



Communication on Progress

Submission to the United Nations Global Compact

January 2019

www.cardno.com/internationaldevelopment

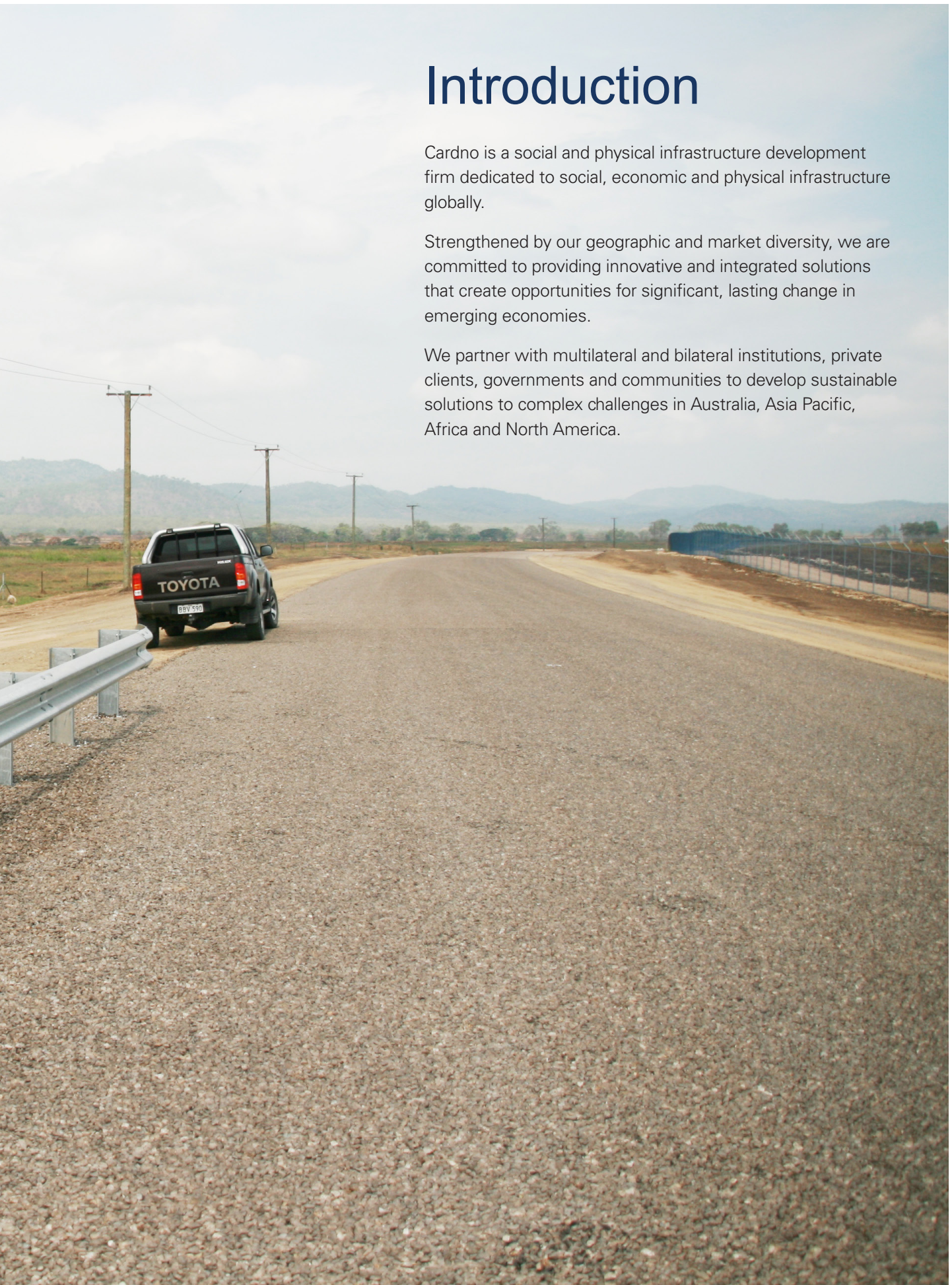


Introduction

Cardno is a social and physical infrastructure development firm dedicated to social, economic and physical infrastructure globally.

Strengthened by our geographic and market diversity, we are committed to providing innovative and integrated solutions that create opportunities for significant, lasting change in emerging economies.

We partner with multilateral and bilateral institutions, private clients, governments and communities to develop sustainable solutions to complex challenges in Australia, Asia Pacific, Africa and North America.







Statement from the President

At Cardno we are committed to making a difference for the people we work with and the communities we operate in.

