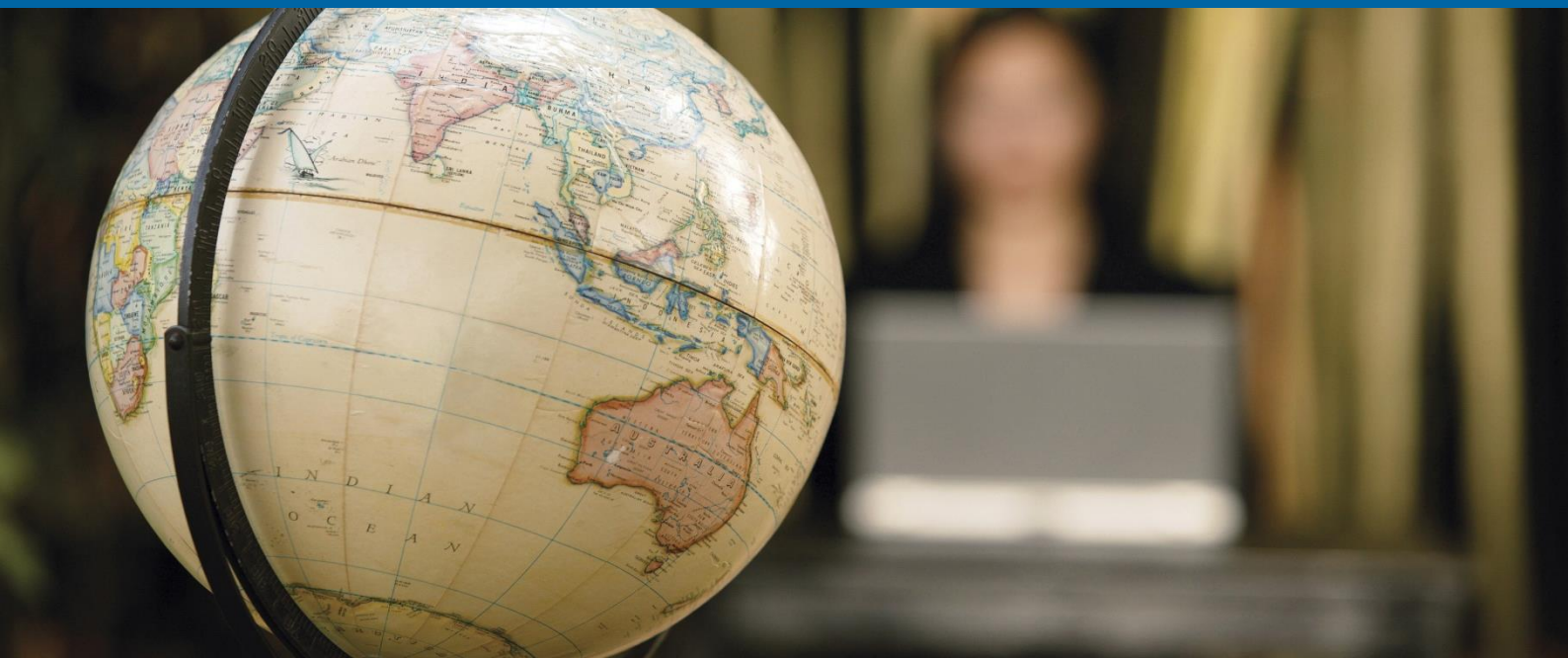


# United Nations Global Compact Communication on Progress (COP) – Year 6



May 2016





# Table of contents

Letter of commitment.....	<u>2</u>
COP road map .....	<u>3</u>
GHD 2015 Annual Review .....	<u>13</u>
GHD 2014-15 Sustainability Report.....	<u>33</u>
Policies	
- Quality .....	<u>50</u>
- Health Safety & Environment (HSE) .....	<u>51</u>
- Sustainability.....	<u>52</u>
- Integrity Management.....	<u>53</u>



# Letter of commitment

United Nations Global Compact (UNGC)

Communication on Progress (COP) – Year 6 – March 2016

Our sixth year as a signatory of the UNGC is now complete and we would like to take this opportunity to communicate our progress across our broad range of global stakeholders.

While we continue on a path of discovery to better understand how we can grow and strengthen our business we are also firmly committed to bedding in strategies recently adopted that will further engrain the principle of the UNGC with our company.

