

Communication On Progress (COP) Report

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 Thinking Works 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 — Thinking Works products are sold to office furniture and workstations suppliers, and marketed to the architectural and design industry across the world.

Dean Kuch
Managing Director

To Our Stakeholders

I am pleased to confirm that Thinking Works 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.

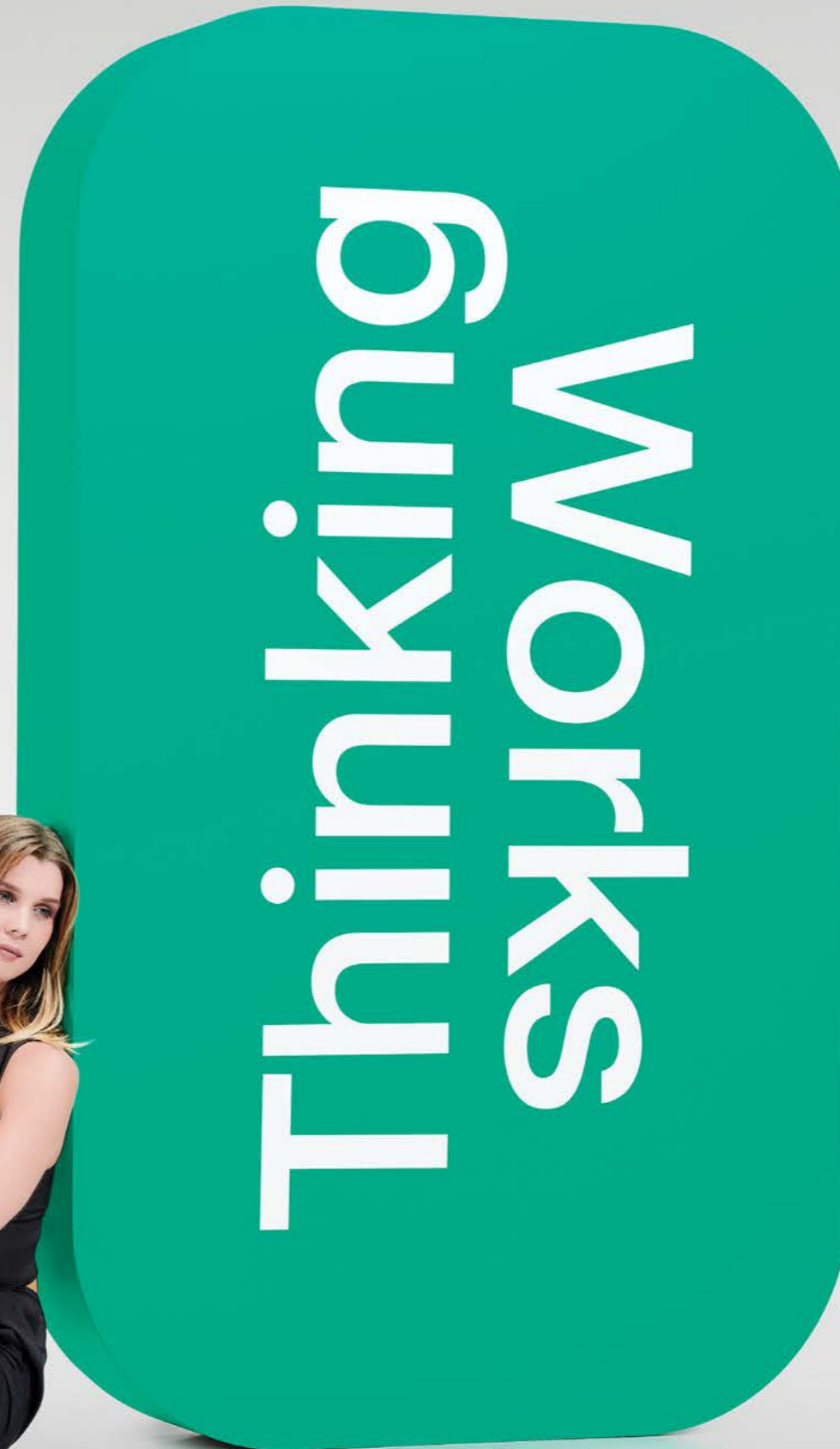
In this annual Communication of Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Dean Kuch
Managing Director

March 2019



Thinking Works by
Thinking Ergonomix Pty Ltd

Period Of Communication:
March 2018 - March 2019

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UN Global Compact 10 Principles

Our third 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

Thinking Works 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.

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.

Human Rights Implementation

In addition to our Human Rights policy, we have an employee handbook which we fondly call 'Life at Thinking Works'. All employees are inducted using the employee handbook which outlines all our human and labour rights, environmental and anti-corruption policies. Along with mechanisms and procedures to report any grievances.

