

2011 - 2012

Communication on Progress

The United Nations Global Compact & the Sustain Group

"2011 and into 2012 has been an extremely busy period in terms of our commitment to the United Nations Global Compact both nationally and at a global level. In Australia we continue to be heavily engaged with the Local Network while at the global level our teams are engaged with a cross section of networks while operating in their jurisdictions." Matthew Tukaki, Executive Chairman and CEO

www.sustaingroup.net

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1 About the Sustain Group

The Sustain Group is an organisation dedicated to working with business, industry, the community and Government in order to transition towards a sustainable future. Based in Sydney, Australia, our business services network and partnerships extend across North America, Asia, the Middle East and the Pacific. **The Sustain Consulting Group** works with organisations to understand the carbon intensity of their operations and the challenges when dealing with both simple and complex supply chains. In addition, we work with organisations to develop sustainable business models as well as change and transition programs. **The Sustain Recruitment Group** works with clients to identify the right skills and talent required by the organisation both today and into the future. **The Sustain Education Group** works to develop capacity by delivering education and training solutions both on a public schedule and through tailored learning.

In 2011 – 12 the Sustain Group has delivered a series of large and exciting projects across Asia and Australia ranging in scope from climate change and carbon footprint analysis, supply chain reviews and management, education and regional briefings. Also, in the last year, Sustain Group has partnered with IIA to deliver Sustainability and Climate Change Diploma's courses and Deakin Universities Centre for Sustainable and Responsible Organisations to look at carbon management in the local government sector.

Sustain Group also has a commitment to public education and over the past 12 months we have run a series of seminars and briefings across the country that allow the general community to become involved in discussion around climate change and sustainable development. Our "Sustainable Leadership Briefings" have been highly successful with guest speakers ranging from former Police and Transport Minister, the Hon David Campbell through to the Founder of Planet Ark,

Sustain and Community Partnerships: In 2011 – 12 the Sustain Group has continued to have the United Nations Global Compact sit at the heart of its Corporate Sustainability program while adding new community based partnerships and initiatives that include the provision of pro-bono support and fundraising, provision of expertise and preferential financial support. This includes organisations such as Suicide Prevention where our CEO Matthew Tukaki as a non-executive Director of the Board and whereby Sustain Group provides free recruitment and employment services. In the case of the Australian Indigenous Chamber of Commerce we will provide a range of pro-bono services to support the organisations development into remote and regional communities over the next calendar year.

The story of The Sustain Group is very similar to that of other organisations in how they grow and evolve over time. Each has a starting point and each has a unique proposition they thrust upon the world in the hope of creating something that lasts. IBM created a business machine that evolved into a computer and consequently changed our lives. The Wright brothers built a plane out of rickety wooden parts and, more than a century later, where would we be without air travel? More recently we have borne witness to the rise of social media such as Facebook and the use of technology, particularly Apple products, in our lives that are transforming the way we work, live and play.

However, the world we live in has finite resources and the way we treat our environment is the subject of great debate and discussion the world over. For some, the debate and discussion has revolved around climate change science and data. For others, it has been a simple discussion about whether or not we should build this or that in a more sustainable way.

In Australia, New Zealand, Europe and the Middle East nation states are moving down the path of implementing policies and frameworks that seek to lower our carbon output and emissions. In New Zealand, an emissions trading scheme began its implementation in 2008 while in Australia the newly elected Government is having discussions about a potential emissions trading scheme to be implemented by 2013.

So, where does The Sustain Group fit into the picture and how does our story align with that of the changing moods and directions of business, the community and governments? Put simply, like many others, our journey began with a few small steps that turned into an idea that was transformed into a concept that evolved into a business. One of those steps was the story of our CEO and Chairman, Matthew Tukaki, who told a United Global Compact Forum recently that within 50 years, if we did not begin to transform into a more sustainable society, the place he calls home will be under water.

