

Sustainability Report

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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. Sixteen years on, we are focused on social responsibility just as ambitiously as we have been addressing 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, showroom in Sydney and an international sales team, Thinking Works products are sold to office furniture and workstation suppliers, and marketed to the architectural and interior 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

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

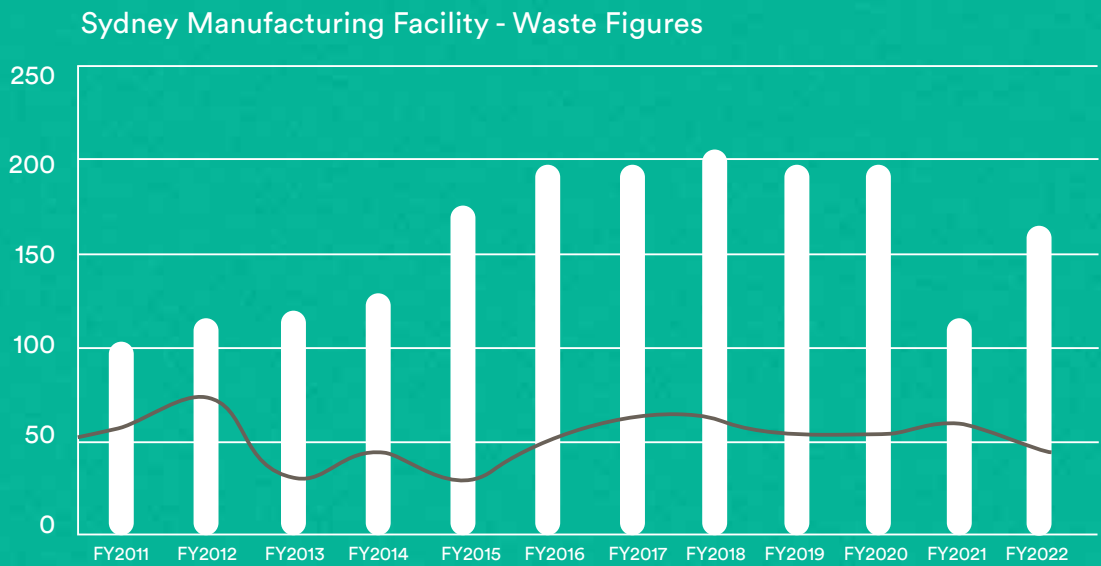
| | | | | |
|------|---|---|--|---|
| 2022 | Voluntary reporting under the Modern Slavery Act 2018 | Lovoc AFRDI GreenTick certification (Australian Type 1 Ecolabelling Certification) | Stix AFRDI GreenTick recertification (Type 1 Ecolabelling Certification) | Carbon offsetting of business operations |
| 2021 | Voluntary reporting under the Modern Slavery Act 2018 | Silo AFRDI GreenTick certification (Australian Type 1 Ecolabelling Certification) | Carbon offsetting of business operations | ISO14001 EMS recertification |
| 2020 | Blade Table recertification | Carbon offsetting of business operations | 2019 | Assessment of Modern Slavery risks in our business operations and supply chains |
| 2018 | Carbon offsetting of business operation | AFRDI GreenTick - Stix certification (Type 1 Ecolabelling Certification) | | |
| 2017 | Carbon offsetting of business operation | Blade Table and back to back workstation – Level A Platinum | | |
| 2016 | Carbon offsetting of business operation | Became a signatory to the UN Global Compact – The world's largest Sustainability initiative | | |

| | | | | | |
|------|---|---|---|--|--|
| 2015 | Carbon offsetting of business operations | Recertification of GECA (Australian Type 1 Ecolabelling certification) | Recertification of ISO14001 EMS | | |
| 2014 | Carbon offsetting of business operations | BLADE AFRDI^ Green/Blue TICK certification (Australian Type 1 Ecolabelling) | 2013 | Carbon offsetting of business operations | |
| 2012 | Recertification of ISO14001 EMS | External assistance with undertaking safety risk analysis to improve current WHS. | | Carbon offsetting of business operations | Recertification of GECA (Australian Type 1 Ecolabelling certification) |
| 2011 | Carbon offsetting of business operation | Undertaking of a Life cycle assessment on materials and finishes | Undertaking of testing of Volatile Organic compounds (VOC's) for our table & workstations | | |
| 2010 | 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 | | |
| 2009 | ISO14001 EMS Certification | 2008 | Purchasing of 100% Green Power for our Sydney manufacturing facility | 2006 | Implementation of our environmental management system (EMS) |

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!

