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A Message From Our Director

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

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 addressing our environmental impacts, tackling modern slavery risks in our business operations and supply chains. We adopt socially responsible business practices and ensure our products support designers and specifiers in creating healthy indoor spaces.



Thinking Sustainable Milestones





operations

management system (EMS)

operations

certification

(Australian Type 1 Ecolabelling)

External assistance with undertaking safety risk analysis to improve current WHS.

Carbon offsetting of business operations

Recertification of GECA (Australian Type 1 Ecolabelling certification)

Undertaking of a Life cvcle 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 (EMS)

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

2008

Purchasing of 100% Green Power for our Sydney manufacturing facility

*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!



Reduce Materials



Recycle



Offset





56% improvement over a 10 year period, based on production figures.

PRODUCTION WASTE (TONNES)

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.

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.

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.

Sydney Manufacturing Facility - Energy Figures Energy Comsumption Index Against Production



48% increase over a 10 year period. PRODUCTION ENERGY KWH

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

Energy: Initiatives

Avoid



Reduce



Offset



LED lighting has been installed in our Sydney warehousing facility.

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

Thinking Works' electricity consumption in Australia is 10% Australian GreenPower. The remaining 90% of the power consumed is offset by purchasing certified carbon credits under the Global Verified Carbon Standards.

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)



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.

Fun and Healthy



Green Space



Fitness

Ergonomic Environment



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

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.

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 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.

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: 2015 standard since 2009.

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

Criteria Requirements

Avoidance of toxic, hazardous and prohibited substances

Fitness for Purpose – Strength and Durability

Compliance with Australian laws and regulations

Indoor Environment Quality (IEQ) Low VOC products

Material Selection (recycled content)

Verified environmental claims

Design for Disassembly

Product Stewardship Program

Corporate Social Responsibility/ Human and labour rights supply cl due diligence

Transport and packaging (offsetting of transport emissions/ recycled content of packaging)

Chain of custody timber certificat

Operational energy, water and waste

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
	EONA, U.R, Elevation, Okidoki & Thinking Quietly (Table Base Only)	Blade - workstation, table, 4 star & folding Stix - fixed height and height adjustable workstation
	\bigotimes	\bigotimes
	\bigotimes	AFRDI Blue Tick certification
	\bigotimes	\bigotimes
	\bigotimes	\bigotimes
	Minimum requirement of 50% recycled content (EONA & U.R)	Recycled content in product packaging
	\bigotimes	\bigotimes
	\bigotimes	\bigcirc
	\bigotimes	\bigotimes
chain	Signatory to the UN Global Compact	Signatory to the UN Global Compact
;/	\bigotimes	\bigotimes
ition	FSC option available for Okidoki & Thinking Quietly upon request	\bigotimes
	Not Applicable	\bigotimes

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 & Sustainabil

Reused Product

Recycled Content Product

Environmental Product Decl - product specific

Environmental Product Dec

Product has Level A Third P

Product has Level C Third P Stewardship Program

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.

Several of Thinking Works products have been VOC tested, including EONA, u.r, Elevation, Thinking Quietly, Okidoki and Stix, 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.

lity Initiative	Sustainability Factor (Sf)	
	1.0	
	Decimal fraction of product that is recycled material (e.g. 20% = 0.2)	
larations	0.75	
larations – industry wide	1.0	
Party Certification	1.0	
Party Certification	0.50	
	0.50	

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.

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.

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

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

Overall there has been a minor increase of 3% 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.



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.

Human Rights Businesse support a the prote internatio human rig Labour Businesse uphold th of associa effective of the rig bargainin The effec of child la Environment Businesse support a approach to environmental challenges; Encourage the development and diffusion of environmentally friendly technologies. Anti-Corruption **Businesses should**

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:

es should and respect ection of onally proclaimed ights; and	02	Make sure that they are not complicit in human rights abuses.
es should he freedom iation and the recognition ght to collective ng;	04	The elimination of all forms of forced and compulsory labour;
ctive abolition abour; and	06	The elimination of discrimination in respect of employment and occupation.
es should a precautionary	$\overline{0}$	Undertake initiatives to promote greater



environmental responsibility; and

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

Thinking Works actions to address the 10 principles

Policy Development

Our commitment to addressing human rights includes:

- Ensuring we have an inclusive, diverse and respectful workplace, free from harassment and discrimination
- Providing our staff with a safe and healthy workplace
- A company-wide grievance policy to ensure there is a mechanism for resolving issues fairly and quickly
- Fair working conditions and wages
- Communicating to our employees' they have the right to join a trade union or labour organisation of choice, without fear of reprisal, intimidation or harassment
- Ensuring our supply chain have policies, procedures and processes that address force labour, child labour, debt bondage, fair recruitment, discrimination, fair working conditions and OHS.
- Condoning any form of modern slavery

Our policy commitment is inline with Universal Declaration on Human Rights, the UN Guiding Principle on Business and Human rights and the International Labour Organisation's (ILO's) **Declaration on Fundamental Principles and** Rights at Work.