Like so many Indian and Pacific Ocean communities, the Island Matthew calls home is not just a home; it is a complete family history stretching back generations. It is where his family have lived, married, had children, lived productive lives and at their passing it is also a place where they have been buried. As our CEO explained it:

"How can it be that we are on the verge of the loss of so many small nations and island communities?"

Where I come from we don't just call it a home, we call it our place to stand. Once my place to stand is removed, where then will I stand? Where does my family go? Once you lose that place to stand you lose a fundamental piece of your identity and once it is gone, it is a very rare thing to recover."

So, The Sustain Group is an organisation that wants to make a difference and find both the simple and complex solutions to the challenges we face. We don't debate the science of climate change or argue the case for or against - we simply get on with the job of transformation. We are very much square pegs in round holes, creative thinkers and subject matter experts. No challenge is too great.



Partners in the community: *The Association for Sustainability in Business, Suicide Prevention Australia, the Australian Indigenous Chamber of Commerce and the United Nations Global Compact*

2 A message from the CEO & Executive Chairman



The Sustain Group has been a proud Signatory of the United Nations Global Compact since 2008 and this is our third Communication on Progress.

The Sustain Group is like many other thousands of organisations around the world who fall into the Small and Medium Sized Enterprise category. This means that for many of us our resources are stretched thin and, in these uncertain economic times, you could be tempted to cut back on commitments such as those to the United Nations Global Compact. There is no doubt that some of the jurisdictions we operate in continue to be challenging with high unemployment and low production in Europe to the same operating conditions across North America. Asia continues to be a stand-out performer while Australia is stable and growing. With all of that in mind, and although it is tough economically, it is not hard for the Sustain Group to not only recommit itself to the Principles of the United Nations Global Compact, we have also succeeded in implementing our core objectives from 2010 – 11. While many of these targets were aspirational and process specific, our other achievements have been through support at the local network level. I continue to be proud of my team who have assisted our Local Network in everything from leadership group development to the maintenance of the corporate website. In

actual fact, the single biggest supportive mechanism internally within the Sustain Group, has been the support of my team as I fulfil my role as the Australian Representative to the United Nations Global Compact to further grow and develop and the UNGC across Australia.

All of that aside we do recognise that the year ahead will be the busiest for the Sustain Group since we merged with Sanseman Government in 2011. With a price on carbon being introduced across the Australian economy, the advent of the Sustainable Development Goals out of Rio+20 and a move towards global integrated reporting the challenge for our team and our business will be to remain on top of our game and adapt ahead of our clients and stakeholders.

At the community partnerships end our work will also increase as we move into Indigenous communities and help tackling major national issues ranging from mental illness and suicide prevention to economic and social development. This is recognition of the unique place the Sustain Group holds at the cross roads of community partnerships and development, at the intersection between Government, Business and Civil Society Organisations. We are a small business and unlike larger corporations we are only able to use our people as much as we can and with their support to get the job done. Each of our team go above and beyond when it comes to supporting our commitments and, in a resource and time poor small business sector, that is all you can ask.

I hope that as you read through this document you will understand that while we are small, we also focus on making a contribution and doing our part as a good corporate citizen. Throughout this document you will see a series of commitments we have made to improving ourselves, our suppliers and our stakeholder groups. We call these ***“Commitments in Practice”***

3 The Sustain Group and the Global Compact

The Sustain Group has been a signatory to the United Nations Global Compact since the 17th of July 2008 first under the banner of SansGov and then in our right from the 16th of September 2011. This transition was as the result of SansGov being merged into the broader Sustain Group business. During that time we have filed two Communications on Progress reports and have worked to embed the Principles of the UNGC into every aspect of our business. In addition the CEO of the Sustain Group, Matthew Tukaki, provides a leadership role within the United Nations Global Compact Network Australia where he has been Australia's Representative since June of 2010 and a member of the Networks initial steering committee that consequently constituted into a company limited by guarantee in late 2010. In 2011 Matthew was elected as a Director of the Board of the United Nations Global Compact Network Australia. Matthew is also the Public Officer and Company Secretary of the UNGCNA and is a member of the UNGC's Global Governance Working Group.

