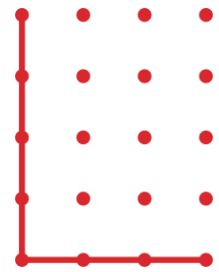


Landell

YOUR CONNECTION
TO BETTER OUTCOMES



LANDELL'S 2015 COMMUNICATION ON PROGRESS

Author Caroline Gordon / Coco Hu
Date 12/02/2015

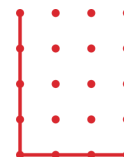


Landell

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Commercial in confidence

landell.com.au



Introductory Reporting Information

Name of the Organisation	Landell					
Country	Australia					
Joining Date	12 December 2009					
Organisation Type	Small company					
Sector	Primarily government					
Website	http://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	February 2014 – January 2015					
Previous Reporting Date	13 February 2014					
Reporting cycle	Annual					
External Assurance	<input type="checkbox"/> Yes			<input checked="" type="checkbox"/> No		
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Position Title	Principal, Government Policy and Social Procurement					
E-mail	info@landell.com.au					
Contact Number	+61 3 9011 8440					



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OPEN LETTER OF SUPPORT FROM LANDELL'S MANAGING DIRECTOR

It gives me great pleasure to present Landell's *Communication on Progress* for 2015, which:

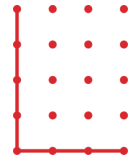
- represents Landell's commitment to the 10 principles of the Global Compact;
- reflects upon Landell's progress in implementing its 2014 Global Compact initiatives;
- provides Landell with the opportunity to outline its 2015 corporate social responsibility (CSR) objectives; and
- ensures that Landell is accountable for its actions and responsibilities to its stakeholders and the wider community.

Landell's CSR strategy includes the following initiatives undertaken in 2014:

- In partnership with United Nations Global Compact Australia and Victoria University and co-sponsored by Chartered Accountants of Australia and New Zealand (CAANZ), Landell has been conducting supply chain sustainability and social procurement research into the top 200 companies on the Australian stock exchange (ASX200) and the top 50 companies in New Zealand (NZX50).
- Landell started delivering the Values of Government and Procurement (VGAP) courses to clients in partnership with the Institute of Public Administration Australia (IPAA), the VGAP Accreditation Scheme was launched in December 2013.
- Landell updated its social procurement toolkit for public sector and local councils, developed *pro bono* by Landell in 2011;
- Landell continued to provide *pro bono* research support and promote the awareness of social procurement in Australia as a founding member of Social Procurement Australia (SPA)
- Landell updated its Environment Policy with clearer and boarder targets to increase energy and water efficiency, and seek opportunities for reducing and recycling waste.

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



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

On 27 November 2008, the Managing Director of Landell, 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 informed Landell that it had become a member of the Global Compact.

2 LANDELL'S ORGANISATIONAL PROFILE

2.1 Organisational Name

Landell Corporation Pty Ltd trades as Landell.

2.2 Services Provided

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

In 2008, Landell 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 agencies, exemplified by its membership of the following government probity and procurement panels.

Commonwealth

- Business Services Panel – Australian Public Service Commission
- Defence Professional Services Panel – Department of Defence
- Bureau of Meteorology - Multi-use List for Probity Advisory and Audit Services
-