We have been delivering practical, innovative and sustainable solutions in international development for 50 years. Our success hinges on our ability to create commercial and social value for all our stakeholders while being cognizant of the complex interplay of social, environmental, economic and political factors in the world today.

We are dedicated to delivering high quality international development services to a diverse client base across the globe. We are striving towards meaningful designs and responsible implementation, while taking a holistic approach to problem solving.

Our association with the United Nations Global Compact is driven by this agenda. Alignment with the United Nations Global Compact ten principles is core to the success of our business, often demanded by our clients, and an important operational risk management strategy. I am therefore pleased to reaffirm our commitment to the United Nations Global Compact and the Ten Principles.

We are delighted to present our first annual Communication on Progress. Our report provides a summary of the actions we undertake to improve the integration of the ten principles into our daily operations and business strategy. We have made measurable progress towards this goal over the past year, and we look forward to strengthening our alignment against the ten principles in the years to come.

With best wishes,

Marian Boreland
President, Cardno International Development

Human Rights Principles

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 & goals

At Cardno we are committed to respecting and protecting the human rights of stakeholders and communities we live and work in. We recognise the complex nature of the environments we operate in and are cognizant of the heightened operational risk faced by our business as a result of human rights violations. We have aligned our policies, procedures, values and culture with internationally recognised proclamations and frameworks on human rights.

Implementation

Our commitment to human rights is embedded in a number of policies and procedures, which are reviewed and updated on a regular basis to ensure accuracy and relevancy. All Cardno personnel must commit and adhere to these policies and procedures, which are listed below:

Child protection policy and procedure: reflects a zero tolerance approach to all forms of child exploitation and abuse including those that constitute human rights abuses. All personnel including employees, contractors, subcontractors and suppliers are required to have awareness of child protection matters and commit to our Child Protection Policy and Procedure, which also deals with how to report incidents if they occur.

Child Protection Risk Assessment: all projects must undergo Child Protection Risk Assessments, which are documented and submitted for retention.

Corporate Responsibility Policy: this Policy reflects our commitment to behave transparently and ethically, contributing to equitable, sustainable development within our workforce and the communities in which we live and work.

The Cardno Way: The Cardno Way is our Code of Conduct Policy which details our commitment to our four core values of Safety, Integrity, People and Excellence.

Inclusion and Diversity Policy: this Policy details Cardno's ongoing commitment to celebrate diversity and it ensures our workplaces promote respect, fairness and equity for all.

Due Diligence Checklist for Partner Organisations: all subcontractors and suppliers must complete a due diligence checklist to ensure they conform to all of Cardno's policies and procedures.

Measurement of outcomes

As part of continuous improvement focus, we have reviewed and updated our Child Protection Policy and Procedure. Additionally, we have updated our Corporate Social Responsibility Policy, it specifically addresses our commitment to upholding human rights and not remaining complicit in human rights abuses. This will be implemented in 2019.

We have also developed and rolled out a Due Diligence Checklist for our partner organisations. Suppliers and contractors must tick off all items on the checklist before we will engage their services.

Cardno has been working in the anti-trafficking and modern slavery space for over 15 years. We currently manage the ASEAN—Australia Counter Trafficking program, which supports the improvement of criminal justice sector responses to human trafficking in the ASEAN region.

During the previous reporting period, we developed a comprehensive Modern Slavery Policy. It will be implemented in 2019, and we will determine how it needs to be actualised in our business, and we're committed to providing training in this area for our staff.

Next steps

Our commitment to upholding human rights is ongoing. In 2019 or 2020, we will seek to further integrate human rights considerations in our business strategy and daily operations. The currently planned actions include implementing the aforementioned Modern Slavery policy, developing a statement on human rights, and undertaking an internal review of modern slavery practices.



Labour Principles

Principle 3: Business should uphold the freedom of association and the 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 & goals

Cardno recognises the integral role of our employees and understands the value their diversity brings to our business. We firmly believe that all employees have the right to a fair, inclusive and safe working environment. Cardno supports that employees maintain the right to freedom of association and collective bargaining.

We strive to ensure that everyone associated with Cardno's business and daily operations are free from all forms of compulsory and forced labour. Furthermore, we take the utmost care and precautions in safeguarding against the use of child labour.

Additionally, we have a Zero Harm goal incorporated in to our Health Safety and Environment (HSE) Policy and Framework. We value safety above economic considerations at all times and commit to Zero Harm on every job, every day for our people, clients and communities.

