

When you
think with a
global mind
problems
get smaller

Communication on Progress

United Nations Global Compact
October 2016



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Statement of Support

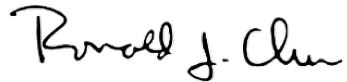
Statement of Support

I am pleased to present Coffey's 2016 Communication on Progress.

Coffey remains committed to the United Nations Global Compact and its ten principles. With integrity as a core organisational behaviour, we are committed to human rights, labour standards, environment and anti-corruption through the Australian network. Our aim is to support nations to uphold their commitment to this global partnership to reduce extreme poverty and targets through the Sustainable Development Goals.

We engage in partnerships to advance broader UN goals. Coffey is committed to working in countries side-by-side with communities, the private sector and government partners in a sustainable way through local capacity building. We look to improve local economies while delivering sustainable social change.

In January 2016 Coffey became a part of Tetra Tech. Now, as part of the Tetra Tech group of companies, we aim to bring industry-leading scientific solutions to the world's most complex challenges as a global leader in sustainable international development.



Ron Chu

Chief Executive Officer
Coffey International Ltd

02 About Coffey

Coffey's international development team is a comprehensive implementing partner for governments and the private sector, relied on for more than four decades by our clients, including the UK and Australian governments, to successfully deliver their programs in partnership with local organisations, through our global network of development professionals.

Our commitment to sustainable development. We help build the capacity of local organisations so they can tackle social, economic and political challenges. Ultimately, we leave behind usable tools and methodologies to support the communities in which we have worked.

And we measure development effectiveness. We've conducted more than 600 evaluations for clients such as the European Commission, DFID, the US Department of State and USAID. The evaluations help donors learn lessons they can apply to future policies and programs, while evidence of what works and what doesn't can be shared more broadly, so that the best ideas and practices are emulated.

Coffey, a Tetra Tech company. Now, more than 50 years after it began, Coffey is a Tetra Tech company. Having joined Tetra Tech in 2016, we are now part of a global network of 16,000. We're delivering smart solutions for our clients – and providing the innovation and insight that comes from a proud history of delivery.

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Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

Assessment, Policy and Goals

Coffey is committed to an inclusive workplace that embraces and promotes diversity and equal opportunity. We value and respect the unique contributions of people with diverse backgrounds, experiences and perspectives. We leverage this to enhance our understanding of the needs of our customers and provide innovative solutions and exceptional customer service to an equally diverse community.

Coffey believes in treating people with respect and dignity as an individual and as part of this, we do not tolerate unlawful acts of discrimination. Our expectations and policies are articulated in the **Diversity and Equal Opportunity Policy** and **Code of Conduct Policy**.

We have in place a **Child Protection Policy**, framed by the Department of Foreign Affairs and Trade's Child Protection Policy. In the delivery of its projects as all aspects of operations, Coffey is committed to proactively protecting children from abuse with a zero tolerance approach to child abuse and child pornography.

In 2015, the Australian Government introduced its **Indigenous Peoples Strategy**, a framework by which Coffey is now developing its own policy, with particular emphasis on indigenous procurement with Government's aid program, with a policy framework to be rolled out in late 2016.

Implementation

Coffey's child protection policy ensures criminal record checks for all expatriate staff have been in place since 2007. Coffey will not knowingly permit a person to work with children if they pose an unacceptable risk to their safety or well-being. We work in environments in which it is challenging to detect child sex offenders. Children with disabilities and children living in areas impacted by disasters are particularly vulnerable. The human tragedy behind child sex offences cannot be understated – it is a fundamental moral imperative of all Coffey staff to be diligent in their adherence to our Child Protection Policy.

Coffey's **Gender Equality Disability and Social Inclusion (GEDSI)** team works with client projects to integrate gender equality, disability and social inclusion into all programs. With an in-house team of GEDSI specialists, Coffey assist projects to develop, implement and monitor GEDSI policies and strategies; develop training for and support local gender and disability advisers; provide quality assurance on program reports and annual plans; work with monitoring and evaluation specialists to ensure GEDSI is included in frameworks; undertake research and analysis in support of program deliver and undertake program reviews.