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

UN Global Compact

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

First Aid Training

In November 2018, nine Thinking Works employees, across a number of business units and sites attended an onsite First Aid Training course. The participants obtained qualifications in Cardiopulmonary Resuscitation, basic emergency life support and first aid. As part of the onsite training Automated External Defibrillators (AED's) were used and at the conclusion of the training the decision was made by management to purchase an AED to be located at the Moorebank facility.

Fire Safety Training

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.

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 anti-

- corruption.
- 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





Tackling Modern Slavery

There are more men, women and children living in conditions of modern slavery than in any other time in history. Globally there is an estimated 40.3 million people living in modern slavery, 24.9 million in forced labour and 15.4 million in forced marriage¹.

Two thirds of modern slavery victims are found in the Asian Pacific region where there are strong links to Australian businesses and their supply chains.

The term modern slavery is used to describe situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom and includes:

- Human Trafficking
- Slavery
- Servitude
- Forced labour
- Forced marriage
- Debt bondage
- The worst forms of child labour
- Deceptive recruiting for labour practices or services².

We understand that Modern Slavery can happen anytime and anywhere, we also understand that addressing modern slavery risks is not only important to our company but also to the design community, construction sector, our government and our clients.

abour bour practices In 2019, we started the process of tackling modern slavery by assessing the risks of modern slavery in our business operations and supply chains. We are in the process of doing further due diligence to not only assess the risk but also put systems and processes in place to address the risks of modern slavery.

Thinking Works feels strongly about this very important issue and will voluntarily report under the Australian Governments Modern Slavery Act (2018). In the second half of 2020 we will produce a Modern Slavery Statement outlining our response to the Modern Slavery Act's seven mandatory requirements.

Stay tuned for further updates on how we plan to bring attention to this very meaningful moral issue.

Source:

- 1. Global Slavery Index
- 2. Australian Government Modern Slavery Act 2018, Draft Guidance for reporting Entities

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 initiatives:

- Support disadvantaged country kids
- Focus on mental health in the workplace
- Help young people overcome tough circumstances to determine their own futures
- Support young adults struggling with their mental health
- Raise awareness about the current climate crisis and demand change from our leaders



Charities & Events

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

Thinking Wellbeing (2018-19)

The wellbeing of our people has always been environment, learn about different job skills and one of our top priorities – that's why in 2018 current opportunities, make friends and build their we approached one of Australia's leading self-esteem through community based programs. performance coaches to run a series of training sessions to help our staff and friends in the A+D **Caring For Kids In The Country** community free themselves of mental limitations, (2018-19)reach their full potential at work (and in life), and become more mindful and aware! In 2019, Royal Far West - 3 day charity bike ride we expanded this initiative by partnering with The Indigo Project to run a series of workshops Royal Far West's Ride for Country Kids is an tackling mental health in the workplace. incredible challenge for anyone who has a Exploring areas like relationships, stress, passion for cycling and a desire to give something values, creativity and vision, attendees learned back to country kids. Thinking Works have been techniques to regulate emotions, communicate participating in the Royal Far West Bike ride for more effectively, manage the 'little voice' in their last four years. Funds raised go directly to caring head, and become less reactive. Across a total of for country children by providing specialist health five workshops, topics covered included How to services that are not accessible to many children Deal with Stress, Balance, Boundaries and Selfliving in rural and remote areas of Australia. In Care, Dealing with Perfectionism, and Unlocking 2018, riding a huge 500km across three days, the Creativity. Following the incredible feedback whole team raised a total of \$630,000. In 2019, a that Thinking Works has received, we are looking further \$374,000 was raised. We thank our staff forward to extending this workshop offering into who were truly committed to this project and 2020, with workshops that have been curated all the staff who supported the riders by way of to specifically address some of the struggles donation. that the A+D community may face on a day-today basis.

Project Youth (2018-19)

Based in Sydney's Sutherland Shire, Project Youth has been helping young people determine their own future regardless of their current circumstance for over twenty-five years. In 2018, Thinking Works first teamed up with Project Youth, helping with fundraising and also supporting the young people they help with employment. In 2019, Thinking Works and Project Youth began working together on transforming

an old church in Hurstville into a space that young people can use as a resource to hang out in a safe

Dance For Life (2018)

ReachOut – bringing awareness and support to youth mental health

Dance for Life is a charity dance event and competition 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.

Thinking Ahead

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 13 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.

Sustainability Report - 2018/19

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Head Office 25 Helles Avenue, Moorebank New South Wales 2170, Australia

P: +61 (0)2 9726 7177 F: +61 (0)2 9726 7188 sales@thinkingw.com

Sydney Showroom 120 Bourke Street, Woolloomooloo New South Wales 2011, Australia

P: +61 (0)2 9002 0250 F: +61 (0)2 9726 7188 <u>sales@thinkingw.com</u>

Melbourne Showroom 53 Victoria Parade, Collingwood Victoria 3066, Australia

P: +61 (0)3 8526 4460 sales@thinkingw.com

London Showroom 32 Clerkenwell Road London, United Kingdom EC1M 5PS

P: +44 (0) 203 397 4878 F: +44 (0) 845 862 4201 uksales@thinkingw.com

New Zealand Sold exclusively through FORZA LTD

P: +64 (0)9 921 3393 F: +64 (0)9 523 6801 info@forzaltd.co.nz

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