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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.

We are not a huge business, but we are ambitious – and we are determined to make a positive impact, both in terms of the environment and social responsibility. We understand this will take time, passion and commitment.

We want to create an environment for our staff and our stakeholders that is fun; at the same time, we're eager to look after the planet, and the people & communities that we impact and influence.

Our sustainability journey started in 2006, with the implementation of an environmental management system. More than a decade on, we are focused on social responsibility just as ambitiously as we have been tackling environmental sustainability.

Dean Kuch Managing Director

Sustainability Report — 2017/18

Our Company

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 programs, 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 workstation suppliers, and marketed to the architectural and design industry across the world.



Our Commitment

At Thinking Works, we understand the importance of sustainability as a company. But we also want to support our clients and customers to be more sustainable, by providing environmentally preferable products and ensuring our business operations are addressing environmental and social impacts – not just in our manufacturing facility, but also within our supply chain.

Over the past few years, we have seen both our clients and the building industry as a whole becoming concerned not just with environmental management and social responsibility, but also with products that support the health and wellbeing of building occupants.

To us, social responsibility means acting ethically in all areas of our business operations, including governance, human and labour rights, environmental compliance, and anti-corruption.

It involves taking care of our staff by providing a safe work environment, ensuring equal opportunities for all, and treating our team members with dignity and respect. It also means providing workers with fair pay and working conditions.

We have planned our strategy around tackling environmental initiatives, social responsibility practices and products that support designers and specifiers in creating healthy indoor spaces.



Sustainability Report — 2017/18

Thinking Sustainable Milestones

Recertification of **ISO14001 EMS**

External assistance with undertaking safety risk analysis to improve current

Carbon offsetting of business operations

Recertification of GECA (Australian Type 1 Ecolabelling certification)

Carbon offsetting of business operation

Recertification to **AS/NZS ISO14001-**2016 Environmental management systems **GECA certification - Thinking** Quietly, U.R, Elevation, EONA, and Okidoki product ranges (Level A) (Australian Type 1 **Ecolabelling certification**)

Carbon offsetting of business operations

Undertaking of a Life cycle assessment on materials and finishes

Undertaking of testing of Volatile Organic compounds (VOC's) for our table & workstations

Incorporate the UK operations under the scope of the certified ISO14001 Environmental Management System

Carbon offsetting of business operation

Blade Table and back to back workstation -Level A Platinum

Carbon offsetting of business operations

Became a signatory to the UN Global Compact - The world's largest Sustainability initiative

Undertaking of a Life Cycle Assessment for **EONA** and U.R

GECA* Product certification (Australian Type 1 Ecolabelling certification)

Thinking Works first offsets the carbon emissions from the business' operations by purchasing and retiring certified carbon credits

Carbon offsetting of business operations

Recertification of GECA (Australian Type 1 Ecolabelling certification)

Recertification of ISO14001

200

ISO14001 EMS Certification

2008

Purchasing of 100% Green Power for our Sydney manufacturing facility

Carbon offsetting of business operations

BLADE AFRDI^ Green/Blue TICK certification (Australian Type 1 **Ecolabelling**)

Carbon offsetting of business operations

200 Implementation of our environmental management system (EMS)

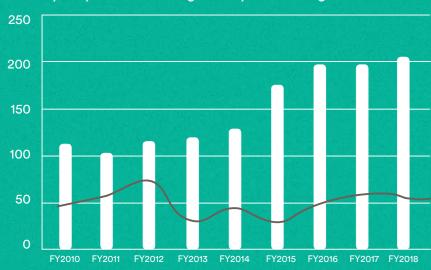
*GECA - Good Environmental Choice Australian ^AFRDI – Australasian Furnishing Research and **Development Institute**

Thinking Environment

Environmental Management

Back in 2006, we decided to put a system in place to reduce our impact on the environment, which primarily involved waste, energy, materials and emissions. Our Environmental Management System (EMS) was the result – and our sustainability journey had begun!

Sydney Manufacturing Facility - Waste Figures





Waste: Initiatives

Reduce Materials



Our dematerialisation initiative involves Finite Element Analysis (FEA) – a program that assists our design team in assessing the minimal material input for greater strength and durability.

Reuse Packaging



Since 2009, we've had a 'box buy-back' initiative, which means our clients are rewarded for returning our packaging. Then we reuse the packaging returned to us by our clients.

Recycle



Metals, soft plastic, cardboard and paper are isolated and recycled through our recycling program. Comingle items are recycled through the NSW Governments initiative, 'return and earn' scheme.

