

## Media Release and ASX Announcement



11 May 2021

### CARDNO RELEASES 2020 SUSTAINABILITY REPORT

Global infrastructure, environmental and social development company Cardno has released its 2020 Sustainability Report.

Cardno has been actively engaged with Environmental Social and Governance (ESG) issues for decades and is pleased to share its 2020 Sustainability Report outlining its commitment to sustainable practices and how the company supports clients and communities to be more sustainable.

Global CEO Susan Reisbord commented on the importance of Cardno addressing its own sustainability goals.

"We value sustainability and are committed to embedding sustainable practices across our global business.

Our report documents our progress in 2020 toward this goal and describes our path forward. As individuals and as a collective group, we strive to ensure that we act in a socially responsible manner with regard to our employees, our clients and supply chains, while also having a positive impact in the communities and environments in which we live and work," she said.

Cardno helps clients achieve their sustainability goals by offering a broad range of services including comprehensive environmental support, human health risk assessment, human health equity, climate resilience services, asset management, modern day slavery eradication, and community enablement.

Cardno's strengths begin with its world-class team of scientists, engineers, public and environmental health specialists, and ESG policy experts.

View Cardno's 2020 Sustainability Report [here](#).

**Attachment:** Cardno 2020 Sustainability Report.

**This announcement has been authorised by Cardno's Company Secretary.**

**– ENDS –**

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**About Cardno:** Cardno is a global provider of integrated professional services which enrich the physical and social environment for the communities in which we live and work. Our team of multidisciplinary specialists around the world has over 75 years' experience in designing, developing and delivering sustainable projects and community advancement programs. Cardno is listed on the Australian Securities Exchange (ASX: CDD). [www.cardno.com](http://www.cardno.com).



# 2020 Cardno Sustainability Report

February 2021

**Making a difference.**





**Environmental, Social, Governance**

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## ACKNOWLEDGEMENT OF COUNTRY

*Cardno acknowledges the Traditional Owners of the land upon which we live and work and pay our respects to their Elders past, present, and emerging.*

"8 Angels" by Tyronne Hoerler



### 8 Angels

Tyronne Hoerler, an Indigenous artist, was commissioned to design the artwork for Cardno's 'Reflect' Reconciliation Action Plan. **8 Angels** represents family, they have given me everything and have always pointed me in the right direction. They always make me want to be the best person I can be and for them I'm going to try my best to be!

**About the artist:** My name is Tyronne Hoerler, I'm 21 years of age. I was born in Wagga Wagga NSW, Wiradjuri county. My tribe is Wongkumarrra. I started painting in year 9 and now have artwork all around the world. I have done some amazing projects with the Army, Police and the Air Force; and I'm now working on the largest Aboriginal art work in the world! You can see my art and follow my journey by connecting with me on Facebook.





## LETTER FROM SUSAN

I am pleased to present Cardno's first annual global corporate sustainability report.

At Cardno, we value sustainability and are committed to embedding sustainable practices across our global business. This report documents our progress in 2020 toward this goal and describes our path forward.

As individuals and as a collective group, we strive to ensure that we act in a socially responsible manner with regard to our employees, our clients and supply chains, while also having a positive impact in the communities and environments in which we live and work.

Our Global Sustainability Policy outlines our commitment and intent to promote environmental equity and minimize the environmental impact of our business. We have aligned our sustainability goals with the United Nations Sustainable Development Goals (UN SDGs), in order to collaboratively work towards the universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

Who we are as a company is reflected in what we do for our clients. Cardno helps our clients achieve their sustainability goals by offering a broad range of services including comprehensive environmental support, human health risk assessment, human health equity, climate resilience services, asset management, modern day slavery eradication, and community enablement. Cardno's strengths begin with our world-class team of scientists, engineers, public and environmental health specialists, and ESG (environmental, social and governance) policy experts.

Together, we provide responsible professional services that deliver greater long-term value to our clients, shareholders, employees, and the global community. We encourage innovation through creative thinking and practices that achieve sustainable outcomes, and we build and encourage a culture of environmental care among our staff through training and support. We provide access to our technical sustainability leaders to help clients turn strategies into meaningful actions that deliver sustainable projects and solutions.

As we look forward to 2021, we intend to:

- > [Make measurable progress on our ESG Benchmarks](#)
- > [Advance our efforts in alignment with the UN Global Compact furthering our commitment across multiple areas](#)
- > [Establish a focused ESG Client Services business line](#)

We live by our purpose of **Making a Difference**, and it's this purpose that underpins our pursuit to shape a better world for future generations.



*Susan Reisbord, CEO & Managing Director*



**Environmental, Social, Governance**



# 01

## INTRODUCTION



Cardno's inaugural global sustainability report lays the foundation for our progress on environmental, social, and governance issues in the years ahead.



## Cardno made substantial progress on its sustainability goals during 2020, and this report describes that progress in greater detail.

This progress would not be possible without leadership from Cardno's CEO, Susan Reisbord, and Cardno's Board of Directors, who early in 2020 established an ESG Committee, chaired by Rebecca Ranich and including CEO Susan Reisbord and Board Chair Michael Alscher. Together this leadership places a keen emphasis on integrating sustainability into Cardno's culture.

In addition to our corporate leadership, Cardno's progress on sustainability is directly attributable to the efforts of Cardno's Sustainability Task Force (Task Force), a diverse group of Cardno employees representing all regions of our firm and aspects of our business. This outstanding group of colleagues is committed to ensuring Cardno's sustainability efforts are not only words but also deeds. A table listing the Sustainability Task Force members is included in this report. In particular, Gwen Parker, Steven Bartell, Natalie Muir, Anna Sutton, Stefanie Ellis, Davis Demillo, Natalie Egnot, Kelley Sterle, Hiedi Pfeil, Jamey Hollingsworth, Seth Yoskowitz, and Bridey Kerwick deserve recognition for their exemplary contributions. Additionally, Cardno's marketing team provides stellar support to our sustainability efforts. We are grateful for the talent and advice of Jackie McPhee, Nancy Cline, Lou Ricca, Rachel Swindles, Michael Tyson, Dawn Wilson, and James Broom.

While this report is Cardno's first global sustainability report, Cardno has been actively engaged with ESG issues for decades. In 2020, we continued our progress by elevating our ESG profile to the highest levels of our company, in the process gaining enormous commitment across our firm. We have pulled various ESG components together into an integrated whole, taking advantage of Cardno's global footprint and expertise.

In this report we feature several "foundational" elements including, Cardno's newly-enacted Corporate Sustainability Policy as well as our Sustainability Benchmarks, aligned with the UN SDGs. We also review our ESG highlights from 2020, which in many cases build on work started years earlier. Future corporate reports will chart and describe Cardno's progress and process in implementing and pursuing our short-, medium- and long-term sustainability goals.

The events of 2020 were historic. From the effects of the global pandemic to extreme climate-related incidents to divisive social discourse to continuing racial injustice - each underscore the critical importance for all institutions, including corporations, to establish and abide by globally-defined and accepted environmental, social, and governance principles.

Cardno is committed to making a difference across our world for our clients, employees, and communities. The information provided in this report is evidence of that commitment.



Chris Kline - Global Senior Principal For Sustainability and ESG



2020 Cardno  
Sustainability Report

02

CARDNO  
SUSTAINABILITY  
HIGHLIGHTS FROM 2020



*Monica Downer conducting seagrass and benthic species survey, Florida*

Cardno's sustainability journey began in earnest in 2020 knitting together a number of important regional initiatives into a coherent, focused global effort.





# 2020

**JANUARY** - Cardno Leadership Team issues a comprehensive Coronavirus safety guidance to all staff and continues updating the team with information and guidance regularly throughout the year.

**Cardno**  
**ZERO**  
**HARM**  
EVERY JOB. EVERY DAY.



**FEBRUARY** - Cardno releases the 2020 Science & Environment Division Sustainability Report.

**FEBRUARY** - Cardno's International Development (ID) Region releases its 2020 United Nations Global Compact (UNGC) Communication on Progress describing commitments and progress towards the UNGC's 10 principles.



**MARCH** - Cardno Board of Directors establishes the Board ESG Committee chaired by Rebecca Ranich.

**APRIL** - Cardno's Americas Region implements a comprehensive Green House Gas (GHG) tracking protocol.



**APRIL** - "My Cardno Village" is introduced - a dedicated online global community which enables Cardno team members to stay connected and engaged.

**MAY** - Cardno develops initial company-wide Modern Slavery plan, leading with policy/procedure updates and company-wide Modern Slavery awareness raising.



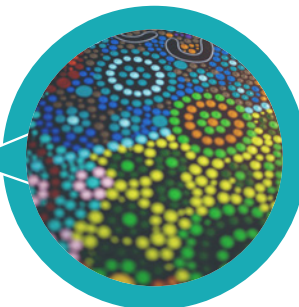
**JUNE** - The Sustainability Task Force expands to include members from all Cardno regions.

**JULY** - Cardno CEO Susan Reisbord establishes the ESG Client Services Work Group.



**AUGUST** - Cardno releases an updated global Human Rights Policy and integrates training for all staff.

**AUGUST** - In line with Cardno's Reconciliation Action Plan, Cultural Awareness Training is rolled out across Cardno's International Development and Asia Pacific Regions, and all staff globally are encouraged to commence meetings with an Acknowledgement of Country to recognize First Nations peoples.



**AUGUST - SEPTEMBER** - The Sustainability Task Force sponsors virtual internal "sustainability symposium" featuring various Cardno sustainability subject matter experts presenting on key ESG issues.

**SEPTEMBER** - The Cardno Marketing Team unveil new graphic and branded elements raise staff awareness and help unite our ESG initiatives.



**OCTOBER** - Cardno Americas Region achieves a TSP score of 89%, recognizing outstanding firm environmental standards and performance and placing us in the top tier of TSP respondents.

**OCTOBER** - The Environmental Champions team in our Asia Pacific Region identifies projects and goals for 4th quarter, including expanding participation across all APAC offices.



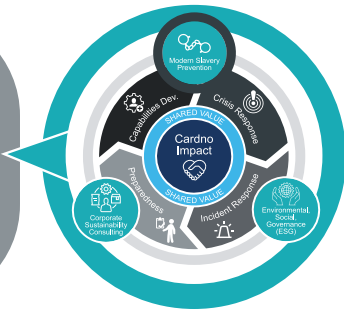
**OCTOBER** - Cardno completes a global staff materiality survey identifying key global ESG priorities.

**NOVEMBER** - Cardno establishes ESG benchmarks tied to the UN Sustainable Development Goals.



**DECEMBER** - Cardno expands the sustainability section of its website at [www.cardno.com](http://www.cardno.com) enabling clients and Cardno stakeholders to more fully understand Cardno's ESG commitment.

**DECEMBER** - Modern slavery language is integrated into all new Cardno contracts.



**DECEMBER** - Cardno's Melbourne office becomes the fourth Cardno office to achieve ISO 14001 Environmental Management Certification.

# 2021



# 03

## OVERVIEW OF CARDNO



Cardno's ESG goals align with our vision to be leaders in improving the physical and social environment for people around the world.



Cardno is a global provider of integrated professional services which enrich the physical and social environment. Publicly-listed and headquartered in Brisbane, Australia, we are more than 4,000 specialists, in over 100 offices, who deliver world-class, community-defining infrastructure, environmental, and social projects in more than 100 countries.

We are a strong multidisciplinary team with a deep knowledge, wealth of experience, and passion for enhancing the physical and social environments of the communities in which we live and work. Cardno maintains a presence in Australia, the United States, and the United Kingdom as well as in Belgium, Canada, Colombia, Ecuador, Germany, Indonesia, Kenya, New Zealand, Nigeria, Papua New Guinea, Peru, Philippines, Singapore, and Timor-Leste.

We are valued by our clients not just for our depth of experience and expertise, but also for our availability and responsiveness to their needs. This is why we are a highly-regarded and valued resource for federal, state, and local governments around the world. Since our founding in 1945, we have forged strong and lasting relationships with private clients in the construction, environment, transport, property development, water resources, telecommunications, waste, marine and coastal, agriculture, manufacturing, and mining sectors. We have also emerged as a leading provider of world's-best international development assistance programs, with a global reach and expertise in community development, economic growth, public financial management, infrastructure, institutional reform, capacity building education, health, and HIV/AIDS as well as reconstruction and rehabilitation.

## CARDNO VALUES AND SUSTAINABILITY

Cardno is committed to **'Making a Difference'**. Our vision is to be *Leaders in improving the physical and social environment for people around the world.*

Our corporate governance strategy, while demonstrating our commitment to providing the appropriate levels of disclosure and accountability, also helps us to foster sustainability.

Our four core values reflect our purpose, and our team viewed each of our core values through the lens of our sustainability approach.

### PEOPLE

Sustainability begins with people. When fully realized, a sustainable company is one in which all employees, clients, and stakeholders engage in a healthy, prosperous, and environmentally responsible world.

### SAFETY

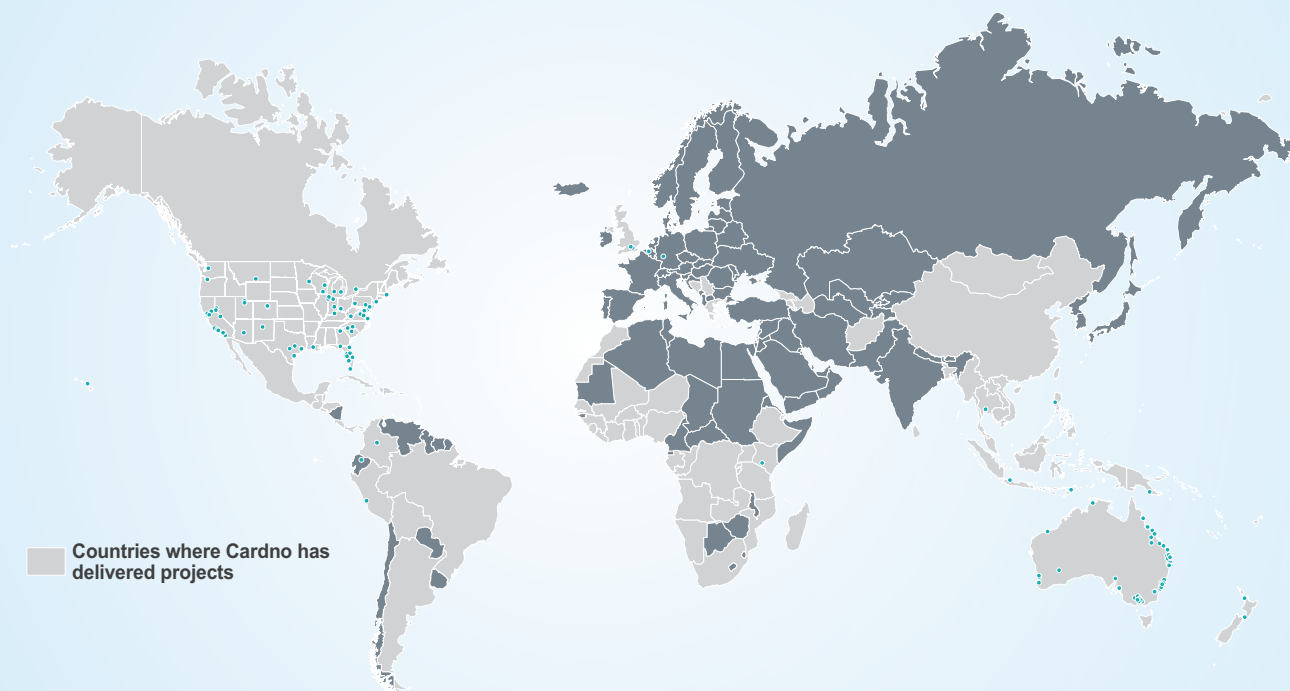
A foundational aspect of sustainability is ensuring the safety, health, and well-being of community members. By reinforcing the importance of sustainability, we demonstrate our commitment to creating a safe environment for our employees, contractors, clients, and communities.

