



COMMUNICATION ON PROGRESS (COP)

2011 / 2012

LANDELL CONSULTING

Level 9, 190 Queen Street Melbourne Vic 3000
Melbourne, Victoria, Australia 3000
12 February 2012

INTRODUCTORY REPORTING INFORMATION

Name of the Organisation	Landell Consulting					
Country	Australia					
Joining Date	12 December 2009					
Organisation Type	Small company					
Sector	Primarily Commonwealth, State and local government					
Website	www.landell.com.au					
GRI Reporting Level	C <input checked="" type="checkbox"/>	C+ <input type="checkbox"/>	B: <input type="checkbox"/>	B+ <input type="checkbox"/>	A <input type="checkbox"/>	A+: <input type="checkbox"/>
Reporting Period	December 2010 – January 2012					
Date of most recent previous report	1 February 2011					
Reporting cycle	Annual					
External Assurance	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No			
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OPEN LETTER OF SUPPORT FROM LANDELL'S MANAGING DIRECTOR

It gives me great pleasure to present Landell Consulting's Communication on Progress (COP) for 2012, which:

- represents Landell's commitment to the principles of the Global Compact;
- reflects upon Landell's progress in implementing its 2011 Global Compact initiatives;
- provides Landell with the opportunity to showcase its 2012 corporate social responsibility (CSR) objectives; and
- ensures that our organisation is accountable for our actions and responsibilities to our stakeholders and the wider community.

Landell's CSR strategy, which has broadened and progressed remarkably since Landell released its first COP in December 2009, includes the following initiatives undertaken in 2011:

- Landell's CSR Unit developed - *pro bono* - a Social Procurement Toolkit for the Victorian Department of Planning and Community Development: <http://www.dpcd.vic.gov.au/localgovernment/social-procurement/social-procurement-toolkit-introduction>.
- Landell has assisted a not-for-profit organisation, which supports and encourages the establishment of commercially viable social enterprises throughout Australia, to develop a strategic plan by which to extend a social procurement initiative to other local governments.
- Landell established an energy group buying project primarily for the not-for-profit sector.
- Landell established an additional business arm, Landell Training (a registered training organisation), to deliver a suite of training packages, including units on CSR and social procurement.
- As a member of the United Nations' Global Compact Network Australia's Human Rights Working Group for Business, Landell provided *pro bono* advice to the Working Group on survey development.
- Landell established a *pro bono* arm to its CSR Unit to provide free assistance to not-for-profits.

As Landell's CSR strategy has expanded, so too have the benefits to Landell of our membership of the Global Compact, which include an increase in the positive social effects of our operations on our value chain, the enhanced ability to identify corporate risks and opportunities, continuous organisational performance improvement and an enhancement of stakeholder relations, including the provision of significant learnings to stakeholders through collaboration.



Lexton Gebert

Managing Director, Landell Consulting

1. LANDELL'S MEMBERSHIP OF THE UNITED NATIONS GLOBAL COMPACT

On 27 November 2008, the Managing Director of Landell Consulting, Mr Lexton Gebert, wrote to the Honourable Ban Ki-moon, Secretary General of the United Nations seeking membership of the Global Compact.

On 12 December 2008, the Global Compact Office officially advised Landell that it had become a member of the Global Compact.

This is Landell's third COP submission to the United Nations.

2. LANDELL'S ORGANISATIONAL PROFILE

2.1. Compliance with the Global Reporting Initiative

Landell's COP utilises the performance indicators of the Global Reporting Initiative (GRI).

2.2. Organisational Profile

2.2.1. Organisational Name

Landell Corporation Pty Ltd trades as Landell Consulting.

2.2.2. Services Provided

Founded in 1999, Landell Consulting is a management consultancy firm specialising in government procurement, probity, risk management, project management and training.

In 2008, Landell Consulting extended its operations to include a Corporate Social Responsibility Unit, managed by a Principal of the organisation.

In 2011, Landell established:

- Landell Training, a registered training organisation (RTO); and
- a *pro bono* arm of the CSR Unit.

Landell's diverse government client base includes many Commonwealth, State and local government departments and funded agencies, exemplified by its membership of the following government probity and procurement panels.