Our staff are important to us, so we want to ensure they have a safe and healthy work environment. We continue to conduct monthly WHS and EMS toolbox meetings and have introduced a mandatory forklift and vehicle safety policy. We also engaged the professional services of Chub Fire and Security Group to assist Thinking Works in improving our emergency preparedness plan and response. We've invested in upgrades of equipment and improvements in our procedures.

In November 2018, nine Thinking Works employees, across a number of business units and sites attended an onsite First Aid Training course. The participants obtained qualifications in Cardiopulmonary Resuscitation, basic emergency life support and first aid.

As part of the onsite training Automated External Defibrillators (AED's) were used and at the conclusion of the training the decision was made by management to purchase an AED to be located at the Moorebank facility.

We have issued key suppliers with a Suppliers Code of Conduct and continue to engage and support our suppliers to help them understand the requirements around the code of conduct. In November 2018 the senior management team visited eight factories in the Asia Pacific region and conducted site inspections, providing feedback on improvements in safety gear and processes.

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'.

The labour hire company ensures all the casual staff that come onto site are inducted for Workplace Health and Safety and have the appropriate PPE.

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

Thinking Works 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 polices 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

Thinking Works 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 polices 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 Thinking Works) includes all polices 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 we conducted a human and labour rights risk assessment of our key suppliers. We've mapped our supply chain and focus our efforts on suppliers where we have influence and in countries that could be considered higher risk.

Our expectations on labour rights are included in our Suppliers Code of Conduct . We continue to engage and work with our suppliers around labour rights on our overseas site visits, so we have consistent monitoring.

Our suppliers understand the UN Global Compacts Labour rights principles.

Our new Purchasing Manager has been undergoing training by an external sustainability consultant who is experienced in supply chain due diligence and labour rights, this helps build our internal capacity to understand and address human and labour rights impacts.

Our ongoing commitment to our labour rights is managed through a management and due diligence system to ensure policies, procedures, training, responsibility and monitoring are in place.

Measurement of outcomes

Thinking Works 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.

Thinking Works has a diverse workforce with at least 15 different cultural and ethnic backgrounds. We employ staff of various age groups from 18 years to 62. We have a 50/50 male/female ratio in management positions.

Thinking Works 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

Thinking Works has been certified to ISO14001:EMS since 2009. In 2018 we continued our commitment and recertified to the AS/NZS ISO14001: 2016 Environmental management system Standard. The scope of the certification also includes our UK operations.

In addition to the ISO14001 certification, a number of 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

Thinking Works 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 2017 we developed and implemented the Sustainable Product Guidelines and checklist to ensure the design and procurement departments are on track for designing and procuring sustainable products and materials. We continue to use this to help us build

products that are fit for purpose, sustainable and healthy for indoor environments.

We've developed more efficient methods of recycling our cardboard packaging and we're eliminating all coloured plastics from our supply chain to ensure it doesn't end up in landfill.

In addition to our certifications, Thinking Works 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

Thinking Works has been monitoring, measuring and analysing data associated with our environmental impacts since 2009. Please review our 2018 Sustainability Report on the company website for further details.

<http://www.thinkingw.com/about-us/sustainability/>

We've seen a 67% reduction in waste over a 7 year period (based on production figures). Though we've had a steady increase in energy and carbon emissions by 67% (based on production figures). We've seen a steady increase in energy and carbon emissions due to the company expanding into a larger manufacturing facility and expending into overseas markets.

We continue to offset these emissions by purchasing and retiring certified carbon credits under the global Verified Carbon Standard (VCS), along with offsetting other business activities which includes freight, flights, employee commute, waste disposal etc.

Thinking Works purchases 100% GreenPower for the UK Operations, 10% GreenPower for our Sydney manufacturing site and the remaining GHG emissions for all other sites are offset by purchasing and retiring certified carbon credits.

In 2018 we increased our number of Type 1 Ecolabelled products and will continue to grow our sustainable product range in 2019.

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 Thinking Works, 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

Thinking Works 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

Thinking Works 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, Thinking Works 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.

Decent Work and Economic Growth

Goal 8

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

Thinking Works 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.

Reduced Inequalities

Goal 10

Reduce inequality within and among countries

Thinking Works 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.

Responsible Consumption and Production

Goal 12

Ensure sustainable consumption and production patterns

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

Ecolabelling Type 1 certification – for 6 of our product ranges

The undertaking of a Life Cycle Assessment (LCA) to better understand the environmental impacts of materials and coatings to ensure a more sustainable outcome.

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

Our recycling and reuse program includes recycling of cardboard, paper, metals and soft plastics. We've developed more efficient methods of recycling our cardboard packaging and we've eliminated all coloured plastics in our supply chain to ensure it doesn't end up in landfill. We also recycle our printer cartridges.

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

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

Climate Action

Goal 13

Take urgent action to combat climate change and its impacts

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

Thinking Works 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 (2018) which documents our progress on actions and initiatives for waste and energy.

Life On The Land

Goal 15

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

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

Thinking Works
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