### INTEGRITY

Increased internal and external transparency around our sustainability metrics and processes underscores our mission to know and do the right thing.

### EXCELLENCE

Our sustainability promise demonstrates that Cardno is forward thinking and seeks positive change. We will use industry-wide best practices. We strive to apply our industry-leading environmental, engineering, and social consulting expertise to our own practices. This commitment supports our goal of becoming an industry-leading sustainability practitioner. Cardno's long history of delivering excellent work for clients, particularly on environmental matters, in a safe, ethical, and economic way will serve us well as we continue our internal efforts to improve Cardno's sustainability footprint.



Cardno Office and Project Locations

USAID's Avansa Agrikultura Project



Working with farmers, buyers, and communities in Timor-Leste, buyers and communities, Cardno managed interventions to increase food production and agriculture income, improve nutrition, and empower women. Women of reproductive age began eating healthier food, with 99% including five or more nutritious food groups in their diets. At baseline, diets only included two groups, which did not provide women and their babies with enough micro-nutrients.



## REVIEW OF PERFORMANCE RESULTS

PERFORMANCE (\$'m) AUD	2020	Restated 2019
Gross Revenue	978.3	936.9
Fee Revenue	677.1	606.9
Underlying EBITDAI <sup>1</sup>	73.5	38.7
Underlying EBITDAI Pre AASB16 impact <sup>2</sup>	43.0	38.7
Underlying NOPAT <sup>3</sup>	9.4	16.3
Loss before tax from continuing operations	(49.6)	(30.0)
Profit before tax from discontinued operations	120.7	0.4
Net loss after tax from continuing operations	(67.1)	(40.6)
Net profit/(loss) after tax from discontinued operations	123.7	(3.8)
Net profit/(loss) after tax	56.6	(44.5)
Operating Cash Flow (Pre AASB 16 impact)	43.5	40.8
EPS from continuing operations – basic (cents)	(15.07)	(8.93)
EPS - basic (cents)	12.71	(9.78)
NOPAT EPS - basic (cents)	2.10	3.57

<sup>1</sup> Underlying EBITDAI = EBIT plus underlying adjustments, depreciation, amortisation and impairment losses

<sup>2</sup> Underlying EBITDAI = EBIT plus underlying adjustments, depreciation, amortisation and impairment losses pre AASB16 impact

<sup>3</sup> Underlying NOPAT = NPAT plus underlying adjustments and impairment losses

EBITDAI and EBIT are unaudited. However, they are based on amounts extracted from the audited financial statements as reported in the consolidated statement of financial performance on page 32. These metrics provide a measure of Cardno's performance before the impact of non-cash expense items, such as depreciation and amortisation and impairment losses, as well as interest costs associated with Cardno's external debt facility and lease arrangements.

NOPAT is unaudited. However, it is based on amounts extracted from the audited financial statements. This metric provides a measure of Cardno's operating performance before the impact of underlying adjustments such as impairment losses of goodwill and acquisition related costs.

Cardno has reported a net profit after tax (NPAT) of \$56.6 million for the year ended 30 June 2020. The result from continuing operations is a net loss after tax of \$67.1 million, which includes an impairment loss of \$69.6 million recorded against the goodwill of the Asia Pacific business during the first half. The result from discontinued operations is an NPAT of \$123.7 million, which includes a demerger gain of \$119.1 million.

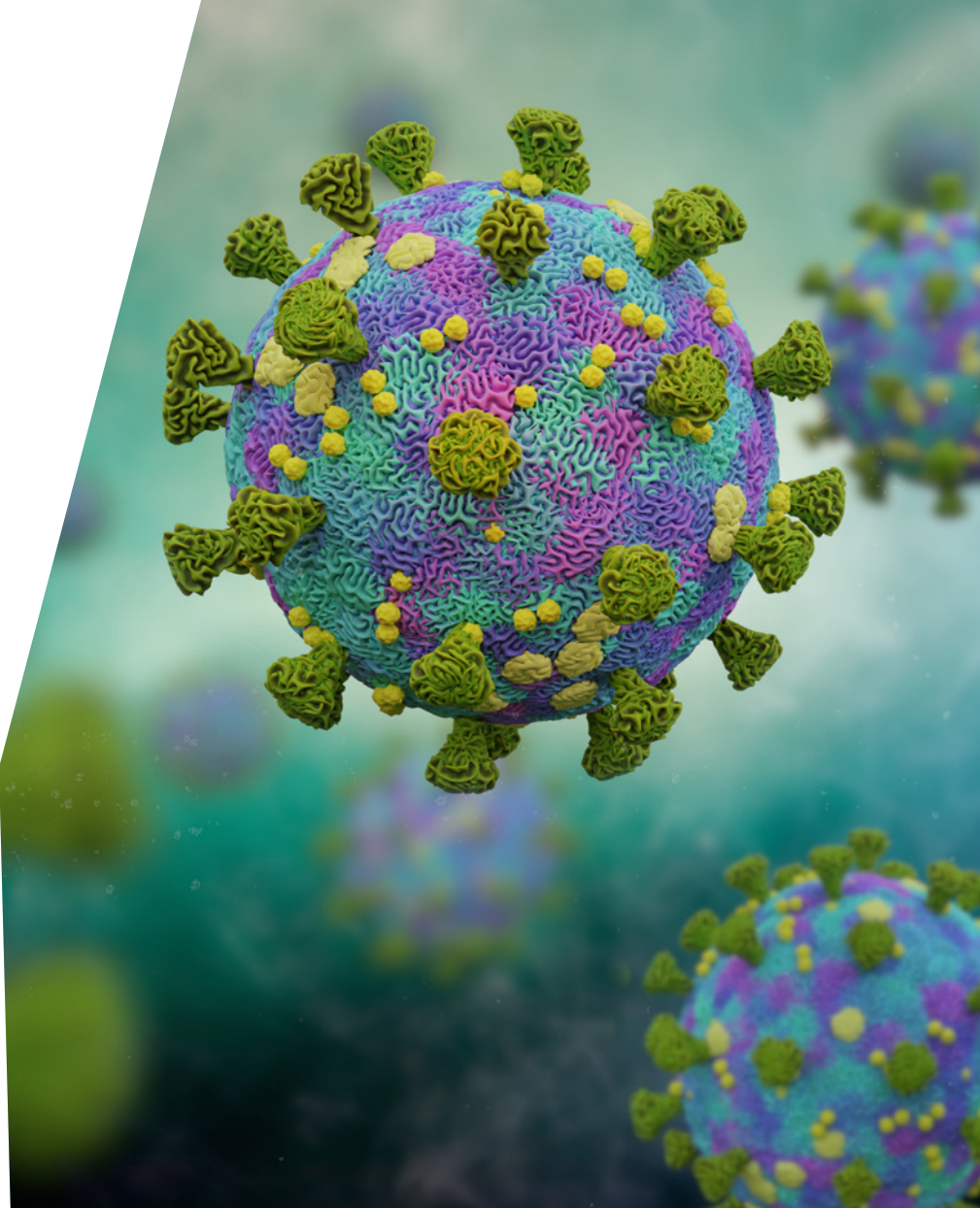
On 31 October 2019, the Company implemented the demerger of its Quality, Testing and Measurement (QTM) businesses into a separate ASX listed entity named Intega Group Limited. The results presented in these financial statements include the results of the divested Intega Group entities for the period 1 July 2019 to 31 October 2019 and are presented as discontinued operations. Comparative information has also been restated to present the prior year results of the divested entities as discontinued operations.

On 31 May 2020, the Company sold the assets of its Structures business in the Americas segment. The results of the Structures business to 31 May 2020 are also presented as discontinued operations and comparative information has been restated to present this disposed business as discontinued operations.

This is the first set of the Group's annual financial statements in which AASB 16 Leases has been applied. Under the transition method chosen, comparative information has not been restated, therefore the 30 June 2020 financial statements are not comparable to prior years.

# 04

## COVID-19, SUSTAINABILITY, AND HEALTH EQUITY



The COVID-19 pandemic challenged all of us and revealed fundamental inequities in global health care. The pandemic also revealed the underlying strengths of Cardno's team, both in the way we have been able to provide meaningful technical support to our clients and also in the way the Cardno team has successfully adapted to the "new normal" of conducting business during a pandemic.





## COVID-19's GLOBAL IMPACT

The COVID-19 pandemic has forced businesses to acknowledge and understand the influences they have on the health and well-being of employees, clients, and the communities in which they operate and serve. It has exacerbated pervasive health disparities, as well as compounded the impacts of fragility, conflict, and violence in certain geographies, accelerating economic downturn, increasing under- and unemployment, and pushing an estimated additional 88 million people into extreme poverty<sup>1</sup>. The impacts have been felt disproportionately by women, children, and vulnerable populations, and in low and middle-income countries, progress resulting from decades of development aid investment in health, education, and economic growth has been eroded.

In this period of unprecedented uncertainty and instability, meeting our fundamental responsibilities relating to sustainability has never been more critical. Cardno has used this time to accelerate and increase our investment in our global sustainability efforts, and to critically evaluate our approach to sustainability to ensure we are adequately addressing present and emerging threats to health equity.

## CARDNO'S COVID-19 RESPONSE & MANAGEMENT

Employee health and safety is a core value and top priority at Cardno. At the start of the COVID-19 pandemic, we immediately convened a COVID-19 Response and Management Team consisting of members of our leadership, health and safety, and human resources teams, as well as technical staff with expertise in epidemiology, infection prevention, and exposure science in order to best protect the health and well-being of our staff.

This rapid response allowed for the swift relocation of more than 400 advisers from our International Development team and their dependents in under 72 hours while simultaneously initiating robust protocols to support our local staff remaining in-country.

Additionally, while many staff members in our APAC and Americas regions transitioned to remote work, our team developed field guides, a digital health assessment tool, and science-based protocols to reduce COVID-19 related risks for staff conducting essential work in the field. Throughout the pandemic, our team has continued to closely monitor employee health and well-being, evaluate the effectiveness of our health and safety protocols, and adapt our response in light of emerging scientific information.

*Justine Parker, Senior Managing Health Scientist on a project providing COVID-19 Support for Television, Film, and Media*



## LEVERAGING OUR EXPERTISE TO SERVE OTHERS

Working hand-in-hand with our clients and partners, our programs and client engagements have also pivoted to support others impacted by the pandemic. Multidisciplinary teams of scientists from our Cardno ChemRisk division including infection preventionists, emergency response and safety professionals, and industrial hygienists helped clients in critical industries such as energy, food and beverage, manufacturing, and news/television media to better navigate the uncertainty surrounding the COVID-19 pandemic. Specifically, our scientists developed comprehensive risk communication and risk management frameworks, strategically advised business continuity planning efforts, and systematically evaluated programs and protocols aimed at reducing COVID-19-related risks, ultimately helping our clients better protect their employees and the communities in which they operate while promoting business resilience.

In the international development assistance space, our International Development team have pivoted to respond to the reality of working in complex environments where the impacts of COVID-19 are being compounded and felt more acutely by marginalized groups. In many instances Cardno advisers engaged in health-related activities were asked and agreed to remain in-country to support those countries' COVID response efforts. Working hand in hand with host governments, clients, and partners, our programs have adopted innovative approaches to support those most in need. Examples include expanding efforts to ensure a continuous supply of fresh produce for local communities in Timor Leste; working with government officials in Indonesia to develop construction sector COVID-19-safe work practices; taking actions to combat increases in family and sexual violence in Papua New Guinea; and supporting health officials in Vanuatu to implement a national preparedness plan and rapidly mobilize epidemiologists.

## INVESTING IN SUSTAINABILITY

We consider the advancement of health equity to be an integral component of our work to promote sustainability and the health and well-being of all people. We have used this time to invest in our global sustainability efforts through executive-level sponsorship from Cardno's CEO, Board and newly established Board-level ESG Committee. In 2021, Cardno will continue to move towards the goal of becoming a United Nations Global Compact signatory - yet another opportunity to consolidate and accelerate our sustainability efforts.

Despite the complex and uncertain trajectory of the COVID-19 pandemic, we plan to build on our momentum and achievements in 2021, focused on operating sustainably, responsibly, and in a way that produces positive impacts for our stakeholders.

[1] Source: 2020 Year in Review: The impact of COVID-19 in 12 charts, <https://blogs.worldbank.org/voices/2020-year-review-impact-covid-19-12-charts>





# 05

## APPROACH TO SUSTAINABILITY



Cardno's Sustainability Task Force provides the internal organization and forum to develop and implement sustainability best practices across our global footprint.

## CARDNO'S SUSTAINABILITY TASK FORCE AND OUR PROCESS

The Cardno Sustainability Task Force represents all regions of our firm: Americas (AME), Asia Pacific (APAC), and International Development (ID). Each region owns a strong commitment to ensure the success of our global sustainability effort. The task force includes sustainability subject matter experts as well as business development and administrative leaders across our firms.

The task force evolved from our Sustainability Task Force within our Science & Environment (S&E) Division within the AME Region, which produced Cardno's pilot Sustainability Plan in February 2020. In late spring 2020, additional divisions from our AME Region - Government Services and Infrastructure - joined the task force. Our colleagues in the Asia Pacific (APAC) and International Development (ID) regions joined the task force as well in the summer of 2020.

The task force's summer meetings adopted a "symposium" format utilizing Cardno's ESG subject matter experts to share their knowledge on key ESG issues and initiatives within and beyond Cardno. The task force maintains a growing archive of technical, professional and business development ESG resources.

In addition, to developing the recommendations described in this report, Cardno's Sustainability Task Force conducted a desktop analysis of the ESG/sustainability programs for key clients and competitors. The analysis revealed that many opportunities for Cardno to improve our ESG performance and better meet client needs.

In September 2020, the Sustainability Task Force members shifted focus to Cardno's global sustainability plan and began preparing for a board presentation in November 2020. To efficiently tackle this effort, the members organized into four Working Groups: Environmental, Social, Governance and Client Services. The "E," "S," and "G" work groups focused on Cardno's internal sustainability program by identifying key metrics to measure progress. Additionally, these groups make recommendations for policy and procedural changes, advise colleagues on professional development, and serve as internal resources for the rest of the firm.

The Client Services Work Group focuses on developing ESG client services. During the fourth quarter of 2020, this group merged with other client services efforts underway within Cardno, including a work group led by CEO Susan Reisbord as well as a work group from Cardno's "High Potential" group, a leadership development program within Cardno. During 2021, Cardno will expand its client services to include specialized and focused ESG support.

Cardno Sustainability Task Force members across all regions (AME, ID, and APAC) are listed below. Chris Kline, Global Senior Principal for Sustainability and ESG, facilitates the task force and participates on each of the work groups.

