

COMMUNICATION ON PROGRESS (COP)

UNITED NATIONS GLOBAL COMPACT (UNGC)

Period of Communication: March 2017 - March 2018

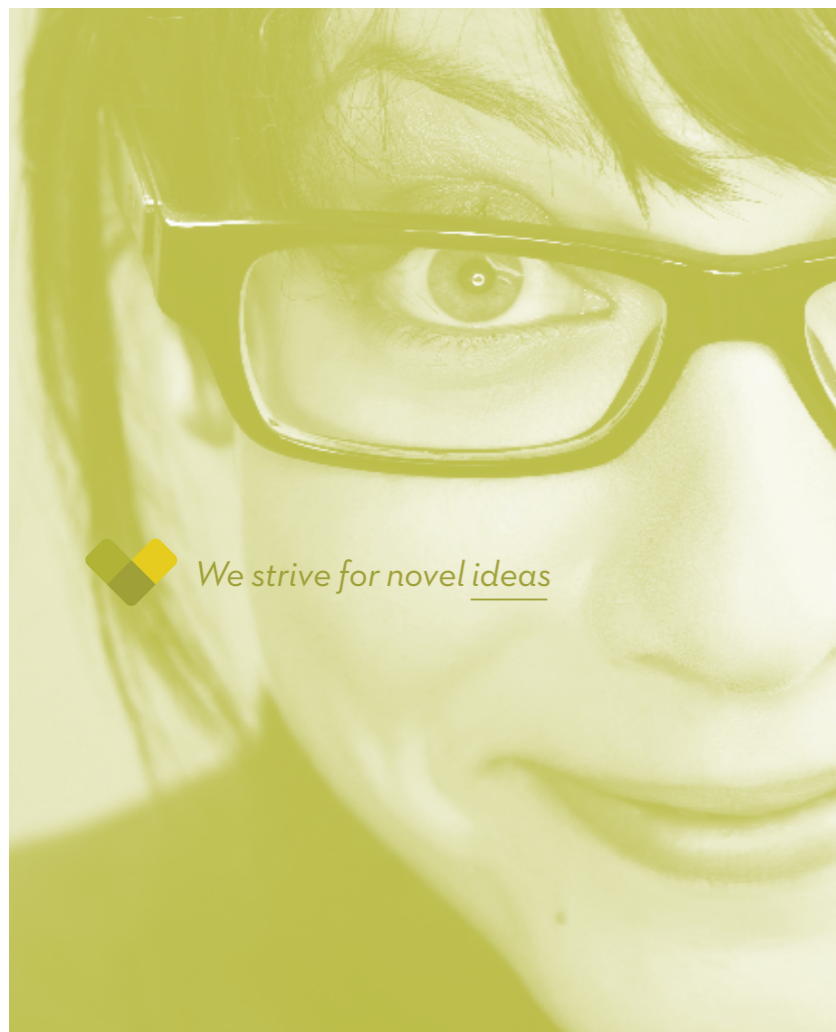




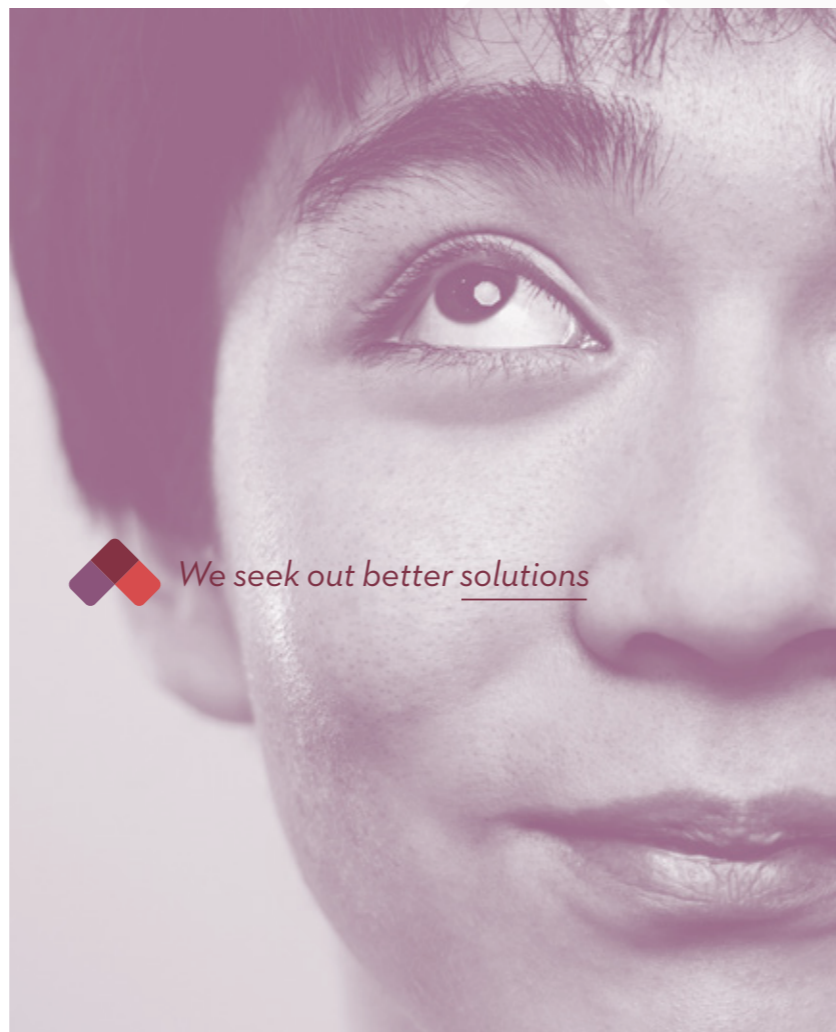
 *We are curious*




 *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 2017 - MARCH 2018**

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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 2018



UN GLOBAL COMPACT TO PRINCIPLES

Our second 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 continues to support and respect the protection of internationally proclaimed human rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

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

The UN Global Compact Self-Assessment Tool helps drive our human rights programs and assists us in continual improvement of policies, procedures and implementation.

