

Communication on Progress United Nations Global Compact



Communication on Progress

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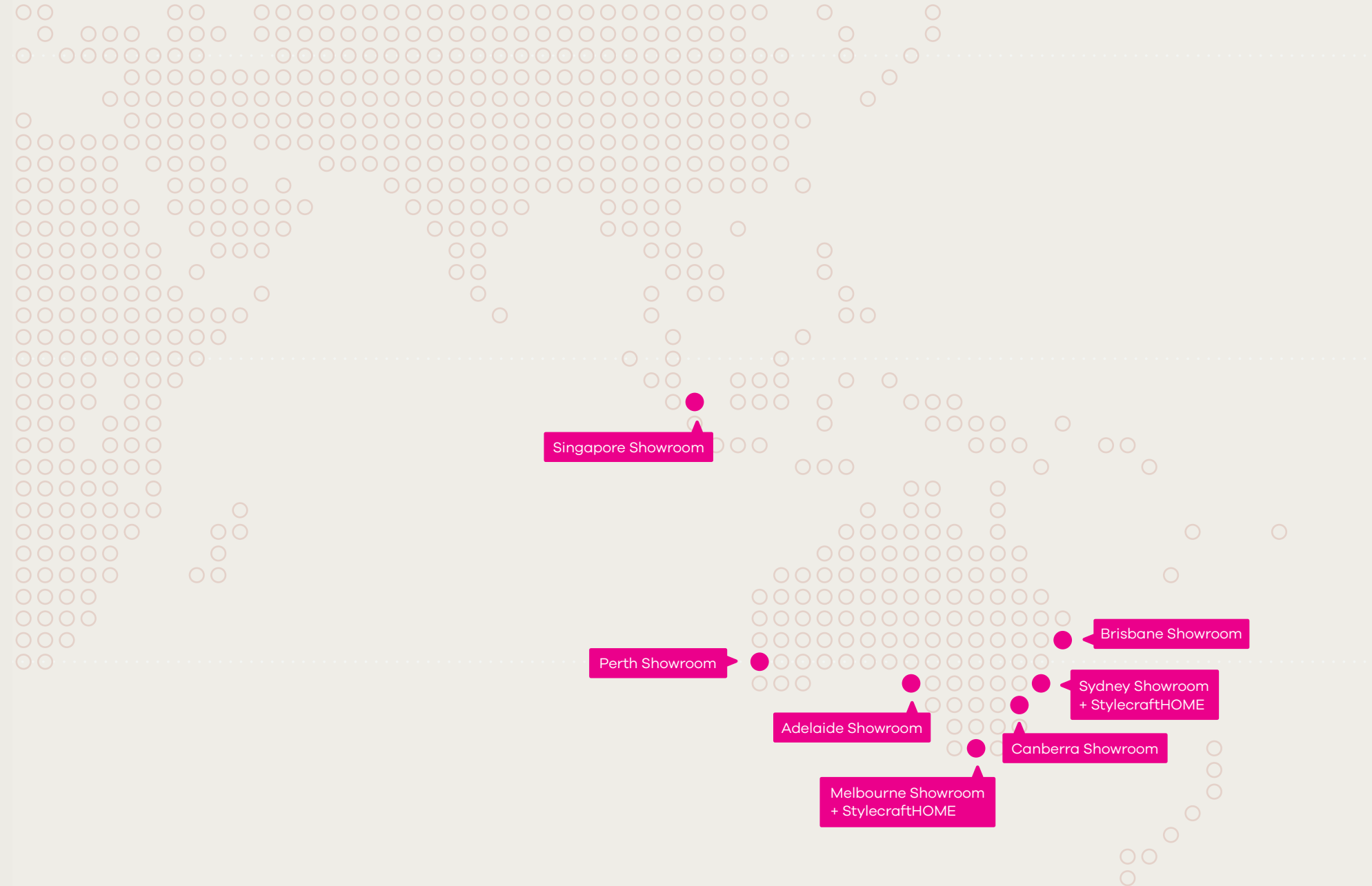
Introduction

Stylecraft has been providing furniture of original, contemporary design for over 65 years. First established in Melbourne, Australia in 1953 primarily as a commercial workstation provider, Stylecraft now has **9 showrooms** around **Australia and Asia**, and represents over 25 exclusive Local and International brands.