SansGov joined the UNGC back in April of 2008 and since then we have not looked back. The UNGC may be the world's largest corporate social responsibility program, but to us it has much more meaning than just what happens on a global level - it is about how we can change things at the local and regional level. To that end SansGov and the Sustain Group are fundamentally committed to each of the Principles of the UNGC not only internally but externally. The UNGC is a living and breathing program of likeminded organisations and people who want to make a difference and encourage others to get involved - change is something we can all be involved in and begin. The Sustain Group has now joined with SansGov as a member of the UNGC under member number: 8190. A letter of renewal was sent to Mr Georg Kell, Executive Director of the United Nations Global Compact outlining the change in structure of the business.

The United Nations Global Compact continues to be the Sustain Group's flagship corporate social responsibility and citizenship initiative. All of our statements and reports are published @ www.sustainingroup/ungc



Download a copy of our 2009 / 10 COP



Download a copy of our 2010 / 11 COP



“Commitments in Practice”: Supporting the Economic and Social Development of Australia’s First Peoples

- ≥ Support the growth and development of the Australian Indigenous Chamber of Commerce and its objectives of developing economic, social and sustainable development initiatives in regional and remote communities
- ≥ Provide logistical and pro-bono support to the Australian Indigenous Chamber of Commerce
- ≥ Implement an updated Indigenous Employment Strategy in 2013 with an additional focus on professional development
- ≥ Require suppliers to have either an Indigenous Employment Strategy or Reconciliation Action Plan in Place / insert these requirements into the Sustain Tender and Partner Supplier Framework

Photo montage: children in indigenous and remote communities, Sustain Group in the Northern Territory

4 The Sustain Group and the Global Compact

In this section we outline the day to day and month to month measures that have been operating over the course of the last 12 months in the company. What have we done to reduce our own carbon footprint, and then educate others? How have we embedded the Anti-Corruption Principle into our service and solution offering? How have we handled the often sensitive issues of Human Rights and what do we do on the Labour Side? These are ongoing commitments made to identify those areas that continue to be measured.

4.1 The Environment

- ≥ Business should support a precautionary approach to environmental challenges;
- ≥ Undertake initiatives to promote greater environmental responsibility, and;
- ≥ Encourage the development and diffusion of environmentally friendly technologies.

The three core Principles are significant from both an internal and external perspective. Internally the business has implemented a range of mitigation strategies to lower our own carbon footprint and also purchase products and services from those organisations that can also prove a series of sustainability benchmarks. This has since evolved and now includes the development of certification process called “The Sustain Tick” where we not only certify the carbon footprints of clients, we also certify our suppliers.

The “**Sustain Tick**” certification process achieves a series of key goals:

- ≥ First is the assessment of the organisations carbon footprint. What is there output and what are they currently doing in terms of risk mitigation strategies
- ≥ The second phase is to work with an organisation to better define what they can then do to reduce or offset there footprint. This could include a range of strategies such as changing of suppliers, changing of the current energy mix to more focus on renewables, changing transportation or travel habits. Importantly the organisation agrees to a series of targets and once that target has been achieved they are certified with “The Sustain Tick”.