Our labour policies and procedures are aligned with internationally recognised standards of labour laws. Additionally, Cardno abides by all labour legislations in the jurisdictions we operate in.

Implementation

All employees, contractors, subcontractors and suppliers must read and acknowledge Cardno's policies and procedures including those setting out our standards across the labour principles. Additional training is provided for those particularly sensitive areas such as child protection. Training is designed to equip personnel with the knowledge and mechanisms to recognise and report incidences of child labour if they occur.

Diversity and inclusion in the workplace is actively promoted and celebrated. Regular events are held for staff members to promote social cohesion and inclusion in the workplace. Cardno actively promotes equal employment opportunity throughout every stage of the employment relationship. We do not discriminate and ensure all employees are treated fairly and equitably.

Cardno has 130 corporate offices around the globe, and every effort is made to hire local staff and support them in their training and development.

Below are some of the key policies and procedures that we implement relevant to the Labour Principles.

Workplace Behaviours Policy: Cardno is committed to providing a working environment that is safe and free from inappropriate and negative behaviours such as discrimination, workplace harassment, workplace bullying, sexual harassment, vilification, workplace violence and any other form of victimisation. This policy provides guidance on recognising these types of behaviours and reporting them if they occur.

Global HSE Framework: outlines our structured HSE program which is implemented throughout all facets of the business to ensure we achieve our goal of Zero Harm on every job, every day.

Employee Assistance Program: with the goal of assisting the resolution of personal and work related problems, Cardno offers a confidential and voluntary counselling service to our employees and their immediate family members.

Global Privacy & Record Retention Policy for Employees: Cardno is committed to safeguarding the privacy of personal information we gather concerning our prospective, current and former employees for management, human resources and payroll purposes. This policy applies to any worker engaged to perform work or services on behalf of Cardno.

Child Protection Policy and Procedure: outlines Cardno's commitment to preventing all forms of child abuse and exploitation including those related to child labour. The procedure also provides a mechanism for reporting violations of this policy where they occur.

Inclusion and Diversity: this policy details Cardno's ongoing commitment to celebrate diversity and

ensure our workplaces promote respect, fairness and equity for all.

Purchased Leave Policy: Cardno acknowledges the value of flexible working arrangements to enable employees to strike a balance between work responsibilities and personal commitments. This policy provides guidance for staff to purchase leave in addition to their legislative leave requirements.

Domestic & Family Violence Leave Policy: this policy recognises that domestic violence is a widespread issue that does not discriminate in who it can affect. In addition to the support services provided through our Employee Assistance Program (EAP), this Policy enables staff affected by domestic violence to access additional leave if necessary.

Parental Leave Policy: This policy outlines the entitlements to parental leave for eligible Cardno employees, as well as the requirements for notification and application for parental leave.

Grievance Policy and Procedure: Cardno actively strives to provide a workplace that is free from negative behaviours such as discrimination, harassment, bullying and other inappropriate behaviour which creates discomfort to employees, contractors or any person who associates with our organisation. This policy and procedure provides a process for employees to follow for employment related grievances.

Women in Cardno: Cardno aspires to be a global leader in terms of how women are engaged in the workforce. As such, Cardno created an ambitious program that provides opportunities for women across the business to advance and grow their careers in a supportive environment.

Measurement of outcomes

In line with our commitment to achieving 'Zero Harm' by continually improving our health, safety and environmental performance, over the last reporting period we upgraded our incident reporting and management system (SHIELD). This new reporting mechanism is a more comprehensive system that will be utilised to manage all types of incidents, including environmental, security, property damage, vehicle, near misses, hazards and also injury and illness; greatly improving efficiency.

Lastly, we are committed to the engagement of Indigenous Australians in our line of business. To that end, we actively work with Aboriginal owned and managed businesses in our international development supply chain.