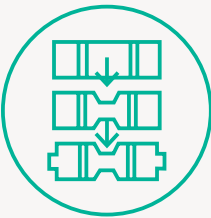


93% reduction over a 13-year period, based on product figures

■ PRODUCTION
■ WASTE (TONNES)

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.

Recycle



We recycle metals, soft and hard plastics, cardboard, paper, electrical equipment and comingle items.

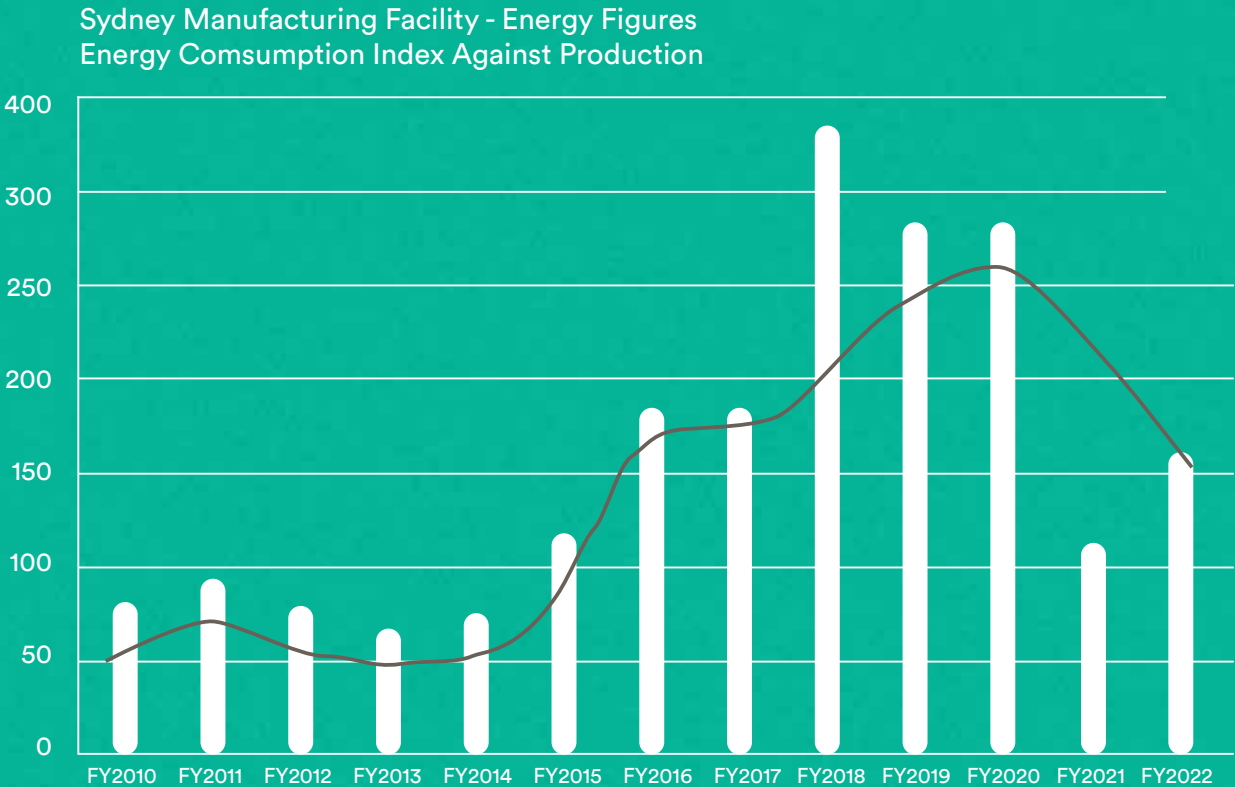
Offset



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

Thinking Environment

We've had a 106% reduction in energy use over the last financial year. Thinking Works will continue with our 'switch off' campaign and monitor, track and record our energy to ensure we stay on track for further reductions.