Over the course of the next 12 months we have established a clear target of conducting or implementing more than 150 client based carbon audits. The audits will be carried out across the region and set in train a process of organisations being able to credibly and demonstrably prove a reduction in emissions. Our benchmark goal was to execute a 25% reduction in emissions of a client organisation within the first 24 months of operation. **This has now been completed a series of new case studies is now being developed to show how this occurred.** In addition, we are running a series of briefings and seminars that educate business and industry on what they can do to mitigate risk and reduce emissions, develop sustainability and environmental management statements, as well as develop programs that ensure their environmental footprint meets community and consumer demands. Internally in the business we have also taken a range of measures that has also seen our own footprint fall dramatically. With a move into a new corporate headquarters it was important that we seek to fit-out our office using sustainable materials purchased only from recognised providers. Indeed, it was also important for the business to ensure we had energy on consumption strategies in place from the outset. This has enabled the following to occur:

- ≥ **Our energy mix has been changed to include 50% renewable** from the State grid. By paying a premium for the change to renewable we are more than happy with the additional impost. In fact, all other operations that will be established over the next 12 month period will also be required to use

50% as the benchmark. In the 2012-2013 period we will be changing this to a percentage mix of 70%, finally moving to full reliance on renewables over the next five year period. **This has been achieved and we are now on track to ensure reliance on renewables only. This is also an ongoing target.**

- ≥ **New technologies / lighting:** one of the biggest costs to a services organisation is the physical location. To further reduce our energy consumption, we have implemented a range of “funky” yet innovative tools into the office environment. Firstly, all socket powered lamps and lighting have been removed from the office. They have been replaced with solar powered lamp and lighting sources that are self-generating through our use of natural light into the office. **This has been achieved.**
- ≥ **The removal of paper and plastic cups:** while it may not be a much thought of issues in most companies, the use of paper and plastic cups can be an inherent issues and problem. We purchase them not realising how much it takes to for the plastic to be broken down or use paper in such a way that it seems like we ordering boxes every week. In fact, that has been what has happened, without realising it, our spend on paper increased in 2010 by a factor of ten. Our use of plastic cups in office water coolers also increased. Because it is a cost and environmental issue a working group was formed to see how we could reduce consumption. The move to issues aPads and iPads was not only smart from an environmental perspective; it also was smart from an employee and well-being perspective. Our next move is to replace our mobile phone fleet with more environmentally friendly technology and also reduce reliance on mobile phones themselves in favour of online services through tablets and pad technology. Paper consumption has fallen by 62% over the last two quarters and all plastic cups have been eliminated from the workplace and drinking stations. **We commit to a further reduction in paper consumption by taking the step of removing all high grade paper and photo-copying machines from the business. All paper cups have been replaced with glass and a program encouraging employees and contractors to establish their own home place @ their work place – this includes a program of supplying employees with recyclable water drinking cups and personalised coffee mugs.**
- ≥ **Transportation and travel:** travel and transportation is an important part of a services business and our travel takes us to far flung places across the world and our nation. In many ways it is hard to introduce a strategy that disables the travel element and moves it into the online environment. Our job means we must be physically on the ground. Therefore, we need to mitigate and offset as opposed to reduce. In October 2010 all flights and travel made by staff were only booked where an airline had a carbon offset program. That means in Australia, the only Airlines we will use are Virgin and Qantas. In terms of our car fleet, we encourage staff to use Toyota Camry Hybrid vehicles. We will continue to have a strict policy on carbon offset programs

4.2 Human Rights

- ≥ Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- ≥ Principle 2: Business should make sure that they are not complicit in human rights abuses.

Human Rights continue to be a challenge the world over. For many the definition is about the individual and human rights abuses that are obvious. We see it on our television screens and we very much liken it to things that happen in developing countries or those countries that are conflict. The sad truth is that Human Rights abuses also happen in developed countries and while we certainly do not turn a blind eye, in many cases we just don't recognise it. In this latest Communication on

Progress we will be dealing with Human Rights in the context of Australia. Firstly, The Sustain Group continues to support action on Human Rights abuses in all of its forms. We support and respect conventions and advocate for further legislation. As examples, our CEO Matthew Tukaki was a signatory to the Anniversary of the Declaration of Human Rights from a business perspective and has also been a strong advocate for the adoption of a Bill of Rights in Australia that will embody the acceptance and tolerance we take for granted. However, our focus for this next 12 month period will be on supporting the rights of small business and indigenous communities. The rate of suicide amongst small business owners has increased and the pressures on them are immense. This was brought home to us by the Council of Small Business Australia CEO Peter Strong when he asked the simple question “what about the human rights of our members?”

