

COMMUNICATION ON PROGRESS (COP)

UNITED NATIONS GLOBAL COMPACT (UNGC)

Period of Communication: March 2016 - March 2017

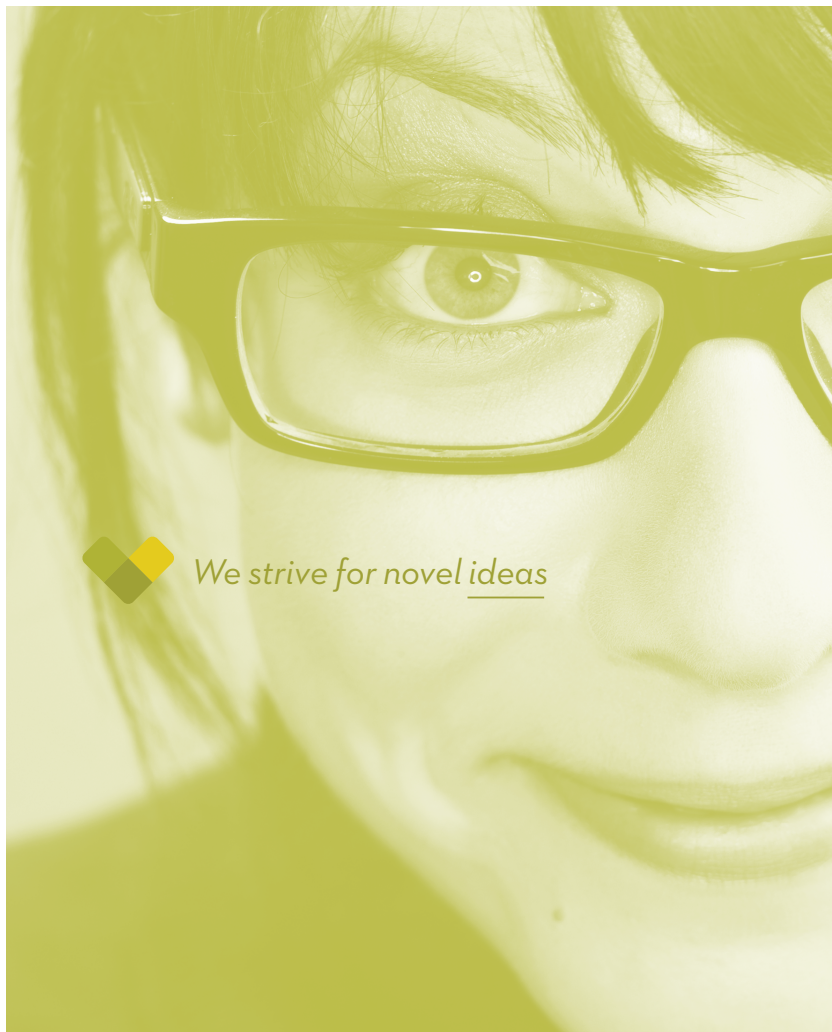




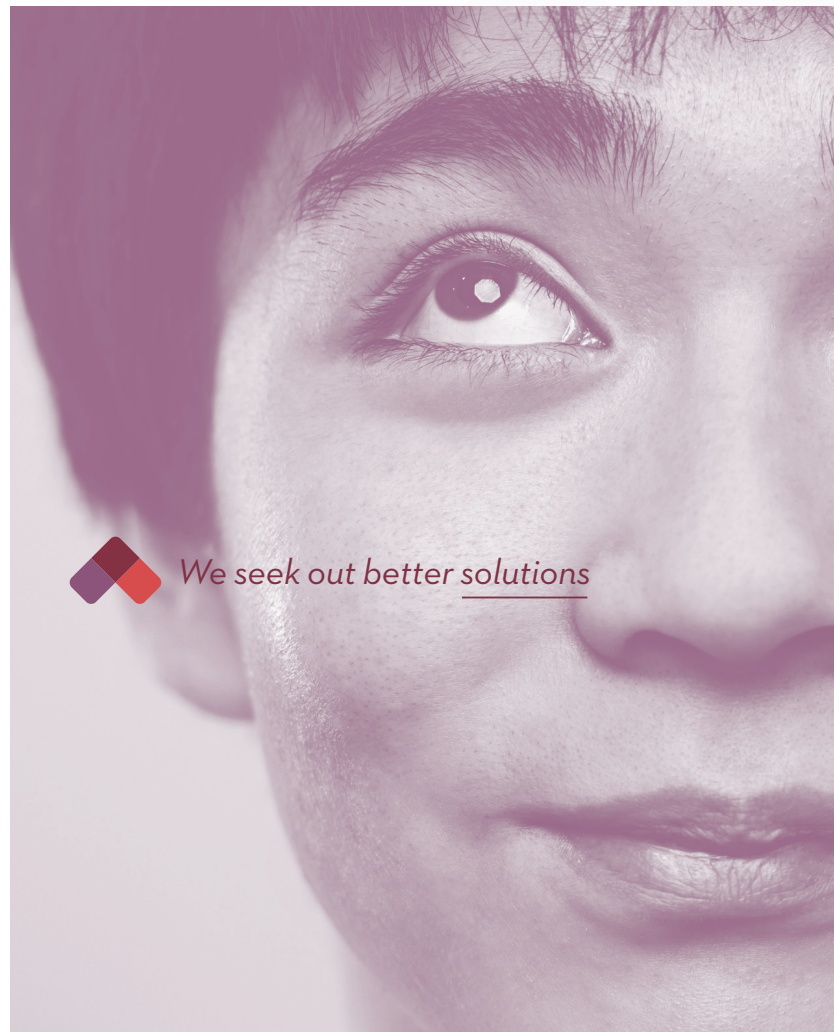
 *We are curious*




 *We follow a different path*



 *We strive for novel ideas*



 *We seek out better solutions*

**THINKINGWORKS BY
THINKING ERGONOMIX PTY LTD**

**PERIOD OF COMMUNICATION:
MARCH 2016 - MARCH 2017**

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**25 HELLES AVENUE,
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OUR STORY_____

Our journey towards sustainability was initiated not as a response to social trends, but because we truly believe it is the right thing to do. Our commitment to become a signatory to the UN Global Compact helps cement this commitment.

The ThinkingWorks story began in 1984, when we arrived on the scene as the first designer and manufacturer of height-adjustable desks in Australia. We quickly established ourselves as the commercial furniture company who combined exceptional quality with ingenious creativity.

From height-adjustable workstations and smart table systems, to acoustic furniture, quirky seating solutions, and convenient add-ons like power-boxes and monitor arms, our furniture is designed to solve problems in the most beautiful, practical and sustainable of ways.

With a head office and main manufacturing site in Moorebank and showrooms in Sydney, Melbourne and London - ThinkingWorks products are sold to office furniture and workstations suppliers, and marketed to the architectural and design industry across the world.





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TO OUR STAKEHOLDERS

I am pleased to confirm that ThinkingWorks reaffirms its support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication of Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

DEAN KUCH
MANAGING DIRECTOR

21 MARCH 2017



UN GLOBAL COMPACT 10 PRINCIPLES

Our first year as a signatory of the UN Global Compact is now complete and we would like to take this opportunity to report on our progress.

HUMAN RIGHTS PRINCIPLES

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

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

OUR COMMITMENT AND POLICY

ThinkingWorks is committed to supporting and respecting the protection of internationally proclaimed human rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

