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*What's inside matters*

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*What's inside matters*

*foamco – Communication on Progress*

**United Nations Global Compact**

**United Nations Sustainable Development Goals**

**September 2021 - October 2022**

[www.foamco.com.au](http://www.foamco.com.au)

# *Introduction*

For more than 25 years, Foamco have been manufacturing polyurethane foams and distributing them to a variety of Australian businesses, including suppliers of furniture, bedding and packaging, and healthcare, audio, sports, transportation and marine equipment. Our foams are manufactured locally and distributed nationwide.

Foamco are passionate about ensuring we have a positive impact on our community and environment. Our Co2 foaming technology sees us at the forefront of the marketplace in terms of green manufacturing. We also work with our customers to recycle product offcuts, and our own product offcuts are recycled through our sister company Airstep, an underlay specialist.

We are a member of the Australian Bedding Stewardship Council (ABSC), which works in partnership with Soft Landing to recycle mattresses. Foamco General Manager Carol Christensen is a member of the ABSC committee that provides feedback and insights to assist with diverting waste from landfill.

A number of our product ranges have Good Environmental Choice Australia (GECA) Type I ecolabelling certification. GECA standards address both environmental and social sustainability criteria.

On 25 October 2019, Foamco joined the United Nations (UN) Global Compact. The Global Compact consists of Ten Principles covering the areas of Human Rights, Labour, Environment and Anti-Corruption. We are continuing to work with external experts and NGOs on strategies to address the Ten Principles, and the UN's 17 Sustainable Development Goals (SDGs), with the aim of achieving a fairer and more sustainable future.









## *To Our Stakeholders*

Foamco are delighted to be submitting our second Communication on Progress (CoP) under the UN Global Compact. In this CoP, we describe our actions to address the Ten Principles of the UN Global Compact, as well as the 17 UN Sustainable Development Goals (SDGs), and report on how we are integrating these principles and goals into our business strategies, culture and daily operations.

We are committed to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Mr Tomy Jose



# UN Global Compact: Human Rights

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

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

## Policy and Goals

Foamco support and respect the protection of internationally proclaimed human rights, including the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (1998). Our aim is to ensure that human rights are valued and upheld within our company, and the companies we conduct business with and influence.

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

## Implementation

In 2019 we engaged a sustainability consultant to conduct a gap analysis of our existing human and labour rights policies, procedures and processes, and make recommendations for improvement. In 2021 we developed our first Human Rights Policy, our overarching policy on human and labour rights.

This policy demonstrates a commitment to:

- diversity, inclusion and equal opportunity
- a safe and healthy workplace
- freedom of association and collective bargaining
- eliminating modern slavery, in all its forms including forced labour and human trafficking
- eradicating child labour, including the worst forms of child labour (work that will likely harm the health, safety or morals of a child)
- ensuring fair working conditions and wages
- providing an employee grievance mechanism

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

## Measurement of Outcomes

GECA is a Type I (third party) ecolabelling certification program, based on the international standard ISO 14024:2018: Environmental Labels and Declarations. In 2018 we achieved GECA certification of a number of product ranges, under the GECA standard Furniture Fittings, Foam & Mattresses (Level A) – FFFMv3.1i–2017. This standard addresses both social (human and labour rights) and environmental criteria.

Under the social criteria, Foamco have been audited to ensure we are complying with laws around equal opportunity, workplace health and safety, fair pay and lawful conduct. GECA certification will not be granted to any company that illegally exploits its workers.

Foamco have a well-developed health and safety system in place to ensure our employees are working in a safe and healthy environment. We are continually making improvements to increase our workers' safety and wellbeing.

In 2019–2020 we implemented a number of new initiatives, which include:

- using trolleys to assist workers using loading machines
- eliminating forklifts in pedestrian areas
- updating walkways by filling in divots with concrete to improve footing
- introducing automatic cutting equipment
- reducing the risks of manual handling by introducing load-unload conveyers onto trolleys

Foamco have had no reports of investigations, legal cases, rulings, fines or other events related to any breaches of labour, antidiscrimination and/or safety regulations in the last 18 months.