GHD is a major international, professional services company built around strong core staff values and a sustainable business model which align very readily to the 10 Principles of UNGC. Our annual progress against these principles is contained in our 2015 Annual Review and 2015 Sustainability Report, both included as part of this document.

The table below is a COP 'road map' that correlates the GHD Annual Review and Sustainability Report to the UNGC 10 Principles. This year, we have also included in the COP, performance highlights for the 2014/15 financial year (i.e., the degree to which targets/performance indicators are met), relative to performance in the previous financial year. Full copies of GHD's Annual Review and Sustainability Report are available on [ghd.com](http://ghd.com).

## Statement of Continued Support for UNGC

GHD remains strongly committed to our alignment with the United Nations Global Compact (UNGC) 10 Principles while acknowledging the resilience to be achieved in striving for corporate sustainable leadership within our sphere of influence. This commitment includes an ongoing process of continuous improvement and open communication with stakeholders from all our people and management.

Yours faithfully  
GHD Pty Ltd



Ashley Wright  
Chief Executive Officer

# COP road map

GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	

## Developing our people

We connect our people with a healthy, safe, diverse and rewarding career path. Our people feel valued and secure in their workplace.

	Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6	 	<p><b>Engagement</b></p> <p>As demonstrated by the results of our people survey undertaken in February 2015 (excluding North America), the engagement of our people improved in many regions including Asia, the Middle East and the UK. Areas of future focus include communication, empowerment and diversity.</p> <p><b>Talent</b></p> <p>Our long-term sustained investment in graduates is positioning our business for success in building future leaders.</p> <p><b>Careers</b></p> <p>A refreshed Career Pathways model was developed and launched in Australia, New Zealand and the Middle East in response to the need for highlighting career opportunities at GHD. It has been widely used to date with excellent feedback and further enhancements planned.</p> <p><b>Mobility</b></p> <p>To streamline our approach to mobility, we integrated our global recruitment platform to address both internal and external positions together with candidate tracking. We also extended the North American employee referral program to help source suitable candidates in other countries.</p> <p><b>Diversity and inclusion</b></p> <p>We embedded diversity of thought, background and experience into our culture with the introduction of an unconscious bias training module, initially in the Australian region. This included the enhancement of our parental leave policy and return to work program.</p> <p>In support of our commitment to diversity and inclusion, GHD received the 2015 Employer of Choice for Gender Equality Citation from the Commonwealth Government's Workplace Gender Equality Agency in Australia. Work is currently underway for us to extend our diversity and inclusion initiatives in other regions.</p>
--	--	---	--

# COP road map



GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	
				<p><b>Training focus</b></p> <p>Integrated learning and development focused on the categories of people skills; client service; health, safety and environment; projects and technical services.</p> <p><b>Training activities</b></p> <p>During the year we delivered more than 25,000 face to face and eLearning training activities, including design and development of health and safety, and environmental awareness programs for North America.</p> <p><b>Shared learning modules</b></p> <p>The successful introduction of short internal training modules where senior and experienced staff deliver training in a range of disciplines using a workshop approach.</p> <p><b>Senior professionals</b></p> <p>At the senior level, we are proud to have many award-winning professionals and technical leaders who every day discover new ways to solve our clients' challenges.</p> <p>You can find GHD people proudly representing their disciplines in leadership positions with industry associations such as the Society of American Military Engineers, the Australian Water Association, the Academy of Urbanism and more.</p> <p>Many of our people have been with GHD for 20+ years, and bring a powerful combination of experience, skill and commitment to every project. They also mentor and assist the next generation of young professionals to sustain the future of GHD.</p> <p><b>Young professionals</b></p> <p>The GHD Young Professionals (YPs) provide a unique opportunity for people with less than 10 years of professional experience. Active in every region, these groups help our people build strong working relationships with their peers and clients. They also provide the necessary workplace skills for YPs to achieve career goals and reach their potential through social, community and professional development activities.</p> <p>YPs have been involved in numerous activities including technical workshops, lunch and learn sessions and project site visits around the world. They also lent their support to many community initiatives.</p>

# COP road map

GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	

## Contributing to our world positively

We care by minimising our ecological impact through resource efficiency and nature conservation initiatives, and by supporting communities through development initiatives and our GHD in the Community program