We conducted a human rights assessment, using the Global Compact risk assessment tool on our business operations and processes. This gave us a good idea as to where we stood, as we had a number of policies and procedures addressing human and labour rights and where there were none, we developed new policies.

It is our purpose to ensure human rights are implemented within our company and companies in which we conduct business and have influence on.

IMPLEMENTATION

We have developed and implemented a Human Rights policy which is our overarching policy on human and labour rights. This policy demonstrates a commitment to:

- a safe and healthy workplace
- anti-discrimination
- zero tolerance to bullying
- freedom of association and collective bargaining
- no forced, child or bonded labour
- allows staff to report any grievance or harassment.

Fair working conditions and wages are implemented company wide.

In addition to our Human Rights policy, we have developed an employee handbook which we fondly call 'Life At ThinkingWorks'. All new employees will be inducted using this handbook. The 'Life At ThinkingWorks' handbook outlines all our human rights, labour and environmental policies.

In 2016 ThinkingWorks conducted a human rights risk assessment of our top 4 suppliers. We chose the suppliers we felt we had most influence on and in countries that could be considered higher risk.

We also introduced a Suppliers Code of Conduct and spent time engaging with our suppliers which included one-on-one training on visits to their manufacturing sites. Our Inventory Manager makes recommendations for improvement and we monitor these periodically. We have developed a Suppliers Scorecard to help us rate our suppliers and track progress.

Our commitment to our Human Rights Policy is managed through an internal management system to ensure procedures, training, responsibilities, and monitoring are in place.

MEASUREMENT OF OUTCOMES

ThinkingWorks has had no reports of investigations, legal cases, rulings, fines or other events related to any breaches to labour, anti-discrimination and or safety regulations in the last 12 months.

Our top 4 suppliers have been given a Suppliers Code of Conduct to ensure they too conduct their business ethically.

We will continue to engage with our suppliers and monitor them against our Sustainable Supply Code of Conduct in the coming 12 months. We plan to extend the Code of Conduct in 2017-18 to other key suppliers.

