

Koskela Pty Ltd

Communication on Progress (COP)

2021-2022

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To our stakeholders,

I am pleased to confirm that Koskela Pty Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on 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 sharing this information with our stakeholders using our primary channels of communication.



Sasha Titchkosky
CEO

UNGC COP 2022

Human Rights

Our Employee Handbook, Business Code of Conduct and Supply Partner Code of Conduct all express support for the Universal Declaration of Human Rights and Declaration on the Rights of Indigenous Peoples. Our Employee Handbook commits to upholding the Human Rights of our employees and third party supply partners and references the New South Wales Equal Opportunity and Human Rights Commission and the Australian Human Rights Commission.

Koskela respects and values the diversity of its employees, clients and stakeholders and is committed to finding ways to actively support and encourage an inclusive workplace and business now and into the future. Koskela is committed to merit-based hiring and career development, without regard to attributes such as race, sex or gender and ensuring equal opportunity in employment for all people employed, or seeking employment within the business.

Koskela is committed to providing its employees with a safe-work environment, operating in alignment with its values and being free from inappropriate behaviour. This includes promoting a culture that values respectful behaviours, diversity and inclusiveness.

We have:

- Continued Impact and Sustainability team training most fortnights, covering the 17 Sustainable Development Goals, Ten Principles of the UN Global Compact and B. Corp compliance, to foster an understanding and awareness of Human Rights across our business.
- Distributed our new Supply Partner Code of Conduct to all suppliers, requesting a returned questionnaire and signed declaration.

We have measured our Human Rights progress and performance in the following ways:

- Collate and qualify Supply Partner questionnaire responses, as part of our Supply Chain Risk Analysis. 8/10 suppliers provided completed questionnaires. None of these responses indicated any contravention of human rights.
- This process will be completed yearly and will capture any new suppliers and ensure continued compliance. Additional questions will be added to the survey in 2022 which will capture renewable energy usage and waste/ recycling.
- Any contravention of human rights will be documented and the responsible partner will be placed on probation and given a timeframe to address and resolve the issue -continued non-compliance will result in the partner relationship being terminated.

Labour

The Koskela Employee and Supply Partner policies affirm a commitment to Fair Work and the elimination of discrimination and all forms of forced labour.

Our Supply Partner Code of Conduct policy aims to ensure our Supply Partners employ labour and contractors under current legislation and law, and in corporate WHS requirements into every stage of contractor selection, approval, work processes and completion. Supply Partners must comply to International Labour Organisation (ILO) Conventions¹⁰⁰¹ and¹¹¹² and the CEDAW Convention.

Koskela is committed to assessing, identifying and mitigating risks within its supply chain and the elimination of forced, child, compulsory or bonded labour, as outlined in our Supply Partner Code of Conduct and voluntary Modern Slavery Act 2018 statement.

Koskela has taken the following actions to implement labour policies that reflect the Ten Principles:

- Koskela supports the right of every employee to lodge a grievance with their manager if they believe a decision, behaviour or action affecting their employment is unfair. Our Employee Handbook outlines clear Grievance Procedures.
- Employees have clear pathways for reporting any behaviour that constitutes sexual harassment, bullying or discrimination. Employees are not be victimised or treated unfairly for raising an issue or making a complaint, and our Employee Handbook outlines clear EEO & Bullying Complaints Procedure.
- Koskela strives to continuously improve health and safety in the workplace through a united approach to consultation and resolution of Work Health and Safety issues. This is enabled by Koskela's 'People Management Policy' that guides decisions to ensure a safe and high performing workplace with a strong culture that promotes employee wellbeing.
- Koskela continues to offer all full time team members the ability to work a 9 day fortnight. This has enabled our team to have more time to focus on their own mental and physical health, to deal with life admin and to generally take a break.

Koskela considers the risk of modern slavery within its direct business operations to be low. However, Koskela has implemented policies and procedures to identify, assess, mitigate and monitor potential risk areas. These processes are driven by our Supplier Code of Conduct and Modern Slavery Act 2018 statement (voluntary).

Environment

In 2021 Koskela committed to a goal of achieving absolute zero emissions without offsets by 2030. We are doing this by shifting the business to a circular economic model and actively seeking lower emissions substitute for products which currently have high emissions.

In 2022 the two materials in focus are foam and steel.

In 2021 Koskela has achieved carbon neutral status and continues to measure our emissions across all three scopes of our business operations.

We have also committed to SBTi with publication of this taking place in 2022.

Koskela successfully passed our annual audit of our compliance with ISO14001 (Environment), based on our Environmental Management System and associated registers, procedures and policies.

As part of our Compliance we outlined our Environmental Aspects and Impacts, Purpose and Scope, Leadership and Governance, Management System Planning, Performance Evaluation and Improvement measures.

KPIs and objectives for our organisation include the following aspects:

- Energy & carbon reduction, pollution prevention & waste management, ethical & sustainable procurement, supporting local community

Our Supply Partner Code of Conduct also requires our supply partners to recognise the UN Global Compact with existing environmental legislations and obtain all legally required permits, licenses and registrations applicable for their business with procedures and standards for resource management, reduced emissions and waste management that correspond to or exceed the statutory minimums and are to be continually improved. The Supply Partner should introduce and maintain a suitable environmental management system or equivalent to minimise environmental risks, and continuously improve the company's environmental performance. These commitments are verified via questionnaire and declaration document.

In 2021 Koskela has:

-Integrated Impact and Sustainability goals into all teams' business plans, and individual performance reviews.

-Implemented Impact and Sustainability training every fortnight, to keep the team up to date with our carbon calculation and reduction strategies and sustainability initiatives as well as Climate Action updates. Each team member underwent a 'Roadmap to Zero' training program, to calculate their personal footprint for offsetting and reduction purposes. This has resulted in team members switching their energy suppliers to renewable providers, moving their superannuation to ethical funds. Koskela also shifted our premises to locations where the public transport connections were improved and actively encourages team members to use public transport or active transport such as bikes.

Anti-Corruption

As part of our ISO14001 certification we were externally audited for Environmental performance in 2021. Our ongoing ISO compliance ensures a clear roadmap for maintenance, progress, non-compliance and continual improvement of our environmental impact and goals.

Koskela has an Anti-Corruption policy document, the purpose of which is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that Koskela's business is conducted in a socially responsible manner.

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery. We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws in Australia in respect of our conduct both at home and abroad.

This policy covers all individuals working at Koskela and also third parties - any individual or organisation that Koskela employees come into contact with during the course of their work, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

This policy covers bribes, gifts and hospitality, facilitation payments, political contributions and charitable contributions.

We support the United Nations Convention Against Corruption.

In 2021 we updated our Anti-Corruption Policy to cover Scope, Responsibilities, Record Keeping, How to Raise a Complaint, Protection, Training and Grievance Procedures to ensure that all individuals understand how to recognise and report corruption and ensures that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption.

Koskela's Anti-Corruption policy sets out detail of the following procedures:

- Record Keeping - financial records and appropriate internal controls in place which will evidence the business reason for making payments to third parties
- How to Raise a Complaint
- What to do if you are a victim of bribery or corruption
- Protection
- Training

We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.