

Communication On Progress (COP) Report

March 2020 — March 2021

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, Australia and a global network of distributors — 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 2021



Thinking Works by
Thinking Ergonomix Pty Ltd

Period Of Communication:
March 2020 - March 2021

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UN Global Compact 10 Principles

Our fifth 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.

Principle 2: Businesses should 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:

- Diversity and inclusion
- A safe and healthy workplace
- Freedom of association and collective bargaining
- Eliminating Modern Slavery, forced labour and human trafficking
- Eradicating child labour, including the worst forms of child labour
- Ensuring fair working conditions and wages
- Providing staff with a grievance mechanism

Our human rights commitment not only includes our business operations but extends to workers in our supply chain.

In 2019 - we started work on developing our long-term strategy to address human rights, including modern slavery risks in our business operations and our supply chains. We have called this Our Responsible Sourcing Roadmap.

This was motivated by Thinking Works' voluntary reporting under the Australian Modern Slavery Act 2018 (Cth). In 2021 we will be submitting our first modern slavery statement outlining the steps we have taken to assess and address the risks of modern slavery in our business operations and our supply chains.

Thinking Works have been working with a sustainability consultant to help us understand what modern slavery is, where it is likely to occur and how do modern slavery and human rights impacts relate to the products and services we are procuring.

We've conducted a 'high-level' risk assessment across our supply chain and a more detailed risk assessment of individual suppliers.

The detailed risk assessment includes:

- Human and labour rights (freedom of association, anti discrimination, working conditions, workplace health and safety, review of migrant labour and third-party labour hire)
- Modern Slavery (forced labour, child labour, debt bondage, human trafficking, servitude, deceptive recruitment and forced marriage)
- Supply chain management
- Anti-corruption and bribery

To help manage this process, we've created a Suppliers Scorecard to assist us in identifying and evaluating areas of improvement and to help us monitor and track our suppliers' performance.

We have issued our suppliers with a Suppliers Code of Conduct outlining our requirements around business ethics and compliance. The code requires suppliers to address human and labour rights, environmental compliance and anti-corruption and bribery.

Our key staff have been trained on modern slavery; what it is, how to identify potential victims, what are the indicators of modern slavery and human rights violations and what Thinking Works is doing to mitigate the risk. Our Purchasing Manager has had extensive one on one training with our sustainability consultant to help him identify how modern slavery may occur in our supply chain.

We will continue to raise awareness of modern slavery and human rights with our stakeholders in Australia and will start helping our suppliers build their capacity to understand how they may start to work with their suppliers to address modern slavery and human rights risks.

Internally, we have an employee handbook, which outlines all our human and labour rights, environmental and anti-corruption policies. This informs our employees on our commitment to addressing these principles and how it may affect them.

Our new employees have a health and safety, social and environmental induction and the staff have ongoing toolbox and other targeted training like first aid, and fire safety.

As part of our commitment to staff safety our fire wardens have undergone training with experts in fire safety to ensure skills are kept up to date. The training encompasses both theory and practical aspects including training in other emergency preparedness besides fire (gas leaks, bomb threats, etc), evacuation drills and the operation of fire extinguishers.

Our ongoing commitment to addressing human rights is managed through a management system to ensure procedures, actions to mitigate, training, responsibilities and monitoring are in place

Measurement of Outcomes

Our Managing Director, Dean Kuch is a passionate advocate for addressing human rights and has had a ‘hands-on role’ in the assessment and implementation of our human rights due diligence process. Dean has been instrumental in communicating the importance of addressing human and labour rights with our key suppliers, along with bringing awareness of modern slavery to our stakeholders.

We see that Thinking Works can play a role in bringing the building and construction sector together to learn more about modern slavery and human rights and what it means to our industry.

In December 2019, we hosted an event in our Sydney Showroom - Thinking Freedom: an introduction to the Modern Slavery Act. We bought together, architects, designers, builders, property managers, end users and suppliers to raise awareness of modern slavery, how it may occur in our industry and the steps we have taken to assess and address the risks. We wanted to raise awareness of modern slavery and human rights and motivate others to take action.

Other such events were planned for 2020, though due to COVID-19 we were unable to conduct any further events.



Thinking Works operates in line with all international human rights standards and has had no reports or investigations, legal cases, rulings, fines or other events to any human rights breaches in the last 12 months.

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.

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

Thinking Works is committed to respecting and promoting the ILO’s Fundamental Principles and Rights at Work. These include;

- Freedom of association and effective recognition of the right to collective bargaining;
- Elimination of all forms of forced or obligatory labour;
- Effective abolition of child labour;
- Elimination of discrimination in employment and occupation.

To further strengthen this commitment, Thinking Works will be voluntary reporting under the Australian Modern Slavery Act 2018 (Cth). In 2020 we will be submitting our first modern slavery statement outlining the steps we have taken to assess and address the risks of modern slavery in our business operations and our supply chains.

