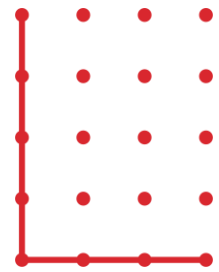


Landell

YOUR CONNECTION
TO BETTER OUTCOMES



LANDELL'S 2016 COMMUNICATION ON PROGRESS

Author Caroline Gordon, Principal and Gloria Prisciandaro, Procurement Consultant
Date 12/02/2017

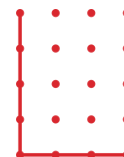


Landell

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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 2016 – January 2017					
Previous Reporting Date	13 February 2015					
Reporting cycle	Annual					
External Assurance	<input type="checkbox"/> Yes			<input checked="" type="checkbox"/> No		
Contact	Caroline Gordon					
Position Title	Principal, Government Policy and Social Procurement					
E-mail	info@landell.com.au					
Contact Number	+61 3 9600 0055					

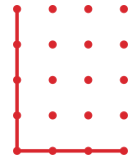
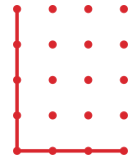


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OPEN LETTER OF SUPPORT FROM LANDELL'S MANAGING DIRECTOR

It gives me great pleasure to present Landell's *Communication on Progress* for 2017, which:

- represents Landell's commitment to the 10 principles of the Global Compact;
- reflects upon Landell's progress in implementing its 2016 Global Compact initiatives;
- provides Landell with the opportunity to outline its 2017 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 2016:

- Landell initiated the principle underpinning the operations of Landell's CSR Unit that 5% of Landell operations should be provided free of charge to not-for-profit (NFP) organisations.
- Landell has partnered with the Australian Association of Government School Administrators (AAGSA), to deliver *pro bono* presentations to school principals and business managers on good probity practices. Landell made available a suite of templates and guidance materials that can be used by schools to implement a best practice probity framework.
- Landell provided *pro bono* services to AQA Victoria Ltd (AQA), which is a not-for-profit member-based organisation and a leader in the provision of specialised support services, by enabling people with a physical disability to attain maximum independence while supporting those who support them.
- Landell is continuing to deliver the accredited Values of Government and Procurement (VGAP) courses to clients.
- Landell implemented its *Disability Action Plan 2015 – 2019* (DAB), which seeks to eliminate, as far as possible, discrimination in Landell's employment and operational policies.
- 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.
- Landell updated its own social procurement toolkit.

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 trading 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.

2.2.1 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
- Defence Infrastructure Panel – Department of Defence
- Air Services Australia – Probity Advisors and Auditors

2.2.2 Victorian

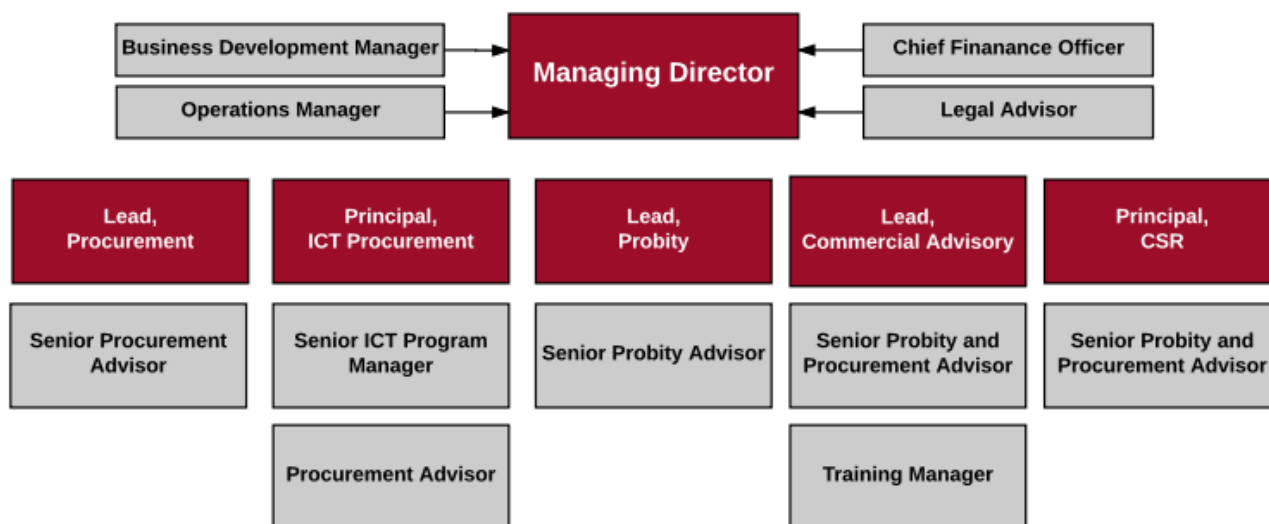
- Professional Advisory Services Panel (CAFAS – CA 1,2,3,4,6) – Department of Treasury and Finance
- eServices Register – Department of Treasury and Finance
- Probity Practitioner Services Panel – Department of Treasury and Finance
- Gateway Accredited Practitioners - Department of Treasury and Finance Gateway Initiative



