



Landell
CONSULTING

COMMUNICATION ON PROGRESS (COP)

LANDELL CONSULTING

6/99 Queen Street
Melbourne, Victoria, Australia 3000
1 February 2011

INTRODUCTORY REPORTING INFORMATION

Name of the Organisation	Landell Consulting					
Country	Australia					
Joining Date	12 December 2009					
Organisation Type	Small company					
Sector	Primarily 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 2009 – December 2010					
Date of most recent previous report	24 December 2009					
Reporting cycle	Annual					
External Assurance	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No			
Contact	Caroline Gordon					
Position Title	Principal, Government and Corporate Social Responsibility					
E-mail	info@landell.com.au					
Contact number	+61 3 9011 8440					



Table of Contents

OPEN LETTER OF SUPPORT FROM LANDELL'S MANAGING DIRECTOR	3
1. UNITED NATIONS GLOBAL COMPACT	4
1.1. Global Compact.....	4
1.2. Ten Global Compact Principles	4
2. COMMUNICATION ON PROGRESS (COP).....	4
3. LANDELL'S MEMBERSHIP OF THE UNITED NATIONS GLOBAL COMPACT	4
4. LANDELL CONSULTING ORGANISATIONAL PROFILE	5
4.1. COMPLIANCE WITH THE GLOBAL REPORTING INITIATIVE	5
4.2. ORGANISATIONAL PROFILE	5
5. LANDELL'S 2009-2010 PROGRESS.....	7
5.1. LANDELL'S 2009 INITIATIVES	7
5.2. LANDELL'S 2010 INITIATIVE REVIEW	9
6. LANDELL'S 2011 CSR INITIATIVES	16
7. COMMUNICATION OF THE COP	18

OPEN LETTER OF SUPPORT FROM LANDELL'S MANAGING DIRECTOR

It gives me great pleasure to present Landell Consulting's Communication on Progress (COP) for 2011.

In 2008, Landell Consulting took the opportunity offered by the United Nations Global Compact (UNGC) to publicly express our commitment to the 10 principles. Encouraged by the UNGC, we issued our first COP last year which confirmed our continued commitment to the 10 principles, and our commitment to the areas of human rights, labour, the environment, and anti-corruption. Landell's membership of United Nations Global Compact is an undertaking to contribute to a collective responsibility in which business can strive to find joint solutions to ensure our future. We endeavour to lead by example and to disseminate, where possible, those 10 principles for the social and economic progress of society.

Landell's progress is predicated on the belief in 'leading by example'. Our commitment to ethical behaviour within our own business is ongoing. Beyond internal goals, our range of expertise in a number of relevant fields (including corporate social responsibility, procurement and probity, contracts, brokerage, training and project management) and our role as a service provider to government, has allowed us to promote the goals of the UNGC to our clients.

In addition to securing membership of the United Nations' Global Compact, we have taken a membership role on the United Nations Global Compact Network Australia: Human Rights Working Group for Business.

As part of our operations, Landell's CSR Unit has been responsible for developing the sustainability training package with ECO-Buy, the pre-eminent green procurement non-profit organisation in Victoria, and the provision of social procurement and policy advice to the Department of Human Services on its Discount for Housing Tenants package. Landell is currently supporting a Department of Planning and Community Development DPCD initiative – 'Expert Support Program: Social Procurement in Practice' – a partnership initiative providing offering eight pilot councils support in their development of social procurement initiatives. Landell offered a 40% discount for the provision of its services to the project, as a reflection of Landell's commitment to its corporate responsibility ideals and principles.

These are just a few of the ways that we seek to enhance our relationships with government stakeholders to disseminate the principles and implement the practice of the UNGC's 10 goals.

I affirm my continuing support for the United Nations' Global Compact.



Lexton Gebert
Managing Director, Landell Consulting

1. UNITED NATIONS GLOBAL COMPACT

1.1. Global Compact

Through the power of collective action, the Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. The Global Compact asks participants to pursue two complementary objectives (1) making the Global Compact and its principles part of business strategy and operations; and (2) facilitating co-operation among key stakeholders by promoting partnerships in support of UN goals.