LABOUR PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

OUR COMMITMENT AND GOALS

ThinkingWorks is committed to upholding the rights of our employees in relation to freedom of association and collective bargaining, forced, compulsory or child labour and understands the importance of having a diverse workforce. We have policies to address all of these labour principles.

IMPLEMENTATION

Our employee handbook (Life At ThinkingWorks) includes all policies relevant to principles three, four, five and six. Staff are aware that they have the support of management should they wish to join a union or are free to collective bargain.

In 2016 ThinkingWorks conducted a labour rights assessment of our top 4 suppliers, we chose the suppliers we felt we had most influence on and in countries that could be considered higher risk.

We also introduced a Suppliers code of conduct which includes labour principles; freedom of association and collective bargaining, elimination of all forms of forced and compulsory labour, abolition of child labour and elimination of discrimination. Our Inventory Manager spent time engaging with our suppliers which included one-on-one training at their manufacturing facilities. Our suppliers are rated with internal scorecards and are given corrective actions where required.

MEASUREMENT OF OUTCOMES

ThinkingWorks has had no reports of investigations, legal cases, rulings, fines or other events related to any breaches to labour, anti-discrimination and or safety regulations in the last 12 months.

ThinkingWorks has a diverse workforce - with at least 15 different cultural and ethnic backgrounds. We employ staff of various age groups - from 18 years of age to 60. We have a 37% female to 63% male ratio in management positions.

ThinkingWorks has processes in place to address principles 4, 5 and 6 to ensure compliance, for example all overtime is freely chosen and monitored.

Though we do acknowledge freedom of association and the right to collective bargaining, discrimination, forced, compulsory and child labour could be pertinent to our suppliers and have included these principles in our Suppliers code of conduct.

We will continue to engage with our suppliers and monitor the labour principles against our Sustainable Supply Code of Conduct in the coming 12 months. We plan to extend the Code of Conduct in 2017-18 to other key suppliers.

In 2017 we intend to implement a Grievance procedure and conduct staff training to assist the staff with understanding the process of raising a grievance.





ENVIRONMENTAL PRINCIPLES

Principle 7: Business should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

OUR COMMITMENT AND GOALS

ThinkingWorks has been certified to ISO14001: EMS certification since 2009. In addition to the ISO14001 certification a number of our products have Type 1 Ecolabelling certification, Good Environmental Choice Australia (GECA) and AFRDI GreenTick. Both of these certification schemes are recognised by the Green Building Council of Australia (GBCA).

IMPLEMENTATION

ThinkingWorks understands the importance of environmental sustainability, using various technologies to assist us in lowering our environmental impacts.

We've had a number of products undergo a life cycle assessment (LCA) to assist us in understanding the environmental impacts, emissions and embodied energy in the materials, coatings and finishes we use on our table bases.

In addition to the LCA technology, we use Finite Element Analysis (FEA), a computer program that assists our design team in assessing the minimal material input for greater strength and durability.

As part of ISO14001 certification we continue to educate our staff, suppliers and the market of the importance of environmental protection. In 2016 we initiated a Suppliers Code of Conduct which includes environmental compliance and management

of environmental impacts. Policies and procedures assist our organisation to set our commitment, and manage our environmental impacts.

In addition to our certifications, ThinkingWorks offsets the carbon emissions from our business operations by purchasing and retiring certified carbon credits under the global Verified Carbon Standard (VCS).

MEASUREMENT OF OUTCOMES

ThinkingWorks has been monitoring and measuring our environmental impacts since 2009. We have released these figures to include emissions, energy and waste in our 2016 Sustainability Report, found on our company website.

<http://www.thinking.info/about-us/sustainability/>

We've had some wins and some losses in 2016 in relation to the monitoring of our energy, waste and emissions. We achieved an 81% reduction of waste over a 6 year period and a 22% reduction in overall carbon emissions based on annual production figures. We've had a fairly substantial increase in energy - 20 % due to the relocation to a new manufacturing facility to cater for the continual growth in business. ThinkingWorks purchases 100% GreenPower in our Australian operations and UK business.

Our environmental management system is audited annually as part of our ISO14001 certification.

In 2017 we plan to update our ISO14001 EMS certification to the revised 2015 standard, and we plan to take a more 'proactive' approach to our product design and development phase and initiate a Design Checklist which ensures we follow the requirements of Australian Type 1 Ecolabelling requirements for all new products.

ANTI-CORRUPTION PRINCIPLES

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

OUR COMMITMENT AND GOALS

The Managing Director of ThinkingWorks Dean Kuch, is committed to ensuring that all business activities are conducted ethically and according to all relevant Australian and overseas standards and legislation. We understand the importance of Anti-corruption in all its forms, including extortion and bribery to our business and our stakeholders.