Victoria

- Probity Practitioner Services Panel (whole-of-Victorian-Government).
- eServices Panel (whole-of-Victorian-Government).
- Commercial and Financial Advisor Services Panel for Infrastructure and Capital Assets Projects and Commercial Transactions (whole-of-Victorian-Government).
- Business Services Panel Agreement (Victoria Police).

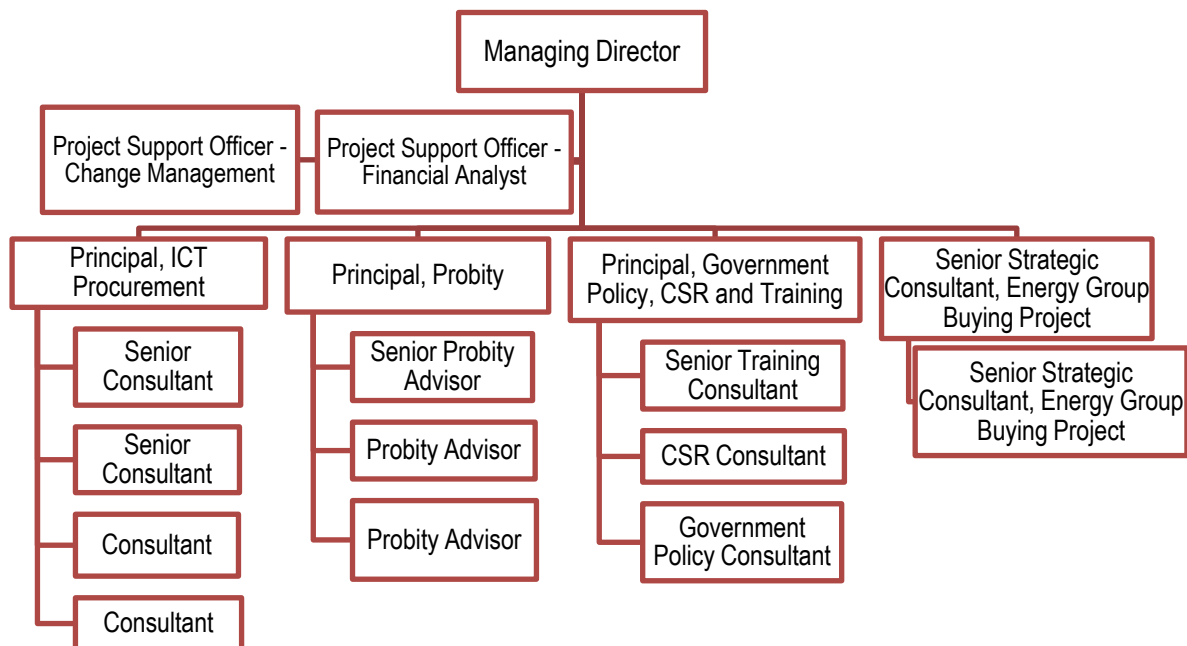
Commonwealth

- Defence Support Group (DSG) Consultancy Services Panel - Department of Defence.
- Provision of Personnel for ICT Related Purposes Panel - Department of Families, Housing, Community Services and Indigenous Affairs.
- External Procurement Advisors Panel - Department of Immigration and Citizenship.

2.2.3. Organisational Structure / Scale of the Organisation

Landell has a committed team of approximately 20 highly experienced consultants (including a mixture of employees and contractors) working across the organisation's six business lines.

Landell's organisational structure is represented in summary format diagrammatically below.



Note: Not all of Landell's consultants are included in the organisational diagram.

2.2.4. Location of the Organisation's Headquarters

Landell Consulting is based in Melbourne, Victoria, Australia.

2.2.5. Number of countries where the organisation operates

Landell Consulting currently operates exclusively in Australia.

2.2.6. Nature of Ownership and Legal Form

Landell Consulting Pty Ltd, which trades as Landell Consulting, is a private company.