1.2. Ten Global Compact Principles

The UN Global Compact is a framework to enable businesses to align their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

2. COMMUNICATION ON PROGRESS (COP)

One of the explicit commitments that a company makes when it participates in the UN Global Compact is to communicate annually with stakeholders on actions taken by implementing the Global Compact principles in the form of an annual Communication on Progress (COP). The COP provides informs stakeholders about the progress the company has made in implementing the 10 Global Compact principles in its business activities.

While there is no specific format or standard for a COP, the communication must contain three elements:

1. Statement of continued support for the Global Compact by the CEO or other senior executive
2. Description of practical actions taken to implement the global compact principles
3. Measurement of outcomes or expected outcomes

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

On 27 November 2008, the Managing Director of Landell Consulting, 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.

4. LANDELL CONSULTING ORGANISATIONAL PROFILE

4.1. COMPLIANCE WITH THE GLOBAL REPORTING INITIATIVE

Landell's COP utilises the performance indicators of the Global Reporting Initiative (GRI). Linking the GRI G3 Guidelines to the 10 Compact principles integrates the COP with its other GRI-based sustainability reporting mechanisms.

4.2. ORGANISATIONAL PROFILE

4.2.1 Organisational Name

Landell Corporation Pty Ltd trades as Landell Consulting.

4.2.2 Services Provided

Founded in 1999, Landell Consulting is a management consultancy specialising in government procurement, probity, risk management, project management and training. In 2008, Landell Consulting extended its operations to incorporate a Corporate Social Responsibility Unit, managed by a Principal of the organisation.

Landell's diverse government client base includes many State and Commonwealth departments and funded agencies, exemplified by its membership of a number of government probity and procurement panels including:

Victoria

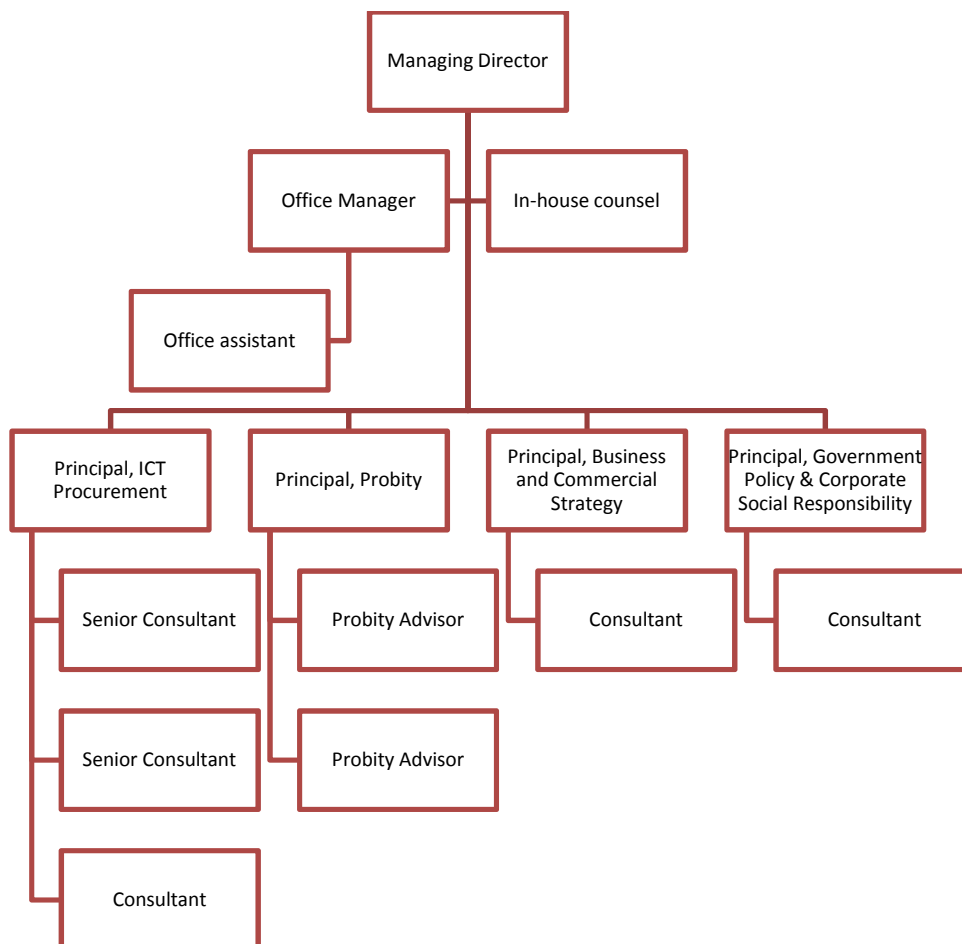
- The Probity Practitioner Services Panel (whole-of-Victorian-Government).
 - eServices Panel (whole-of-Victorian-Government).
 - The Commercial and Financial Advisory Services Panel for Infrastructure and Capital Assets Projects and Commercial Transactions (whole-of-Victorian-Government).
 - The Environment Protection Authority Preferred Consultants Panel (Victoria).
 - Strategic Procurement Plan Development Services Panel (Victoria Police).
-