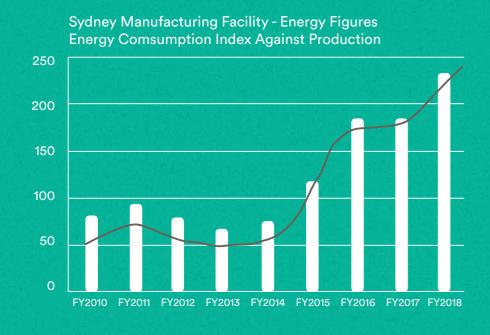
Offset



We've been offsetting all company waste and recycling items through certified carbon credits since 2010.

Thinking Environment

We've had gradual energy increases over the last few years due to the company expanding and moving into a larger manufacturing facility. We will continue with our 'switch off' campaign and monitor, track and record our energy use.





All electricity is offset through GreenPower and by purchasing and retiring certified carbon credits under the Global Vertified Carbon Standard (VCS).

Energy: Initiatives

Avoid



We have a 'switch-off' campaign, to ensure lights, equipment and machinery are not switched on unless required.

Reduce



We ensure our air-conditioning and factory machinery is regularly serviced and working at optimum levels.

Offset



Thinking Works' electricity consumption in Australia is offset by 10% Australian GreenPower.

Our UK operations also offset their electricity by using 100% green energy from renewable sources.

(The GreenPower Program is a government managed scheme that enables Australian households and businesses to displace their electricity usage with certified renewable energy, which is added to the grid on their behalf)

Powered by 100% Green Electricity

Coloridate

Powered by 100% Green Electricity

Thinking Health & Wellbeing

Health & Wellbeing of Building Occupants

We have seen a real surge and interest from the design and construction industries around the health and wellbeing of building occupants. This includes the uptake of the WELL Building Standard™, particularly in Australia.

The average Australian spends 90% of their time indoors. And for many of us, this time is spent in the office. In a typical office building, 90% of operating costs come down to staff. So it just makes good business sense to have a workforce with high productivity levels, low absenteeism and a low staff turnover. Creating healthy offices can have a huge impact on productivity and ultimately the bottom line.

The WELL Building Standard™ is a performance based system for measuring and certifying buildings across seven categories of wellness called 'concepts'. These concepts include Air, Water, Nourishment, Light, Fitness, Comfort and Mind.

We can help design teams with products that can contribute to the WELL requirements, products that are ergonomic, have acoustic properties and reduced toxins and materials that are low VOC.

Health & Wellbeing: Initiatives

Fun and Healthy



We like to practice what we preach, so we too have a number of health and wellbeing initiatives. Our Director Dean Kuch believes that by providing a fun and healthy environment, that this will create a happy and productive workforce.

Green Space



We understand the benefit of having green spaces, and along with the office having a great selection of plants, we are fortunate to overlook parkland. We understand the importance of being connected to nature and how this can positively affect our physical and mental wellbeing.

Fitness



Fitness plays a large part of the wellbeing at Thinking Works and we actively encourage and support our staff to keep fit. We have a fully operational gym with a cross trainer, bike, treadmill, rower, weights etc and a personal trainer who comes in weekly to give our staff a number of different exercise classes.

Ergonomic Environment



And of course it goes without saying that our staff are provided an ergonomic environment which includes sit and stand desks and products that have been assessed for toxicity and that are low VOC.

Thinking Certified

Company Environmental Certification

Thinking Works has been certified to ISO14001 EMS since 2009

This certification gives our clients assurance that we:

- Comply with environmental legislation for our Australian and UK operations
- Manage our environmental impacts and set targets to reduce environmental impacts
- Adequately train our staff and ensure they are aware of their EMS responsibilities
- Strive for continual improvement Are audited annually by Global Mark to ensure we comply with the ISO14001 standard.

In 2009, we engaged the services of a specialist Sustainability Consultant, who assists us with our environmental and social compliance requirements.



Product Environmental Certification

Type 1 Ecolabelling Certification

Good Environmental Choice Australia (GECA) – part of the Global Ecolabeling Network – and AFRDI Green Tick are both third party product certification schemes recognised by the Green Building Council of Australia (GBCA).