2.2.7. Markets Served by the Organisation

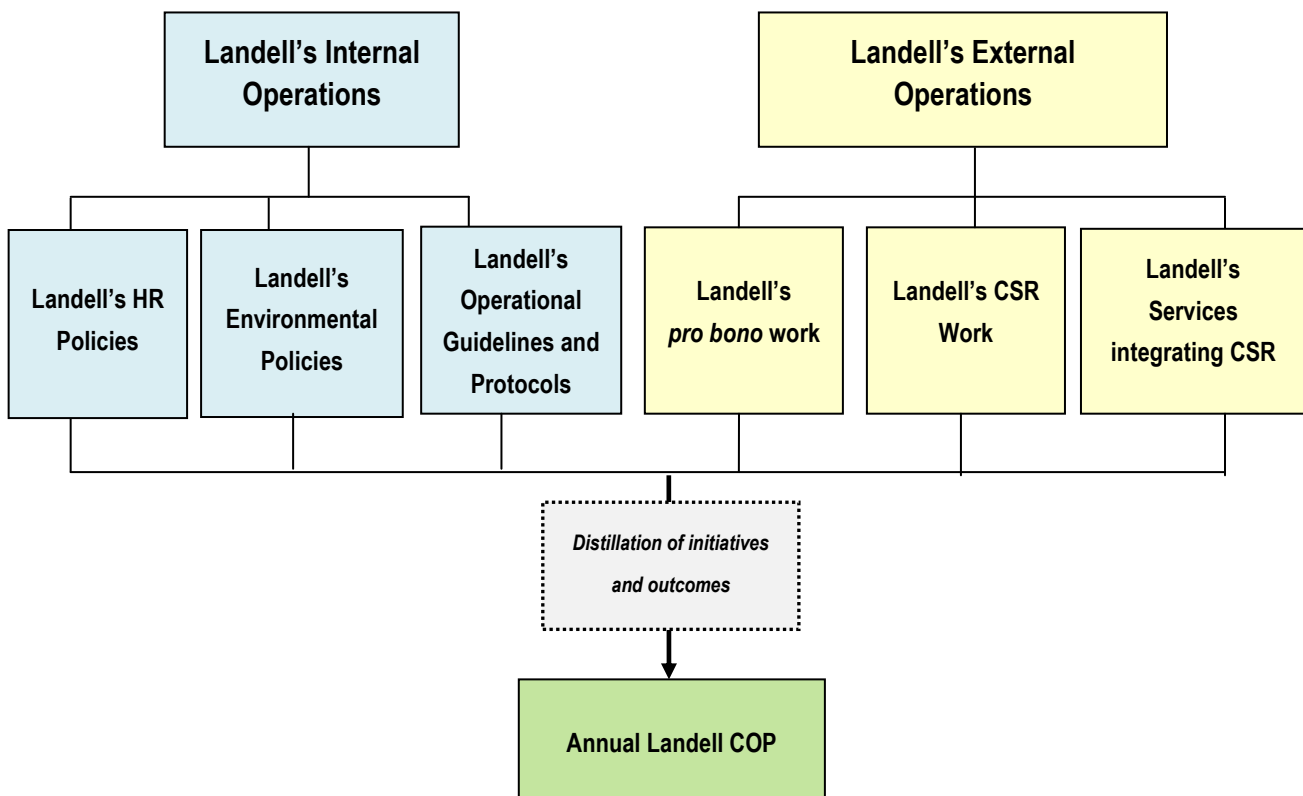
Landell Consulting primarily undertakes projects for Commonwealth, State and local governments, but has undertaken several projects for the private sector.

2.2.8. Report Boundaries, including Clients, Supply Chain and Stakeholders

This report extends beyond the internal operations of Landell Consulting to its suppliers and clients.

3. LANDELL'S CSR REPORTING PROCESS

Landell's COP is a component of the company's integrated reporting process, as demonstrated in the diagram below.



Landell's COP operates as a practical mechanism by which to link Landell's internal reports and policies to Landell's operations and services. The COP also acts as an important communication tool for stakeholders.

4. LANDELL'S 2011 CSR INITIATIVES

Landell has successfully completed, or made substantial progress in, all of its 2011 initiatives, as outlined below.