Commonwealth

- The Defence Services Group Consultancy Panel – Probity.
- The Department of Veterans Affairs Probity Adviser Services Panel.
- The Department of Families, Housing, Community Services and Indigenous Affairs, Provision of IT Contractors – Procurement.
- The Medicare Australia ICT Services Advisory Panel.

4.2.3 Organisational Structure / Scale of the Organisation

Landell has a committed team of over 20 highly experienced consultants working across the organisation's four business lines. Landell's organisational structure is represented in summary format diagrammatically below.



Note: Not all Landell consultants are represented in the diagram

4.2.4 Location of the Organisation's Headquarters

Landell Consulting is based in Melbourne, Victoria, Australia.

4.2.5 Number of countries where the organisation operates

Landell Consulting currently only operates in Australia.

4.2.6 Nature of Ownership and Legal Form

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

4.2.7 Markets Served by the Organisation

Landell Consulting primarily undertakes projects for the Victorian and the Commonwealth Government, but has undertaken several projects for the private sector.

4.2.8 Report Boundaries, including Clients, Supply Chain and Stakeholders

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

5. LANDELL'S 2009-2010 PROGRESS

5.1. LANDELL'S 2009 INITIATIVES

This report represents Landell's second COP. Landell's first COP outlined a number of initiatives and key performance indicators by which Landell intended to measure success.

We have seen success against a great number of targets and have made substantial progress with many others (as tabulated in 4.2 below). However, the experience of our first year has allowed us to reflect on our objectives and review the ambition behind our first COP.

Our involvement in the UNGC is based on the assumption of continuing improvement, and as such, our synthesis of the objectives, criteria and evaluation described led us to conclude the following:

- Goals can be better aligned to Landell core business. Landell is unique in being able to offer a range of specialist expertise in a number of relevant fields, and in aligning our CSR targets more closely with this expertise we will be better able to capitalise on the diverse knowledge and drive of our consultants.
 - There is a need to ensure a systemic coordination between and within the individual teams throughout the year, to allow for more accurate reporting in our 2012-13 Communication on Progress. Landell will develop not only the quantitative measure but additionally Formative
-

evaluation techniques will ensure valuable feedback during the year and summative techniques will contribute to the overall evaluation at the time of the next COP.

- Landell's 2009-10 goals have undergone significant revision for 2011-12. We have sought to better define our strategic stretch goals, to stimulate innovation within the field of CSR. Any future targets will seek to be more ambitious than improved standard operations.

5.2. LANDELL'S 2010 INITIATIVE REVIEW

Below is the code key for the assessment against performance indicator measurement for Landell's 2010 initiatives.