2.3 Landell's Organisational Structure / Scale of the Organisation

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

Figure 1: Landell Organisational Chart



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.

2.4 Location of the Organisation's Headquarters

Landell is based in Melbourne, Victoria, Australia, and has an office in Canberra.

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 trading as Landell, is a private company.

2.7 Markets Served by the Organisation

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

Landell has an office in Canberra and has undertaken work in Canberra, Sydney, Brisbane and Darwin, as well as in many Local Government Regions (LGAs) in Victoria.

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 2016 CSR INITIATIVES

3.1 *Pro Bono* Commitment to Not-for-Profit Organisations

The principle underpinning Landell's CSR Unit is to ensure that 5% of Landell operations are provided free of charge to not-for-profit (NFP) organisations. In some instances, where the NFP is seeking to purchase services, Landell often heavily discounts its rates to ensure that the NFP can engage Landell.

In 2016, Landell provided *pro bono* and heavily discounted services to NFPs in the following areas:

- child protection;
- family violence; and
- adoption.

3.2 *Pro Bono* Work for the Australian Association of Government School Administrators (AAGSA)

Landell's Managing Director, Lexton Gebert, presented to school principals and business managers on good probity practices.

Landell has partnered with the Australian Association of Government School Administrators (AAGSA) to deliver *pro bono* presentations to the following audiences so far this year:

- the National AAGSA Conference, Sydney
- the ABMVSS (the Victoria Association of AAGSA) State Conference, Melbourne
- the Moyne and Glenelg Networks Professional Development day, Warrnambool; and
- the TSAA (the Tasmanian Association of AAGSA) State Conference, Hobart, September 2016

Landell is committed to the principle of good governance and practices around the expenditure of Government money and school fees is fundamental to maintaining sound school community values, and ultimately it positively influences our children's attitudes to ethics and integrity.

3.3 *Pro Bono* Work for AQA Victoria

Landell provided *pro bono* procurement services to AQA Victoria Ltd (AQA), which is a not-for-profit member-based organisation and a leader in the provision of specialised support services, by enabling people with a physical disability to attain maximum independence while supporting those who support them.

3.4 Values of Government and Procurement (VGAP)

Landell, as a registered training organisation (RTO), provides a training course in the "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.



3.5 Continued Development of Social Procurement Toolkit

In 2016, Landell:

- provided *pro bono* social procurement advice to several NFP entities; and
- updated its toolkit *Social Procurement Toolkit for the Public Sector*.

The toolkit includes useful templates, case studies and guides to implementing social procurement policies and initiatives in business organisations.

3.6 Update of Landell's Commitment to Environment Policy

As a member of the United Nations' Global Compact, Landell supports a robust approach to environmental challenges and endeavours to reduce our own operational environmental impact.

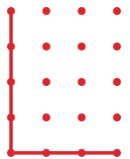
In July 2016, Landell reviewed and updated its Environmental Policy, with clearer and boarder targets to increase energy and water efficiency, and seek opportunities for reducing and recycling waste, as tabled below.