4.1. *Pro Bono* Social Procurement Toolkit

In 2011, Landell was contracted by the Victorian Department of Planning and Community Development (DPCD) to act as a broker for the provision of expert advice on social procurement to eight local governments in Victoria.

As an adjunct to this project, Landell's CSR Unit developed *pro bono* a Social Procurement Toolkit for DPCD. The Toolkit can be found at: <http://www.dpcd.vic.gov.au/localgovernment/social-procurement/social-procurement-toolkit-introduction>.

4.2. Strategic Plan for Social Procurement in Local Government

While the social procurement project for Victorian local governments was a success, government funding for the project has ceased.

Landell is providing *pro bono* assistance to Social Traders, a not-for-profit organisation whose charter is to support and encourage the establishment of commercially viable social enterprises throughout Australia, to develop a strategic plan by which to extend the local government social procurement initiatives to other local governments.

4.3. Energy Group Buying Project for Not-for-Profits

Landell Consulting is undertaking an energy group buying project, focusing on electricity. This group-buying initiative involves aggregating the demand of many organisations, and then seeking competitive tenders from electricity retailers for the entire aggregated demand. Seeking tenders for the aggregated demand should deliver significant savings to individual

participants which join the buying group, which would otherwise be unable to achieve such savings individually.

Landell's primary focus for this project is the not-for-profit sector. Landell is providing pricing to not-for-profit organisations on a break-even basis to Landell (i.e. Landell will derive no financial benefit in its support for not-for-profits). Private-sector businesses and some government entities will also be invited to join the buying group to increase the group's size and buying power, and further reduce prices for the benefit of the not-for-profit sector.

In addition to achieving savings for not-for-profits, Landell will be assisting them to manage their transition to the new energy environment, when a carbon tax is introduced in Australia in July 2012.

4.4. CSR Training Units

In 2011, Landell established a registered training organisation (RTO) called Landell Training.

Landell has developed a suite of accredited and non-accredited training packages including units on CSR and social procurement.

Landell's CSR training course includes the following units, which are all based on the principles of the Global Reporting Initiative: Organisational Reviews, Prioritisation of CSR Strategies, Implementation of CSR Strategies and CSR Monitoring and Reporting.

Landell's social procurement training course includes the following units: Establishment of a Social Procurement Environment, Social Procurement Planning, Social Procurement Implementation, Social Procurement Evaluation and Social Procurement Monitoring and Reporting.

4.5. Pro Bono Advice to UN Human Rights Working Group

As a member of the United Nations' Global Compact Network Australia's Human Rights Working Group for Business, Landell provided *pro bono* advice to the Working Group on survey development.

4.6. New *Pro Bono* Section in CSR Unit

In 2011, Landell extended its CSR Unit to include a *pro bono* arm to provide free assistance to not-for-profits. In addition to the development of the social procurement toolkit *pro bono*, Landell has assisted a small company that was subject to exploitation to obtain *pro bono* legal representation from a major Melbourne law firm, and in the last year, Landell has continued to assist with the litigation.

4.7. Landell's Internal CSR Initiatives

Landell has maintained and improved upon its internal CSR initiatives, all of which have been documented in Section 5.2 below.

5. LANDELL'S CSR PROGRESS IN 2011

5.1. Key Performance Indicator Measurement Code

Below is the code key for performance assessment.

Target Achieved <ul style="list-style-type: none">2011 project successful in its aims. Project complete, or ongoing with continuing systems.
Target On Track for Success <ul style="list-style-type: none">Project has not yet had sufficient time for completion, but remains on track for success.
Target Steady <ul style="list-style-type: none">Shortcomings in core/non-core areas. Project may still be successfully implemented with effort, but a revision of targets is recommended.
Target Not Assessed <ul style="list-style-type: none">Insufficient time for project results to be known, or limited data available. No results are yet determinable.
Unacceptable Progress <ul style="list-style-type: none">Target has not yet been successful and appears manageable only with major effort.
Target Failure <ul style="list-style-type: none">Target has not been successfully met, and has little or no prospect of successful attainment.