KEY TO ASSESSMENT AGAINST PERFORMANCE INDICATOR MEASUREMENT FOR LANDELL'S 2010 INITIATIVES	
CODE	DESCRIPTION
	Target Achieved 2009 Project successful in its aims. Project complete, or ongoing with continuing systems.
	Target On Track for Success Project has not yet had sufficient time for completion, but remains on track for success. May have minor setbacks or failures to meet targets in non-core areas.
	Target Steady Shortcomings in core/non-core areas. Project may still be successfully implemented with effort, but a revision of targets is recommended.
	Unacceptable Progress Target has not yet been successful and appears manageable only with major effort.
	Target Failure Target has not been successfully met, and has little or no prospect of successful attainment.
	Target Not Assessed Insufficient time for project results to be known, or limited data available. No results are yet determinable.

Any target not receiving a green code assessment was recommended for further consideration, with reason for lack of success to be determined.

Targets coded dark yellow were not assessed due to insufficient time, information or relevance. No 'not assessed' targets were considered unsuccessful and were, therefore, not recommended for further review.

LABOUR			
Initiative	2009 Project	Performance Indicator Measurement for Landell's second COP in 2010	Performance Measurement Result
Supplier Code of Behaviour	<p>In 2009, Landell developed a draft supplier code of behaviour which promotes an environment in which business can be conducted with integrity and in a fair and reasonable manner, which includes:</p> <ul style="list-style-type: none"> • an ethical sourcing standard; • legislative and regulatory compliance provisions; and • CSR performance monitoring and reporting provisions. 	<ul style="list-style-type: none"> • Dissemination of the code of behaviour to Landell partners and suppliers 100% • Inculcation of the principles of the supplier code into client documentation 80% 	<p>The supplier code of behaviour has been presented to Landell Principal's Meeting (Senior Management Group) in 2010. The supplier code of behaviour is available to all Landell staff and contractors through the Landell intranet.</p> <p>The principles of the supplier code of conduct are an essential part of Landell core business. As procurement and probity specialists, contractors submitting to tender self-declare against ethical employment, and other legislative and regulatory provisions. Substantial due diligence is done as part of the tender process, and Landell offers support to ensure the success of this process.</p>

LABOUR			
Initiative	2009 Project	Performance Indicator Measurement for Landell's second COP in 2010	Performance Measurement Result
Human Resources (incl. Equitable Employment Policies)	<p>In 2009, Landell drafted a Human Resources Framework which:</p> <ul style="list-style-type: none"> mandates regulatory compliance; precludes discrimination; encourages equal opportunity, diversity, job security, work-life balance, high morale, teamwork and training; and ensures organisational health and safety. <p>Landell's Human Resources Framework is regularly reviewed to ensure that employment standards are respected.</p>	<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 substantiated complaints regarding breaches of customer privacy and losses of customer data 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts 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> <p>Employees have been offered training hours in relevant areas, including training for maintaining a legal practising certificate. We operate a graduate mentoring programme. Employees who have not yet elected to undertake their training allowance continue to have the option of doing so.</p> <p>Gender Profile of Landell</p> <p>Managerial – 50% male (2) and 50% female (2) Employee/subcontractors – 50% male (6) and 50% female (6).</p> <p>Incidents</p> <p>Total number of incidents of discrimination and actions taken against Landell in 2010 - 0 Total number of incidents of violations involving rights of indigenous people and actions taken in 2010 - 0 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data in 2010 - 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts in 2010 - 0</p> <p>Employment Conditions</p> <p>Annual Landell turnover rate for 2010 - 10% (2) Full-time employees who received the following benefits sick leave; recreation leave; carer's leave; bereavement leave; and study leave - 100%</p>

Code of Conduct	Landell has recently developed a Code of Conduct, which canvasses key Global Compact principles including respect for human rights and equal opportunity; and deterrence of discrimination and corruption The Code of Conduct provides for the confidential reporting of conduct breaches to senior management	<ul style="list-style-type: none"> Code breaches investigated and remediated 100% 	Breaches to the code of conduct in 2010 - 0
------------------------	---	---	--