We have outlined the certification requirements for each scheme and level of certification below:

| | GECA Level A | AFRDI Greentick Level A – Platinum |
|---|--|---------------------------------------|
| Criteria Requirements | EONA, U.R, Elevation, Okidoki & Thinking Quietly (Table Base Only) | Blade Workstation/Table |
| Avoidance of toxic, hazardous and prohibited substances | \bigcirc | \bigcirc |
| Fitness for Purpose – Strength and Durability | \bigcirc | AFRDI Blue Tick certification |
| Compliance with Australian laws and regulations | \bigcirc | \bigcirc |
| Indoor Environment Quality (IEQ) Low VOC products | \bigcirc | \bigcirc |
| Material Selection (recycled content) | Minimum requirement of 50% recycled content (EONA & U.R) | Recycled content in product packaging |
| Verified environmental claims | \bigcirc | \bigcirc |
| Design for Disassembly | \bigcirc | \bigcirc |
| Product Stewardship Program | \bigcirc | \bigcirc |
| Corporate Social Responsibility/ Human and labour rights supply chain due diligence | Signatory to the UN Global Compact | Signatory to the UN Global Compact |
| Transport and packaging (offsetting of transport emissions/recycled content of packaging) | \bigcirc | \bigcirc |
| Chain of custody timber certification | Yes, FSC for Okidoki and ThinkingQuietly | \bowtie |
| Operational energy, water and waste | Not Applicable | \bigcirc |

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Green Building Council of Australia (GBCA) – Green Star

Products that are certified under the GBCA recognised product certification schemes, e.g. GECA and AFRDI GreenTick, can help to achieve Green Star credits.

Green Star – Design & As Built interiors tool

There are a number of Green Star credits that Thinking Works can contribute to.



Green Star Design & As Built

Certify the design and construction of a building



Green Star Interiors

Certify the interiopr fitout of a building

Sustainable Products Credit

The aim of this credit is to encourage sustainability and transparency in product specification.

Thinking Works Level A products, EONA, U.R, Elevation, Okidoki and Thinking Quietly will obtain a Sustainability Factor of 1. (see table below):

| Transparency & Sustainability Initiative | Sustainability Factor (Sf) |
|---|--|
| Reused Product | 1.0 |
| Recycled Content Product | Decimal fraction of product that is recycled material (e.g. 20% = 0.2) |
| Environmental Product Declarations – product specific | 0.75 |
| Environmental Product Declarations – industry wide | 1.0 |
| Product has Level A Third Party Certification | 1.0 |
| Product has Level C Third Party Certification | 0.50 |
| Stewardship Program | 0.50 |

Waste

This involves reducing the amount of construction waste going to landfill. A number of initiatives can be used to achieve compliance, such as reusing or implementing waste avoidance measures, e.g. by incorporating design solutions that make use of modular and prefabricated installations

Indoor Pollutants Credit

The aim of this Green Star Credit is to recognise projects that safeguard occupant health through the reduction in internal air pollutant levels, which creates a healthy indoor environment.

A number of Thinking Works products have been VOC tested, including EONA, U.R, Elevation, Thinking Quietly and Okidoki all of which meet the GBCA's emission test requirements.

Innovation Credit

The Green Star Innovation category promotes holistic sustainable solutions in the built environment, and assists projects in investing resources into valuable outcomes.

Please contact our sales team to see how we may be able to assist your Green Star Project team with innovation credits.

Green Star – Performance Rating Tool



Green Star Performance

Certify the operational performance of a building.

Procurement and Purchasing – Refurbishment Materials

The aim of this credit is to encourage the measurement and reduction of the environmental impacts of materials used in building operations, maintenance and upgrades.

1 point is available where refurbished and maintenance materials are purchased in accordance with the procurement framework during the performance period.

Refurbishment Waste – Materials Category

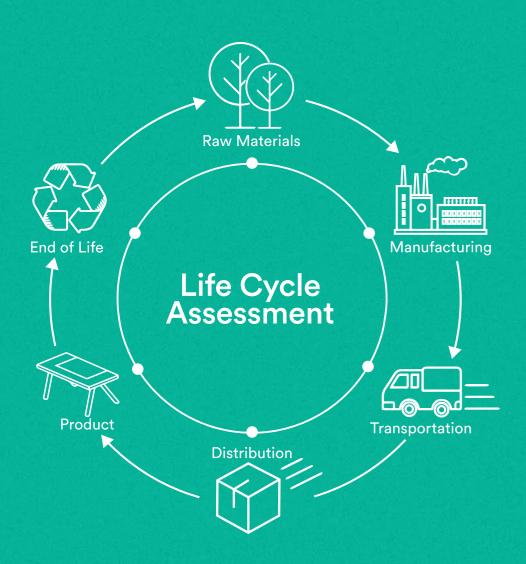
Waste to Landfill Diversion

This credit relates to where the percentage of waste from refurbishments that is diverted from landfill is reduced during the performance period.