We prioritise suppliers and manufacturers who are committed to sustainable practices, those with **ISO 14001** certification and products carrying International and Australian Eco Label accreditation which contributes towards **Greenstar, LEED & IWBI WELL** certification schemes.

In 2022, we are facing ongoing challenges related to managing the impacts of the pandemic. As staff returned to work and travel resumed, we adapted to these challenges equipped with new strategies to minimise impact. The effect it has had on our staff, business, suppliers and overall industry has been significant. As the pandemic continues to evolve we have navigated the disrupted supply chain, reorientated product offerings and addressed the impact on our business as a whole. While our commitment and overall strategy has not waived, our priority has been the **health and wellbeing of our staff**.

Stylecraft value decisions leading to good practice for the environment and the world we live in, and we aim to be transparent with reporting our sustainability practices. In our fifth year as a signatory to the **UN Global Compact**, we're committed to continuing our annual reporting on our progress.



Letter of Commitment to our Stakeholders

To our stakeholders,

08.11.2022

I am pleased to confirm that Stylecraft reaffirms its support of the **Ten Principles of the United Nations Global Compact** (UNGC) in the areas of Human Rights, Labour Standards, Environment & 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 share this information with our stakeholders using our primary channels of communication.

Yours sincerely,



Anthony Collins
Managing Director



Human Rights

UN Global Compact Principles

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.

Targeted SDGs



Assessment, Policy & Goals

Stylecraft respects and supports social justice and all internationally recognised human and labour rights. We operate in compliance to the **International Labour Organisation (ILO) Conventions**, and work to ensure human rights are implemented within our own company and those we do business with and/or have influence on.

Stylecraft is committed to providing a safe and healthy workplace for all employees, visitors and contractors and recognises the responsibilities and requirements placed on it by work health and safety legislation and codes of practice as set out in our **Work Health & Safety Policy**.

We acknowledge that the Covid-19 pandemic has still significantly impacted suppliers over the past year and as result we have a responsibility to manage our clients expectations to ensure minimum human rights are met by our partners. We continue to monitor medium to long term Modern Slavery issues related to the recovery phases. For example, surges in production that may cause forced overtime.

Fair working conditions and wages are implemented throughout the company in line with the **Fair Work Act 2009**.

Implementation

We have successfully developed our **Human Rights policy**, together with our **Supplier Questionnaire**, **Code of Conduct** and **Scorecard**. We are in the process of developing our Anti-Corruption Policy. We have been distributing our Supplier Questionnaire and recording and measuring the results in our Supplier Scorecard. This allows us to assess the risk of modern slavery within our

supply chain, and to take steps to remediate where necessary.

Stylecraft have previously undertaken a **Social & Environmental Risk Assessment Analysis** across our company and supply chain to ensure compliance with the **Commonwealth Modern Slavery Act 2018**, and to support Stylecraft in meeting regulatory requirements and longer term customer expectations. **Modern Slavery** can include human trafficking, servitude, child labour, sex trafficking, forced marriage, forced labour and debt bondage.

The risk assessment was conducted using a **Life Cycle Assessment (LCA)** approach that analysed the social impact across our suppliers, their products, materials and countries from which we procure. The final risk assessment results provided an overview and prioritisation of risk in our supply chain with detailed information on high risk suppliers, materials and countries.

We have completed a Modern Slavery Supplier Assessment on Australia's first shared Modern Slavery Platform for The Property Council of Australia (PCA).

Stylecraft submits voluntary **Modern Slavery Statement** to Australian Border Force yearly, in line with the seven mandatory criteria of the Commonwealth Modern Slavery Act

Measurement of Outcomes

Stylecraft has had no reports of investigations, legal cases, rulings, fines or other events related to any breaches to Human Rights in the past 12 months.