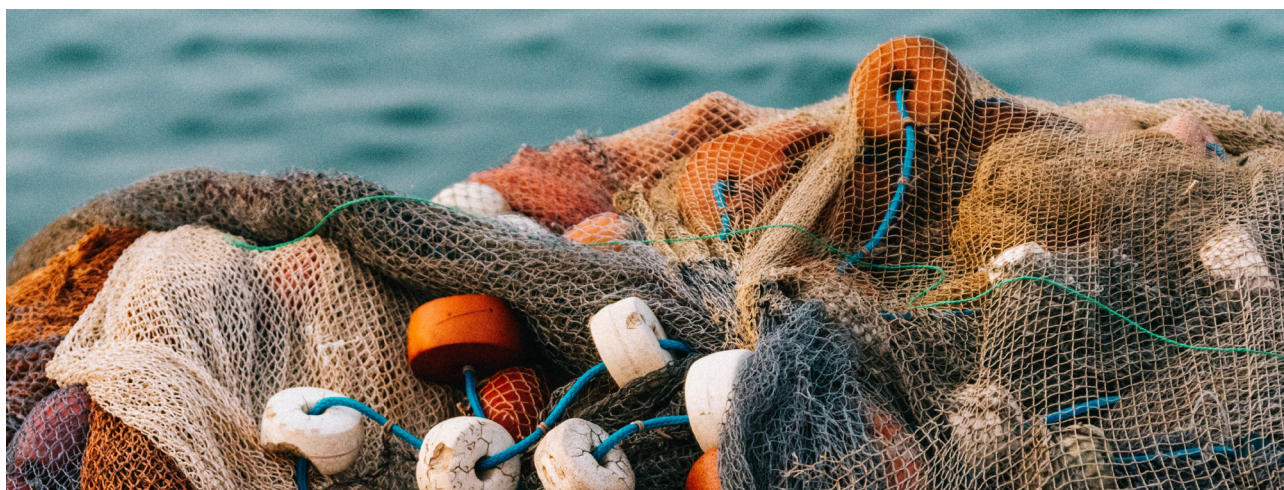
Next steps

Moving forward, we will continue to address the issues of modern slavery and child protection.

and work towards bolstering our implementation efforts in these areas. Further to this, a Gender Pay Gap Review for the organisation was commissioned with the initial results distributed internally to all Cardno employees in December 2018. It will be followed up with the development of a Gender Pay Gap Action Plan and a more detailed analysis.

Our CEO also became a member of Consult Australia's Male Champion of Change (CAMCC) network in December 2018. The network works collaboratively to increase the representation and influence of women within their firms and across the built environment.

This is all part of Cardno's continuing efforts to create a more equitable workplace for everyone at Cardno.



Environment Principles

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 & goals

At Cardno we value environmental sustainability and have embedded it across all of our operations. We are continuously striving to lessen our environmental footprint by finding new ways to protect, conserve and enhance our physical, social, economic and cultural environment, while also responsibly managing the resources and ecosystems that future generations depend on.

Our clients, including the Department of Foreign Affairs and Trade, mandate the implementation social and environmental safeguards in our program delivery practices. As such, Cardno is committed to maintaining high standards to meet our client's requirements as well as our own.

Over the next year we will continue to look for ways to integrate further environmental and sustainable solutions into our business and daily operations.

Implementation

We are committed to avoiding, reducing, re-using and recycling goods to minimise the waste we produce. We implement in-office recycling initiatives and energy efficient office spaces, and reduce and control environmental hazards to limit negative impacts on our local communities.

We work closely with our clients and advocate for responsible management of environmental impacts throughout a project's lifecycle. We support them to identify risks to the natural environment, develop plans to protect onsite resources, and undertake restoration activities.

Recognising that climate change is one of the greatest challenges facing our generation, we are serious about our role in monitoring and reducing contributions to global warming. Our International Development Physical Infrastructure group provides world-class support to clients looking



for comprehensive approaches to mitigating and managing climate risks.

Our policies and procedures reflecting our commitment to environmental sustainability are listed below:

Corporate Responsibility: we are committed to applying the principles of sustainable environmental management in the work we do and in the way we operate our business.

Global Health, Safety and Environment (HSE) Framework: Cardno is committed to protection of the environment and full compliance with applicable environmental laws and regulations. Our HSE Framework provides details on ensuring compliance with the laws of the jurisdictions in which we operate.

Measurement of outcomes

Awareness raising and implementation of in-office recycling initiatives have also resulted in staff becoming more conscious of the importance of recycling and waste minimisation, and segregation of waste. We continue to be engaged by a diverse client base for projects sensitive to environmental impacts, reflecting Cardno's reputation for rigorous compliance with the environmental safeguards mandated by our clients.

Anti-Corruption Principles

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

Assessment policy & goals

Cardno's commitment to anti-corruption is core to our business and mandated by our clients. As such, we continue to maintain a stringent zero tolerance approach to all forms of corruption including extortion and bribery. We are committed to conducting our operations ethically, with integrity and in compliance with the legislation of the country which we operate in.

Implementation

We are focused on awareness raising and training to ensure that Cardno staff, contractors, subcontractors and suppliers are equipped with the knowledge and tools to recognise corruption in all forms if it occurs and processes to report them using the appropriate channels.