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Thinking Beyond Compliance

At Thinking Works, we are always looking for ways to lower our environmental impact, whether by reducing or offsetting our energy, or thinking about how we design our products – from the materials we use to the finishes we apply.



Life Cycle Assessment

In 2010, we commissioned Edge Environment to conduct a Life Cycle Assessment (LCA) on two of our products: EONA and U.R. We were also curious to learn which materials and coatings had the least environmental impact, so Edge Environment conducted an LCA on a number of different finishes and materials.

Armed with these insights, our design team now have a better understanding of which materials to use and which finishes are more environmentally preferable.

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

Company Carbon Emissions

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.

The below business operations are included in the carbon offsetting;

- Paper and cardboard
- Flights
- Waste and recycling
- Hotel accommodation
- Advertising
- Taxis
- Freight

Thinking Works UK electricity consumption is offset by 100% renewable energy, and 10% in our Australian Operations.

We've seen a substantial increase in our carbon emissions from last financial year, due to the company expanding into overseas markets. Overall there has been an 23% increase since we began offsetting our carbon emissions in 2010. This is based on annual production figures.

Thinking Works has been issued with a gold sustainability rating which acknowledges taking action on climate change through consistent annual measurement, offsetting and the publishing of a public sustainability report.

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Thinking Responsibly

The team at Thinking Works has always had a strong focus on looking after our staff, contractors and the communities in which we operate and influence. For many years, we've had our own internal policies and procedures on human rights, including equal opportunity, discrimination, harassment and bullying, and grievance communication.

We do this because it's the right thing to do, and because we want to help our clients be more sustainable.

In March 2016, we were proud to formalise our commitment to environmental and social responsibility by becoming a signatory to the United Nations Global Compact, the world's largest sustainability initiative.

The UN Global Compact addresses human and labour rights, environment and anti-corruption. These are the ten principles that Thinking Works has made a commitment to address:

Human Rights



Businesses should support and respect the protection of internationally proclaimed human rights; and



Make sure that they are not complicit in human rights abuses.

Labour



Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;



The elimination of all forms of forced and compulsory labour;



The effective abolition of child labour; and



The elimination of discrimination in respect of employment and occupation.

Environment



Businesses should support a precautionary approach to environmental challenges;



Undertake initiatives to promote greater environmental responsibility; and



Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption



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

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Thinking Works actions to address the 10 principles Sustainability Report — 2017/18

Policy Development

Developed our Human Rights Policy

This policy includes:

- Supporting and respecting the Universal Declaration on Human Rights
- The International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work
- Identifying, assessing and managing human
 rights impacts within our sphere of influence, to
 include internal operations and our supply chain
 Issued a Suppliers Code of Conduct,

Life At Thinking Works

Our new staff handbook 'Life at Thinking Works' hand book outlines all the human and labour rights for our internal staff, including anti-discrimination and bullying, fair working conditions and overtime, freedom of association and collective bargaining, grievance mechanism, workplace health and safety, and environmental compliance.

Sustainable Design Guidelines

New guidelines for more sustainable products We've created a whole new set of guidelines for our design and procurement teams that addresses ecolabelling requirements, sustainable supply chain due diligence and WELL standard requirements.

Training

Train Staff on the UN Global Compact We have ongoing training to include staff inductions, informing staff of our commitment to the UN Global Compact's 10 guiding principles, what this means for our company and our staff.

Workplace Health and Safety Reviewed existing risk assessments in regards to

- Workplace health and safety risks
 Initiated corrective actions where required
- Conducted ongoing training to include toolbox meetings, raising safety issues as needed

Sustainable Supply Chain Due Dilligence

Mapped supply chain of furniture components

- Communicated with key suppliers on our commitment to the UN Guiding Principle
- Conducted a self-assessment of our key suppliers to understand where they sit in relation to human and labour rights, environmental compliance and anticorruption.
- Issued a Suppliers Code of Conduct, based on the ten guiding principles
- Rated suppliers by means of an internal scorecard
- Supported and mentored our supply partners to develop their systems in order to meet compliance requirements

In April 2018 we 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. We see the value of training our staff on new procedures and management of fire equipment, to ensure best practice in emergency response.

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Thinking Generously

We love getting our staff involved in helping improve people's lives! And over the years, they've been hands on with making this happen. As well as hosting our own events, we are equally proud to partner with industry colleagues to support them with their charitable events.

This commitment to make the world a better place starts with our Managing Director, Dean Kuch who is passionate about making a difference by supporting charities:

- Who help disadvantaged country kids
- By way of supplying office furniture to help cut fitout costs for Orange Sky
- That address youth mental health, and
- Helping kids with their dreams of becoming professional surfers



Charities & Events

We've had a busy year hosting and supporting a number of charities and events.