We have successfully completed Third Party Environmental certification for several product ranges and work closely with our suppliers and manufacturers, both locally and internationally, to grow the collection of certified product.

The Australian Ecolabel Program is based on the international standard **ISO 14024**; **'Environmental Labels and Declarations – Type 1 Environmental Labelling'**.

The standard has been established to assess product environmental criteria and product function characteristics, and for assessing and demonstrating social, environmental and legal compliance. This includes the elimination of ingredients, designs, defects or side effects that could harm or threaten human life and health during manufacturing, usage or disposal of products. The standard contributes towards SDGs **13 (Climate Action)**, **14 (Life Below Water)** and **15 (Life on Land)**.

We remain committed to education and training around Human and Labour Rights and continue to engage with our suppliers both locally and internationally and use our influence where possible to ensure minimum human rights are met.

Labour

UN Global Compact 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 abolition of child labour;

Principle 6
The elimination of discrimination in respect of employment and occupation.

Targeted SDGs

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Assessment, Policy & Goals

Stylecraft 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 are proud to be an equal opportunity employer, facilitating an inclusive environment for all current and future employees where diversity is celebrated.

We are committed to providing opportunities to the best candidates regardless of race, gender, culture, religion, sexual preference and age.

We believe in treating people with respect and dignity and do not tolerate acts of sexual harassment, intimidation or discrimination, whether direct or indirect.

Our expectations and policies for the above are set out in our **Equal Opportunity and Anti-Discrimination Policy**.

We have successfully launched an Intranet where current and new Stylecraft employees can access all relevant policies and procedure documentation together with training guides.

Stylecraft employees are entitled to two days leave annually to support a charity of their choice. Over the years we have volunteered at charities such as **Dementia Australia, Fred Hollows Foundation, Asylum Seeker Resource Centre** and **OzHarvest**.

We have continued our support of numerous charities through monetary donations. In lieu of physical client Christmas Gifts in December 2021, Stylecraft committed a donation of \$20,000 to **Property Industry Foundation**. Their purpose is to increase the availability of transitional housing for homeless youth as a stepping stone on the path to a brighter future.

After a few years postponed due to covid we were excited to once again host, in Partnership with FDC Group, our **annual Melbourne Cup fundraiser** and extremely proud to hand over a cheque to the grand total of \$433,729.20 to the Ronald McDonald House.

Our suite at Randwick Racecourse is used various times throughout the year as an auction item at Charity events, this year we have supported the Sydney Children’s Hospital and The Kids Cancer Project to help raise \$56,000.

Implementation

We have continued to engage the services of a Sustainability Consultant to further educate a broader proportion of our staff.

This included Modern Slavery training with the Executive Team, Senior Management and our Brand & Sustainability Coordinator. This ensured a full understanding of the core requirements of meeting Modern Slavery legislation and stakeholder expectation in regards to addressing Human, Labour Rights and Modern Slavery risks.

Stylecraft continues to report on **Modern Slavery** voluntarily to the Australian Border Force, in line with the Modern Slavery Act 2018.

Since receiving ISO certification (ISO 9001 - Quality, ISO 14001 - Environment, and ISO 45001 - Occupational Health & Safety) in 2021 Stylecraft is continually looking to improve our framework of processes, systems and policies to ensure continual improvement for our business. In 2023, both the Brand & Sustainability Coordinator and the Operations Manager will engage in ISO training to further deepen our understanding of the system and assist to guide the executive team through implementation.

The Integrated Management System is a framework of processes, systems and policies that aims to promote continual improvement for our business.

Australian Made

Not only are we committed to Australian design and the growth of local talent, but we are also committed to working with local manufacturers, craftsman, and artisan. In 2021 we decided to celebrate this by beginning the journey of gaining **Australian Made certification**. Stylecraft is proud to use the Australian Made, Australian Grown logo on 8 of our products with the aim of having the remaining products made in Australia certified by 2023.