HUMAN RIGHTS			
Initiative	2009 Project	Performance Indicator Measurement for Landell's second COP in 2010/11	Performance Measurement Result
Commitment to Human Rights	<ul style="list-style-type: none"> Landell has developed a Human Resources Framework which addresses the following matters: <ul style="list-style-type: none"> employment, diversity, equal opportunity and discrimination; and occupational health and safety. In compliance with Landell's endorsement of the UN Global Compact and its underlying principles, Landell has adopted a statement supporting basic human rights. 	<ul style="list-style-type: none"> Operations having a significant risk for incidents of child labour 0 Landell staff received who receive Landell's human rights statement 100% 	Based on Landell's internal Human Resources Framework, and the use of the Malplecroft <i>Child Labour Index</i> where relevant, Landell has had zero operations having significant risk for child labour. Landell's human rights statement was made available to all staff via Landell's internal intranet. In addition, a discussion paper was prepared for circulation amongst staff, outlining Landell's commitment to human rights, and our involvement in the United Nations Global Compact.

ENVIRONMENT			
Initiative	2009 Project	Performance Indicator Measurement for Landell's second COP in 2010/11	Performance Measurement Result
Dissemination of green policies to clients and the wide community	<ul style="list-style-type: none"> Landell was originally established as a procurement organisation "Green" procurement practices are critical, as they filter down to all government activities Landell has actively sought to: <ul style="list-style-type: none"> develop partnerships with green organisations; and inculcate green requirements in all of its procurement projects In 2009, Landell: <ul style="list-style-type: none"> signed a Memorandum of Understanding (MoU), with the pre-eminent NGO green procurement agency, ECO-Buy; and undertook the development of 8 "green" procurement training modules for ECO-Buy to be provided to Victorian Government agencies 	<ul style="list-style-type: none"> Maintenance of the MoU between Landell and ECO-Buy Inculcation of "green" procurement clauses in all procurement documentation drafted by Landell for government agencies 	<p>The MoU between Landell and ECO-Buy has been maintained.</p> <p>"Green" procurement clauses have been incorporated in all procurement documentation drafted by Landell for government agencies where compatible with clients' directions.</p>

ENVIRONMENT			
Initiative	2009 Project	Performance Indicator Measurement for Landell's second COP in 2010/11	Performance Measurement Result
Reduction of Landell's environmental footprint	<ul style="list-style-type: none"> Landell has implemented an internal environmental strategy to reduce our organisation's environmental footprint, by implementing initiatives relating to: <ul style="list-style-type: none"> recycling; water consumption; electricity consumption; and carbon emissions 	<ul style="list-style-type: none"> Contract with a green paper recycling company – 2010/11 % reduction in CO₂ emissions - 10% from 2009 % reduction in paper use 10% from 2009 % reduction in electricity use 10% from 2009 % reduction in water use 10% from 2009 Staff working from home 40% Use of Skype (to preclude unnecessary travel by employees) 20% increase from 2009 usage 	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.
			<p>Landell uses 100% green energy. Our electricity is provided from sustainable and renewable sources including wind and solar.</p> <p>Employees routinely turn off lights, and natural light is used wherever possible to minimise electricity usage. Landell participates annually in EarthHour.</p> <p>While Landell's electricity and water use were monitored, it was not possible to monitor a reduction in CO₂ emissions.</p>
			<p>Subject to client or operational needs, Landell has been successful in the 40% target for employees working from home in 2009.</p> <p>In addition to our online instant messaging facilities for Landell staff and contractors, Landell uses virtual meetings to minimise travel. Use of Skype was replaced by Gmail video and audio chatting in June 2010, and employees were provided with training and support on use of our new systems. All new employees receive training and systems support on commencing with Landell.</p>