# UN Global Compact: Labour

**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.

## Policy and Goals

Foamco are committed to promoting the ILO's Declaration of 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 compulsory labour;
- effective abolition of child labour
- elimination of discrimination in employment and occupation

To strengthen this commitment, Foamco will be taking steps over the next reporting period to assess and address modern slavery risks within our business operations and supply chain. Our long-term goal is to report voluntarily under the Commonwealth Modern Slavery Act 2018.

## Implementation

Our Employee Induction Manual outlines our Code of Conduct, and the policies and procedures we have in place to address equal opportunity, occupational health and safety policy, emergency preparedness, first aid and site safety.

New employees are given a health and safety induction, as well as a social and environmental induction, and staff have ongoing toolbox training and other targeted training in areas like first aid and fire safety.

Our New South Wales employees are members of the Australian Workers' Union (AWU), and in Victoria, our employees are members of the United Workers Union (UWU). Factory staff are all employed under an enterprise bargaining agreement covering fair treatment, employee privacy, annual leave, wages, working hours, employee involvement, workplace health and safety and dispute resolution, in line with the Commonwealth Fair Work Act 2009, underpinned by the National Employment Standards.



## Measurement of Outcomes

Foamco are proud to be an equal opportunity employer, and have a diverse workforce from at least 10 different cultural backgrounds. We employ staff of a wide range of ages, from 20 to 65. We have a ratio of five male to two female staff members in management positions.

In 2022 Foamco completed a review of our key suppliers and were provided with updates of their human and labour rights practices. Our main suppliers are well-known international companies that have policies and procedures in place to address the human and labour rights of their direct workforce.

Internally, Foamco have had no reports of investigations, legal cases, rulings, fines or other events related to any breaches of labour, anti-discrimination and/or safety regulations in the last 18 months. Our policies and procedures are compliant with Principles 4, 5 and 6 of the UN Global Compact. For instance, all overtime is freely chosen and monitored, and employees are free to join a trade union and collectively bargain.



# *UN Global Compact: Environment*

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

**Principle 8:** Undertake initiatives to promote greater environmental responsibility.

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

## **Policy and Goals**

Our Environmental Policy sets out our commitment to addressing key environmental impacts. They include water, energy, waste and carbon emissions.

## **Implementation**

### **Legal compliance**

Foamco's main manufacturing facility in Sydney operates under an Environmental Protection Licence, with operating conditions set out by the New South Wales Environmental Protection Authority (EPA). The facility is audited annually by the EPA to ensure we are in compliance with the conditions of our licence. The current EPA emissions test report is publicly available on our website.

### **Community engagement**

Foamco are an industry partner of the Australian Bedding Stewardship Council (ABSC). To date, the council and its partners have diverted 4000 tonnes of foam alone from landfill and repurposed it in recycling facilities across Australia. Carol Christensen, the General Manager of Foamco, is part of the ABSC committee that helps drive recycling of mattresses and foam throughout Australia.

### **Recycling**

The foam waste offcuts from our manufacturing facility are used by our sister company Airstep to produce their carpet underlay. In the 2021–2022 financial year we diverted approximately 1,800 MT of foam waste from landfill. We also recycle product packaging, including plastic and cardboard.

### **Energy**

In 2018–2019, Foamco installed 250-kilowatt solar panel systems in our manufacturing facilities in Sydney and Melbourne, and have since installed energy-efficient lighting at both sites. We have reduced our energy consumption by 200,000 kwh's since the systems were installed.

### **Measurement of Outcomes**

GECA is a Type I (third party) ecolabelling certification program, based on the international standard ISO 14024:2018: Environmental Labels and Declarations. In 2018 we achieved GECA certification of a number of product ranges, under the GECA standard Furniture Fittings, Foam & Mattresses (Level A) – FFFMv3.1i–2017. These standard addresses both social (human and labour rights) and environmental criteria. Under the environmental criteria, Foamco have been audited to ensure that GECA-certified products have low emissions, are fit for purpose and are designed to have a low environmental impact.