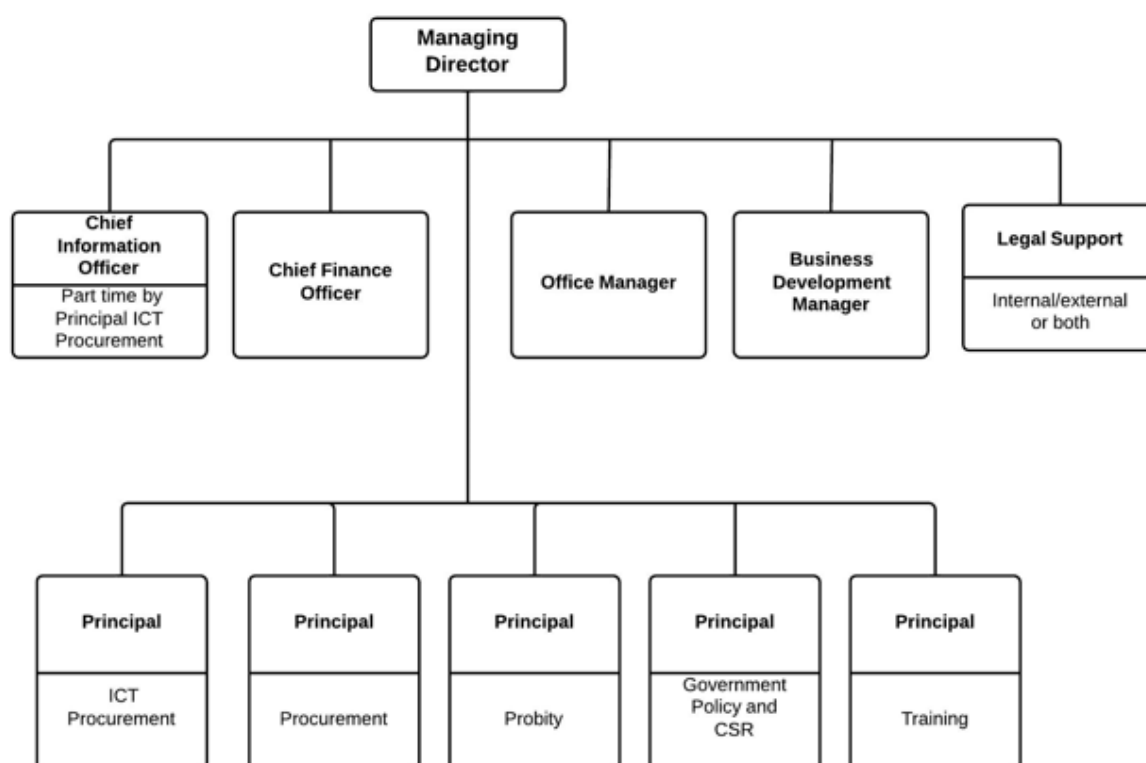
Victorian

- Commercial and Financial Advisory Services Panel – Department of Treasury and Finance
- eServices Register – Department of Treasury and Finance
- Probity Practitioner Services Panel – Department of Treasury and Finance
- Gateway Accredited Practitioners - Department of Treasury and Finance Gateway Initiative
- Business Services Panel – Victoria Police



2.3 Landell's Organisational Structure / Scale of the Organisation

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



Underpinning the structure shown above is a pool of senior consultants, consultants and interns who may be allocated to any assignment, based on their expertise and availability.

Figure 1: Landell's Organisational Chart

2.4 Location of the Organisation's Headquarters

Landell is based in Melbourne, Victoria, Australia.

2.5 Number of countries where the organisation operates

Landell currently only operates in Australia.

2.6 Nature of Ownership and Legal Form

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

2.7 Markets Served by the Organisation

Landell primarily undertakes projects for the Victorian Government, local Government, the not-for-profit sector and the Commonwealth Government, and has undertaken several projects for the private sector.



2.8 Report Boundaries, Including Clients, Supply Chain and Stakeholders

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

3 LANDELL'S 2014 CSR INITIATIVES

3.1 *Pro Bono* Work for UN Global Compact

On 27 November 2013, at the United Nations' Global Compact Network Australia's (UNGCNA) annual general meeting, Landell's proposal to include social procurement into the Global Compact's 2014 agenda was approved by the Chairperson of the Global Compact and supported by other UNGCNA members.

In March 2014, the Board of the United Nations Global Compact Network Australia (GCNA) approved Landell's research proposal to undertake, in conjunction with Victoria University, a social procurement survey of the top 200 Australian Stock Exchange (ASX200) companies and all GCNA members.

The purpose of the survey was to gather baseline information on the involvement of these major companies and organisations in social procurement.

Since that time, the survey has broadened to include:

- Chartered Accountants of Australia and New Zealand (CAANZ) as a co-sponsor;
- supply chain risks as a joint focus of the survey; and
- the extension of the survey to include the top 50 companies on the New Zealand Stock Exchange (NZX).