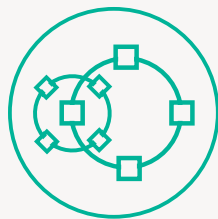


106% reduction against 2020/21, based on production figures.

All electricity is offset by purchasing our energy through Powershop.

Energy: Initiatives

Avoid



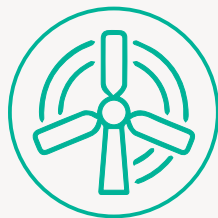
LED lighting has been installed throughout our entire Sydney office, factory and warehousing facility.

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 procured through Powershop, which means our energy use is 100% carbon offset.

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 ten categories of wellness. These include Air, Water, Nourishment, Light, Movement, Thermal Comfort, Sound, Materials, Mind and Community.

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



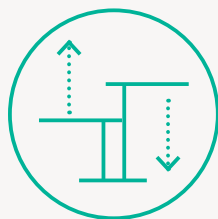
We like to practice what we preach, so we too have a number of health and wellbeing initiatives. Our Director Dean Kuch believes that by providing a fun and healthy environment, that this will create a happy and productive workforce.

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.

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

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

The ISO 14001 EMS certification gives our clients assurance that we:

- Comply with environmental legislation for our Australian 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

Thinking Works are audited annually by Global Mark to ensure we comply with the ISO 14001: 2015 standard.



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, Okidoki & Thinking Quietly (Table Base Only) | Lovoc, Ovation, Silo, Blade - table, 4 star & folding Bambusa Stix - fixed height and height adjustable workstation |
| Avoidance of toxic, hazardous and prohibited substances | ✓ | ✓ |
| Fitness for Purpose – Strength and Durability | ✓ | AFRDI Blue Tick certification |
| Compliance with Australian laws and regulations | ✓ | ✓ |
| Indoor Environment Quality (IEQ) Low VOC products | ✓ | ✓ |
| Material Selection (recycled content) | Minimum requirement of 50% recycled content (EONA & U.R) | Recycled content in product packaging |
| Verified environmental claims | ✓ | ✓ |
| Design for Disassembly | ✓ | ✓ |
| Product Stewardship Program | ✓ | ✓ |
| 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) | ✓ | ✓ |
| Chain of custody timber certification | FSC option available for Okidoki & Thinking Quietly upon request | ✗ |
| Operational energy, water and waste | Not Applicable | ✓ |

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 and Interiors Rating 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 interior 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.