We understand that our suppliers play a major role in helping us address our sustainability objectives. In 2018 Foamco conducted a human rights and environmental risk assessment of our key suppliers to get an understanding of their environmental compliance. Our main suppliers are well-known international brands that have processes and certifications in place to address their environmental risks and impacts, such as international standard ISO 14001:2015: Environmental Management Systems.



# *UN Global Compact: Anti-Corruption*

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

## **Policy and Goals**

Foamco are committed to ensuring that all our business activities are conducted ethically and in accordance with the relevant Australian and overseas standards and legislation. We understand the importance of combating corruption in all its forms, including extortion and bribery.

## **Implementation**

In 2021 Foamco engaged an external expert to assist us with the development of an Anti-Corruption and Bribery Policy, which sets out requirements for both employees and senior management.

The policy directive covers potential bribery and corruption in relation to political and charitable contributions, gifts and entertainment expenses, and the need for due diligence. The policy sets gift thresholds and limits.

## **Measurement of Outcomes**

Foamco have had no reports of investigations, legal cases, rulings, fines or other events related to any breaches of anti-corruption and bribery regulations in the last 18 months. We plan to conduct training with our sales and procurement team to ensure the highest level of integrity in all business dealings.





# SUSTAINABLE DEVELOPMENT GOALS

## 17 Goals to Transform Our World

Foamco understand the urgent need for countries, businesses and individuals to take action to fulfil the UN's 17 Sustainable Development Goals. Below we outline our commitment to and implementation of seven of the Sustainable Development Goals.

### Goal 3: Good Health and Well-Being



Ensure healthy lives and promote well-being for all at all ages.

We aim to reduce the use of hazardous and prohibited substances and volatile organic compounds in our product ranges, and manufacture products with anti-microbial protection to keep them 99.9% free of bacteria and fungi.

The health and safety of our workers are important to us, so we have implemented practices to ensure staff are working in a safe and healthy workplace.

### Goal 6: Clean Water and Sanitation



Ensure access to water and sanitation for all.

The water used in the manufacturing of our products moves within a closed-loop system that means no residual effluent can enter stormwater drains. We have operational controls in place (bunds, spill kits etc) to ensure that no hazardous waste can leave the site and end up in stormwater.

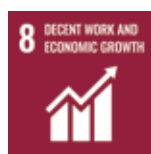
### Goal 7: Affordable and Clean Energy



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

In 2018-2019, Foamco installed 70-kilowatt solar panel systems in our manufacturing facilities in Sydney and Melbourne, and have since installed energy-efficient lighting at both sites. We have reduced our energy consumption by 35% since the systems were installed.

### Goal 8: Decent Work and Economic Growth



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

Decent work is important to our business, 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 that adopt decent work practices. As part of our long-term strategy, we will continue to conduct supplier due diligence to ensure that workers are not being exploited.

## Goal 10: Reduced Inequalities



Reduce inequality within and among countries.

Foamco have policies in place that demonstrate our commitment to equal opportunity and prohibiting discrimination in all its forms.

## Goal 13: Climate Action



Take urgent action to combat climate change and its impacts.

Foamco have multiple initiatives in place to reduce the impacts of climate change. These

include solar-panel systems and energy-efficient lighting in our two main manufacturing and warehousing facilities, along with use of condensing foam during transportation to minimise the level of greenhouse gas emissions.

## Goal 12: Responsible Consumption and Production



Ensure sustainable consumption and production patterns

Foamco have a number of processes and initiatives in place that support sustainable consumption and production patterns. These include:

- GECA Type I ecolabelling certification for selected product ranges
- a recycling and reuse partnership with sister company Airstep
- an internal product stewardship program
- a commitment to provide our customers with low-emissions products
- a commitment to develop more efficient ways to deliver products to customers by compressing our foams for transport
- using plastic packaging bags with 30% recycled content