Reconciliation Action Plan

Stylecraft have been working towards the development of a Reconciliation Action Plan (RAP). We believe reconciliation is essential in facilitating an inclusive environment and are excited to engage with Aboriginal and Torres Strait Islander communities to build meaningful relationships through listening, hearing, and learning. As a business we are dedicated to creating a path to further develop deliverables in this space and view our RAP as a tool to guide us through meaningful reconciliation. In 2022 we developed a RAP Working Group (RWG) made up of six staff members across four states and four departments; in 2023 we will be looking to expand this to include an external Aboriginal and Torres Strait Islander stakeholder. Our first draft was submitted in late 2022 and we hope to be endorsed by early 2023.



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Targeted SDGs

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10 REDUCED INEQUALITIES

Implementation (cont.)

First Nations Scholarship

Launched in 2022, The Stylecraft First Nations Scholarship will provide opportunities for First Nations students to complete an Interior Design degree at Enmore TAFE.

Over the past year, Anthony Collins, our Managing Director, and team have been working with Head Tutors and the TAFE Aboriginal Education and Engagement Officer at Enmore Design School to implement an annual Scholarship.

Health and Wellness

Stylecraft continues to ensure the safety of all staff, clients and visitors to our showrooms, by adhering to local government restrictions and health advice surrounding Covid-19. Safe return to work when advised by relevant State Governments has been supported with the provision hand sanitiser and face masks. Staff health and wellbeing also continues to be a priority. Initiatives have included Health, Wellness and Mindfulness workshops facilitated by EQ Minds founder Chelsea Pottenger and a 'Reset Day' offered to all staff.

Measurement of Outcomes

Stylecraft 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 past 12 months.

Stylecraft is proud to employ a diverse workforce, employing staff of various age groups, cultures and ethic backgrounds. We believe in gender equality, and currently have 58% women in the workforce, with 58% of women holding senior management and executive positions.

Fair working conditions and wages are implemented throughout the company in line with the **Fair Work Act 2009**. We provide training and upskilling for employees currently in our teams.



Environment

UN Global Compact Principles

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.

Targeted SDGs

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

Assessment, Policy & Goals

Stylecraft are committed to being a leader of sustainable practice within the furniture industry. We understand our social and environmental responsibilities and are constantly working to develop more sustainable and responsible production of our products. Our mission and initiatives are set out in the **Stylecraft Environmental and Social Responsibility Policy** and include waste minimisation and energy management, supplier management and product certification.

Implementation

Over the past year, Stylecraft have successfully developed, implemented and had certified an Integrated Management System, covering three internationally recognised standards. ISO 9001 - Quality, ISO 14001 - Environment, and ISO 45001 - Occupational Health & Safety for Australia and Singapore.

The Integrated Management System is a framework of processes, systems and policies that aims to promote continual improvement for our business.

Stylecraft gives priority to companies with **ISO 14001** certification, and products carrying independent **Eco Label** accreditation. Stylecraft and a number of our suppliers have successfully completed **Third Party Environmental certification** such as **GECA**, **AFRDI Green Tick**, and **Ecospecifier Global Green Tag** for several product ranges and we continue to work closely with our suppliers and manufacturers, both locally and internationally, to grow our collection of certified product.

The Australian Ecolabel Program is based on the international standard ISO 14024; 'Environmental Labels and Declarations – Type 1 Environmental Labelling' which contributes towards SDGs 13

(Climate Action), 14 (Life Below Water) and 15 (Life on Land). Third Party Environmental certification includes verified evidence of reduction of emissions, hazardous materials and pollutants, details of product stewardship and end of life, and ensures social, legal and environmental compliance for both the manufacturer and applicant company.

We continue to collaborate with our International and local brands that focus and lead the industry in innovation. Many seek to push the boundaries of sustainable product design through the use of recycled content and environmental product declarations. We encourage ongoing development and seek to highlight such innovation in marketing campaigns.