Our Human Rights Policy is on display and is communicated to all staff and contractors.

We remain committed to engaging with our suppliers both locally and internationally to express the importance of honouring human rights at work. We continue to conduct human rights due diligence within our supply chain.

IMPLEMENTATION

We have 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.

WORKPLACE HEALTH SAFETY (WHS)

Our new forklifts are fitted with auto safety checks and impact detection sensors. These machines are connected using a pin code system to eliminate unauthorised usage. All these factors have significantly contributed to increased workplace safety.

Fair working conditions and wages are implemented company wide.

In addition to our Human Rights policy, we have 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 selected the suppliers we felt we had most influence on, and in countries that could be considered higher risk.

We issued our suppliers with a Suppliers Code of Conduct and spent one-on-one time to educate them on human and labour rights and what was expected. We continue the conversation and expect our suppliers to meet minimum requirements.

We monitor their progress on our overseas sight visits.

We continue to engage with our suppliers around human and labour rights as we understand that this is not only important to our organisation, but important to our clients and the industry as a whole.

In 2018 we conducted due diligence on our labour hire company to confirm they had processes in place to ensure casual staff have the 'right to work in Australia' and employment

is 'freely chosen'. They reported that they complete a VEVO/DIMIA check for every candidate that does not provide proof of Australian citizenship and their Human Rights policy includes the right for candidates to 'freely choose employment'.

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

MEASUREMENT OF OUTCOMES

ThinkingWorks has had no reports or investigations, legal cases, rulings, fines or other events related to any breaches to human rights in the last 12 months. We remain committed to educating, training and bringing awareness to our Human Rights Policy.

We continue to engage with our suppliers both locally and internationally and where possible influence to ensure minimum human rights are met.

▶ 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.

We have policies to address all of these labour principles and seek to influence our suppliers with regards to upholding labour rights within their organisations.

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 and seek to influence our suppliers with regards to upholding labour rights within their organisations.

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.

We have developed an extensive grievance mechanism to ensure the staff are aware of how to communicate grievances relating to human and labour rights and what the course of action will be.

In 2016 ThinkingWorks conducted a human rights risk assessment of our top 4 suppliers. We choose the suppliers we felt we had most influence on and in countries that could be considered higher risk. We issued our suppliers with a Suppliers Code of Conduct and spent one-on-one time to educate them on human and labour rights and what was expected.

We continue the conversation and expect our suppliers to meet minimum requirements; we monitor their progress on our overseas visits.

We continue to engage with our suppliers around human and labour rights as we understand that this is not only important to our organisation, but important to our clients and the industry as a whole.

Our ongoing commitment to our labour rights is managed through a 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.

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 66. We have a 40% female to 60% 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, 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 Suppliers Code of Conduct in the coming 12 months. We plan to extend the code to other key suppliers.

► 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 2017 Sustainability Report, found on our company website.

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

Our Australian manufacturing operations saw a slight increase in energy in 2017 (based on 2015/16 figures) 0.5%, so we updated our existing air compressor with an 'off timer' that assists in energy efficiency along with replacing old forklifts with new more energy efficient ones. We saw a substantial increase in waste, which was up by 25%. Since we started recording our waste in 2010 we've had a reduction of waste to landfill of 34%, this is based on our annual production figures.

ThinkingWorks purchases 10% GreenPower and the remaining GHG emissions are offset by purchasing and retiring certified carbon credits

under the global Verified Carbon Standard (VCS). This also applies to our waste and recycling, which is also offset.

Last year we developed and implemented the Sustainable Product Guidelines and checklist to ensure the design and procurement departments are on track for designing and manufacturing sustainable products. We will continue to use this to help us build products that are fit for purpose, sustainable and healthy for indoor environments.

On the 28th February 2017, ThinkingWorks participated in the Clean-up Australia day which helps to promote a clean, healthy and sustainable environment. We acted locally and hit Helles Avenue in Moorebank, (our manufacturing facility) and collected 8 bags of street litter. We really appreciate the staff's involvement with supporting us by participating in this event.

In 2018 ThinkingWorks will transition to the updated ISO14001: EMS - 2015 Standard. The revised standard has new clauses that address the needs and expectations of interested parties, internal and external issues and a life cycle approach to product and services (amongst other new clauses).

► 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 10% 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 governments objective to reduce the dependence on exhaustible fossil fuels by:

- Reducing the need 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.
6. We have developed Sustainable Product Guidelines to ensure all new products are developed to be Fit for Purpose, sustainable and healthy for indoor environments.



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

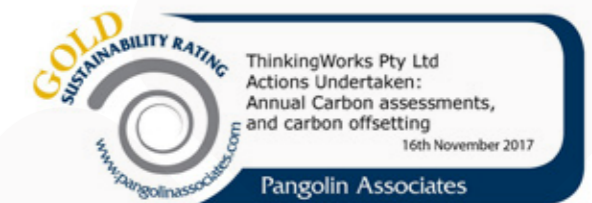
ThinkingWorks evaluates climate change risks such as resource scarcity, resource price volatility and takes appropriate mitigation and adaptive action.

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

We believe in transparency and have released our annual Sustainability Report (2017) 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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