5.2. Landell's 2011 CSR Initiative Review

LABOUR			
Initiative	Performance Indicator Measurement	Performance Results in 2011	Performance Results in 2010
Human Resources	<ul style="list-style-type: none"> Total training hours per employee per annum 40 hours Gender Profile: <ul style="list-style-type: none"> Employee/sub-contractor gender profile 50% male/50% female Managerial gender profile 50% male/50%female Total number of incidents of discrimination and actions taken against Landell 0 Total number of incidents of violations involving rights of indigenous people 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impact 0 Annual Landell turnover rate 10% Full-time employees receiving the benefits sick leave; recreation leave; carer's leave; bereavement leave and study leave 100% 	<p>Training</p> <ul style="list-style-type: none"> Employees have been offered training hours in relevant areas, including training for maintaining a legal practising certificate. Landell operates a graduate mentoring program, an internship program and an overseas graduate program. <p>Gender Profile of Landell</p> <ul style="list-style-type: none"> Managerial: 50% male / 50% female Employee/sub-contractors: 50% male / 50% female <p>Incidents</p> <ul style="list-style-type: none"> Total number of incidents of discrimination and actions taken against Landell in 2011: 0 Total number of incidents of violations involving rights of indigenous people and actions taken in 2011: 0 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data in 2011: 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts in 2011: 0 <p>Employment Conditions</p> <ul style="list-style-type: none"> 2011 Landell staff turnover 20% Full-time employees who received the following benefits sick leave; recreation leave; career's leave, bereavement leave; and study leave 100% 	<p>Training</p> <ul style="list-style-type: none"> Employees have been offered training hours in relevant areas, including training for maintaining a legal practising certificate. Landell operates a graduate mentoring program. <p>Gender Profile of Landell</p> <ul style="list-style-type: none"> Managerial: 50% male / 50% female Employee/sub-contractors: 50% male / 50% female <p>Incidents</p> <ul style="list-style-type: none"> Total number of incidents of discrimination and actions taken against Landell in 2011: 0 Total number of incidents of violations involving rights of indigenous people and actions taken in 2011: 0 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data in 2011: 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts in 2011: 0 <p>Employment Conditions</p> <ul style="list-style-type: none"> 2011 Landell staff turnover 10% Full-time employees who received the following benefits sick leave; recreation leave; career's leave, bereavement leave; and study leave 100%
Code of Conduct	<ul style="list-style-type: none"> Code breaches investigated and remediated 0 	<ul style="list-style-type: none"> Code breaches 0 	<ul style="list-style-type: none"> Code breaches 0

HUMAN RIGHTS			
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2011	Performance Measurement Results in 2010
Commitment to Human Rights	<ul style="list-style-type: none"> Involvement in United Nations' Global Compact Network Australia's Human Rights Working Group for Business 	<ul style="list-style-type: none"> Landell is a member of the United Nations' Global Compact Network Australia's Human Rights Working Group for Business. Landell has assisted Human Rights Working Group in reviewing a survey to be sent to its members and provided <i>pro bono</i> advice. Based on Landell's internal Human Resources Framework, and the use of the Maplecroft <i>Child Labour Index</i> where relevant, Landell had 0 operations with a child labour risk. Landell's human rights statement was made available to all staff via Landell's intranet. 	<ul style="list-style-type: none"> Landell is a member of the United Nations' Global Compact Network Australia's Human Rights Working Group for Business. Landell's human rights statement was made available to all staff via Landell's internal intranet. A discussion paper was prepared for circulation amongst staff, outlining Landell's commitment to human rights and involvement in the United Nations Global Compact.