### Sustainability Task Force Work Groups

Environment	Social	Governance	
<ul style="list-style-type: none"> <li>Gwen Parker *</li> <li>Kevin Roberts *</li> <li>Miles Ballogg</li> <li>Steve Bartell</li> <li>Ananda Bergeron</li> <li>Scott Duzan</li> <li>Yosi Shirazi</li> <li>Gretchen Soule</li> <li>Skyler Suhrer</li> </ul>	<ul style="list-style-type: none"> <li>Bridey Kerwick *</li> <li>Kelley Sterle *</li> <li>Lindsey Garnick</li> <li>Keren Gifford</li> <li>Ben Harguth</li> <li>Maggie Mason</li> <li>Ricardo Ramirez</li> <li>Iris Stewart</li> </ul>	<ul style="list-style-type: none"> <li>Natalie Muir *</li> <li>Anna Sutton *</li> <li>Stefanie Ellis</li> <li>Hiedi Pfeil</li> </ul>	<ul style="list-style-type: none"> <li>AME</li> <li>ID</li> <li>APAC</li> <li>* Co-Chair</li> </ul>

## Client ESG Team

2020 Client Services Work Group Members	2021 ESG Work Group Members	
<ul style="list-style-type: none"> <li>● Natalie Egnot</li> <li>● Alex Larance</li> <li>● Jamey Hollingsworth</li> <li>● Davis Demillo</li> <li>● Lindsey Garnick</li> <li>● Cheryl Hennessy</li> <li>● Tamara Klug</li> </ul>	<ul style="list-style-type: none"> <li>● Susan Reisbord</li> <li>● Natalie Egnot</li> <li>● Seth Yoskowitz</li> <li>● Chris Kline</li> <li>● Alex Larance</li> <li>● Carol Wirth</li> <li>● Raj Prasad</li> <li>● Sam Spurrett</li> <li>● Danielle Alford</li> </ul>	<ul style="list-style-type: none"> <li>● AME</li> <li>● ID</li> <li>● APAC</li> <li>● Global</li> </ul>

## CARDNO'S 2020 SUSTAINABILITY PROGRESS

**Overview** – As the timeline in Section Two above illustrates, in 2020, Cardno made substantial progress toward developing our internal sustainability program as well as initiating a robust, client-facing suite of ESG services. Despite the progress, challenges remain particularly to address silos existing across Cardno business regions and between teams that limit our ability to fully achieve our internal goals, and demonstrate bona fide leadership status in the market. Similarly, we are taking steps to integrate sustainable thinking into all lines of our business and demonstrate our commitment to ourselves, our clients, and our investors.

A summary of our recent progress follows.

**Leadership** – The focused attention, support, and challenge to achieve, grow, and thrive instilled by Cardno senior leadership has helped drive recent progress. Over the past several years, multiple ESG efforts were initiated “from the ground up” by interested Cardno staff. Much of our recent progress built on these efforts. Recent key Cardno corporate leadership initiatives include:

- > Creation of Board ESG Committee
- > CEO's Emphasis on ESG and Sustainability
- > ESG Leadership Work Group
- > Global Senior Principal Designation
- > Global Sustainability Task Force

**Science & Environment Sustainability Plan** – In February 2020, the America's Region Sustainability Task Force produced a pilot sustainability plan which set the stage for Cardno's global ESG initiative.

The February 2020 Plan:

- > Provides information about Cardno social, environmental, and economic impacts
- > Links Cardno's core values, governance model, and strategy to our commitment to contribute to a sustainable global economy
- > Presents sustainability goals for CY2020 with annual reports intended to progress assessments, consistent with Sustainability Accounting Standards Board (SASB) standards
- > Proposes ESG Guiding Principles
  - **Material** – What we address should be directly relevant to our business – staff and/or clients
  - **Transparent** – Our ESG data should be clear, no hedging or greenwashing
  - **Achievable** – Our goals shouldn't be outlandish – achievable in a reasonable timeframe 1, 3, or 5 years
  - **“Evergreen”** – This report doesn't sit on the shelf; as technology and ESG standards evolve, our ESG programs and reporting correspondingly changes and evolves
  - **Comprehensive** – Our ESG reporting should effectively and efficiently describe Cardno's social, environmental, and governance culture



## Asia Pacific & International Development Progress

– Concurrently, (and prior) to the task force’s work in the Americas Region, Cardno’s APAC and ID Regions were moving aggressively to establish key ESG programs. Among these recent accomplishments are:

- > Membership in ISO 14001 Certification for the Canberra New South Wales (NSW), Sydney (NSW), Melbourne (VIC) and Rockdale (NSW) offices. This Environmental Management System (EMS) provides Cardno with a systematic approach to the management and continuous improvement of the environmental components of Cardno’s activities, products, and services.
- > The Environmental Champions Program was piloted in five offices in Canberra, NSW, and Victoria. This program consists of a network of volunteers committed to implementing sustainability initiatives within their respective offices, in support of Cardno’s environmental sustainability efforts.
- > Cardno achieved gender balance in senior manager roles (56%) and on the APAC leadership team (57%). Women’s representation on the Cardno Board increased from 14% to 33%.
- > Cardno continued our commitment supporting the reconciliation movement across Australia with Aboriginal and Torres Strait Islander peoples. The following key action items in our first Reconciliation Action Plan (“Reflect” RAP) were advanced, including:
  - Membership of Supply Nation, a non-profit organization that aims to grow the Aboriginal and Torres Strait Islander business sector through the promotion of supplier diversity in Australia.
  - A number of undergraduates were engaged in internships through Career Trackers, a national non-profit creating pathways and support systems for indigenous young adults.
  - Indigenous cultural awareness training was provided to managers and leaders
  - Introduction of Acknowledgement of Country language and protocols into meetings, correspondence, and events, extending this practice to events which occur outside of Australia to include acknowledgement of First Nations peoples wherever Cardno is working or meeting.
- > Ongoing membership and participation continues for Cardno’s International Development team within the United Nations Global Compact. Cardno submitted our second Communications on Progress Report. Cardno ID’s 2021 UNGC Communication on Progress can be viewed here (<https://www.unglobalcompact.org/what-is-gc/participants/130861-Cardno-Emerging-Markets/>)



### **AWARD:** International Development Physical Infrastructure Project to Build Nauru’s First Fully Functioning International Port

Cardno has won an award within the Asian Development Bank (ADB) internal recognition program, for its work to improve transport links and minimize the impacts of climate change. The project is transforming the largely inoperable boat harbor into an efficient, reliable, and climate-resilient port which will improve the quality of life of people in Nauru.

### **INTERNATIONAL AWARDS:** Building Climate-Resilient Road Networks and Development of Road Maintenance Systems

Our UK team was recognized at the 2019 British Expertise International (BEI) awards. Our DFID-funded IRAT program helped build a climate resilient road network across Tanzania, benefitting 2.6 million people across 32 districts of Tanzania.

Our team was also shortlisted for the 2020 awards, where Cardno was highly commended for their entry, improvement of the roads maintenance system for use by the Dar es Salaam local authorities.



## MODERN SLAVERY

Trafficking in persons (TIP) is a heinous crime that exploits the most vulnerable in society and strips marginalized people of their rights. It tears apart communities, fuels criminal activity, and threatens the national security of countries around the world. Cardno has established our modern slavery eradication efforts within Cardno's ESG framework as a critical element of social justice and social equity. We have established a plan for addressing modern slavery risk in Cardno's operations and supply chains and are implementing the components of the plan across the company.

### Key Elements of Cardno's Implementation Plan

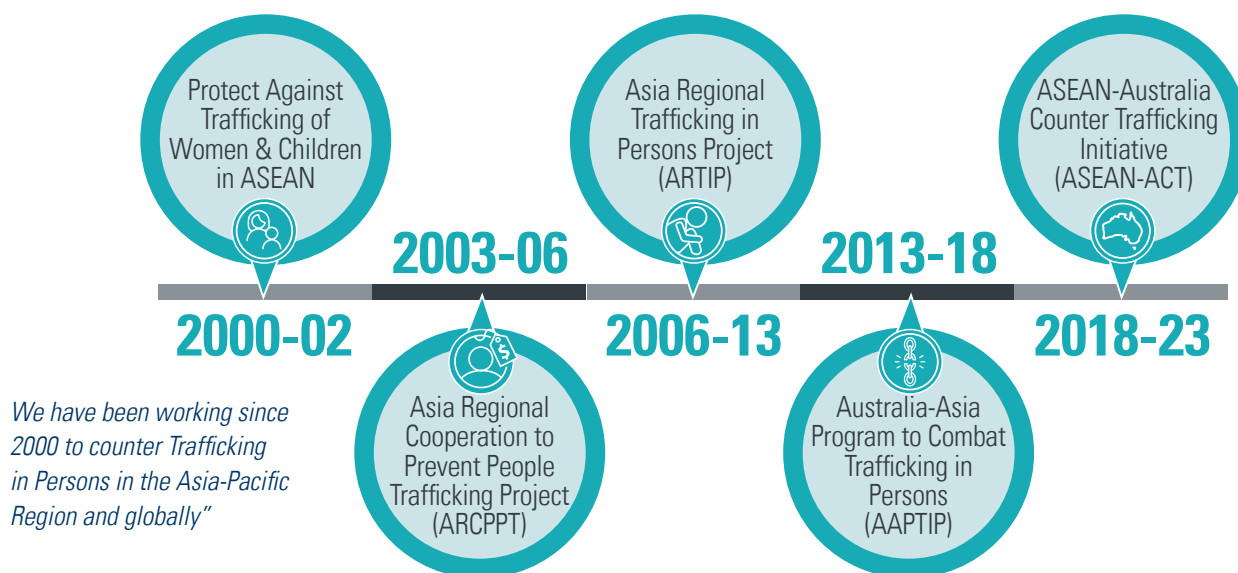


## OUR PROJECT WORK COMBATING MODERN SLAVERY

For the past two decades, Cardno has been managing and implementing substantial counter slavery and trafficking in persons (TIP) programs in the ASEAN (Association of Southeast Asian Nations) region.

These Cardno-implemented programs have delivered some of the most innovative and impactful approaches contributing to the closure of trafficking routes in Southeast Asia. Cardno's teams helped to establish influential peak bodies and collaborative groups, set landmark laws, policies, standards, and systems for transnational cooperation. Cardno's teams ensure that government actors and law enforcement officials are sufficiently armed with the skills required to stop traffickers from operating without impunity.

At Cardno, we are proud to know about our extensive history in advancing counter-TIP efforts around the world. Our people have been making a difference to the law and justice sector for decades.



In partnership with the U.S. Agency for International Development (USAID), Cardno researched, designed, and developed a sector-specific toolkit and pilot training course for USAID staff. The toolkit enables USAID employees to effectively integrate gender-based violence (GBV) prevention and response efforts into U.S.-funded development projects.

**The toolkit** – aptly named **Building a Safer World** – assists USAID technical and program teams in identifying how GBV impacts:

1. Project outcomes
2. Gender gaps
3. Differential effects (including unintended or negative consequences) on women, men, LGBTI persons, and others

Learn more about our commitment to identify and counteract modern slavery around the world by reviewing our [Cardno Anti-Slavery and Human Trafficking Policy and Modern Slavery Statement](#).



## GREENHOUSE GAS (GHG) ACCOUNTING

The aphorism, “What gets measured, gets done,” certainly applies to sustainability. Complying with any of the major global sustainability reporting frameworks requires Cardno to measure and manage key ESG metrics. Cardno’s 2020 S&E Sustainability report identified barriers within our accounting framework to measure our natural resource footprint, including our greenhouse gas (GHG) impact. The task force, working together with Cardno’s Finance and Accounting team developed some revised general ledger accounting codes and procedures.

As just one example of how these accounting changes will help inform our ESG program and decision making, we can take a look at some initial data analysis. As part of our 2020 Sustainability Plan mentioned above, Cardno staff spent significant time calculating our S&E Division’s GHG footprint for CY2019. The team focused on Cardno’s electric utility bill, analyzing more than 3,500 bills, and found:

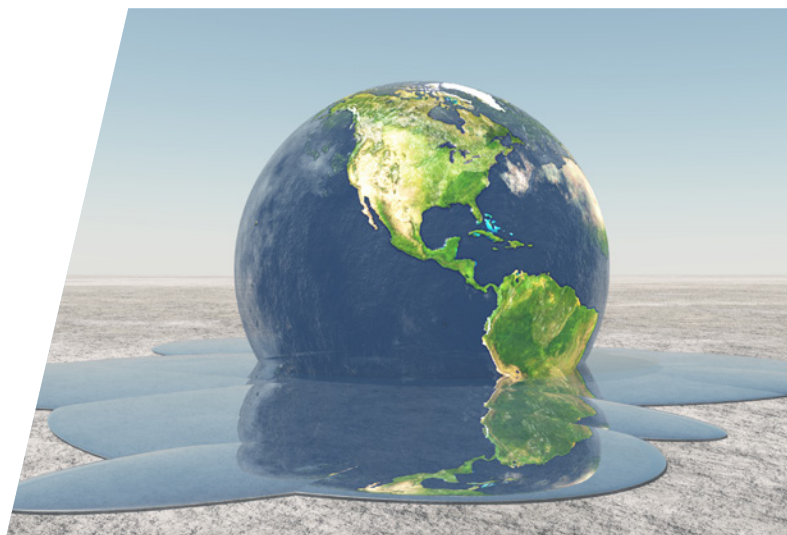
### ***2019 S&E Monthly GHG Emissions = 60 MT of CO<sub>2</sub>-equivalent***

Once our new accounting procedures were put in place in June, we were able to quickly run a report and make a GHG calculation for the entire Americas Region, based on both electric and natural gas usage, estimating that:

### ***June-December 2020, Entire AME Region Monthly GHG Emission = 20 MT of CO<sub>2</sub>-equivalent***

While the full regional data require some additional quality assurance, some key takeaways may be drawn:

- > The impact of COVID-19 on our office energy consumption has been to significantly reduce our emissions associated with energy use.
- > Developing aggressive emission reduction goals, including a carbon neutral or negative goal, is possible. Our next step is to integrate emissions data from our APAC and ID Regions.



greenhouse gas emissions, which will provide a baseline on which to set science-based reduction targets. Cardno is committing to make emission reductions consistent with the level of decarbonization required to keep the global temperature increase to 1.5°C or below compared to pre-industrial temperatures. As detailed in Appendix 1, Cardno’s ambition is to set and meet scope 1 and 2 emissions reductions aligned to the 1.5°C scenario. The work of setting a baseline inventory and developing targets will be carried out under the auspices of the Sustainability Task Force Environmental Work Group.

**Looking ahead, a second and equally important environmental ambition is for Cardno to source 100% of its operational energy from renewable sources.** This goal will help Cardno achieve the science-based targets described above. This benchmark may be the greatest ‘stretch goal’ of Cardno’s benchmarks; the challenges include both accounting and economic issues. How we overcome these will be a focus for Cardno’s Sustainability Task Force in 2021.

Cardno is developing a comprehensive inventory of our

# 06

## CARDNO CORPORATE SUSTAINABILITY POLICY



*Cardno's Executive Leadership Team attend in-person meeting*

Cardno's corporate sustainability policy was approved by Cardno's Executive Leadership Team (ELT) and endorsed by Cardno's Board of Directors in 2020.



## CARDNO'S SUSTAINABILITY POLICY

As a global organization of talented and effective people, Cardno is committed to its purpose of *'Making a Difference'*.

Our vision is to be *Leaders in improving the physical and social environment for people around the world.*

At Cardno, sustainability means the use, development, and protection of environmental and social resources in a manner that meets current needs while also providing and safeguarding the Earth for future generations. In alignment with our purpose and vision, we will meet clients' needs and strive to promote environmental equity, social equity, and strong governance. We will protect, conserve, and enhance our environment, society, and governance, while responsibly managing the resources and ecosystems upon which future generations depend. As a global company, we will do so transparently in the context of credible and appropriate international frameworks, including the United Nations Guiding Principles for Business and Human Rights and the United Nations Sustainable Development Goals.

### Environment

We will promote environmental equity and minimize the environmental impact of our business by:

- > Effectively measuring for proper conservation energy consumption, water use, and waste generation in our business.
- > Recognizing the challenges brought about by global climate change, adopting science-based targets and then developing and implementing strategies to reduce our greenhouse gas (GHG) production, water use, and waste generation.
- > Maintaining transparency and proactively communicating to our staff, clients, shareholders, and communities with respect to progress towards meeting our environmental goals.
- > Adopting Principle 15 of the Rio Declaration on Environment and Development (the "Precautionary Principle") that states, "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation".
- > Maximizing the use of our world-class expertise, experience, innovation, and technical services to help our clients identify and achieve their environmental sustainability goals.