Landell's environmental management system involves the organisational structure, planning and resources for developing, implementing and maintaining Landell's policies on waste and resource management.

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.

3.7 Landell's Disability Action Plan

In 2015, Landell implemented its *Disability Action Plan 2015 – 2019* (DAB), which seeks to eliminate, as far as possible, discrimination in Landell's employment and operational policies. Landell's DAB also aims to make Landell a more accessible and inclusive organisation for its clients, employees and consultants with a disability.

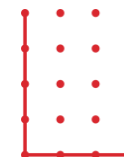


4 LANDELL'S REVIEW OF 2016 INITIATIVES

4.1 Key Performance Indicator Measurement Code

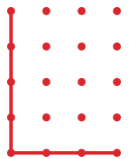
Below is the code key for performance assessment.

Target Exceeded
<ul style="list-style-type: none"> New or innovative initiative
Target Achieved
<ul style="list-style-type: none"> 2015 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.

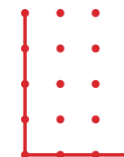


4.2 Landell's Review of its 2016 CSR Initiatives

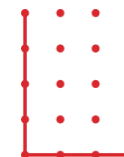
LABOUR			
Initiative	Performance Indicator Measurement	Performance Results in 2016	Performance Results in 2015
Human Resources (incl. Equitable Employment Policies)	<ul style="list-style-type: none"> Total training hours per employee per annum 40 hours 	Training <ul style="list-style-type: none"> Employees have been offered training hours in relevant areas, including training for maintaining a legal practising certificate. Landell operates a graduate mentoring program. 	Training <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.
	<ul style="list-style-type: none"> Gender profile: <ul style="list-style-type: none"> Employee/sub-contractor gender profile 86% male / 14% female Managerial gender profile 65% male / 35% female 	Gender Profile of Landell <ul style="list-style-type: none"> Managerial: 80% male (4) / 20% female (1) Employee/sub-contractors: 78% male / 22% female 	Gender Profile of Landell <ul style="list-style-type: none"> Managerial: 50% male (2) / 50% female (2) Employee/sub-contractors: 60% male / 40% female
	<ul style="list-style-type: none"> Incidents: <ul style="list-style-type: none"> 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 	Incidents <ul style="list-style-type: none"> Total number of incidents of discrimination and actions taken against Landell in 2016: 0 Total number of incidents of violations involving rights of indigenous people and actions taken in 2016: 0 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data in 2016: 0 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts in 2016: 0 	Incidents <ul style="list-style-type: none"> Total number of incidents of discrimination and actions taken against Landell in 2015: 0 Total number of incidents of violations involving rights of indigenous people and actions taken in 2015: 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



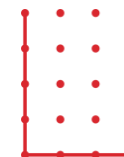
LABOUR			
Initiative	Performance Indicator Measurement	Performance Results in 2016	Performance Results in 2015
	<ul style="list-style-type: none"> Compliance with ISO accreditation (ISO 9001) 	<u>Resources</u> Landell has secured ISO accreditation (ISO 9001) for Quality Management Systems (QMS), which involves the development of efficient operational systems	<u>Resources</u> Landell has been working towards securing ISO accreditation (ISO 9001) for Quality Management Systems (QMS), which involves the development of efficient operational systems
	<ul style="list-style-type: none"> Employment Conditions <ul style="list-style-type: none"> 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% 	<u>Employment Conditions</u> <ul style="list-style-type: none"> 2016 Landell staff turnover: 10% Full-time employees who received the following benefits sick leave; recreation leave; career's leave, bereavement leave and study leave: 100% 	<u>Employment Conditions</u> <ul style="list-style-type: none"> 2014 Landell staff turnover: 20% Full-time employees who received the following benefits sick leave; recreation leave; career's leave, bereavement leave and study leave: 100%
	Code breaches investigated & remediated: 0	Code breaches 0	Code breaches 0