Achievements

Each year we submit a report to the Australian Government on **Gender Equality** in our workplace. Our 2015-16 public report was lodged with the Workplace Gender Equality Agency on the 27th May 2016. The report gives us the opportunity to measure how we're performing against gender equality standards in Australia. Understanding and addressing inequities also helps to improve the diversity of our teams and strengthen our overall business performance.

The year ahead will see us focusing on monitoring the remuneration; performance ratings and promotions of our employees. By monitoring equality in these areas, we can assess whether there are any gender based gaps or bias and develop remedial plans to rectify them - to ensure that all of our people have the same opportunity to succeed at Coffey.

For our international development projects, we have developed a **Gender Equality and Social Inclusion Strategy Development Toolkit** rolled out in August 2016.

Coffey's international development team have created a working group charged with developing an **Indigenous procurement strategy** to support the Australian Government's Indigenous Peoples Strategy. A full policy and implementation targets are due at the end of 2016.

04 Labour

Principle 3: Businesses should uphold the freedom of association and 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

Principle 6: The elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

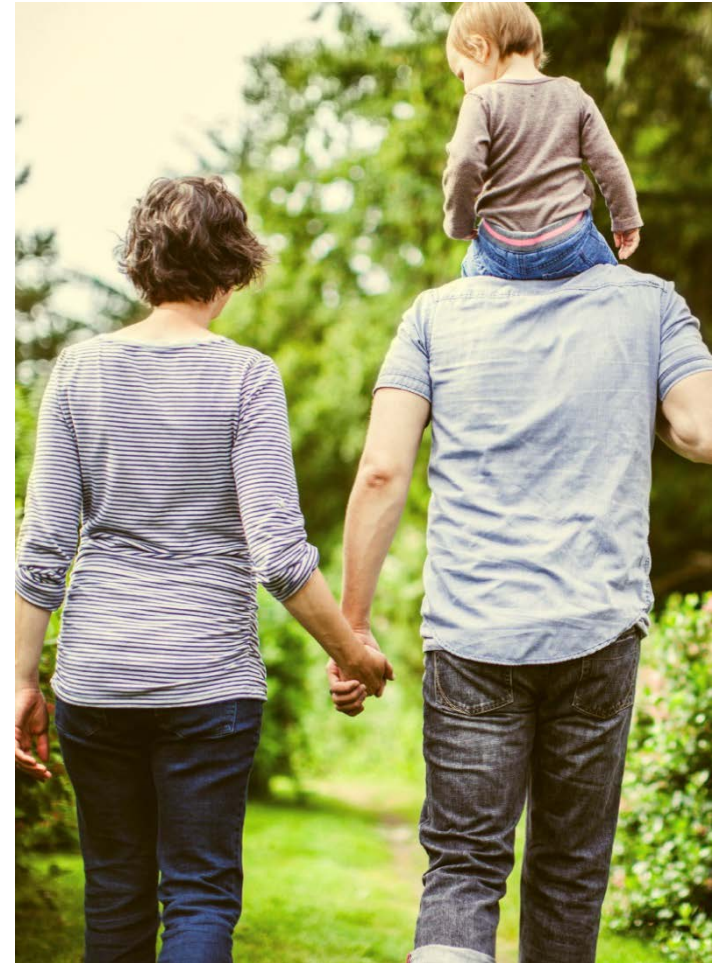
Coffey's **Leave Policy** provides details regarding legislative leave requirements and standards. Coffey supports work/life balance and recognises that employees will require time away from work for the purposes of rest and recreation, but also to cater for circumstance which may arise in their personal and family lives. Types of flexible work arrangements may include part-time employment, job sharing, phased retirement, working from home, staggered return from parental leave and flexible work hours.