### Social

We will act in a socially responsible manner with regard to our employees, clients, and supply chains, and have a positive impact in the communities in which we live and operate by:

- > Acknowledging and respecting the cultural heritage of our staff, our clients, and the countries and communities in which we operate.
- > Promoting and facilitating diversity and inclusion within our business, including but not limited to, equality of opportunity, employment/labor conditions, remuneration, gender equality, cultural awareness, child protection, and safety.
- > Respecting and protecting fundamental human rights in accordance with internationally recognized laws and standards, including promoting the human rights of our employees; supporting human rights initiatives within our communities; and proactively engaging with human rights issues across our supply chains (including safeguarding and preventing slavery, labor exploitation, and human trafficking in our supply chains).
- > Fostering a safe and healthy work environment for our employees, embracing a culture of Zero Harm. Our global safety program, Cardno Zero Harm – Every Job, Every Day, is a fundamental part of our work environment. We are committed to achieving 'Zero Harm' by continually improving our health, safety and environmental performance.



## Governance

We will act and lead with integrity in all of our activities and operations by:

- > Taking a zero-tolerance approach to bribery and corruption in our business dealings.
- > Affording our staff the opportunity to anonymously report improper conduct through an independent whistleblower service.
- > Operating in a manner that supports long-term economic prosperity including:
  - Supporting and informing our clients on plans, programs, and strategies to improve climate resilience and address the immediate and ongoing effects of climate change for improved environmental and social outcomes;
  - Integrating principles of sustainability into decision-making processes, and promoting an internal business culture which encourages innovation and strong sustainability values;
  - Generating shared value for clients, shareholders, employees, and the communities in which we live and work, through building a robust and resilient business and delivering sustainable solutions and expert advice that add value to society.

By conducting our business in accordance with these principles, Cardno will positively affect our environment and society, and serve as a model for other organizations.



## Cardno Whistleblower Hotline

### ANTI-CORRUPTION AND FRAUD AWARENESS: COURSE

All staff (employees and contractors) as part of their on-boarding induction are required to complete an on-line “Fraud training” course within 45 days of their commencement. Online Fraud refresher courses are required to be completed every 24 months.

### WHISTLEBLOWER

Cardno is committed to maintaining an open working environment in which employees observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

By reporting misconduct all employees can help ensure our people are safe and secure in our work environment. Employees are encouraged to report suspected misconduct.

#### Email Hotline

[cardnowhistblowerhotline@deloitte.com.au](mailto:cardnowhistblowerhotline@deloitte.com.au)

# 07

## MATERIALITY ASSESSMENT



*Cardno Native Plant Nursery greenhouse, Walkerton, Indiana*

Cardno's ESG materiality survey has helped focus our benchmarks and goals for 2021.



## OVERVIEW AND CONTEXT

A materiality assessment is a focused prioritization process that engages employees and stakeholders in an effort to better understand which sustainability topics and principles are most relevant to a given business. Such assessments are a common, foundational element of corporate sustainability plans. The sustainability materiality process is a qualitative assessment; however, the process can be quantified and will help direct and focus Cardno's sustainability efforts.

Cardno's first materiality assessment took place in the Fall of 2019 as the Sustainability Task Force began to develop the 2020 Sustainability Plan from the Americas Region. The task force created a list of key sustainability topics drawing from the Dow Jones Sustainability Index of Emphasized Topics for 2018 and SASBs Engineering and Construction Services Materiality Map. Two separate survey questionnaires were distributed to leaders and later to staff within Cardno's S&E Division.

Following the materiality staff surveys, several S&E key account managers interviewed Cardno clients and shared the results of our internal assessment with them. A standardized questionnaire was provided to the account managers who used the questions to guide their discussions with their clients. The results of these interviews combined with the staff survey data were tabulated, analyzed, and published in the S&E 2019 report.

## LESSONS LEARNED

The Sustainability Task Force gleaned several useful lessons from our first effort. These lessons include:

- > Simple and clear survey questions yield the best results.
- > The survey language could be clearer.
- > New topics should be added to reflect the global nature of Cardno's business.
- > The client interview aspect of the materiality survey provided significant benefits, including new insights into the client's business operations, identifying business leads, providing a logical forum to discuss additional Cardno services and, generating goodwill with the client.

Valuable feedback was incorporated into a subsequent materiality survey.

## CARDNO GLOBAL STAFF MATERIALITY KEY FINDINGS

In support of this report, a global staff materiality assessment was completed in October 2020. The summary of the 10 highest ranking and 10 lowest ranking topics are illustrated in the graphic below.

### Highest Ranked

● Environment	● Social	● Governance	
●	Employee Health and Safety .....		9.0
●	Cardno's Labor Practices .....		8.6
●	Modern Slavery .....		8.4
●	Cardno's Business Ethics .....		8.4
●	Human Rights .....		8.3
●	Diversity and Inclusion .....		8.3
●	Energy Management in Cardno Buildings & Fleet .....		8.2
●	Ecological Impacts of Cardno's Operations .....		8.2
●	Cardno's Business Model Resilience .....		8.2

### Lowest Ranked

● Environment	● Social	● Governance	
●	Living and Working Locally at Cardno .....		7.7
●	Cardno's Greenhouse Gas Emissions .....		7.7
●	Cardno's Competitive Behavior .....		7.7
●	Subcontractor & Teaming Partner Management .....		7.6
●	Acknowledgement of Country .....		7.5
●	Cardno's Economic Performance .....		7.4
●	Transition to Decarbonization .....		7.4
●	Cardno's Impact on Air Quality .....		7.4

Key takeaways from our second staff materiality survey are:

- > Cardno team members place high value on most sustainability topics. No topic scored lower than 7.4, on a scale of 1-10.
- > Social issues garnered the strongest support within our team, a finding not atypical from many other consulting firms.
- > Cardno's emphasis on modern slavery (policy development, staff training, leadership attention) resonates positively with our staff.
- > Our survey participation rate was 12%, future materiality surveys will need to improve this rate.

The Sustainability Task Force then took these topics and aligned them with UN Sustainable Development Goals - the framework selected to support our sustainability journey and plan. Our commitment to the UN SDGs is discussed in the following sections of this report.



# 08

## CARDNO SUSTAINABILITY BENCHMARKS



The UN Sustainable Development Goals (UN SDGs) are ambitious, critical goals for our global community. Cardno's vision and mission align well with the UN SDGs and we will benchmark our ESG progress accordingly.



## ESTABLISHING BENCHMARKS

Corporate policies are important, and come to life when they are supported by meaningful and measureable actions and commitments. This is particularly true when it comes to corporate sustainability.

Over the past 18 months, Cardno's Sustainability Task Force carefully reviewed many global ESG reporting frameworks and methodologies. Based upon this review, Cardno's Sustainability Task Force recommended that Cardno's Executive Leadership Team integrate the United Nations Sustainable Development Goals (UN SDGs) into our sustainability planning and communication. Given the dozens, if not hundreds, of corporate sustainability metrics and benchmarks available to choose and measure, Cardno's leadership team determined to focus our initial global sustainability reporting on a relatively narrow, defined set of sustainability benchmarks.

The process of selecting these benchmarks was informed by Cardno's materiality assessment, a thorough review of ESG frameworks, and management guidance. Defining priorities across the full range of sustainability topics and determining those that are truly material to Cardno's business operations, our clients, and communities remains a critical element in developing our global plan and refining our business development strategy.

In November 2020, Cardno's sustainability leadership team presented benchmarks to Cardno's Executive Leadership Team and later to Cardno's Board of Directors. Both entities endorsed these benchmark goals.

## CARDNO'S COMMITMENT TO ADVANCING GLOBAL SUSTAINABLE DEVELOPMENT - CHAMPIONING THE UNITED NATIONS SDGs

For more than fifty years, Cardno has partnered with public and private sector clients to promote sustainable development and improve the well-being of stakeholders in the geographies where we live and work. This has been through delivery of our international development assistance programs; support for clients to conserve and protect resources and natural systems; and improving living standards through inclusive infrastructure design.



Early in the reporting period, the Sustainability Task Force undertook analysis of a range of global ESG frameworks, assessing their appropriateness and suitability to support us to better track and formalize our sustainability commitments, and underpin our corporate responsibility actions.

After much analysis, it was agreed that the UN SDGs best aligned with our ambitions:

- > universal in nature and clearly defining global sustainable development priorities;
- > multi-stakeholder in their call for worldwide action from governments, civil society and business;
- > inspirational in their call for businesses to think innovatively and apply business-led solutions to the most challenging of humanitarian challenges facing our time.

With the onset of COVID-19, global progress towards achieving the SDGs has slowed, and the world is facing the first rise in global poverty since 1998. The coming decade of action is more critical than ever, and as a global business, we're well placed to help advance and contribute to achieving the UN SDGs. As such, we are now in the process of setting ambitious goals and targets to meet as we continue to advance our sustainability agenda.

Guided by advice from the World Business Council on Sustainable Development, the task force has taken a number of important steps to help us solidify our commitment to the SDGs. These key steps - both those completed and those that make up our roadmap - are outlined below:



Firstly, we have made progress in *understanding the SDG framework* - where the opportunities and limitations may exist for Cardno and the process needed to make progress on our commitments in this space. This has included engagement at the CEO and board level to provide information about the framework, as well as exploring the framework deeply as a task force to increase our understanding. Moreover, the UN SDG guidance for corporations continues to develop and evolve.

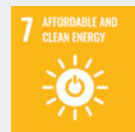
We then utilized the employee materiality assessment to support the prioritization of the UN SDGs. Making linkages between the top material issues - per responses to the assessment - with the SDGs gave us a clear indication of where our business activities have both positive and negative impacts across the the UN SDGs, and where there are opportunities to focus and accelerate our efforts. Based on this assessment and prioritization, we have committed to five SDG Ambition Benchmarks, as outlined below.

**We are committed to achieving the following ambition benchmarks tied to the indicated SDGs**



***Achieve Gender Equality and Empower All Women and Girls***

We aspire to achieve gender balance across all levels of Cardno management and increase diversity, inclusion, and equity at all levels across the company.



***Ensure Access to Affordable and Clean Energy***

We aim to have 100% of our operational electricity needs generated from renewable resources.



***Decent Work and Economic Growth***

We will take effective short and long term measures to minimize the risk of forced labor, modern slavery and human trafficking in our operations and supply chain.



***Climate Action***

We will achieve science-based emissions reduction in line with a 1.5°C pathway, as established by the Intergovernmental Panel on Climate Change, by 2035.



***Peace, Justice and Strong Institutions***




We will not tolerate bribery or corruption and will take a number of defined steps to this end.

In the coming reporting period, we will be working on setting targets (including ambitious 'stretch' targets for the coming years) and identifying key data points and indicators that we can use to continually assess and track our progress. We understand the importance of *integrating these key commitments into our governance frameworks and across our core business*, and this will be a key focus of the task force moving forward.

And finally, we look forward to *reporting on our progress* with our key stakeholders periodically throughout the next year, and in our next sustainability report. Understanding that there is no one 'right' way to make contributions, we look forward to sharing the key lessons that we learn along the way, accelerating and scaling up initiatives that show early success, and pivoting to address areas where we are not making the progress that we would like.



# CARDNO SUSTAINABLE DEVELOPMENT GOAL BENCHMARKING

Cardno SDG Ambition Benchmark	SDG Impact Primary and Additional	Proposed Indicators and Indicative Status / Work in Hand
<b>Achieve gender balance across all levels of Cardno management and increase diversity and inclusion at all levels across the company</b> Alignment with materiality assessment social priorities: > Diversity and inclusion > Labor standards	<b>PRIMARY:</b> SDG 5 - Achieve gender equality and empower all women and girls  <b>ADDITIONAL:</b> > SDG 1 (End Poverty) > SDG 4 (Quality Education) > SDG 8 (Decent Work and Economic Growth) > SDG 16 (Peace, Justice and Strong Institutions)	<b>PROPOSED INDICATORS</b> 1. Average hours of training per year per employee by gender, and by employee category (GRI 404-4) 2. Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation (GRI 405-2) 3. Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity (GRI 405-1)  <b>INDICATIVE STATUS / WORK IN HAND:</b> > Parental Leave Policy > Purchased Leave Policy > Grievance Policy and Procedure > Women in Cardno Leadership Program > Inclusion and Diversity Policy > Safeguarding Policy > Child Protection Risk Assessment > Affirmative Action Plans > Workplace Gender Equality Act (WGEA) reporting
<b>100% of Cardno's operational electricity needs are from renewable sources</b> Alignment with materiality assessment environmental priorities: > Transition to decarbonization > Energy management in Cardno's fleet and buildings > Cardno's GHG emissions	<b>PRIMARY:</b> SDG 7 - Ensure access to affordable & clean energy  <b>ADDITIONAL:</b> > SDG 13 (Climate Action)	<b>PROPOSED INDICATORS</b> 1. Energy consumption within the organization (GRI 302-1)  <b>INDICATIVE STATUS / WORK IN HAND:</b> > ISO14001 Certification
<b>Take immediate and effective measures to eradicate forced labor, end modern slavery, and human trafficking</b> Alignment with materiality assessment social priorities: > Human rights > Modern slavery > Labor conditions	<b>PRIMARY:</b> SDG 8 - Decent Work and Economic Growth  <b>ADDITIONAL:</b> > SDG 5 (Gender Equality) > SDG 16 (Peace, Justice and Strong Institutions)	<b>PROPOSED INDICATORS:</b> 1. Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. (GRI 408-1) 2. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. (GRI 409-1)  <b>INDICATIVE STATUS / WORK IN HAND:</b> > Cardno Code of Conduct Update > Modern Slavery and Human Trafficking Policy, Human Rights Policy, Safeguarding Policy, Child Protection Policy, Whistleblower Policy (Global and ID) > Modern Slavery Awareness Training > Supplier Procurement Process Improvements (Contract Language, Supplier Risk Assessment) > Modern Slavery Reporting (1st Report Under AUS Modern Slavery Act)
<b>Ensure safe and secure working environments for all staff</b> Alignment with materiality assessment social priorities: > Worker health and safety > Labor rights	<b>PRIMARY:</b> SDG 8 - Decent Work and Economic Growth  <b>ADDITIONAL:</b> > SDG 5 (Gender Equality) > SDG 16 (Peace, Justice and Strong Institutions)	<b>PROPOSED INDICATORS:</b> 1. Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor. (GRI 408-1) 2. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor. (GRI 409-1)  <b>INDICATIVE STATUS / WORK IN HAND:</b> > TRIR, Fatality Rate Data > Zero Harm Program > Employee Assistance Program (mental health) > Development of COVID-19 Leadership Response Team > Pandemic Awareness and Safe Return to Work Training > Creation of Fit for Work Daily Health Assessment > Other mental health-related actions
<b>Achieve science-based emissions reduction in line with a 1.5°C pathway by 2035</b> Alignment with materiality assessment environmental priorities > Cardno's GHG emissions	<b>PRIMARY:</b> SDG 13 - Climate Action  <b>ADDITIONAL:</b> > SDG 3 (Good Health and Well-Being) > SDG 9 (Industry, Innovation and Infrastructure) > SDG 12 (Responsible Consumption & Production) > SDG 14 (Life Below Water) > SDG 15 (Life on Land)	<b>PROPOSED INDICATORS:</b> 1. Direct greenhouse gas (GHG) emissions (Scope 1) (GRI 305-1) 2. Energy indirect (Scope 2) GHG emissions (GRI 305-2) 3. Other indirect (Scope 3) GHG emissions (GRI 305-3) 4. GHG emissions intensity (GRI 305-4) 5. Reduction of GHG emissions (GRI 305-5) 6. Emissions of ozone-depleting substances (ODS) (GRI 305-6) 7. Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions (GRI 305-6)  <b>INDICATIVE STATUS / WORK IN HAND:</b> > Preliminary science-based targets established for S&E > Data system will be in place to benchmark GHG for APAC/ID by 1st Q 2021
<b>Zero incidences of bribery</b> Alignment with materiality assessment governance priorities > Business ethics	<b>PRIMARY:</b> SDG 16 - Peace, Justice and Strong Institutions  <b>ADDITIONAL:</b> > Cross-cutting across entire framework	<b>PROPOSED INDICATORS:</b> 1. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct, and codes of ethics. (GRI 102-16) 2. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines. (GRI 102-17) 3. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region. (GRI 205-2) 4. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. (GRI 205-2) 5. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. (GRI 205-2) 6. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations. (GRI 205-2) 7. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. (GRI 205-2) 8. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region. (GRI 205-2) 9. Total number and nature of confirmed incidents of corruption. (GRI 205-3) 10. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. (GRI 205-3) 11. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. (GRI 205-3) 12. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases. (GRI 205-3)  <b>INDICATIVE STATUS / WORK IN HAND:</b> > Cardno's Zero Tolerance Policy towards fraud, bribery, corruption > Whistleblower hotline > Supplier codes of conduct