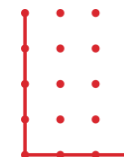
HUMAN RIGHTS			
Initiative	Performance Indicator Measurement	Performance Results in 2016	Performance Measurement Results in 2015
Commitment to Human Rights	Implementation of Landell's <i>Disability Action Plan 2015 – 2019</i> (DAB) Increased individual and corporate awareness of human rights measures by Landell staff members	<ul style="list-style-type: none"> Landell implemented its <i>Disability Action Plan 2015 – 2019</i> (DAB) 	<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 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 2016	Performance Measurement Results in 2015
Reduction of Landell's Environmental Footprint	<ul style="list-style-type: none"> • 5% reduction in CO₂ emissions from 2016; • 5% reduction in electricity use from 2016; • 5% reduction in water use from 2016; • 5% reduction in paper use from 2016; • Staff working (at least part-time) from home 90%; and • 10% Use of Gmail, Google+ and Go-To-Meeting (to preclude unnecessary travel by employees) increase from 2016 	<ul style="list-style-type: none"> • % reduction in paper use: 7% from 2015 • % reduction in electricity use: 5% from 2015 • % reduction in water use: 8% from 2015 • 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 2015 	<ul style="list-style-type: none"> • % reduction in paper use: 7% from 2014 • % reduction in electricity use: 5% from 2014 • % reduction in water use: 8% from 2014 • 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 2014



ANTI-CORRUPTION			
Initiative	Performance Indicator Measurement	Performance Measurement Results in 2016	Performance Measurement Results in 2015
“Values of Government and Procurement” (VGAP)	Delivery of VGAP courses	<ul style="list-style-type: none"> Landell has continued to deliver VGAP courses to clients in partnership with the Institute of Public Administration Australia (IPAA). 	<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).
Landell’s Anti-Corruption Initiatives	Increased individual and corporate awareness of anti-corruptions measures by Landell staff members	<ul style="list-style-type: none"> Landell’s Managing Director was a prominent witness at hearings of the Victorian Government’s Independent Broad-Based Anti-corruption Commission (IBAC), identifying failings in a Government procurement project in which the Managing Director had advocated the highest ethical standard (http://www.theage.com.au/victoria/ultranet-contract-closest-thing-to-corrupt-in-20-years-of-government-20160222-gn0khl.html) 	<ul style="list-style-type: none"> When Huguette Labelle, Chair of Transparency International, Co-chair of the World Economic Forum in Davos in 2014 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.



CORPORATE SOCIAL RESPONSIBILITY

Initiative	Performance Indicator Measurement	Performance Measurement Results in 2016	Performance Measurement Results in 2014
Pro Bono Initiative	Implementation of a <i>pro bono</i> CSR initiative	<ul style="list-style-type: none"> Landell has partnered with the Australian Association of Government School Administrators (AAGSA), to deliver <i>pro bono</i> presentations to school principals and business managers on good probity practices. Landell has made available a suite of templates and guidance materials that can be used by schools to implement a best practice probity framework. The principle underpinning Landell's CSR Unit is to ensure that 5% of Landell operations are provided free of charge to not-for-profit (NFP) organisations. In some instances, where the NFP is seeking to purchase services, Landell heavily discounts its rates to ensure that the NFP can engage Landell. In 2016, Landell provided <i>pro bono</i> services to NFPs in the following areas: <ul style="list-style-type: none"> child protection; family violence; and adoption 	<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.
Toolkits	Implementation of a social procurement initiative	<ul style="list-style-type: none"> Landell provided <i>pro bono</i> social procurement advice to several NFP entities Landell updated its social procurement toolkit 	<ul style="list-style-type: none"> Landell has updated the social procurement toolkits designed for the Public Sector and Victorian Councils.



5 LANDELL'S 2017 CSR INITIATIVES

Landell's 2017 CSR initiatives include, but are not limited to:

- the provision of social procurement advice to government agencies, including Primary Health Networks;
- the expansion of Landell's current *pro bono* initiatives for NFPs to all Landell staff members;
- the provision for all staff to undertake fully paid *pro bono* work annually;
- VGAP training to government officers;
- the implementation of Landell's commitment to environmental and social sustainability initiatives within the organisation and with its clients; and
- *pro bono* probity work for the Geelong Performing Arts Centre.

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.

Landell will also include an article on the Global Compact in its first newsletter to clients in 2017.