The survey is believed to be the **first large-scale cross-Tasman research into social procurement and supply chain risk**.

The research has made a great progress to date:

- The survey was released by the CGNA on 25 August 2014 and closed on 21 November 2014.
- Landell analysed the survey data and the first draft of the survey results are being reviewed by CGNA.
- The CGNA, Victoria University and Landell have started interviewing key companies and organisations regarding their supply chain sustainability and social procurement performance.

The survey findings, together with a number of case studies, will be collated into a joint GCNA-CAANZ publication, which is anticipated to be released in the first half of 2015.

3.2 Values of Government and Procurement (VGAP)

In December 2013, Landell launched "Values of Government and Procurement" (VGAP), which is an accreditation scheme designed to equip professionals with an understanding of Victorian Government values, policies and practices to enable them to make good commercial and ethical decisions when involved in procurement and service delivery activities. The VGAP accreditation scheme aims to provide professionals with the knowledge and skills to work effectively in the Victorian Public Sector, including providing assurance to the government and to the community that the use of taxpayer funds is prudent and ethical.

In 2014, Landell started to deliver VGAP courses to clients in partnership with the Institute of Public Administration Australia (IPAA).



3.3 Continued Development of Social Procurement Toolkit

Landell has updated two toolkits

- *Social Procurement Toolkit for the Public Sector* (updated); and
- *Social Procurement Toolkit for Victorian Councils* (updated).

The toolkits include useful templates, case studies and guides to implementing social procurement policies and initiatives in business organisation.

3.4 Membership of Social Procurement Australasia (SPA)

In October 2013, Landell became a founding member of Social Procurement Australia (SPA). To date, Landell has endeavored to promote social procurement initiatives in Australia through SPA by providing in-kind investment, including the development of social procurement publications for the SPA website, promoting the sign up of SPA newsletters to Landell's government clients and contributing thoughts in 2015 planning meeting.

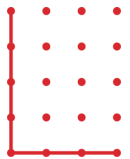
SPA is committed to the advancement of social procurement in Australia and the region. SPA's work focuses on raising awareness of social procurement and then linking interested people to the information and resources needed to socially procure.

SPA provides Landell with the privilege of a seat at the thought leaders table and the opportunity to influence the agenda and be a change agent.

3.5 Update of Landell's Commitment to Environment Policy

As a member of United Nations' Global Compact, Landell supports a precautionary approach to environmental challenges and endeavour to reduce our own operational environmental impact. In July 2014, Landell reviewed and updated its Environmental Policy, with clearer and boarder targets to increase energy and water efficiency, and seek opportunities for reducing and recycling waste, as tabled below.

General	<ul style="list-style-type: none"> • Identifying and responding to climate change risks, by working to achieve maximum reduction of consumption and recycling waste in our operations. • Providing an annual energy and water use report for staff including savings made, and report on greenhouse gas emissions. • Encouraging our suppliers to comply with our sustainability goals.
Energy	<ul style="list-style-type: none"> • Purchasing electrical and lighting systems rated as energy efficient; and using accredited GreenPower, either in part or whole.
Paper	<ul style="list-style-type: none"> • Using state-of-the-art sustainable photocopies and scanners with minimal energy usage. • Purchasing carbon neutral paper that has been certified under the Australian Government's National Carbon Offset Standard. • Actively supporting our clients to undertake tenders via email rather than paper, to reduce paper usage.
Water	<ul style="list-style-type: none"> • Purchasing appliances rated as water efficient. • Purchasing plumbing devices (e.g. taps) with built-in flow restrictors in kitchen and washing up areas, or add these to existing fittings.
Waste	<ul style="list-style-type: none"> • Recycling a range of materials generated directly from our business activities and also from our office, including recycling every day kitchen items such as aluminium cans and glass bottles as well as paper and electronic waste.

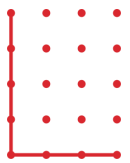


4 LANDELL'S REVIEW OF 2014 INITIATIVES

4.1 Key Performance Indicator Measurement Code

Below is the code key for performance assessment.