Targets and Actions Required	Means and Method	Deliverable Owner	Financial Impact	Timing
Benchmark indicators in 2021 Set management goal for each of the three indicators	PCF and HRIS IDE program	Global HR Manager	No potential financial impact	Upcoming Wage Gap Analysis 3q21
2021 - Price benchmarking, utility negotiation and policy establishment 2022 - Report on plan to meet benchmark	BST and GL Codes for AME AME utility tracking in place as of June 20. APAC/ID accounting January 21 Utility bill analysis and utility program research with support from regional CFOs Process will follow SBTi, GRI and CDP protocols	CFO	Unknown – renewable energy will increase costs; efficiencies will reduce costs	January 21 – Implement global accounting for utilities April 21 – Current benchmark set July 21 – Establish FY22 target, implement reduction program, begin disclosure
Annual report on Cardno supply chain Create Cardno supply chain reporting requirements Setting goals against the selected indicators	BST and procurement platform	CEO	Unknown	Staff Training and top 10 supplier evaluation completed January 21 First annual statement due March 21
Setting goals against the selected indicators, for example, zero injuries and fatalities over a specified period. Consider establishing contractor/supplier requirements.	SHIELD	Global HR Manager	No additional cost	Ongoing – monthly reporting
Setting goals against the selected indicators - for example, reduction in baseline GHG emissions 2035 targets will be defined and included in our 2022 report, along with strategy for achieving targets	BST and GL Codes Environmental SBTi, GRI, and CDP protocols	CFO	Unknown	January 21 – Implement global utility accounting practices July 21 – establish preliminary Science-Based targets based on 12 months AME and 6 months APAC data
Setting goals against the selected indicators, for example, training on bribery and corruption delivered to 100% of Cardno staff.	Whistleblower Hot Line The Cardno Way Anti-Corruption Policy Human Resources, Procurement and Training (Learning Management System [LMS])	CEO	No additional costs	Ongoing training and monthly reporting

# 09

## INCLUSION, DIVERSITY, AND EQUITY



When we look back at 2020 we are proud of what we did to progress inclusion, diversity, and equity at Cardno, but we also know we have a way to go. We are committed to making Cardno the place you know you can bring your whole self to work, a place where we embrace and celebrate our differences.





Globally, our team comprises of people from all walks of life, race, and religion, working across more than 100 offices and speaking more than 100 languages. We appreciate the diversity of our people and the places we work and live in.

Creating and maintaining an inclusive workplace is at the core of Cardno's Inclusion, Diversity, and Equity Strategy. Our diverse culture and commitment to strengthening this culture is one of the real strengths behind the solutions we deliver to our clients.

We continue to commit to Inclusion, Diversity, and Equity through both strategic and operational means such as being attuned to opportunities for improving diversity in recruitment, work practices and flexible work arrangements. We also take advantage of our diverse team and contribute to promoting and providing opportunities for everyone through our training and development programs, and in how we pursue corporate, business, and market opportunities.

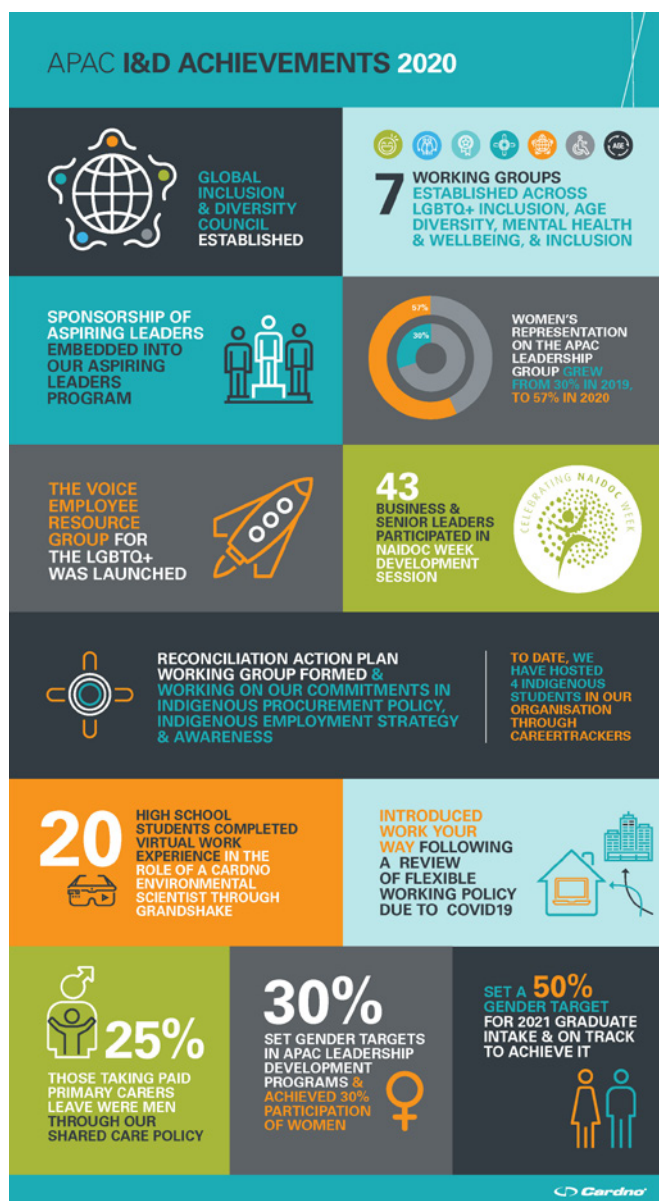


## Cardno is committed to:

- > Providing a work environment that is inclusive for all
- > Respecting and celebrating our cultural differences
- > A strong leadership framework which supports an inclusive, diverse and equitable culture
- > A work environment free from discrimination, harassment, sexual harassment, bullying, vilification or workplace violence
- > Employing a workforce that reflects the diversity of the communities we work and live in
- > Ensuring pay, employment conditions and access to employment opportunities are available to all without discrimination
- > Supporting our Inclusion, Diversity and Equity programs such as Accessibility, Age Diversity, LGBTQ+, Racial Diversity/Indigenous Engagement, Veterans and Women in Cardno
- > Driving career progression and training & development programs based on merit and fair opportunities.

## APAC PROGRESS

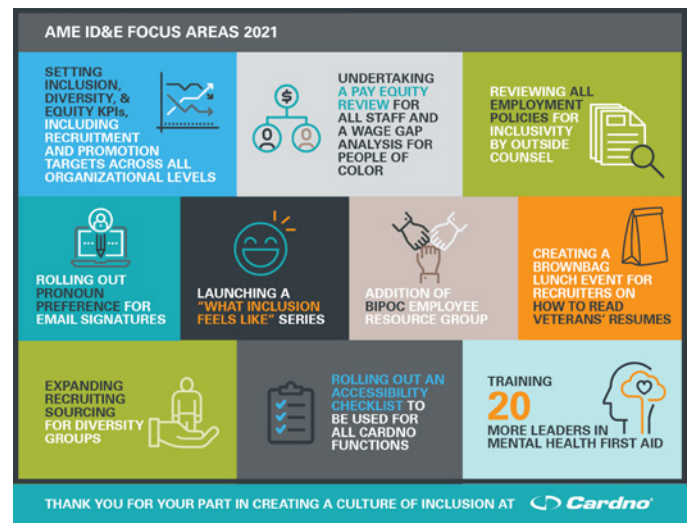
The Asia Pacific Region's progress on creating a more inclusive workplace is continually informed and inspired by feedback and input from our people across the organization who support our Inclusion and Diversity (I&D) working groups and advocate for equity across the organization. We are committed to making progress each day to respecting and celebrating all of our differences.



## AME PROGRESS

The Americas Region is proud of what we did to progress inclusion, diversity, and equity at Cardno, but we also know we additional work ahead of us. We are committed to making Cardno the place where you can bring your whole self to work and embrace and celebrate our differences. We are excited about reaching additional inclusion, diversity, and equity goals in 2021.

*Thank you to our volunteers who serve on our ID&E committees. It is their efforts that will help us determine our priorities for the year ahead.*





# 10

## CARDNO GOVERNANCE



Barry Beach Marine Terminal Remediation

"Systems and structures can provide an environment conducive to good corporate governance practices, but at the end of the day, it is the acts or omissions of people charged with relevant responsibilities that will determine whatever governance objectives are in fact achieved."

*(HIH Royal Commission, 2003)*



## OVERVIEW

At Cardno, our values provide a strong foundation for governance. They set the principles for how we operate and against which we can make decisions. Our values of Safety, People, Excellence, and Integrity shape our actions and are integral to our culture. The values came from our people, and so we see really strong ownership of our values in action every day.



There is no better test of an organization than a crisis. According to **CEO, Susan Reisbord**, *"When there is no script, [our values] create the script we need".*

Like many organizations, Cardno faced the challenges of COVID-19. Susan speaks of how proud she was of how the company came together to manage the pandemic. "We were anchored by our values and just knew what steps to take. There was no internal sparring (which can happen in an organization that doesn't have strong values); everyone just worked together and pulled in the same direction. If you live by your values every day, talk about them every day, they guide what you're supposed to do every day.

*"Every business, every leadership team across the business worked 24/7 to make sure that we were protecting Cardno, but it was protecting people and clients, then Cardno takes care of itself."*

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**Cardno's ESG journey has been driven and is fully supported by the board.**



**Rebecca Ranich**, Cardno's Board of Directors ESG Committee Chair, reflects on Cardno's sustainability journey...

*"One of the responsibilities of the board is to think strategically. We could see the importance of climate change to*

*business. Looking at the services Cardno offers, we could see immediate and direct intersections with what we were calling Environment and Client Science services. It became increasingly urgent to us to understand what it could mean for our business.*

*So we embarked down two parallel paths – what are the services we could offer externally to leverage this tremendous opportunity, and what could we do internally to make us a more sustainable company.*

*It's exciting to be thinking about this in a very big way. We already have lots of great stories at the local and global level in how we are contributing to ESG – truly making a difference in communities around the world. Some of this is about changing our language to really convey the power of the things that we do.*

*I'm really excited about where the business is going. Sustainability is baked into the DNA of our company already. In a similar way that we've embedded a safety culture through practices such as safety moments at our meetings (which permeate through to our board), lifting the profile of sustainability and uplifting our governance process to think more broadly about ESG will transform us into a truly sustainable company."*

## CARDNO'S ESG GOVERNANCE STRUCTURE

Our corporate governance strategy, while demonstrating our commitment to providing the appropriate levels of disclosure and accountability, also helps us foster sustainability. Cardno's ESG governance structure permeates our company with each entity having defined roles and responsibilities. A brief summary of our ESG governance structure follows.

### Board ESG Committee

Cardno's Board of Directors has established an ESG Committee chaired by Rebecca Ranich and includes Board Chair Michael Alscher and CEO Susan Reisbord. The committee meets quarterly and reviews Cardno's ESG benchmarks and key corporate ESG communications. The committee provides strategic guidance to the CEO.

### Executive Leadership Team

Cardno's Executive Leadership Team is responsible for ensuring ESG goals are established and that the systems and processes are in place to ensure these goals are achieved. As of December 2020, Executive Leadership Team members include CEO Susan Reisbord, CFO Peter Barker, CTO Raj Prasad, COO Jen Picard, International Development CEO Seth Yoskowitz, and Global HR Manager Janelle Mellor.

### ESG Leadership Working Group

In July 2020, CEO Susan Reisbord established an ESG Leadership Working Group which she chairs and includes Seth Yoskowitz, Dr. Natalie Egnot, Chris Kline, and Nancy Cline. This working group is responsible to ensure key corporate ESG initiatives are on track to meet established expectations. These issues include modern slavery and supply chain integrity, health equity, key ESG client initiatives, and Cardno's environmental commitments. Vice President of Marketing and Communications Nancy Cline is responsible for ensuring corporate ESG communications are consistent and clear across the firm.

### Sustainability Task Force

To further drive the sustainability agenda within the business, a global Sustainability Task Force, chaired by Global Senior Principal, Chris Kline, is responsible for bringing ESG to life inside Cardno. The task force includes sustainability subject matter experts as well as business development and administrative leaders across our firms. For more information on the Task Force, please see Section 5.



## POLICIES AND STATEMENTS

Cardno has a range of policies and statements for Global Mandatory Requirements that provide corporate governance across our operations:

- > [Anti-Slavery and Human Trafficking](#)
- > [Modern Slavery and Human Trafficking](#)
- > [Code of Conduct](#)
- > [Inclusion and Diversity](#)
- > [Whistleblower](#)
- > Safeguarding
- > Global Human Rights
- > Global Child Protection

These global policies are complimented by region-specific policies and procedures, covering specific issues such as:

- > Anti Corruption
- > Conflict of Interest
- > Dealing in Cardno Stock
- > Fraud and Misappropriation
- > Internal Audit
- > Risk Management



## GOVERNANCE IN ACTION

Cardno's expertise in governance extends to services we provide our clients. A particular example is described in our [75th Anniversary campaign](#).

- > We provide fiduciary services for over \$6 billion for entities including the Millennium Challenge Corporation (MCC), the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), Gavi the Vaccine Alliance, US Centers for Disease Control and Prevention (CDC) and sovereign government entities. We manage procurement and financial activities to ensure independence, transparency, accountability, compliance, and effective implementation of client-funded programs.
- > We work to build the capacity and systems of local partners - including national and local governments - to minimize the risk of fraud and corruption and making efficient use of their funding, such as budgeting for and investing in the delivery of basic public services (infrastructure, education, water, etc.)
- > "Our approach and its resulting tools have not only saved billions of dollars from fraudulent procurements and disbursements, but also enhanced the confidence and trust of the general public and contractor communities," said Parag Shiswawala, Cardno Public Finance Management Practice Director, "thereby providing better value for money in public procurement."



*Cardno's ELT leads our commitment to sustainability*

### *The Cyclone Pam Road Reconstruction Project*



*The economic impact of Cyclone Pam in 2015—regarded as the second most intense tropical cyclone to hit the South Pacific Ocean—has been considerable. The Cyclone Pam Road Reconstruction project demonstrates how well planned, designed and delivered infrastructure projects can achieve much more than construction outcomes and instead, greatly affect and improve the lives of local people. Read a short overview in this [StoryMap](#).*



## Cardno's commitment to sustainability



**Kaweah Hydroelectric Project Relicensing** – Cardno is supporting Southern California Edison Company (SCE) with its Federal Energy Regulatory Commission (FERC) relicensing of a 8.85-megawatt renewable energy resource. SCE's existing FERC license for the project expires December 2021. This effort will allow SCE to help meet the energy demands of its 15 million strong customer base. Successful relicensing involves a comprehensive understanding of aquatic, cultural, land, recreation and terrestrial resources in the project area along with a keen understanding of the application requirements. Cardno assisted with extensive research, field data collection, modeling and analysis.