Coffey is committed to protecting the health and safety of our people in the places in which we work. Our approach to Workplace Health and Safety is outlined in the **Coffey Health and Safety Policy**.

Implementation

Coffey's leaders are responsible and accountable for the health, safety and environmental compliance within their area of authority. They are expected to lead by example by demonstrating and supporting a positive behavioural commitment. We expect them to consult, seek contributions and communicate regularly with our people on matters affecting health, safety and the environment.

Coffey's **Employee Assistance Program** provides employees and their immediate family with a free-of-charge external resource available for counselling to discuss any work or personal issues. Along with six counselling sessions, the EAP also provides online health screening and calculators, and other health and wellbeing services.



Achievements

Safety remains at the core of what we do – and we continue to deliver a strong safety performance. We recorded a Lost Time Injury Frequency Rate of 0.9 for 2015 which was well below the industry benchmark and reflected continuing improvement of our 2013 and 2014 results. Our International Development and Project Management businesses remained LTI free for the 3rd year running.

The Industrial Foundation of Accident Prevention Safeway Awards saw the Western Australia local Environments team win the platinum award, and our Testing and Geomechanics teams win the gold award. The awards recognised the safety performance of WA businesses that achieved an improved LTIFR or at least six months LTI free. In Queensland, we won BP's High Achievement Award for Security, Health, Safety and Environmental Management for the FY2015 year.

Our safety focus this year includes targets injury prevention, with new initiatives implemented to reduce the likelihood and severity of injuries. We introduced improved Backsafe training to target instruction on office ergonomics and workstation set up, and improved the workers' compensation claims management process. We've also provided a strong focus on fatigue management as part of injury prevention. These types of actions have supported our safety performance and helped identify by addressing or removing potential hazards before incidents can occur.

05 Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Assessment, Policy and Goals

Coffey is committed to ensuring environmental sustainability and integrating the principles of sustainable development in all development activities. Coffey is commitment to the principle of 'do no harm' in the implementation of program activities.

Coffey recognises the potential links between environment and poverty as the poor rely on natural resources for their livelihoods. We seek to enable and improve the effectiveness of development activities to: support sound equitable management of biodiversity and eco-systems; improve access to safe water and sanitation; improve air quality; mitigate the effects of natural disasters; reduce resource-based conflict; and mitigate the effects of climate change. Furthermore it acknowledges there are legal obligations under the Australian Government's Environment Protection and Biodiversity Conservation Act 1999 to ensure that all activities likely to have environmental impacts are properly assessed and managed.

Implementation

Coffey is committed to the protection of the environment and to complying with all applicable environmental laws, rules and regulations in the jurisdictions in which it conducts its business. Our **Health, Safety, Security and Environment (HSSE) Management System** provides our people with the tools to keep them safe, no matter where in the world they are working. It recognises that a safe work environment is not just essential for our people, but for our clients and stakeholders as well.

We comply with **OHSAS 18001 Occupational Health and Safety Management Systems** and **ISO14001 Environmental Management Systems**. We also meet multi-jurisdictional requirements that apply in the countries in which we operate.

As part of Tetra Tech, we are part of a company that implements technically, socially and economically sustainable solutions to our clients' complex programs in more than 100 countries around the world.

We publically acknowledge our commitment to sustainability through the annual **Tetra Tech Sustainability Report Card**. From water-saving measures to multiple types of recycling programs, we strive to incorporate environmentally friendly practices into daily activities. By participating in sustainable actions across the company, we make a greater impact on our environment.



Achievements

Tetra Tech's **2015 Sustainability Report Card**, publically available at www.tetratech.com, outlines our achievements in environmental sustainability through implementing sustainable practices in our operations, by supporting sustainability through our projects, and supporting sustainability in the communities in which we work. Highlights from 2015 include a 38 per cent improvement in GHG emissions on baselines, more than 41,418 marketing materials delivered electronically and 100 per cent use of FSC-certified paper used for collateral.