ENVIRONMENT			
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2011	Performance Measurement Results in 2010
Reduction of Landell's Environmental Footprint	<ul style="list-style-type: none"> % reduction in CO₂ emissions 10% from 2010 % reduction in electricity use 10% from 2010 % reduction in water use 10% from 2010 % reduction in paper use 10% from 2010 Staff working from home 30% Use of Gmail (to preclude unnecessary travel by employees) 10% increase from 2010 	<ul style="list-style-type: none"> % reduction in paper use 10% from 2010 Landell uses EMAS Europa (EU Eco-Management and Audit Scheme) endorsed recycled paper and maintains a contract with Tree House Recycling for paper disposal and recycling. % reduction in electricity use 10% from 2010 % reduction in water use 10% from 2010 Employees routinely turn off lights, and natural light is used wherever possible to minimise electricity usage. Landell participates annually in EarthHour. Insufficient usage material could be obtained from the building manager to effectively monitor Landell's electricity and water use, and as a consequence, it was not possible to monitor a reduction in CO₂ emissions. Staff working from home 70% Use of Gmail (to preclude unnecessary travel by employees) 20% increase from 2010 In addition to our online instant messaging facilities for Landell staff and contractors, Landell uses virtual meetings to minimise travel. Landell primarily relied on Gmail video and audio chatting in 2011, and employees were provided with training and support on the use of our new systems. All new employees receive training and systems support upon commencing with Landell. 	<ul style="list-style-type: none"> Landell uses EMAS Europa (EU Eco-Management and Audit Scheme) endorsed recycled paper recycled paper and maintains a contract with Tree House Recycling for paper disposal and recycling. Employees routinely turn off lights, and natural light is used wherever possible to minimise electricity usage. Landell participates annually in EarthHour. However, insufficient usage material could be obtained from the building manager to effectively monitor Landell's electricity and water use, and as a consequence, it was not possible to monitor a reduction in CO₂ emissions. Subject to client or operational needs, Landell has been successful in the 40% target for working from home in 2009.

ANTI-CORRUPTION			
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2011	Performance Measurement Results in 2010
Landell's Anti-Corruption Initiatives	<ul style="list-style-type: none"> Code of Conduct incorporating anti-corruption requirements 	<ul style="list-style-type: none"> Landell has developed a Code of Conduct, which incorporates key Global Compact principles including anti-corruption requirements. The Code of Conduct provides for the confidential reporting of conduct breaches to senior management. 	<ul style="list-style-type: none"> Landell has developed a Code of Conduct, which incorporates key Global Compact principles including anti-corruption requirements. The Code of Conduct provides for the confidential reporting of conduct breaches to senior management.

CORPORATE SOCIAL RESPONSIBILITY		
Initiative	Performance Indicator Measurement for 2011	Performance Results in 2011
Local Government Broker	<ul style="list-style-type: none"> Landell to implement a social procurement initiative 	<ul style="list-style-type: none"> Landell contracted to act as a broker for the provision of expert advice on social procurement to eight local governments in Victoria. As an adjunct to this project, Landell's CSR Unit developed pro bono a Social Procurement Toolkit for the Victorian Department of Planning and Community Development. The Toolkit can be found at: http://www.dpcd.vic.gov.au/localgovernment/social-procurement/social-procurement-toolkit-introduction
Pro Bono Initiative	<ul style="list-style-type: none"> Landell to implement a <i>pro bono</i> CSR initiative 	<ul style="list-style-type: none"> Landell developed the Social Procurement Toolkit for the Department of Planning and Community Development <i>pro bono</i>. The Toolkit has provided all 79 Victorian councils with information, guidance notes and templates as part of a practical step-by-step guide for incorporating social procurement into every stage of a procurement project Landell established a <i>pro bono</i> arm of its CSR Unit. Landell established an energy group buying project for not-for-profits, which would otherwise be unable to achieve such savings individually.
CSR Training	<ul style="list-style-type: none"> Landell to establish itself as a registered training organisation to provide accredited and non-accredited CSR training 	<ul style="list-style-type: none"> Landell established Landell Training, a registered training organisation. Landell developed training materials and tools which include corporate social responsibility and sustainability policies and procedures.

6. LANDELL'S 2012 INITIATIVES

In 2012, Landell will:

- fully implement the Energy Group Buying Project for not-for-profits;
- support Social Traders to develop a social procurement strategy for local government;
- provide CSR and social procurement training for government officers; and
- become involved in international aid services.

7. COMMUNICATION OF THE COP

Given that Landell is a small, private company, which does not produce an annual report, Landell's COP will be published on its website at www.landell.com.au, to enable the company's stakeholders and clients to view Landell's progress in implementing its Global Compact initiatives and responsibilities.