Implementation

Our employee handbook includes all policies relevant to principles, three, four, five and six. Staff are informed that they have the full support of management should they wish to join a union and are free to collectively bargain. In addition, we have developed a 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.

We provide our new employees, as part of their welcome pack with the Fair Work Information Statement to make sure they are aware of their rights at work.

Thinking Works have been conducting supply chain due diligence and addressing labour rights with our suppliers since 2016. A number of our key suppliers have recently undergone further assessment of their processes in relation to workplace labour practices. The detailed risk assessment includes:

- Human and labour rights (freedom of association, anti-discrimination, working conditions, workplace health and safety, review of migrant labour and third party labour hire)
- Modern Slavery (forced labour, child labour, debt bondage, human trafficking, servitude, deceptive recruitment and forced marriage)
- Supply chain management
- Anti-corruption and bribery

We understand the importance of building our internal capacity with understanding modern slavery, human rights and labour rights. Our Purchasing Manager has undergone extensive training by an external sustainability consultant who is experienced in supply chain due diligence and labour rights.

The Thinking Works Responsible Sourcing Roadmap, our long-term strategy to address human and labour rights will further inform and guide us over the next 5 years.

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

Measurement of Outcomes

Thinking Works have a diverse workforce with at least 10 different cultural and ethnic backgrounds and we employ staff of various age groups from 24 years to 64. We have a 75/25 female/male ratio in management positions. We have 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 internal policies, procedures and processes address principles four, five and six 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 forced and child labour could be potentially material 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 all suppliers.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

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

Our Commitment and Goals

Thinking Works has been working to reduce their environmental impacts for over a decade. We have been certified to ISO14001: EMS, since 2009 and monitor and track our waste, energy and greenhouse gas emissions. All business activities are offset through purchasing and retiring certified carbon credits under the global Verified Carbon Standard (VCS). We shall continue to implement initiatives to further reduce our environmental impacts in our business operations and product ranges.

Implementation

We use various technologies to assist us in lowering our environmental impacts. Here is a snapshot of how we go about this:

1. We’ve had a number of products undergo a Life Cycle Assessment (LCA) to help us understand the environmental impacts, emissions and embodied energy in the materials, coatings and finishes we use on our table bases.
2. 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.
3. Plus, we use our Sustainable Product Guidelines and checklist to ensure the design and procurement departments are on track for designing and procuring sustainable products.

We are continuing to build on our list of Type 1 Ecolabelled certified products which now includes seven product ranges, all certified to Level A – GECA/AFRDI GreenTick. This means our products are assessed against environmental and social criteria which includes:

- Avoidance of toxic, hazardous and prohibited substances
- Low VOC (volatile organic compounds)
- Recycled content (in packaging or product)
- Fitness for purpose
- Compliance with environmental laws and regulations
- Verified environmental claims

- Design for disassembly
- Product stewardship policy

In 2016 we initiated a Suppliers Code of Conduct which includes environmental compliance and management of environmental impacts. The code will continue to be monitored and reviewed on overseas site visits.

Measurement of Outcomes

Thinking Works has been monitoring, measuring and analysing data associated with our environmental impacts since 2009. Please review our 2020 Sustainability Report on the company website for further details.

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

In the past 11 years we’ve seen a 10% reduction in waste (based on production figures). Though we’ve had a steady increase in energy and carbon emissions due to the company expanding into a larger manufacturing facility and expanding into overseas markets.

We have been offsetting our company’s emissions by purchasing and retiring certified carbon credits under the global Verified Carbon Standard (VCS) since 2010. This includes freight, flights, employee commute, waste disposal etc.

Thinking Works’ electricity consumption in Australia is procured through Powershop, which means our energy consumption is 100% offset.

In 2020 we increased our number of Type 1 Ecolabelled products and will continue to grow our sustainable product range in 2021.

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.

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 19 of 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 that businesses, individuals and countries take action toward the 17 Sustainable Development Goals. We have outlined our participation, commitment and action for 7 of the Sustainable Development Goals.

Good Health and Wellbeing

Goal 3

Ensure healthy lives and promote well-being at all ages

We aim to reduce the use of hazardous and prohibited substances in our product ranges and ensure our staff are working in a safe and healthy workplace.

Affordable and Clean Energy

Goal 7

Ensure access to affordable, reliable, sustainable and modern energy for all.

In addition to procuring 100% Carbon Offser electricity, 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.

Decent work is important to our business, both in terms of how we treat our staff and how our suppliers treat theirs. We want to partner with businesses that share similar values to ours and for them to adopt decent work practices. We have outlined our expectations in our Suppliers Code of Conduct and evaluate their performance in the area of human and labour rights. As part of our long-term strategy, we will continue to work with our suppliers, help build their capacity and track their performance.

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 7 of our product ranges.
- Learnings from our product Life Cycle Assessment, 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 (2019/20) 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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Furniture for the Curious