**Climate Change Threat and Vulnerability Risk Analysis** – Cardno fielded a multi-skillset team of technical professionals and managed a five-year, three-phase project that identified and prioritized levels of risk at more than 3,200 client-owned properties to identify the top ten properties most at risk to climate change threats. The analysis used risk-based analytics and a prioritization approach that combined climate change likelihood and severity indicators to identify the level of mission-critical property risk. Our teams' integrated planning efforts resulted in site-specific facility resilience initiatives through adaptation, protection, and hardening.



**SPAK – Saya, Perempuan Antikorupsi (*I am a woman against corruption*)** – began as a pilot program during the first phase of our Australia-Indonesia Partnership for Justice (AIPJ). SPAK has since become a national movement by showing the power individual women wield to raise awareness of anti-corruption within Indonesia. See more on SPAK in [Cardno Connect](#) (p.26) and in [this StoryMap](#).

**Logan Water Alliance - Brisbane** – Cardno has been a pivotal player in the multi-award-winning Logan Water Alliance and the renewed Logan Water Infrastructure Alliance, a public-private enterprise responsible for delivering critical water and wastewater infrastructure. The alliance is one of the largest water infrastructure delivery programs in Australia, and it has delivered critical water infrastructure in a timely and cost and energy efficient manner. Cardno's expertise in water and wastewater systems has been integral to the planning and design of key infrastructure including reservoirs, pump stations and treatment plant upgrades, and water reticulation mains.



In 2015, the Serbian Parliament enacted the *Law on Inspection Oversight*. This law has been pivotal to increasing Serbia's competitiveness and reducing the informal economy. The reform to inspections law is one of a string of reforms stimulated by the Cardno-implemented and USAID-funded Business Enabling Project (BEP) to enhance the business environment in Serbia. At its core, BEP improved the business enabling environment, maintained macroeconomic stability, and further developed financial markets across Serbia. [Read more](#).

# 11

## EXTERNAL ESG SERVICES



*New South Wales, Australia after devastating wildfires – photo by James Broom*

Cardno's provides a broad diverse suite of ESG services to clients. This section highlights two of these services, climate science and investor support.





## CLIMATE CHANGE SERVICES

Climate change presents growing challenges to sustainability. As described by the IPCC (2018), efforts to cope with the impacts of climate change and attempts to promote sustainable development share common goals. For many, a warmer climate will impact the environmental, social, and governance agendas set forth as part of the sustainability plan. As a firm, climate impacts may challenge our ability to meet greenhouse gas reduction targets or achieve other operational goals. Being able to recognize potential climate challenges and understand how to adapt to those changes ultimately results in a more robust sustainability plan.

Recognizing interconnectedness between climate change and sustainability, the Sustainability Task Force prioritized the development of a Statement of Qualification that summarizes Cardno service areas useful to assess the impacts of climate change. The document highlights project examples from the Americas Region that demonstrate how Cardno's scientists, engineers and planners incorporated climate change into environmental planning, engineering design, and infrastructure projects. These examples are not only marketable to external clients facing climate stressors, but also internally as we strive towards feasible ESG goals.

Additionally, the Sustainability Task Force's Client Service Work Group began drafting Cardno's Sustainability and Climate Change Consulting Services for 2021, an external component of the ESG effort. Adopting the SDG framework has provided the opportunity to examine the extent to which Cardno is operating sustainability, while also evaluating what business operations may have a negative impact on UN goals and principles. This exercise has facilitated the development of meaningful targets to improve our performance in 2021.

## INVESTOR SERVICES

Cardno supports corporate boards and investors with a comprehensive suite of ESG services focusing on risk management and due diligence. Cardno's strengths begin with our world class team of environmental scientists, engineers, public and environmental health specialists, and ESG policy experts. Our team works together to apply the best physical and health sciences thinking to challenges and opportunities which boards and investors face. Our goal is to help clients make a difference by improving the physical and social infrastructure for people around the world.

Specifically, Cardno offers the following ESG services:

- > Governance and policy support to integrate sustainability into corporate culture and business operations
- > Environmental systems analysis
- > Health risk management assessment and support
- > Built asset resiliency, particularly focused on climate risk
- > Natural resources assessment, management, and restoration
- > Modern Slavery support
- > Supply chain evaluation
- > GHG analysis, benchmarking, and target setting



*Chris White performing wetland monitoring, Florida*

# A

## APPENDIX





# THE CARDNO WAY

Our **Code of Conduct** defines  
the values and standards of  
our professional conduct.





# WELCOME

*The Cardno Way* is our Code of Conduct. It guides how we behave in accordance with our values of Safety, Integrity, People and Excellence.

Our vision is to be leaders in improving the physical and social environment for people around the world. We all have a vital role to play in achieving this goal. It's equally important that as we work toward our vision, we do so within a safe, ethical and non-discriminatory environment.

*The Cardno Way* explains the standards of professional conduct we expect and will hold you to as a member of the Cardno team. It applies to you as employees, to our consultants, contractors, suppliers and our directors and executives regardless of which business you work for, your background or where you are located.



*The Cardno Way* must be read along with global, regional and divisional policies and procedures as these will contain more specific information.

Your decisions and actions must be consistent with *The Cardno Way*. If you have questions or doubts about a situation you are facing, speak to your manager, Cardno Legal Counsel, Human Resources or a senior employee supporting your business.

If you have concerns about an action or behaviour that you've witnessed, you can speak with your manager or you can use the confidential whistleblower hotline. Details for the hotline are provided within this document and on the Cardno intranet and website.

I encourage you to read this document closely so that you understand how our values will guide our behaviour and ensure Cardno is respected for its safe, honest and professional approach and working environment.

**Susan Reisbord**  
CEO & Managing Director



## OUR VISION

is to be **leaders**  
**in improving** the  
physical and social  
environment for  
people around  
the world.

Our Values:

**SAFETY**

**INTEGRITY**

**PEOPLE**

**EXCELLENCE**

## OUR PURPOSE

As a global organisation of talented  
people, we are united by our purpose:

**Making a difference.**




**SAFETY**

**Safety  
comes  
first.**







We believe that creating a safe environment for our people, clients and the communities we impact should always come first.

---

**Safety at Cardno means**

that we put our safety and that of others first. Safety comes before economic consideration at all times; we commit to Zero Harm Every Job, Every Day – for our people, clients and communities.

---

**Cardno**  
**ZERO**  
**HARM**  
EVERY JOB. EVERY DAY.


**WE DO THIS BY:**

- > Putting our safety and that of others first by following and promoting all safety procedures, policies and legal requirements in line with our Zero Harm program and leading actions.
- > Completing all required training as soon as possible.
- > Being 'fit' for work and advising our manager or supervisor if we suspect or know that either ourselves or a colleague is unfit for work.
- > Being medically fit for the duties we need to perform. Where we sustain a medical condition or injury or have been prescribed medication that may impair our ability to safely and effectively perform our duties, we must advise our manager immediately.
- > Minimising the risk of alcohol and other drugs in the workplace and providing a healthy and safe working environment for employees and others.
- > Not performing work, remain in the workplace or undertake work-related activities if impaired by alcohol or other drugs.
- > Behaving appropriately and complying with client policies when representing Cardno at events and functions by the responsible consumption of alcohol, acknowledging we are subject to drug and alcohol testing at Cardno and client workplaces.



# INTEGRITY

**We do  
the right  
thing.**



We believe that knowing and doing the right thing will lead to satisfied employees, clients, investors and better financial performance.

---

**Integrity at Cardno means** that we behave honestly, authentically and uphold our values in all our dealings with clients, employees, investors and the communities we work in.

---

#### WE DO THIS BY:


- > Upholding our privacy and confidentiality policies and ensuring all confidential information and intellectual property is not disclosed unless permitted or required by law.
- > Not gaining unlawful benefits by using the company name or from information gained during employment.
- > Dealing honestly and fairly with each other, our suppliers and our customers at all times.
- > Acting responsibly towards the environment and complying with all environmental laws, rules and regulations.
- > Being brave, speaking up and challenging when the situation requires it. Owning and being accountable for our actions and decisions.
- > Not tolerating slavery or human trafficking in any part of our business and being committed to ensuring that it does not take place in our supply chains. We implement and enforce effective systems and controls to mitigate this risk.
- > Prohibiting collusion, the inappropriate exchange of information with competitors as well as the inappropriate gathering of competitive intelligence, or inappropriate disclosure or use of Cardno's information.
- > Avoiding conflicts of interest and any actions that can be detrimental to Cardno. Disclosing any matter (personal, financial or other) that may lead to an actual, perceived or potential conflict of interest.
- > Declining gifts (including monetary gifts) and hospitality (and not providing to clients) that can compromise or can be perceived as compromising our ability to act impartially or independently.
- > Not making any comments to the media unless we are specifically authorised to do so.
- > Prohibiting the authorising, offering, giving or promising anything of value directly or indirectly (through a third party) to a government official to influence official action, or to anyone to encourage them to perform their work disloyally or improperly.
- > Complying with all global, regional and divisional Cardno policies.
- > Following the laws that apply to any part of the company in the jurisdictions in which we operate. These laws restrict our ability to trade with particular countries, individuals and entities e.g. trade sanctions, anti-money laundering and anti-terrorism financing laws.
- > Refraining from involvement in the political affairs and interference in the religious affairs of the countries in which they are not a citizen.
- > Seeking to enhance the environmental and social sustainability of initiatives.



A photograph of a man with a beard and short hair, wearing a light blue polo shirt with a small logo on the chest. He is looking down at a desk, possibly at a laptop or some papers. The image is partially framed by a white geometric shape. The background is slightly blurred, showing what appears to be a window with blinds.

# PEOPLE

**We care about  
our people &  
communities.**



We believe that what is good for our people, communities and the world we live in, can be good for business.

---

### **Caring about People at Cardno**

**means** that we are collaborative team players, we trust our colleagues and we want to make a difference. We care about the communities we work in, the partners we work with and the cultures that make up our diverse workforce and workplaces.

---

### **WE DO THIS BY:**

- > Treating all people fairly, honestly and with respect.
- > Being open to constructive feedback and ways to develop ourselves professionally.
- > Following reasonable and lawful management instructions.
- > Valuing the uniqueness of individuals and the varied perspectives and talents they provide. Respecting the human rights and dignity of all employees, clients and people, with whom we interact.
- > Understanding the history and culture of the people we work alongside, not treating anyone differently because of a personal characteristic and not behaving in any manner that is, or contributes to, workplace bullying, harassment or discrimination.
- > Conducting social media interactions in line with our Social Media policy.
- > Being aware of our assumptions and biases and being prepared to challenge them.
- > Speaking up if you see a peer or colleague needing help or not being treated right. At Cardno we're a team so offer to help or seek guidance from your manager or HR representative.
- > Adhering to the United Nations Guiding Principles for Business and Human Rights, including not tolerating slavery or human trafficking in any part of our business.
- > Working with clients and partners to encourage self-help and self-reliance to avoid creating dependency.
- > Explicitly prohibiting the sexual exploitation, abuse and harassment of any kind against any person; adult or child.

**We believe all employees have the right to a fair, inclusive and safe working environment.**

**Cardno is a great place to work!**



# EXCELLENCE

**We deliver  
high quality  
services.**





We believe that the delivery of high quality services creates value for clients, communities and investors.

---

**Excellence at Cardno means** that we care about our work and our clients; we deliver innovative and creative solutions promptly. We will continue to exceed expectations and set new standards in our industry.

---

#### WE DO THIS BY:

- > Considering the quality of our work and interactions every day, in every activity.
- > Owning our careers, performance and development; and maintaining and improving our knowledge and skills.
- > Thinking creatively, challenging ourselves and our colleagues' thinking to achieve the best solution possible.
- > Being responsive to what our clients and investors expect from us.
- > Taking every opportunity to promote individual excellence, our colleagues, and our business to those we come in contact with.
- > Protecting all intellectual property created by us, as employees, in the course of our employment with Cardno as it becomes the property of Cardno and must be kept confidential.
- > Ensuring the integrity and security of all information and/or documents (electronic and printed) for which we are responsible for and adhering to all IT policies in the use and management of IT resources. Promptly report any suspicious systems or cyber transactions to your IT representative.



# THE CARDNO **WAY**: **YOUR CHOICE**

*The Cardno Way* sets clear guidelines and boundaries to help understand and consider the choices we face in our working lives.

We work in a competitive, global environment and we may at times encounter situations that could test our judgement.

**If you face a tough or testing situation, ask yourself:**

**Q1:** Are my actions consistent with *The Cardno Way* and Cardno's policies?

**Q2:** Is it ethical and legal?

**Q3:** Will it reflect well on Cardno and me?

If you are in doubt, seek advice and raise questions to your manager, Cardno Legal Counsel or Human Resources before acting.

The Cardno Way will be reviewed on a biennial basis.

## **Regional laws and legislation and *The Cardno Way***

In every country where we work, we comply with applicable laws. When deciding whether to apply the laws of a country or the principles of *The Cardno Way* (including International Laws and Standards such as the United Nations Guiding Principles), use whichever is stricter. If you break the law, or violate *The Cardno Way*, or any of our policies you can face disciplinary action, up to and including termination. Cardno will not pay any penalties imposed on a Cardno employee or the legal costs as a result of a breach of any laws or regulations.

**If you see something that may go against *The Cardno Way* or break a law or Cardno policy, be brave – report it.**

Discuss any concerns with your manager, Cardno Legal Counsel or Human Resources. You can also utilise the Cardno Whistleblower hotline. Any retaliation against a person using the Cardno Whistleblower hotline will not be tolerated.

***The Cardno Way*  
– your choice**



## WHISTLEBLOWER HOTLINE

To report suspected misconduct by phone, simply dial the relevant number below.

IF CALLING FROM:	DIAL
Australia	<b>1800 784 478</b>
Columbia	<b>1800 5182 663</b>
Ecuador	<b>+61 3 8373 9133</b>
Indonesia	<b>0800 150 3173</b>
Kenya	<b>+254 20 3892151</b>
New Zealand	<b>0800 123 020</b>
Papua New Guinea	<b>000861300</b>
Philippines	<b>1800 1110 1444</b>
UK	<b>01132 926 023</b>
USA/Canada	<b>1 855 708 8627</b>

*All information is received and managed in complete confidence.*







# WHY A CODE OF CONDUCT?

## PURPOSE AND SCOPE

### **The purpose of Cardno's Code of Conduct is to:**

- > communicate the required standards of conduct and behaviour that will maintain and enhance Employee satisfaction and Cardno's reputation, competitiveness and workplace environment,
  - > promote a positive work environment for all Employees by fostering a culture of fair and ethical behaviour, and
  - > encourage reporting of matters that are detrimental to Cardno's reputation.
- 

Cardno's Code of Conduct applies to all Cardno Employees globally, including directors and executives, whether employed on a full time, part time, casual, temporary or fixed term basis (collectively referred to herein as "Employee(s)"). The term "Employee" also refers to Advisors, contractors and volunteers engaged by an entity of the Cardno Group who are required to follow the Code.

Cardno's Code of Conduct covers behaviour that occurs in a work-related context including, but not limited to, daily employment, conferences, work functions, training courses and work-related travel.

V04 01/10/2020

Visit the Cardno Intranet  
to learn more about our  
policies and procedures,  
as well as our vision,  
purpose and values.





# GMR GLOBAL CHILD PROTECTION

## GMR Owner

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The Key Contact for this GMR is the CEO / Managing Director.