ANTI-CORRUPTION			
Initiative	2009 Project	Performance Indicator Measurement for Landell's second COP in 2010/11	Performance Measurement Result
<ul style="list-style-type: none"> • Probity 	<ul style="list-style-type: none"> • Landell Consulting is only one of 11 members of the whole-of-Victorian-Government Probity Practitioner Services Panel 	<ul style="list-style-type: none"> • Renewal of Landell's membership of the whole-of-Victorian-Government Probity Practitioner Services Panel - 2011 	Landell was advised by DTF in January 2011 that our Tender for the Whole of Victorian Government was been successful
<ul style="list-style-type: none"> • Accountability and Transparency 	<ul style="list-style-type: none"> • Landell's policies and operations have been reviewed to incorporate the concepts of public accountability, transparency and continuous improvement • Landell promotes clear corporate transparency to preclude any risk of malfeasance 	<ul style="list-style-type: none"> • Employee training in public accountability, transparency and continuous improvement - 2010 • Internal malfeasance breaches 0 	All Landell employees receive training in public accountability, and transparency as part of their initial training. Internal malfeasance breaches in 2010 - 0
<ul style="list-style-type: none"> • Privacy and Confidentiality 	<ul style="list-style-type: none"> • Landell has developed strict privacy and confidentiality protocols 	<ul style="list-style-type: none"> • Dissemination of privacy and confidentiality protocols to employees and stakeholders 	Privacy and confidentiality protocols were supplied to employees and contractors, and to stakeholders where practical. All Landell consultants are required to sign a confidentiality deed at the commencement of any project. Victorian public sector employees, and external project contractors, are advised of their obligations for confidentiality and are recommended to sign a confidentiality acknowledgment or deed respectively.

Table 1: Landell's 2010 CSR Performance

6. LANDELL'S 2011 CSR INITIATIVES

In addition to all performance indicator measurements outlined in Section 5.2, Landell will also undertake the following CSR initiatives in 2011.

CORPORATE SOCIAL RESPONSIBILITY		
Initiative	2011 Project	Performance Indicator Measurement for Landell's 2011/12 COP
Local Government Broker	<ul style="list-style-type: none"> Landell will act as a broker between eight Victorian local government and specialist advisers to assist the councils to implement corporate social responsibility projects 	<ul style="list-style-type: none"> Successful completion of the projects and dissemination of the outcomes to all Victorian councils
Local Government Initiative	<ul style="list-style-type: none"> Landell will develop a tool for local government to inculcate CSR in procurement policy and procedures 	<ul style="list-style-type: none"> Successful development of a sustainable procurement tool for local government
CSR Discount	<ul style="list-style-type: none"> Landell will provide significant discounts on all government projects which have a primary corporate social responsibility focus to underscore Landell's commitment to the 10 Global Compact Principles 	<ul style="list-style-type: none"> Provision of discounted CSR offerings to government
<i>Pro bono</i> advice to charitable organisations	<ul style="list-style-type: none"> Landell will provide <i>pro bono</i> advice to charitable organisations 	<ul style="list-style-type: none"> Provision of at least four significant instances of <i>pro bono</i> advice to charitable organisations, including World Vision, Australia's largest charitable group
Sustainability Training	<ul style="list-style-type: none"> Landell is establishing itself as a Registered Training Organisation. Landell will develop procurement training which inculcates sustainable and corporate social responsibility initiatives in all training tools and documents 	<ul style="list-style-type: none"> Development of training materials and tools which include corporate social responsibility and sustainability policies and procedures

HUMAN RIGHTS		
Initiative	2011 Project	Performance Indicator Measurement for Landell's 2011/12 COP
UN Global Compact Network Australia: Human Rights Working Group for Business	<ul style="list-style-type: none"> Membership of the UN Human Rights Working Group for Business 	<ul style="list-style-type: none"> Provision of <i>pro bono</i> advice and work for the Human Rights Working Group for Business Involvement in a key initiative of the Working Group

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: <http://www.landell.com.au>, to enable the company's stakeholders and clients to view Landell's progress in implementing its CSR strategy.