IMPLEMENTATION

In 2016 we developed an Anti-corruption and Bribery Policy which sets out the requirements for all staff to comply with. Employees are expected to act with the highest standards of integrity in all business dealings.

The policy directive reinforces bribery and corruption, political and charitable contributions, gifts and entertainment expenses and substance-based due diligence. The policy sets gift limits and thresholds.

We have introduced and conducted training on the Anti-corruption Policy with our sales and marketing team.

MEASUREMENT OF OUTCOMES

ThinkingWorks has had no reports of investigations, legal cases, rulings, fines or other events related to any breaches in Anti-corruption and bribery in the last 12 months. We will continue to engage with our sales and procurement teams to ensure the highest level of integrity with all business dealings.

Anti-corruption and bribery has been included in our Suppliers code of conduct which we have issued to 4 of our top suppliers and will continue to monitor over the next 12 months.

We plan to conduct further training with new sales staff and our Procurement department.



SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS - 17 GOALS TO TRANSFORM OUR WORLD

ThinkingWorks understands the importance of businesses, individuals and countries to take action against the 17 Sustainable Development Goals. We have outlined our participation, commitment and action for 6 of the Sustainable Development goals.

AFFORDABLE AND CLEAN ENERGY



Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

In addition to the 100% Green Power, ThinkingWorks offsets the carbon emissions from our business operations by purchasing and retiring certified carbon credits under the global Verified Carbon Standard (VCS). The carbon footprint of our business is offset by supporting a HYDROPOWER project in China.

This project supports the Chinese government's objective to reduce the dependence on exhaustible fossil fuels by:

- Reducing the dependence on exhaustible fossil fuels for power generation;
- Reducing air pollution by displacing coal-fired power plants with clean, renewable power;
- Reducing the adverse health impacts from air pollution;
- Reducing the emissions of greenhouse gases, to combat global climate change;
- Contributing to local economic development through employment creation.



Powered by 100% Green Electricity



Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all

ThinkingWorks sources materials and components from a global supply chain. Some of our manufacturing partners are in low and middle income countries. We have a growing business and with this growth, comes the growth of our suppliers, this in turn helps their local communities.

We invest time and energy by assisting our suppliers and promoting high standards of health and safety in their manufacturing facilities. We encourage our suppliers and make recommendations to help them create a safe working environment.



Goal 10: Reduce inequality within and among countries

ThinkingWorks has policies in place to demonstrate our commitment to equal opportunities, prohibiting discrimination in all its forms. Anti-discrimination is one of the key requirements which is included in our Suppliers Code of Conduct.



Goal 12: Ensure sustainable consumption and production patterns

ThinkingWorks has in place a number of processes and initiatives that support sustainable consumption and production patterns, these include:

1. Ecolabelling Type 1 certification - for 5 of our product ranges
2. The undertaking of a Life Cycle Assessment (LCA) to better understand the environmental impacts of materials and coatings to ensure a more sustainable outcome.

3. The design team uses Finite Element Analysis (FEA) to identify environmentally preferable materials along with minimal material input for greater strength.

4. Our recycling and reuse program includes a box-buy-back initiative which means our clients are rewarded for returning our packaging, which is then reused to package new products. We also recycled paper, cardboard, metals and comingle items. In addition, our Styrofoam packaging is given to another supplier to be used as packaging in toys.

5. We have a Product stewardship policy in place for a number of our ranges for our Australian customers.



Goal 13: Take urgent action to combat climate change and its impacts

ThinkingWorks evaluates climate change risks such as resource scarcity, resource price volatility and takes appropriate mitigation and adaptive action.

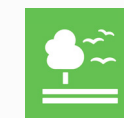
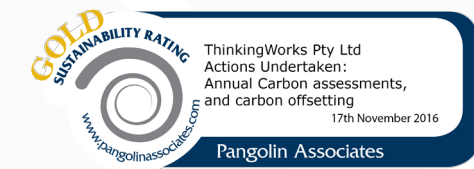
ThinkingWorks monitors, measures and offsets carbon emissions from our business operations by purchasing and retiring certified carbon credits under the global Verified Carbon Standard (VCS). The carbon footprint of our business is offset by supporting a hydropower project in China.

The below business operations are included in the carbon offsetting

- paper and cardboard
- flights
- waste and recycling
- hotel accommodation
- advertising
- taxis
- freight

Since we began offsetting our carbon emissions in 2010, we've reduced our overall emissions by 22% based on annual production figures.

We believe in transparency and have released our annual Sustainability Report (2016) which documents our progress on actions and initiatives for waste and energy.



Goal 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

ThinkingWorks conducts due diligence on all sourced timbers to ensure we are not procuring illegally harvested timbers.



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