## Brief Description

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**Protection of children is of the utmost importance at all times. Cardno is committed to protecting the rights of children; safeguarding the welfare of children; and, adopting a zero tolerance approach to child exploitation or abuse:**

- > Protect children and young people who receive Cardno's services - this includes the children of adults who are the recipients of Cardno's services
- > Provide staff and volunteers with the overarching principles and approach to safeguarding and child protection

---

## 1. Child protection is universal, applies at all times across all jurisdictions and is not limited to work activities

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**All Cardno staff, contractors and advisers must ensure they are aware of their responsibilities and obligations with respect to the prevention, detection and reporting of child abuse and exploitation.**

- > Within 45 days of commencement, undertake mandatory child protection training (incorporating any client child protection requirements) during on-boarding and annually thereafter; and / or receive briefings in relation to child protection obligations
- > Sign Cardno's Global [Child Protection Acknowledgement Form](#)

---

## 2. Recruitment screening and on-boarding

---

**Cardno will not employ (in any capacity, paid or unpaid) any person with a known history of abuse or violence towards children.**

For all positions:

- > Terms of reference / job descriptions and recruitment advertisements must contain a statement about Cardno's commitment to child protection
- > Child protection questions as standard in interview questionnaires and reference check questionnaires
- > Proof of identification
- > Employment contracts for all staff / advisers contain appropriate provisions relating to Cardno's GMR on Child Protection
- > Completion of criminal record checks prior to contract signature (in each country that the individual has lived for 12 months or longer over the last 5 years). Where not available or in jurisdictions with no national child protection database, a statutory declaration may suffice; additional screening may be required if this requirement cannot be satisfied.
- > Sign [Child Protection Acknowledgement Form](#)

In addition to the above, where positions that work or have a high level of contact with children:

- > Minimum of two *documented* in-depth verbal referee checks with professional and personal associates
- > Documented request for an applicant to disclose whether they have been charged with child exploitation offences, and their response
- > Resolution of employment gaps
- > Questions on convictions and disciplinary record
- > Targeted behavioural interview questions on prior work with children / child protection issues relevant to the role

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### 3. Risk assessment

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**Child Protection Risk Assessments are required for relevant projects as determined by each Operation. Risk assessments are based on the level of direct engagement with children and determining what specific child protection controls are required.**

- > Child Protection Risk Assessments are required for projects that have the potential to interact with or impact children under 18 years of age.
- > Child Protection Risk Assessments are to be incorporated into program or project planning and risk management processes, and reviewed annually.
- > Child Protection Risk are to be considered in the design of sub-project activities. Where “working with children” is likely then additional Activity-based Risk Assessment will be required.
- > Due diligence of sub-contractors and grantees are to include the extent to which the proposed organisation complies with Cardno’s Child Protection GMR. Where risks are identified, additional controls are to be included.
- > Each Division is required to appoint a Child Protection Officer.
- > [Child Protection Risk Assessment](#) must be documented, submitted to the [Child Protection Officer](#), and retained on project files for audit.

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### 4. Partner organisations / subcontractors

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**Risk assessments are to be performed for partner organisations / subcontractors as part of the due diligence process.**

- > The risk assessment will inform the decision to partner and should be periodically reviewed over the duration of the partnership / relationship.
- > Written agreements with partner organisations / subcontractors are required to specify child protection requirements as set out in this GMR. Partner organisations will be required to comply with the behaviour protocols outlined in the Cardno Code of Conduct.
- > Localised training must be provided that is appropriate to the context while also making clear Cardno’s requirements. International organisations operating locally may be best suited to provide this training.

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### 5. Appropriate use of child images and personal information

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**Pictures, images or other likenesses of children and / or information related to children must be dignifying and not compromise their care and protection.**

- > Before photographing or filming a child, take care to ensure compliance with local traditions or restrictions for reproducing personal images
- > Before photographing or filming a child, obtain informed consent from the child (depending on age and capacity) or parent or guardian of the child. An explanation of how the photograph or film will be used is essential. All such photographs will have a release on file signed by the subject(s) (depending on age and capacity or their guardian). Releases are not required if an individual’s identity is not discernible.



- > Ensure photographs, films, videos, electronic images, and DVDs present children in a dignified and respectful manner and not in a vulnerable or submissive manner. Image must not be next to vulnerable, submissive or sexually suggestive wording where it could be determined that the image is associated with that wording.
- > Children must be adequately clothed and not in poses that could be seen as sexually suggestive.
- > Ensure images are honest representations of the context and the facts.
- > Ensure file labels, meta data or text descriptions do not reveal identifying information about a child when sending images electronically or publishing images in any form.
- > Ensure confidentiality of the children.

## 6. Appropriate use of IT and communication systems

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**Cardno staff, contractors and advisers must not use internal systems such as computers, mobile phones, or video and digital cameras inappropriately, including to exploit or harass children, or to access child exploitation material or other inappropriate material through any medium.**

- > Accessing child pornography is strictly prohibited and will be dealt with promptly, including reporting to relevant law enforcement agencies.

## 7. Roles and responsibilities

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**All Cardno staff, advisers and contractors are required to:**

- > Where staff, advisers and contractors are expected to work with people under 18 years of age, assess child protection risks and impacts in our activities through activity-based risk assessments
- > Ensure Working with Children and / or other appropriate checks are conducted during recruitment of staff and contractors
- > Ensure appropriate and legal use of child information and imagery as described in Section 5 above.
- > Ensure the best interests of the child govern what actions are taken in response to concerns
- > Ensure individuals who report a concern, in good faith, are not subject to retaliation or adverse employment consequences
- > Comply with all relevant international treaties and domestic legislation. It is our joint and individual responsibility to ensure that our operations maintain the highest ethical standards

## 8. Identified breaches and reporting

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**Cardno undertakes to investigate and report any incidences of child abuse or exploitation in a confidential, professional and prompt manner.**

- > It is mandatory for all Cardno staff, contractors and advisers to report immediately any suspected or alleged case of:

- 
- Breach of the Cardno's Child Protection GMR
  - Breach of client child protection policies
  - Child protection related misconduct issue
  - Person having committed, or been arrested for, or convicted of, a criminal offence(s) relating to any child exploitation or abuse
  - Child disclosure of exploitation and abuse
  - Suspicion or allegation of possessing or accessing child pornography or child exploitation material
  - Criminal proceedings being undertaken in regard to child exploitation and abuse
  - Any report made to you by anyone, including a child or community member, relating to notifiable behaviour
  - Any child safety incident related to site access of a Cardno managed activity, including construction related activity
- > Report any suspected or actual breaches immediately or as soon as practical to the Division President / CEO and Child Protection Officer using the Cardno [Child Protection Notification Form](#)
- The Child Protection Officer will determine next steps and if required the type of investigation depending on the nature of the allegation of child exploitation and abuse
  - A Cardno representative or partner will contact the child's parent(s) or guardian(s) unless this would jeopardise the child's welfare.
- > Reporting is not restricted to acts committed by Cardno personnel and partners. It also includes:
- Client staff member, including locally engaged staff
  - Any personnel of a client-funded contractor or civil society organisation, including sub-contractors and grantees
  - Personnel of a client-funded multilateral organisation
  - Client-funded volunteer or internship
  - Employee of another government agency
- > If you are not sure, you are able to discuss your concern in confidence with HR or management
- > An allegation of child exploitation and abuse is a serious issue and it is crucial all parties maintain strict confidentiality. Sharing of information, which could identify a child or an alleged perpetrator, should be purely on a 'need to know' basis and only to those who have a legitimate need to receive the information. Unless exploitation and abuse has actually been proved to have occurred, it must always be referred to as 'alleged exploitation and abuse'. Documentation obtained or created as a result of investigations will be kept confidential until such time as it may be required to be handed to judicial mechanisms.
- > Where a breach of Cardno's child protection policy has occurred, Cardno will ensure perpetrators are brought to account and appropriate action is taken.
- > Report to relevant authorities any incidents of suspected or actual child exploitation, abuse, or policy non-compliance
- > Maintain confidentiality when reporting child exploitation, abuse, or policy non-compliance and ensure procedural fairness

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## 9. Supporting Documents

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**This GMR is supported by a number of other documents:**

- > Global Child Protection Risk Assessment Template - [Child Protection Risk Assessment](#)
- > Global Child Protection Acknowledgement Form – [Child Protection Acknowledgement Form](#)
- > Global Child Protection Notification Form – [Child Protection Notification Form](#)



# GMR INCLUSION AND DIVERSITY

## Board of Directors

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The Key Contact for this GMR is listed on the Portal.

## Brief Description

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Diversity recognises the similarities and differences between individuals; it implies variety in characteristics such as race, sex, religious beliefs, age and other unique characteristics.

Inclusion refers to the efforts used to embrace those differences, creating a work environment where each person feels welcomed, respected, supported, valued and has a sense of belonging.

## 1. Cardno's commitment to Inclusion and Diversity

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**People are at the core of our business. What we do is important; how we do it is more important. Building and maintaining a workplace based on inclusion, equality, respect, trust and integrity is fundamental to our inclusive culture.**

To continue to build on our inclusive culture and maintain our diverse workforce; the Cardno Group will:

- > Commit to supporting the Inclusion & Diversity (I&D) Council, I&D Workgroups and Champions by allowing elected representatives time during work hours to undertake the council's activities and by championing I&D programs in line with [Cardno's I&D Strategy](#).
- > I&D Council will develop the Inclusion & Diversity Strategy and communicate that strategy and achievements to the business.
- > Regions/Divisions are required to create Region or Division I&D actions plans to support specific actions.
- > Reward employees completing the same job, (i.e. within the same Job Family Group and Job Level) equally and consistently using our *Same Job, Same Pay* philosophy.
- > Assess work and promote advancement based on merit, skills, knowledge and accountability in the context of market factors and performance.
- > Use the Position Classification Framework (PCF) as an internal job classification standard.
- > Review people management processes regularly to ensure fair and equitable outcomes.
- > Complete a pay gap analysis (e.g. the gender pay gap) to ensure priority is placed on underrepresented or vulnerable groups or individuals.
- > Comply with international, national and local regulatory requirements for diversity reporting.
- > Build inclusive teams with a diversity of people, views, opinions and perspectives in our operations.
- > Provide employees with a range of training options for advancement and professional development.
- > Build a safe work environment by taking action against inappropriate workplace behaviour that does not value inclusion and diversity; including discrimination, harassment, bullying, victimisation and vilification
- > Ensure all employees complete the Workplace Behaviours e-learning module.
- > Ensure that our talent processes, practices and systems are not exclusionary and that all individuals have an equal opportunity to participate.
- > Develop flexible work practices to meet the differing needs of our employees.
- > Foster a culture where employees affected by domestic and family violence (DFV) are supported in the workplace.
- > Incorporate inclusion and diversity into our business practices such as corporate social responsibility initiatives which aim to improve the quality of life of our workforce, their families and the communities in which we operate.

## 2. Diversity – Valuing differences

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**Diversity can take many forms including gender identity, sexual orientation, family structure, age, multiculturalism (including race, ethnicity and language), religious beliefs, abilities (physical and non-physical), political views, life experience and background, beliefs / worldview and mental health. Each individual has unique qualities that they bring to the workplace. These differences in our people create a working environment that promotes creativity, innovation and development, resulting in business growth and success.**

- > All businesses (Divisions, Portfolio Companies) and Group functions are required to:

- Meet the relevant legislative requirements on Non-Discrimination and Equality for the country they work in.
  - Provide an environment that is inclusive, supportive, respectful, welcoming and which accepts and values individual differences and the diversity of our people.
- > Maintain an Inclusion & Diversity program of works that is aligned to the Global Inclusion & Diversity strategy.
- > All employees are required to maintain behaviour in line with [The Cardno Way](#), Workplace Behaviours course and Regional policies such as the APAC Workplace Behaviours Policy & AME Non-Discrimination/Harassment & Workplace Security & Anti-Violence policy.

### **3. Cardno's commitment to inclusion and diversity**

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**Everyone is responsible for ensuring Cardno's workplace is inclusive and creating an environment where our people feel safe, valued, respected and welcomed.**

- > This applies to the Board of Directors, all Cardno staff, contractors, suppliers, consultants, temporary staff and all employees of associated entities of Cardno Limited.
- > All employees are expected to promote and display behaviours that foster an inclusive work environment.
- > Discrimination, harassment, sexual harassment, bullying and/or workplace violence is not tolerated at any level of the business or by anyone. Any instances of this behaviour will result in disciplinary action which could include termination of employment.
- > Any breach of this GMR will be dealt with seriously and may result in disciplinary action or termination.
- > If you believe there has been a breach of this GMR, raise this with your manager or manager's manager or your HR Representative. To escalate externally, employees can use the [whistle blower hotline](#).



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#### 4. Glossary

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**Bullying** is where an individual or group of individuals repeatedly behaves unreasonably towards a worker, or a group of workers; and that behaviour creates a risk to health and safety.

**Corporate Social Responsibility** is a commitment by the business to improve the quality of life of the workforce, their families and the local community and society at large and to behave ethically and contribute to economic development and environment protection.

**Discrimination** is when a person, or a group of people, are treated less favourably than another person or group in similar circumstances, and that treatment is based on a characteristic or perceived characteristic of that person or group of people, such as race, sex, sexual orientation, gender identity, religious belief, or any other classification protected by law or our policies.

**Inclusion** is the action or state of including or being included within a group.

**Harassment** is behaviour (including verbal or physical behaviour) which is unreasonable, uninvited and unwelcome that a reasonable person would consider: offends, humiliates, intimidates or threatens another person, or makes our workplace uncomfortable and hostile for other employees. The harassing behaviour is based on a characteristic or perceived characteristic of that person or group of people, such as race, sex, sexual orientation, gender identity, religious belief, or any other classification protected by law or our policies.

**Same Job, Same Pay philosophy** means that both women and men are paid fairly for the work they perform. They receive equal pay for work of equal or comparable value. Same Job, Same Pay is not just about equal wages but takes into account discretionary pay, allowances, performance payments, merit payments, bonus payments and other benefits.

**Sexual Harassment** is unwelcome or uninvited behaviour of a sexual nature.

**Vilification** is as a public act that could incite or encourage hatred, serious contempt or severe ridicule towards people because of personal characteristics that are protected by law.

# GMR WHISTLEBLOWER

## Group Internal Audit & Risk

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The Key Contact for this Group Mandatory Requirement (GMR) is listed on the Portal.

## Brief Description

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Requirements detailing the rights of staff to disclose improper conduct confidentially, anonymously, in good faith and on reasonable grounds without the fear of reprisal or detrimental action.

## **1. Improper conduct**

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**Cardno encourages staff to raise concerns about improper conduct within Cardno's operations in a confidential manner and, if they wish, on an anonymous basis.**

> Improper conduct includes:

- A breach of the Code of Conduct
- A breach of Cardno's Anti-Corruption GMR
- A breach of Cardno's approval practices and guidelines
- Unethical conduct
- Financial malpractice, impropriety or fraud
- Contravention or suspected contravention of legal or regulatory provisions
- Labour exploitation or modern slavery within Cardno or within Cardno's supply chain
- Auditing non-disclosure or manipulation of any audit processes
- Any deliberate concealment relating to the above.

## **2 Making a disclosure**

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**Cardno encourages staff to address their questions, concerns, suggestions or complaints by initially discussing the matter with line management / appropriate departmental manager or established internal reporting mechanism. However, should the staff member not feel comfortable in raising the issue in that way, Cardno has alternative avenues for the raising and addressing of serious concerns.**

> Disclosures under this GMR can be made to:

- Cardno's independent and confidential whistleblower service (provided by Deloitte)
  - o **Online:** [www.cardnowhistleblowerhotline.deloitte.com.au](http://www.cardnowhistleblowerhotline.deloitte.com.au)  

Username:- Cardno  
Password:- Deloitte#1  
(Note: password is case sensitive)
  - o **Telephone:** See the website set out above for the appropriate phone number to call from your location
  - o **Email:** [cardnowhistleblowerhotline@deloitte.com.au](mailto:cardnowhistleblowerhotline@deloitte.com.au)
  - o **Fax:** (+61) 3 9691 8182
  - o **Mail:** Cardno, Reply Paid 12628, A'Beckett Street, Melbourne Victoria Australia 8006
- The Head of Internal Audit
  - o Telephone: +61 7 3310 2453
  - o Mail: c/o Locked Bag 4006, Fortitude Valley, Queensland, Australia 4006



## GMR WHISTLEBLOWER

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- Cardno's Group Legal team
  - o Refer to the Cardno internal directory
- A manager or member of senior management
  - o Refer to the Cardno internal directory
- A member of the Board of Directors
- > Should a disclosure relate to a member of senior management, the Head of Internal Audit will advise the Chairman of the Board. If it relates to the Chairman, then the Chairperson of the Audit, Risk & Compliance Committee will be advised. If the Head of Internal Audit is implicated, then the Chief Executive Officer is advised.
- > All disclosures under this GMR will be treated in the strictest confidence.