All Cardno personnel are required to undertake mandatory online fraud and anti-bribery training on a yearly basis. Training programs are updated regularly to ensure ongoing relevance.

We have several reporting mechanisms in place that personnel can utilise. One of these is the Whistle-blower Hotline, through which reports can be made anonymously. This process is guided by our Whistle-blower Policy.

We have several policies and procedures in place to ensure compliance with our zero tolerance approach to all forms of corruptions. These are listed and summarised below:

Whistle-blower Policy and Hotline:

staff, contractors, subcontractors and suppliers are all encouraged to report acts of fraud or corruption if they occur.

Fraud Policy: provides guidance and outlines the obligations of all Cardno staff, contractors,

subcontractors and suppliers relating to the prevention, detection, and reporting of fraud.

Anti-Corruption Policy: outlines Cardno's zero tolerance approach to all forms of corruption and provides guidance on recognising and reporting corruption when it occurs.

Global Anti-Bribery Policy: sets out Cardno's responsibilities and those of our staff, contractors, subcontractors and suppliers in observing and upholding Cardno's zero tolerance position on bribery and corruption.

Blocked Parties Screening Policy: this is Cardno's vetting Policy. The objective of this Policy is to provide guidance for the proactive screening of all potential recipients of funds to ensure Cardno actively manages and mitigates risk, and meets its contractual obligations with all donors, private and public sector clients and charitable foundations.

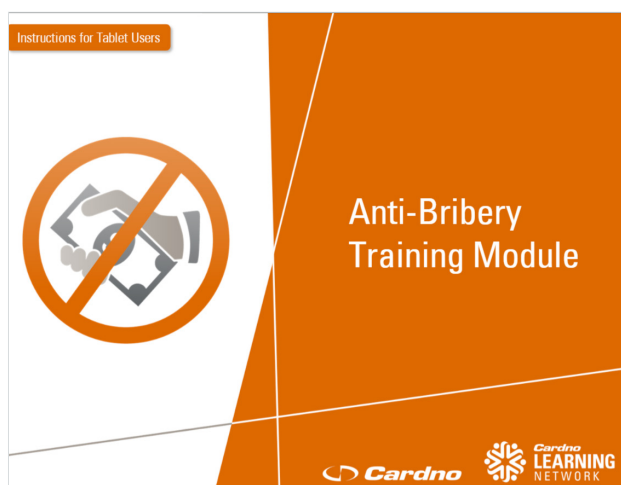
Due Diligence Checklist for Partner Organisations: all subcontractors and suppliers must complete a due diligence checklist to ensure they conform to all of Cardno's policies and procedures.

Measurement of Outcomes

Compliance with mandatory anti-corruption training is reported on a monthly basis to the board. It is our goal to consistently have 100 per cent compliance in this area. Over the past reporting period we have seen a steady improvement in the number of personnel completing the formal online training. In addition to compliance reports, Cardno also conducts regular internal and external audits in our financial and operational processes.

Results from these audits have indicated a high standard of commitment to anti-corruption.

In 2018, we also achieved ISO 9001 certification for our Quality Management System, reflecting our impeccable standards in compliance and risk management.



About Cardno

Cardno is an international firm dedicated to the social, economic and physical development of communities. We engage in international development as a holistic, multidisciplinary and integrated process.

Strengthened by our geographic and market diversity, we are committed to providing innovative and integrated solutions that create opportunities for significant, lasting change in emerging economies.

Partnering with multilateral and bilateral donors, private clients, governments and communities to develop sustainable solutions to complex challenges, we work with local counterparts to achieve meaningful impact.



6000 employees globally



130 offices worldwide



Projects in more than **100 countries**



50 years of project implementation experience working with private companies, multilateral organisations, international financing institutes and aid agencies



Ensuring compliance with international standards and best practices, including the IFC Performance Standards, International Council for Mining and Metals, UN Global Compact and the Equator Principles

Cardno's commitment to Zero Harm

Cardno's goal is to always conduct our business in a way that protects our people, clients, visitors and members of the public from harm. In an effort to move toward the ultimate objective of zero harm, we are committed to implementing safety systems and awareness throughout our operations globally.

Cardno
ZERO
HARM
EVERY JOB. EVERY DAY.

Australia • Belgium • Canada • Colombia • Ecuador • Germany • Indonesia •
Kenya • Myanmar • New Zealand • Nigeria • Papua New Guinea • Peru • Philippines • Singapore • Timor-Leste •
United Kingdom • United States •
Operations in over 100 countries