	Principle 7 Principle 8 Principle 9			<b>Environment</b>  In 2012, GHD undertook profiling of its environmental footprint and identified the highest order environmental impacts affecting our business. The Environmental Stewardship Program includes a mix of 'active' and 'passive' measures that are aimed at positively affecting GHD's footprint on the environment.  Upon completion of Year 4 of the Environmental Stewardship program, implementation of the following initiatives has established firm foundations for the future and enabled significant performance improvement: <ul style="list-style-type: none"> <li>• Green Star rating guidelines for leased properties</li> <li>• Office Environmental Guidelines</li> <li>• Vehicle emission standards</li> <li>• Video conferencing in all offices</li> <li>• Sleep mode on printers</li> <li>• Secure Print function on printers</li> <li>• Waste separation</li> <li>• Green procurement</li> </ul> Significant improvement in GHD performance has been identified over the 4 year period including: <ul style="list-style-type: none"> <li>• 22 percent reduction in electricity consumption</li> <li>• 29 percent reduction in paper</li> <li>• 65 percent reduction in air travel</li> </ul> The merger with CRA and GHA Livgunn provides the opportunity to refresh our approach and target new objectives. Review of the Stewardship Program and also environmental managements systems (against updated 14001) is now underway.
--	---	---	---	--

# COP road map

GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	
				<p><b>GHD in the community</b></p> <p>Our Corporate Social Responsibility program, GHD in the Community (GITC), is designed to have a positive social and environmental impact on the communities around us. The program is driven by our people's interests and is based on partnering with not-for-profit organisations. This includes the provision of pro-bono services and the support of a range of community-based organisations for fundraising, volunteering, workplace support and engagement.</p> <p>Our people proudly consider, formally apply and then nurture GITC partnerships, making this program one of deep interest and personal pride amongst our teams.</p> <p>The 2015 GHD Sustainability Report provides a snapshot of the GITC projects we have undertaken and contributed positively to community. Those listed have been chosen for their diversity, rather than their size. See Report in full at <a href="http://ghd.com">ghd.com</a>.</p>



# COP road map



GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
				<p><b>Innovation</b></p> <p>GHD's award-winning Innovation program is about business growth through delivering new ideas, technology and business models. Significant examples include:</p> <p><b>Innovation Voucher Program</b></p> <p>GHD is playing a key role in the Victorian Government's program established to help Small &amp; Medium Enterprises (SMEs) grow. We are working with more than 20 SMEs, providing technical and commercial insight and assisting them to connect to the infrastructure market.</p> <p><b>District of Columbia Water and Sewer Authority, USA</b></p> <p>GHD is supporting one of America's top water utilities to design and implement their innovation program.</p> <p><b>Commercialisation</b></p> <p>Development of StormDMT, a unique water treatment technology that removes dissolved heavy metals and nutrients. In 2015 we licensed the technology to Ecosol.</p> <p><b>Smart Seeds innovation competition</b></p> <p>GHD led this program in Brisbane, Melbourne and Sydney. YPs from a number of organisations teamed up to solve real infrastructure challenges, build professional skills and expand their network.</p>

# COP road map

GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	

## Demonstrating good governance

We commit to our values and policies. This is reflected in the way we manage our business and interact with our clients and our people


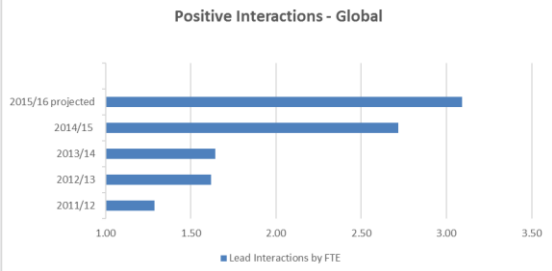
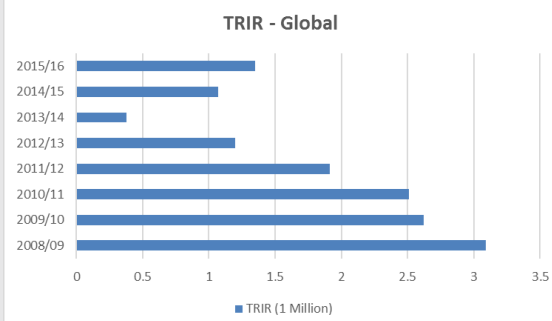
	Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6 Principle 7 Principle 8 Principle 9 Principle 10	 	<p><b>Integrity</b></p> <p>In alignment with the United Nations' Global Compact guidelines and other corporate governance initiatives including anti-fraud, GHD continued its journey to heightened levels of integrity compliance in 2015. Our efforts are guided by the GHD Integrity Management System.</p> <p><b>Quality</b></p> <p>We have built on last year's achievements and have been monitoring the progress of against new ISO 9001:2015, which will provide more focus on leadership and risk based thinking. Our North American operations have developed a regional quality system that reflects business requirements in this region.</p> <p>During the year, structured monitoring and reporting of key business performance targets has enabled clear minded decision making. This monitoring and reporting has assisted GHD's pursuit of continual improvement and provided a platform for a range of business efficiency initiatives.</p> <p>GHD's Quality Management System was recertified for a further three years by Lloyds Register Quality Assurance (LRQA) to international standard (ISO:9001).</p> <p><b>Leadership</b></p> <p>Validating our commitment to Corporate Social Responsibility (CSR), GHD was named one of the top to leaders in CSR in Australia and New Zealand by the Australian Centre for CSR.</p>
--	---	---	--