### 3. Protection of the whistleblower

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- > Where a staff member makes a disclosure in good faith and on reasonable grounds Cardno will act in the best interest of that staff member to protect them from any victimisation, adverse reaction or intimidation and ensure they will not be disadvantaged in their employment with Cardno.
- > Where disclosures relate to breaches of the Corporations Act 2001 (Cth), to invoke the legislated protection provisions, the person making the disclosure ("Complainant") must identify themselves prior to making the disclosure. Under the legislation, the identity of the Complainant can only be disclosed to Australian Securities & Investments Commission, Australian Prudential Regulation Authority, or the Australian Federal Police. The identity of the Complainant can be provided to any other person or organisation only with the Complainant's consent.

### 4. Investigation of disclosures

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- > Cardno will investigate all disclosures of improper conduct made under this GMR as soon as possible after receipt of the disclosure. The investigation will be conducted in a timely, thorough, confidential, objective and impartial manner recognising the principles of natural justice and best practice investigative techniques. Complainants, where possible, will be provided with feedback regarding the outcome of the investigation. The Head of Internal Audit is responsible for determining the scope of, and resources applied to each investigation.

### 5. Responsibilities

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- > The Head of Internal Audit is responsible for the administration of this GMR. His / her responsibilities also include:
  - Receive all disclosures from staff, management or the independent whistleblower service and acknowledge receipt with the complainant (if possible).
  - Appropriately investigate all disclosures ensuring the principles of natural justice are applied to the respondent(s) of any disclosure and investigation.

## GMR WHISTLEBOWER

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- Report all disclosures to the CEO and / or the Audit, Risk & Compliance Committee Chair.
- Provide quarterly consolidated reports relating to disclosures to the Audit, Risk & Compliance Committee.
- Review this GMR in conjunction with the Operational Risk Management Committee.
- > The Audit and Risk Management Committee is responsible for:
  - Receiving any notification and reports of disclosures as designated under this GMR.
  - Determining, in consultation with the Head of Internal Audit, an appropriate response to the outcome of any investigation particularly in issues involving accounting and auditing matters.
  - Taking appropriate corrective action when applicable.

# GMR SAFEGUARDING

## GMR Owner

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The Key Contact for this GMR is the CEO / Managing Director.

## Brief Description

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“Responsibility for human rights is a global standard for all business independent of a state’s ability to fulfil their own human rights obligations.” *(United Nations (UN) Guiding Principles on Business and Human Rights)*

As an international corporation engaged by our clients to deliver projects, Cardno has a particular responsibility to operate ethically and protect the health, safety, and well-being of everyone who is encompassed within the scope of our business. This includes our staff, beneficiaries, and the communities we work in. We are particularly mindful of the impact international projects may have on children, women, and vulnerable adults.

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**1. Safeguarding is protecting the welfare and human rights of people that may be at risk of abuse, neglect or exploitation**

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**Cardno is committed to taking all reasonable steps to prevent harm, particularly sexual exploitation, abuse, violence, harassment and environmental degradation from occurring directly or indirectly as a result of our activities. We condemn fraud, corruption and money laundering. Where breaches occur Cardno is committed to investigate, remedy and learn.**

**2. The responsibility for maintaining safeguarding environments is a shared responsibility of all Cardno staff and all persons working on behalf of Cardno**

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**All Cardno staff or all persons working on behalf of Cardno in any capacity, including contractors, advisers, seconded workers, volunteers, interns, agents, external consultants, third-party representatives and business partners must ensure they are aware of their responsibilities and comply with the obligations with respect to safeguarding.**

- > Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate training on safeguarding;
- > Individual employees (in any capacity) must ensure that you read, understand and comply with this policy. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct; and
- > All persons working on behalf of Cardno in any capacity must ensure that they read, understand and comply with this policy. Cardno may terminate relationships with other individuals and organisations working on Cardno's behalf if they breach this policy.

**3. Cardno is committed to proactively implement safeguarding measures and building the capacity of all stakeholders so that they understand safeguarding measures**

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**Cardno has a duty of care to ensure the safety of vulnerable people involved in and impacted by our work.**

- > Assess safeguarding risks and impacts in all of activities, taking particular care with risks relating to children, women, and vulnerable adults;
- > Ensure additional vetting is conducted during recruitment of staff and partners when working with children and vulnerable adults;
- > Ensure appropriate and legal use of child imagery;
- > Appropriately use social media and technology as outlined in Cardno's IT policy; partner organisations to have similar controls;
- > Ensure compliance with regulations relating to tax, migration, and labour hire and ethical treatment of staff, including domestic staff and staff of service providers;



- > Comply with modern day slavery obligations in the jurisdictions we operate; this includes prohibition against the use of forced, compulsory, or trafficked labour, or anyone held in slavery or servitude; Cardno's suppliers must do the same and be evidenced;
- > Report any concerns or suspicions of modern slavery and human trafficking in any parts of the business or supply chain; our suppliers must do the same;
- > Report incidents of suspected or actual exploitation, abuse, harassment or policy non-compliance;
- > Support those who raise a query about an actual or suspected breach of policy;
- > Maintain confidentiality when reporting exploitation, abuse, harassment or policy non-compliance and ensure procedural fairness;
- > Ensure individuals who report a concern, in good faith, are not subject to retaliation or adverse employment consequences;
- > Ensure beneficiaries and communities are aware of their safeguarding rights and obligations and have access to reporting mechanisms;
- > Design and implement client activities in a way that protects people from the risk of harm;
- > Conduct regular project and activity level risk assessments;
- > Support investigations into any harm caused or a breach of any Cardno safeguard policy;
- > Comply with Cardno's fraud and anti-corruption policies;
- > Appoint safeguard focal points to assist with dissemination of this policy and as a point of contact to receive reports and support victims;
- > Engage with clients and industry on best practices, adequate procedures, and lessons in safeguards;
- > Ensure commercial and technical proposals include appropriate resources to manage safeguard risks and implement Annex A procedures;
- > Include safeguarding requirements in our procurement process and in agreements with downstream partners;
- > Ensure due diligence is completed before entering into any arrangement with a sub-contractor, grantee, supplier, or partner; and
- > Support Cardno's downstream partners to meet Cardno's safeguarding requirements through capacity building and other support as required,

#### 4. Identified breaches and reporting

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**All Cardno staff, or all persons working on behalf of Cardno in any capacity are required to report any suspected or actual breaches of Cardno's Safeguarding policies.**

There are a number of mechanisms to report including:

- > Division - Local Safeguard contact or Child Protection contact
- > Global Safeguarding Lead or
- > Internal Audit & Risk Manager

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**Annex A: List of Cardno Global safeguard procedures and codes**

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Procedure / Code	Owner
<a href="#">Cardno Way - Code of Conduct</a>	Group
Safeguarding	Group
<a href="#">Human Rights</a>	
<a href="#">Child Protection</a>	Group
<a href="#">Anti-Slavery &amp; Human Trafficking</a>	Group
<a href="#">Whistle-blower</a>	Group
<a href="#">Inclusion &amp; Diversity</a>	Group
<a href="#">Health, Safety &amp; Environment</a>	Group



# GMR HUMAN RIGHTS

## GMR Owner

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The Key Contact for this GMR is the CEO/Managing Director.

## Brief Description

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Cardno understands human rights to be universal and that every person around the world deserves to be treated with dignity and equality. These universal rights include life, health, privacy, liberty, speech, security, and an adequate standard of living.

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## 1. Purpose and Context

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**At Cardno, we are committed to operating responsibly in a way that benefits and protects the human rights of our stakeholders, including: our clients, the communities we work in, our employees, our suppliers, and our shareholders.**

- > We strive for all of our operations and activities to be performed safely, and in an ethical and non-discriminatory environment. We work to ensure our actions as a company benefit and protect our stakeholders.

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## 2. Commitment

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**As a fundamental way of doing business, Cardno respects and protects the human rights of our employees, business partners and communities in which we live and work. We have aligned our policies, procedures, values and culture with internationally recognized proclamations and frameworks on human rights.**

We support and respect internationally-recognized human rights outlined in the Universal Declaration of Human Rights, International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We recognize our responsibility to respect human rights and avoid complicity in human rights abuses, as stated in the UN Guiding Principles on Business and Human Rights.

To help ensure Cardno and our employees are not complicit in human rights abuses, we have embedded our human rights commitment in policies and procedures which we review and update regularly to ensure accuracy and relevance with international best practice. 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.
- > **Corporate Responsibility 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:** Our overarching Code of Conduct Policy detailing our commitment to Cardno's four core values: Safety, Integrity, People and Excellence.
- > **Whistleblowing Policy:** Encourages all employees, customers and suppliers to report any suspicion of breach of our principles and policies without fear of retaliation. We provide a confidential helpline to protect the identity of the whistleblowers.
- > **Safeguarding Policy:** Encourages all employees, customers and suppliers to ensure they follow best practice to protect the health, safety, security and well-being of everyone who is encompassed within the scope of Cardno's business.
- > **Inclusion and Diversity Policy:** Details Cardno's ongoing commitment building and maintaining a workplace based on inclusion, equality, respect, trust and integrity which is fundamental to our inclusive culture.
- > **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.



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- > **Modern Slavery and Human Trafficking Statement:** Outlines our compliance with global anti-slavery legislation and our commitment to identifying and ending modern slavery and human trafficking in our operations and supply chain.

### 3. Governance

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- > This Human Rights Policy applies to all Cardno employees and programs, and its implementation and effectiveness will be reviewed on a biennial basis.

## Introduction

At Cardno, we are committed to operating sustainably, responsibly, and in a way that produces positive impact for our stakeholders; including our clients, the communities we work in, employees, suppliers, and our shareholders.

A core component of this commitment is identifying and counteracting modern slavery in global supply chains with the end goal of ending modern slavery.

The *Modern Slavery Act 2018 (Cth)* and the Australian Government's Explanatory Memorandum defines **modern slavery** as trafficking in persons, slavery, slavery-like practices (including forced labour and forced marriage) and the worst forms of child labour. Slavery-like practices can include underpayment of wages, excessive working hours, debt bondage and confiscation of personal documents.

Modern slavery practices are major violations of human rights. We consider modern slavery as a crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. Tens of millions of people today are in situations of slavery, including in nearly all industries and countries. Every company is at risk of being involved in this crime through its own operations and its supply chain. Every company has a role to play to end this tragedy, including Cardno.

We have a zero-tolerance approach to modern slavery and are fully committed to preventing slavery and human trafficking in our operations and supply chains. We are taking concrete steps to tackle modern slavery, as outlined in this statement which sets out actions we are taking to see where we may be exposed to modern slavery, and to help protect the people in our supply chains. This statement looks at our actions and activities during the financial year 2019/2020 and will be updated annually.

We establish a relationship of trust and integrity with all our suppliers, which is built upon mutually beneficial factors. Our supplier selection and on-boarding procedure includes due diligence of the supplier's reputation, respect for the law, compliance with health, safety and environmental standards, and references.

To date, Cardno has not identified or become aware of any instances of human trafficking or slavery within our operations or supply chain. Should this happen, we will act immediately to report our findings to all relevant authorities and work with the supplier to protect the people involved. We acknowledge that rapid offboarding of suppliers involved in human rights violations may not be in the best-interest of vulnerable people within that supply chain, and therefore we use this as a measure of last resort.

The following are Cardno's core elements of our actions to prevent modern slavery and human trafficking:

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## Supply chain risk assessment

We carry out risk assessments of our supply chain by measuring all the following:

- > **Geographic risk:** we use global data sets to evaluate geographic risk within our supply chain, including the Global Slavery Index
- > **Product risk:** we use global data sets to create a risk profile of products we purchase and include this in our supply chain risk assessments
- > **Services risk:** we use global data sets to create a risk profile of services we purchase and include this in our supply chain risk assessments
- > **Watchlists:** while onboarding suppliers we cross-check them against databases of global watchlists to see if they have been flagged for any illegal conduct

These assessments determine our response and the risk controls that we implement across our purchases and supply chain.

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## Policies

Cardno operates the following policies for identifying and preventing slavery and human trafficking in our operations:

- > **Anti-slavery and Human Trafficking Policy** – this articulates Cardno's commitment to identifying and countering modern slavery in global supply chains. This aligns Cardno with the United Kingdom Modern Slavery Act and the Australian Modern Slavery Act, as well as other counter-slavery legislation
  - > **Whistleblowing Policy** - we encourage all employees, customers and suppliers to report any suspicion of slavery or human trafficking without fear of retaliation. We provide a confidential helpline to protect the identity of the whistleblowers.
  - > **Code of Conduct** - our Code of Conduct encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing our supply chain.
  - > **Safeguarding Policy** – we encourage all employees, customers and suppliers to ensure they follow best practice to protect the health, safety, security and well-being of everyone who is encompassed within the scope of Cardno's business.
  - > **Child Protection Policy and Procedure** – this 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 undergo awareness training of child protection matters and commit to our Child Protection Policy and procedures, which also deals with how to report incidents if they occur.
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## Supplier due diligence

Cardno conducts due diligence on new subcontractors and suppliers during on-boarding and on existing suppliers at regular intervals. We require subcontractors and suppliers to complete a due diligence checklist to ensure they conform to Cardno's policies and procedures, and we check them against international watchlists.

This includes:

- > Assessing risks in the provision of particular services

We require subcontractors and suppliers to attest that:

- > They do not use any form of forced, compulsory or slave labour
  - > Their employees work voluntarily and are entitled to leave work
  - > They provide each employee with an employment contract that contains a reasonable notice period for terminating their employment
  - > They do not require employees to post a deposit/bond and do not withhold their salaries for any reason
  - > They do not require employees to surrender their passports or work permits as a condition of employment
- 

## Awareness

Cardno raises awareness of modern slavery issues by ensuring the Anti-Slavery and Human Trafficking Policy that is focused specifically on modern slavery is made available to staff which explains:

- > Our commitment in the fight against modern slavery
  - > Red flags for potential cases of slavery or human trafficking
  - > How employees should report suspicions of modern slavery
- 

## Training

Cardno provides e-learning training to employees which covers:

- > Various forms of modern slavery in which people can be held and exploited
  - > How employees can identify the signs of slavery and human trafficking, including unrealistically low prices
  - > How employees should respond if they suspect slavery or human trafficking
  - > How suppliers can escalate potential slavery or human trafficking issues to the relevant people within their own organisation
  - > What terms and guidance should be provided to suppliers in relation to slavery policies and controls
  - > What steps Cardno will take if a supplier fails to implement anti-slavery policies or controls
  - > An attestation from employees that they will abide by Cardno's Anti-Slavery and Human Trafficking policy
- 

## Measuring how we are performing

Cardno has defined a set of key performance indicators and controls to combat modern slavery and human trafficking in our organisation and supply chain. These include:

- > How many employees have completed mandatory training?
- > How many suppliers have rolled out an awareness and training programme that is equivalent to ours?





## ABOUT CARDNO

Cardno is a professional infrastructure and environmental services company, with expertise in the development and improvement of physical and social infrastructure for communities around the world. Cardno's team includes leading professionals who plan, design, manage and deliver sustainable projects and community programs. Cardno is an international company listed on the Australian Securities Exchange [ASX:CDD].

