTAL LEAVE

	Total
Employees Eligible for Parental Leave	4,603

	Female	Male	Total
Number of Employees that took Parental Leave	92	117	209

	Female		Male		Total	
	#	%	#	%	#	%
Number of Employees that Returned back from Leave	91	98.9%	116	99.2%	207	99.0%

	Female		Male		Total	
	#	%	#	%	#	%
Number of Employees that are still Employed Today	68	73.9%	96	82.1%	164	78.5%

BUILDING SUSTAINABILITY CERTIFICATIONS

City	State	SF Occupied	LEED Base Building	Energy Star	BREEM Rating	LEED Interiors
Phoenix	AZ	4,122	Platinum	Yes		
Sacramento	CA	3,753	Gold	Yes		
Los Angeles	CA	17,361	Platinum	Yes		Gold
San Francisco	CA	24,582	Platinum	Yes		Gold
San Diego	CA	36,241	Platinum			Platinum
Irvine	CA	41,301	Gold			
Irvine	CA	114,000	Gold			Interiors Under Construction. Aiming for LEED Gold
Toronto	Canada	15,773	Gold			
Denver	CO	6,558	Gold	Yes		
Washington	DC	169,089	Gold			Platinum
Tampa	FL	2,701	Gold			
Orlando	FL	3,352		Yes		
Fort Lauderdale	FL	4,766	Gold			
Miami	FL	6,133	Gold			
Atlanta	GA	82,005	Gold	Yes		Platinum
Chicago	IL	12,099	Gold	Yes		
Boston	MA	25,236	Gold	Yes		Platinum
Minneapolis	MN	4,502	Yes	Yes		
Charlotte	NC	4,114	Gold Yes			
Florham Park	NJ	6,049	Certified			
New York	NY	11,644		Yes		
Cincinnati	OH	3,104	Gold			
Portland	OR	3,311	Gold			
Pittsburgh	PA	4,665	Certified			
Philadelphia	PA	6,107	Silver	Yes		
Houston	TX	5,820	Gold	Yes		
Austin	TX	11,362	Gold			
Manchester	UK	2,252			Excellent	
London	UK	6,979			Very Good	
London	UK	23,063			Excellent	
Seattle	WA	7,415	Platinum	Yes		
Richmond	VA	755,000	In development. Targeted for LEED Platinum.			

STANDARDS REFERENCE CHART

Topic	Description	Metric	GRI Standard	Page
Data Centers	Disclose strategy/management approach to energy efficiency & performance of data centers	• Total fuel consumption within the organization, separately reported as nonrenewable and renewable sources (if applicable) • Electricity, heating, cooling, and steam consumption	GRI 302-1, GRI 302-5	6
Data Centers	Energy intensity	• Energy intensity ratio for the organization (requires an organization-specific metric such as square footage of buildings, revenue, etc.)	GRI 302-3	6
Climate Change	Case study on the fleet's transition to hybrid and electric vehicles and the estimated emissions savings that resulted	• Gross Scope 1 GHG emissions, including the base year for the calculation	GRI 305-1	8
Climate Change	GHG emissions intensity	• GHG emissions intensity ratio for the organization (requires an organization-specific metric such as square footage of buildings, revenue, etc.)	GRI 305-4	8

Topic	Description	Metric	GRI Standard	Page
Employee Engagement	Description of the company's approach to employee engagement and satisfaction Parental leave policies	• Percentage of participation • Full-time employees are eligible for 10 days (two weeks) of paid parental leave. Birth giving mothers are also eligible for an additional 30 days (six weeks) of paid maternity disability leave	GRI 401-1 and 401-3	11, 26
Employee Training	Average hours of training per employee, average spend on training and education per employee, and training participation rates	• Average hours of training that employees have undertaken during the reporting year, categorized by gender and employee category	GRI 404-1	12
Employee Training	Percentage of employees receiving regular performance and career development reviews	• 100% of employees who were employed as of October 1, 2021, received regular performance and career development reviews	GRI 404-3	12, 13
Diversity, Equity & Inclusion	Description of what existing strategies CoStar Group has implemented to improve the recruitment and retention of diverse employees	• Filling leadership position • Promoting MLT's (Management Leadership for Tomorrow) Black Equity Certification Program or other similar training/certifications • The recruiting strategy includes HBCUs and HSIs • Hiring of VP of DEI	GRI 405	14
Diversity, Equity & Inclusion	Diversity of governance bodies and employees	• Breakdown of CoStar Group employee base by role, ethnicity/race and gender • Employee parental leave statistics by gender • New hire data by region, gender and ethnicity/race • Employee turnover statistics by gender and age	GRI 405-1	25, 26
Health & Safety	Description (& related policies) of how CoStar Group manages potential health and safety risks associated with relevant employee categories	• Safety trainings • Coursework • Safety standards	GRI 403-1, 403-2, 403-7, 403-8	15

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Topic	Description	Metric	GRI Standard	Page
Governance	Description of company's approach and governance structure and composition as well as major compliance initiatives (examples provided)	• Compliance officer • Company-wide risk survey • Anti-corruption and anti-slave labor trainings • Policy commitments, processes to investigate, • Anonymous hotline • Compliance with laws	2-9, 2-10, 2-11, 2-12, 2-15, 2-23, 2-25, 2-26, 2-27	19
Governance	Operations assessed for risks related to corruption	• Procurement and vendors • Total number and percentage of operations assessed for risks related to corruption • Significant risks related to corruption identified through the risk assessment	GRI 205-1	19
Governance	Communication and training about anti-corruption policies and procedures	• Training metrics • Any other details related to communications	GRI 205-2	19
Cybersecurity	Description of how CoStar Group ensures the security of the vast amount of data that it uses	• Strong cybersecurity process and annual training. • Carbon Black and Microsoft Defender XDR	GRI 418-1	21
Cybersecurity	Risk Management	• Description of how CoStar Group mitigates the potential risks of cybersecurity attacks on its sensitive data	GRI 418-1	21
Cybersecurity	Describe the industry standards that CoStar Group aligns to	• Cybersecurity Industry Standards	GRI 418-1	21
Cybersecurity	3rd party certifications of CoStar Group's applications	• 3rd party certifications of CoStar Group's applications	GRI 418-1	21