In addition to the above, we have developed a **Sustainable Procurement Policy** and **Supplier Questionnaire** in line with **ISO 20400** to ensure we continue to maintain sustainable design and production. We continue to seek opportunities to collaborate with suppliers and designers on new product designs using new environmental technologies and innovative materials.

Carbon Neutrality

Over the past 14 years we have been neutralising our carbon emissions by purchasing green energy credits through South Pole Group (formerly Climate Friendly™). Since 2007 Stylecraft has offset a total of 7,150 tonnes of CO2e. We have worked to reduce our carbon emissions over this period and over the past 7 years our emissions have reduced by 47%. In 2021, our carbon emissions reduced by 14%. Our figures. Our GHG emissions are measured by source under Scope 1, 2 and 3 and the figures for the FY 2021/22 are currently being calculated.

In 2020 we moved forward with Eco Australia credits. Ultimately providing us with the opportunity to work toward being certified carbon neutral. We have chosen to support the Mount Sandy Conservation project in Australia and the Changbin and Taichung Wind Project in Taiwan.

Australian Furniture Design Award

Our long-standing support of Australian designers and manufacturing was enhanced in 2014 with the launch of the **Australian Furniture Design Award**. Previously in partnership with the Jam Factory, the award is now in its fourth iteration and was presented by Stylecraft and the National Gallery of Victoria (NGV) as part of Melbourne Design Week 2022. The award is aimed at encouraging innovation in furniture and lighting design and fostering new opportunities for furniture manufacturing in Australia. The winner receives \$20,000, a two week residency at the Jam Factory Furniture Studio and the opportunity to design a commercial range or product with Stylecraft for distribution across Australia and Singapore.

The 2022 AFDA winner was announced as Ashley Eriksmoen for her entry 'The Dream, or: the view from here is both bleak and resplendent.' The piece critiques resource intensive production-consumption-waste practices and disrupts furniture archetypes. It is constructed from discarded timber furniture and the shaped upholstery is dyed with Eucalyptus leaves to reflect native Australian landscapes. We will work with Ashley to develop a range for commercial production that continues the ethos of her winning piece.



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Targeted SDGs

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Additional Waste Streams

Stylecraft is currently increasing focus on waste reduction with the introduction of additional recycling streams, such as soft plastics and e-waste recycling at our Sydney Head Office. We intend to incorporate other states into this initiative in 2023. In an effort to further commit to a reduction in waste within showrooms, events scheduled for 2021/22 were developed and intended to be zero, or heavily reduced, waste events with the introduction of recyclable event signage nationwide. Additionally, we altered our event partner policy by only selecting caterers and hire companies who are committed to low waste, and who overall clearly incorporate sustainability as part of their business model.

Provision for reusable coffee cups for all staff continue to be utilised for both personal and professional use. Sales Consultants and Showroom Co-ordinators are provided with an allocation of reusable cups for use with clients.

Our Brand Coordinator is currently participating in a working group leading the development of the “Fit For Office” scheme. Each year in Australia, it is estimate that around 35,000 tonnes of commercial office furniture are discarded from offices this scheme aims to increase the recovery rate of these items and divert them from landfill. The government-funded project is being led by a consortium consisting of Edge Environment, The Global Product Stewardship Council and Good Environmental Choice Australia who have been awarded funding under the National Product Stewardship Implementation Fund.

Similarly, we look to our external community to donate ex-showroom samples, overstocked and discontinued product. This year that has included donation to Stepping Stones, Community X Change, Inala and Friends With Dignity Australia.

Stylecraft launched ecommerce platform StylecraftNOW, further enabling us to ensure our

Product Stewardship committment by selling a combination of brand new, ex-showroom samples and discontinued range.

Australian Packaging Covenant Organisation

In October 2018, Stylecraft became a member of **Australian Packaging Covenant Organisation** (APCO), a co-regulatory, not-for-profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO delivers this model of shared responsibility through the promotion of sustainable packaging activities including sustainable design, recycling initiatives, waste to landfill reduction and circular economy projects. We are committed to measuring, tracking and improving our sustainable packaging performance within our business and throughout our supply chain and are required to report annually on our progress.