# COP road map

GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	

## Managing our risk



We understand our risk appetite and manage our business to maximise opportunities by identifying and managing material risks to an acceptable level in accordance with a risk management framework

	Principle 1 Principle 7 Principle 8 Principle 9	 		<b>Health and Safety</b>  At GHD, safety is our highest priority and of core values. This is underscored by the results of our 2015 people survey, where 93 percent of respondents have recognised that safety is of prime importance. We believe that the ideals and responsibilities of safety are critical to maintaining the integrity of our company and in turn, our people. During the year, GHD's project risk profile increased, particularly with the commencement of environmental remediation services. Our expansion in this region has provided us with the opportunity to review our Health Safety and Environment (HSE) management strategies to enhance our approach.  Our key HSE focus is to positively affect change and prevent the precursors incidents from occurring. To this end, we have been successful in improving our Positive Interactions again in the past 12 months.
				 <p>While our Total Recordable Incident Rate (TRIR) has increased on the previous year, we continue to maintain rates less than half of industry average. In the past 12 months, we re-launched our 12 GHD SAFEGUARDS and are preparing to release the GHD SMART Behaviours program throughout the business – to guide the identification and management of desired and undesired behaviours.</p> 





# COP road map

GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	
				<p>We continue to actively involve our leadership team with key safety indicators that have historically proven to have a positive effect on our safety culture and incident frequency rates. Our improved performance in culture and metrics is underpinned by internationally certified HSE management systems.</p> <p><b>Environment</b></p> <p>The GHD HSE risk assessment investigated GHD's environmental impact and identified those aspects of our business as having the greatest impact to develop an Environmental Stewardship Procedure.</p> <p>Initial implementation within Australia and the Philippines to date has enabled significant improvement against priority targets, including:</p> <ul style="list-style-type: none"> <li>• 22 percent reduction in electricity consumption in four years</li> <li>• 29 percent reduction in paper following the Implementation of secure printing</li> <li>• 65 percent reduction in air travel related carbon from the introduction of video conferencing and Webex</li> </ul> <p>We have also adopted accredited green power in Victoria, Newcastle and Sydney in Australia. Our Victorian operations now secure 50 percent of their electricity from renewable energy sources, while Newcastle and Sydney secure 25 percent. This provides the opportunity to reduce the greenhouse intensity of our energy consumption, and improve visibility of consumption through automated online monitoring.</p>

# COP road map

GHD 2014 Annual Review (see <a href="http://ghd.com">ghd.com</a> )	UNGC Principles	Indication of outcomes		Performance highlights (Full detail on GHD business practices, see GHD Sustainability Report - <a href="http://ghd.com">ghd.com</a> )
		2014	2015	
<b>Assisting our clients to be more sustainable</b> We create opportunities for our clients to enjoy prosperity and achieve sustainability goals with innovative ideas that embrace our sustainability principles				
	Principle 8 Principle 9			The <i>2015 GHD Sustainability Report</i> provides a snapshot of the kind of projects we have undertaken on behalf of clients and contributed positively to Sustainability. Those listed have been chosen for their diversity, rather than their size. See Report in full at <a href="http://ghd.com">ghd.com</a> .

## Legend

-  Serious deficiencies identified and corrective actions required immediately
-  Minor deficiencies identified and corrective actions in place
-  Satisfactory but areas for improvement identified
-  Excellent



[www.ghd.com](http://www.ghd.com)