Thinking Wellbeing (2018)

The wellbeing of our people has always been one of our top priorities – that's why we approached one of Australia's leading performance coaches to run a series of training sessions to help our staff free themselves of mental limitations, reach their full potential at work (and in life), and become more mindful and aware!

A 10-week training program was implemented and over the course of the sessions, Thinking Works made the decision to open this training opportunity to our industry by inviting interior designers to attend a series of 2-hour interactive wellness workshops.

The A+D community resides in a very demanding and competitive industry where long hours are the norm and pressure is often high.

The wellness sessions provided a welcome opportunity for guests to learn how making small adjustments to their schedule, diet and habits can help them get one step ahead of the curve and ultimately perform at their best in an industry that demands nothing less.

Following the incredible feedback that Thinking Works has received so far, this two-part series of workshops will continue to run into 2019 accompanied by a cookbook that will recap all of the nutritional information imparted on our guests and help them to prepare healthy, tasty, easy recipes for any occasion.

Caring For Kids In The Country (2018)

Royal Far West - 3 day charity bike ride

Royal Far West's Ride for Country Kids is an incredible challenge for anyone who has a passion for cycling and a desire to give something back to country kids.

Thinking Works have been participating in the Royal Far West Bike ride for last three years. Funds raised go directly to caring for country children by providing specialist health services that are not accessible to many children living in rural and remote areas of Australia.

In 2018, riding a huge 500km across three days, the whole team raised a total of \$630,000.

We thank our staff who were truly committed to this project and all the staff who supported the riders by way of donation.

Dance For Life (2018)

ReachOut – bringing awareness and support to youth mental health

Dance for Life is an annual dance event and completion organised by Thinking Works, INSTYLE and TCW. Dance for life brings together the design industry for an entertaining memorable and high energy dance completion, while also raising awareness and much needed funds for ReachOut.com Australia's leading online youth mental health service that helps young people take control of their mental health.

Orange Sky Australia (2017)

Orange Sky Australia is the world's first free mobile laundry service for people experiencing homeless. While originally started from Brisbane, Orange Sky has expanded to 20 services across Australia and generates over six tonnes of laundry every week with more than 1000 volunteers. Most importantly, Orange Sky volunteers have engaged in more than 100,000 hours of conversations to date, helping to dispel myths about homelessness and positively connect communities all around Australia.

Thinking Works' Managing Director, Dean Kuch, was amazed by this organisation and decided to help Orange Sky in the best way we could.

In August 2017, Orange Sky informed us of their plans to expand into new and bigger offices in Brisbane. With no second thought, Thinking Works decided to provide all furniture for free. Their fitout was 1400m2 and included 30 workstations, meeting areas as well as break out areas. An experienced Thinking Works team travelled to Brisbane and installed all the new furniture at Orange Sky's new head offices!"

Surfing Talent Fund (2017)

Surfers are curious people. Waves are not measured in feet and inches, they are measured in increments of fear.

At Thinking Works we believe in giving people opportunities. We like to see other people succeed in their chosen field and we want to help them do it.

There's nothing better than knowing you've helped someone fulfil their dreams, especially if their dreams are to be the best in the world.

In 2017 Thinking Works started a sponsorship program to help 3 young surfers progress through the World Qualifying Series of Surfing and onto the World Championship Tour. Jared Hickel, Shane Campbell and Harrison Martin compete in surfing competitions around the world, and in doing so they incur huge costs, typically paid by them working numerous jobs part time. With the help from Thinking Works they have been able to focus more on their sport and have started to realise their goals with their improved rankings. We've watched Harrison, Jared and Shane take off on monster waves, throw buckets of water out the back of their surfboards as they rip big turns, and we know we'll enjoy watching them compete against the best the world has to offer.





The journey to improved sustainability and social responsibility is a learning process for us all. It can be challenging at times, but we are humbled and inspired to continue our commitment to make a positive difference – whether by lowering our environmental impact, providing a safe work environment for our staff, or working with our suppliers to ensure they too respect human rights and develop environmental management practices.

The coming year will see the 'Thinking Responsibility' initiative create positive impacts, not only for the charities and causes we support, but by changing the mindsets of our staff through their involvement with these projects.

Thinking Works are proud of the work we have done over the past 12 years, but remain focused and aware of the work ahead. We wish to engage with our stakeholders, making this the exciting beginning of an ongoing dialogue.

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Furniture for the Curious