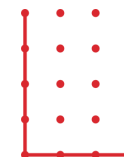
Target Exceeded
<ul style="list-style-type: none"> New or innovative initiative
Target Achieved
<ul style="list-style-type: none"> 2014 project successful in its aims. Project complete, or ongoing with continuing systems.
Target On Track for Success
<ul style="list-style-type: none"> Project has not 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.



4.2 Landell's Review of its 2014 CSR Initiatives

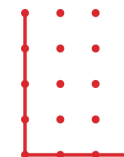
LABOUR

Initiative	Performance Indicator Measurement	Performance Results in 2014	Performance Results in 2013
Human Resources (incl. Equitable Employment Policies)	<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 and actions taken 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 following 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 (2) and 50% female (2). Employee/sub-contractors: 60% male/40% female <p>Incidents</p> <ul style="list-style-type: none"> Total number of incidents of discrimination and actions taken against Landell in 2014: 0 Total number of incidents of violations involving rights of indigenous people and actions taken in 2014: 0 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data in 2014: 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts in 2014: 0 <p>Resources</p> <p>Landell has been working towards securing ISO accreditation (ISO 9001) for Quality Management Systems (QMS), which involves the development of efficient operational systems</p> <p>Employment Conditions</p> <p>2014 Landell staff turnover: 20%</p> <ul style="list-style-type: none"> 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, an internship program and an overseas graduate program. <p>Gender Profile of Landell</p> <ul style="list-style-type: none"> Managerial: 50% male (2) and 50% female (2). Employee/sub-contractors: 60% male/40% female <p>Incidents</p> <ul style="list-style-type: none"> Total number of incidents of discrimination and actions taken against Landell in 2013: 0 Total number of incidents of violations involving rights of indigenous people and actions taken in 2013: 0 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data in 2013: 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts in 2013: 0 <p>Resources</p> <p>Landell is working towards securing ISO accreditation (ISO 9001) for Quality Management Systems (QMS), which involves the development of efficient operational systems</p> <p>Employment Conditions</p> <p>2013 Landell staff turnover: 10%</p> <p>Full-time employees who received the following benefits sick leave; recreation leave; career's leave, bereavement leave and study leave: 100%</p>
Code of Conduct	Code breaches investigated & remediated: 0	<ul style="list-style-type: none"> Code breaches 0 	Code breaches: 0

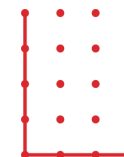


HUMAN RIGHTS

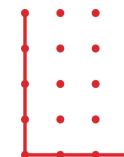
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2014	Performance Measurement Results in 2013
Commitment to Human Rights	CGNA Publication	<ul style="list-style-type: none"> Landell undertook a survey of the ASX200 and NZX50 companies, in partnership with the UNGCNA and Victoria University, and co-sponsored by Chartered Accountants of Australia and New Zealand (CAANZ) for publication. The survey is seeking to identify the companies' supply chain initiatives involving: <ul style="list-style-type: none"> human rights; and social procurement. 	<ul style="list-style-type: none"> Landell developed its <i>Disability Action Plan</i> 2013-16 (DAP), which aims to eliminate discrimination in its employment and operations. Landell's DAP aims to: <ul style="list-style-type: none"> uphold the rights of people with a disability; remove and prevent organisational and attitudinal barriers to participation; build a welcoming corporate community; provide individuals with choice and control over their supports and services; and enable people with a disability, their families and carers to receive the right mix of employment services, opportunities and support. Landell's <i>Disability Action Plan</i> has been 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. 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. 	<ul style="list-style-type: none"> Landell is a member of the United Nations' Global Compact Network Australia. 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.