We are currently researching biodegradable or compostable alternatives for our chair and small furniture packaging and continue to work with our manufacturers suppliers around best practice.

We have created ongoing partnerships with recyclers for packaging materials that would have traditionally gone to landfill such as PE. We now recycle approx. 80% of our material waste.

With the development of Stylecraft NOW, the need has arisen for Stylecraft to create our own packaging. Primarily we will be reusing cardboard packaging from overseas suppliers, and any new cardboard packaging is to contain recycled content/FSC certification. As our products will be shipped interstate, we need to ensure protection whilst in transit and use plastic stretch wrap for this purpose. After much discussion with APCO and our suppliers regarding the possibilities of recycled content/biodegradable or compostable wrap it was found that these are not easily recycled within normal recycling streams for our end user clients,

so the decision was made to use the thinnest option of virgin plastic wrap at 14UM allowing for material efficiency and the ability for our clients to recycle within soft plastics recycling programs.

Social & Environmental Risk Assessment

In October 2018, Stylecraft engaged a Sustainability Consultancy to undertake a **Social and Environmental Risk Assessment Analysis** across our company and supply chain to ensure compliance with the **NSW / Commonwealth Modern Slavery Act 2018**. The risk assessment was conducted using a **Life Cycle Assessment** (LCA) approach that analysed the social and environmental impact across our suppliers, their products, materials and countries which we procure from.

Measurement of Outcomes

In response to the increasing requirement for focus on the area of sustainability, the Brand Co-ordinator in collaboration with the Managing Director and Brand Director within Stylecraft focus on corporate and social responsibility, sustainable procurement and supply chain due diligence, supporting Stylecraft’s sustainable, ethical and environmental commitments to third party product certification, the United Nations Global Compact Ten Principles and Global Goals, and more recently to ensure we meet their requirements for the NSW / Commonwealth Modern Slavery Act 2018. Internally, the team’s role involves the education of Stylecraft team members regarding our sustainability mission, and to help educate the Sales team to disseminate information within our industry.



Anti-Corruption

UN Global Compact Principles

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Targeted SDG



Assessment, Policy & Goals

Stylecraft are committed to ensuring all our business activities are conducted ethically and with integrity, and work to avoid bribery, extortion and other forms of corruption.

Implementation

Using the Global Compact Risk Assessment Tool, we have been able to highlight areas within our policies and procedures that require further attention and are taking steps to include the identification and management of bribery and anti-corruption within our existing policies and supply chains.

We have engaged a Sustainability Consultancy to undertake a Risk Assessment Analysis across our company and supply chain to ensure compliance with the NSW / Commonwealth Modern Slavery Act 2018, which included impact assessment relevant to Corruption and Bribery. The results formed part of our Modern Slavery statement in 2020, published on the Australian Border Force website in the Modern Slavery Register, and has provided a framework for future statements.

In 2020, a Stylecraft representative took part in the Australian Dialogue on Bribery and Corruption, an online webinar hosted by the Global Compact Network Australia (GCNA). Much of the discussion was around the impacts of Covid-19 and the severe economic disruption that has followed. Leading to increased poverty and vulnerability, conditions in which human rights and bribery and corruption risks can increase.

The Dialogue was an opportunity for the launch of the Bribery Prevention Network, an online portal of accessible, relevant and reliable resources, curated by Australia's leading anti-bribery experts, to support Australian business to manage bribery and corruption risks in domestic and international markets.

Measurement of Outcomes

Stylecraft has had no reports of investigations, legal cases, rulings, fines or other events related to any breaches to anti-corruption in the past 12 months.



UN Global Goals

Stylecraft supports the promotion and participation of the 17 goals outlined by the **UN** as the **Global Goals for Sustainable Development**. Stylecraft has acknowledged our support of the relevant goals in each section within the report.



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