By December of 2011 The Sustain Group completed its first report and analysis into the human rights connection with small and medium sized business owners. It looked at what covenants apply and what covenants may have been breached. It also looked at feedback from industry groups and made recommendations on how problems and issues may be solved. In terms of Indigenous communities it was our intention to work closely with inner city groups in Sydney and Melbourne to begin a collection of narratives and case studies that support leadership and empowerment. Both of these reports are due for publication in November 2012 as part of the Regional Sustainable Development Forum.

4.3 Human Rights

- ≥ Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ≥ Principle 4: the elimination of all forms of forced and compulsory labour;
- ≥ Principle 5: the effective abolition of child labour; and;
- ≥ Principle 6: the elimination of discrimination in respect of employment and occupation.

As an organisation that runs and operates a labour business it is important that we not only respect and support the Labour Principle, we embed it in everything we do. More specifically let us look at each of the core Principles:

- ≥ **Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;** In everything we do we encourage and support freedom of Association. Most recently we have also supported the campaign of the Australian Service Workers Union for equal pay for service workers in an industry that traditionally pays men more than women. We are pleased to report that the campaign was highly effective and successful. On a day to day basis we continue to encourage our own contractors and temporary personnel to belong to a union or have access to know their rights at work.
- ≥ **Principle 4: the elimination of all forms of forced and compulsory labour;** The Sustain Group continues to support programs that seek to end all forms of forced labour. Most recently we announced that we would review and report on the black market of labour and skills currently operating across the Asia region. Millions of service sector workers migrate around the region, are forced into jobs that they believed to be something different and are vastly underpaid. We expect this report to be published in November 2012 as part of the Regional Sustainable Development Forum.

- ≥ **Principle 5: the effective abolition of child labour; and:** Much like Principle 5 we will also be reviewing practices in the Asia region and releasing a report in November this year that will shed further light on this as a problem and what can be done to effectively eliminate it.
- ≥ **Principle 6: the elimination of discrimination in respect of employment and occupation.** We have come to recognise that the greatest form of discrimination in respect of employment and occupation is based on age and race. Here at The Sustain Group we do not turn candidates away or refuse to deal with them based on any element. We support and encourage people into work and we will continue to do that with equity and equality in mind.



“Commitments in Practice”: *The Environment*

- ≥ Increasing our carbon offset program through the replanting initiative underway in the Bylong Valley, New South Wales
- ≥ Requiring suppliers to have a carbon offset program in place and to have completed a carbon footprint analysis
- ≥ Continue working with partners to further the community sustainability education forums, provide outreach to connect business and the community on key ideas for finding solutions to climate change / extend these into Sustain Groups Asia Operations
- ≥ Develop a new series of research papers focussed on sustainable development, supply chain management and the role of business in biodiversity

Photo montage: The Sustain Group hosting the Sustainability Leadership Forum with Sustain CEO, Matthew Tukaki, Planet Ark Founder, John Dee, Former Ministers of Transport, David Campbell and Head of Sustainability at IHG, Victoria Rose. / Sustain CEO in Indonesia with School Children @ a plantation education program in Perwang / Forest replanting in the Bylong Valley

“Commitments in Practice”: *Our new initiatives*

- ≥ Sustain Group will sign the Women’s Empowerment Principles in 2012
- ≥ Sustain Group will enter into research partnerships in India and China with a focus on environmental sustainability innovation during 2012 / 13
- ≥ Sustain Group will develop a specific framework that looks at the implementation of the Sustainable Development Goals.

You can view our public commitments at www.sustaingroup.net or for more information get in touch with us @ sustainability@sustaingroup.net