Tetra Tech promoted sustainable practices throughout more than 300 offices worldwide in 2015, with initiatives including reducing water and energy consumption in offices, reducing paper use through electronic filing and electronic submission of proposals and reports, and recycling and reusing waste products in our offices. In Australia, the Perth office, recycled approximately 5.6 tons of paper during 2015.

Tetra Tech promotes alternative transportation option for employees to reduce GHG emissions. Employees are encouraged to use video conferencing for communicating with employees and clients all over the globe. Employees across the company participated in the Tetra Tech's Annual International Bike to Work Week Challenge. In 2015 Tetra Tech employees rode 13,757.55 kilometres, keeping approximately 8,549 pounds of CO₂ from entering the atmosphere.

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Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Assessment, Policy and Goals

Coffey is a value-based company with a core of acting with integrity and aspiring to the highest ethical standards. These standards are outlined in the **Coffey Policy on Bribery, Corruption and Facilitation Payments**. Coffey's **Code of Conduct** explains the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from staff.

Coffey's **Delegation of Authority Policy** defines the limits of authority designated to specified positions of responsibility within Coffey.

For those projects that we managed on behalf of the Australian Government, our policy is framed by the relevant laws in those countries where we work and those of the Australian Government through **DFAT's Fraud Control and Anti-Corruption Plan 2016**.

Coffey has been involved with the provision of development assistance for many years. We work across a multitude of nations, cultures and value-systems; to date we have worked in around 100 different countries. We are increasingly mindful of the need to prevent, detect and manage fraud in all its forms.

Implementation

Where Coffey becomes aware of bribery or corruption within any of our companies or our stakeholders, we will act to uphold our values based on the particular circumstances of the event. If a Coffey staff member has been involved and it is shown that they have knowingly been party to such action, they risk summary dismissal.

Our overarching fraud policy dictates in accordance with its ethics and values, that no undue benefits shall accrue to any staff member or its agents, intermediaries, subcontractor or consultant as a result of dishonest conduct. In accordance with DFAT's Fraud Control Policy and the Commonwealth Fraud Control Guidelines, Coffey has always maintained a "zero-tolerance" attitude to any form of fraudulent activity.

Coffey's Audit, Risk Management and Fraud Control services are fully informed and guided by 2014 Commonwealth Procurement Rules (CPR's), AS/NZS ISO 31000:2009 Risk management, Principles and guidelines, ANAO Fraud Control in Australian Government Entities, Better Practice Guide, 2011 and AS 8001-2008 Fraud and Corruption Control.

When managing projects on behalf of our clients their fiduciary risks are mitigated through Coffey's diligent approach. The financial training, oversight and support provided by Coffey project finance teams reduce the opportunity, rationalisation and motivation for fraud. The team includes CPAs and Chartered Accountants who have all completed the Certificate IV in Government (Investigation) conducted by Australian Forensic Services.

Achievements

Coffey's Delegation of Authority was updated in August 2016 to reflect changes required as part of our acquisition by Tetra Tech.

In 2016 Coffey's international development business developed a centralised a fraud registry and management system to ensure consistency with DFAT's Fraud Control and Anti-Corruption Plan. This was then audited to ensure our fraud processes and policies were successfully implemented. We were acknowledged by DFAT as having compliant and effective fraud control measures.

Our international development project finance teams conducted fraud control and anti-corruption training for all of our new projects managed on behalf of the Australian Government, including in Cambodia, Indonesia, Vietnam, Laos, Papua New Guinea and Kiribati, training project employees in fraud control and anti-corruption.

Coffey's system of quarterly project 'health checks' bring together program staff and senior Coffey personnel to monitor and assess program performance against milestones, performance indicators and the scope of services. Over the past 12 months, triannual health checks have been conducted on 20 client projects. Each health check was informed by each project's individual annual finance and project quality audits.