ENVIRONMENT			
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2014	Performance Measurement Result in 2013
Reduction of Landell's Environmental Footprint	<ul style="list-style-type: none"> 5% reduction in CO₂ emissions from 2013; 5% reduction in electricity use from 2013; 5% reduction in water use from 2013; 5% reduction in paper use from 2013; Staff working from home 30%; and 10% Use of Gmail, Google+ and Go-To-Meeting (to preclude unnecessary travel by employees) increase from 2012 	<ul style="list-style-type: none"> % reduction in paper use 7% from 2013 % reduction in electricity use 5% from 2013 % reduction in water use 8% from 2013 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 (at least part-time) from home 90% Use of Gmail, Google+ and Go-To-Meeting(an online meeting tool)to preclude unnecessary travel by employees 10% increase from 2013. 	<ul style="list-style-type: none"> % reduction in paper use 5.5% from 2012 % reduction in electricity use 4.5% from 2012 % reduction in water use 6% from 2012 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 (at least part-time) from home 70% Use of Gmail, Google+ and Go-To-Meeting(an online meeting tool)to preclude unnecessary travel by employees 20% increase from 2012.



ANTI-CORRUPTION			
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2014	Performance Measurement Result in 2013
"Values of Government and Procurement" (VGAP)	Delivery of VGAP courses	<ul style="list-style-type: none"> Landell has started to deliver VGAP courses to clients in partnership with the Institute of Public Administration Australia (IPAA). 	<ul style="list-style-type: none"> In December 2013, Landell launched "Values of Government and Procurement" (VGAP), which is an accreditation scheme designed to equip professionals with an understanding of Victorian Government values, policies and practices to enable them to make good commercial and ethical decisions when involved in procurement and service delivery activities. The VGAP scheme is aimed at providing professionals with the knowledge and skills to work effectively in the Victorian Public Sector, including providing assurance to the government and to the community that the use of taxpayer funds is prudent and ethical.
Landell's Anti-Corruption Initiatives	Increased individual and corporate awareness of anti-corruptions measures	<ul style="list-style-type: none"> When Huguette Labelle, Chair of Transparency International, Co-chair of the World Economic Forum in Davos in 2013 and an advisor to the World Bank on anti-corruption issues, visited Melbourne in late 2014, Landell met with her to discuss the latest anti-corruption initiatives. Ms Labelle stressed the susceptibility of procurement to corruption due to the significant sums involved in major procurements, particularly in the areas of construction, transportation and IT purchases. In response to Ms Labelle's key points, Landell developed <i>pro bono</i> for its clients a white paper on preventing corruption in procurement. 	<ul style="list-style-type: none"> Landell staff have engaged in corporate anti-corruption discussions The Landell Code of Conduct, which incorporates key Global Compact principles including anti-corruption requirements, is made available to employees through Landell's intranet.



CORPORATE SOCIAL RESPONSIBILITY			
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2014	Performance Measurement Result in 2013
Pro Bono Initiative	Implementation of a <i>pro bono</i> CSR initiative	<ul style="list-style-type: none"> Landell undertook a survey of the ASX200 and NZX50 companies, in partnership with the UNGCNA and Victoria University, and co-sponsored by Chartered Accountants of Australia and New Zealand (CAANZ) for publication. The survey is seeking to identify the companies' supply chain initiatives involving: <ul style="list-style-type: none"> human rights; and social procurement. 	<ul style="list-style-type: none"> Landell undertook a presentation at a local government symposium with Social Traders Landell: <ul style="list-style-type: none"> presented at the 3rd National Health Procurement Conference in July 2013; undertook original research by surveying public sector hospitals; and developed <i>pro bono</i> the <i>Social Procurement Guide for the Hospital Sector</i>. Landell assisted GCNA to develop its social procurement item for its 2014 agenda.
Toolkits	Implementation of a social procurement initiative	<ul style="list-style-type: none"> Landell has updated the social procurement toolkits designed for the Public Sector and Victorian Councils. 	<ul style="list-style-type: none"> Landell has released two toolkits designed for the Public Sector and Victorian Councils.



5 LANDELL'S 2015 CSR INITIATIVES

Landell's 2015 CSR initiatives include, but are not limited to:

- finalisation and release of the UNGCNA – Landell – Victoria University – CAANZ supply chain sustainability and social procurement publication;
- provision of social procurement advice to government agencies;
- VGAP training to government officers;
- continued in-kind contribution to Social Procurement Australia
- provision of *pro bono* research support to the UNGCNA; and
- continued environmental and social sustainability initiatives within Landell.

6 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.