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

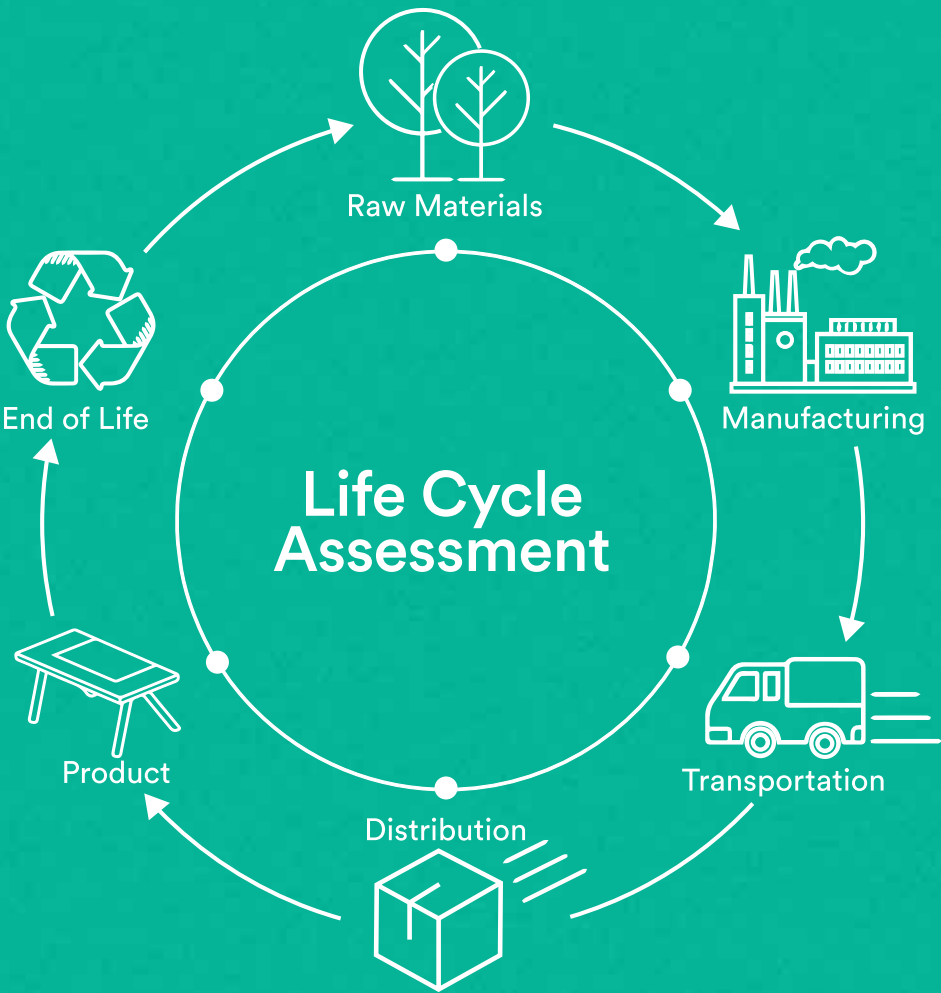
1 point is available where refurbished and maintenance materials are purchased in accordance with the procurement framework during the performance period.

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.

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) and Emission Reduction Fund (ERF). 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’ electricity consumption in Australia is procured through Powershop, which means our energy consumption is 100% offset.

We’ve seen a significant reduction in our carbon emissions with an 80% reduction since we began offsetting our carbon emissions in 2010. This is based on our production figures.

In financial year 2021, for every **1kg of carbon dioxide (CO2)** that was released into the

atmosphere as a result of Thinking Works’ business operations, we removed **2kg of CO2** from the atmosphere. This made us not just carbon neutral, but **carbon negative**.

In 2022, we changed tack and decided to purchase **'social' offsets**, offsets that not only help the planet and reduce emissions, but also help families in developing nations and in Australia.

The first project Thinking Works is supporting is **clean cooking**. This initiative gives families in Africa and Asia access to the use of clean and efficient stoves that slow the combustion of wood, improving indoor air quality and reducing health risks and burns. As a result, the stoves require less wood, reducing the amount of time women and children spend gathering firewood and allowing time for other activities, such as going to school.

The second project we are supporting is **Indigenous Fire Management** which supports fire management in Arnhem land in Northern Territory. Local rangers conduct controlled burns early in the dry season to reduce fuel on the ground and establish a mosaic of natural firebreaks, preventing bigger, hotter and uncontrolled wildfires later in the season.

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

01

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

02

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

Labour

03

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

04

The elimination of all forms of forced and compulsory labour;

05

The effective abolition of child labour; and

06

The elimination of discrimination in respect of employment and occupation.

Environment

07

Businesses should support a precautionary approach to environmental challenges;

08

Undertake initiatives to promote greater environmental responsibility; and

09

Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10

Businesses should 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 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

Our design and procurement teams use a set of guidelines that address environmental compliance, healthy materials and human rights and modern slavery in the supply chain.

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

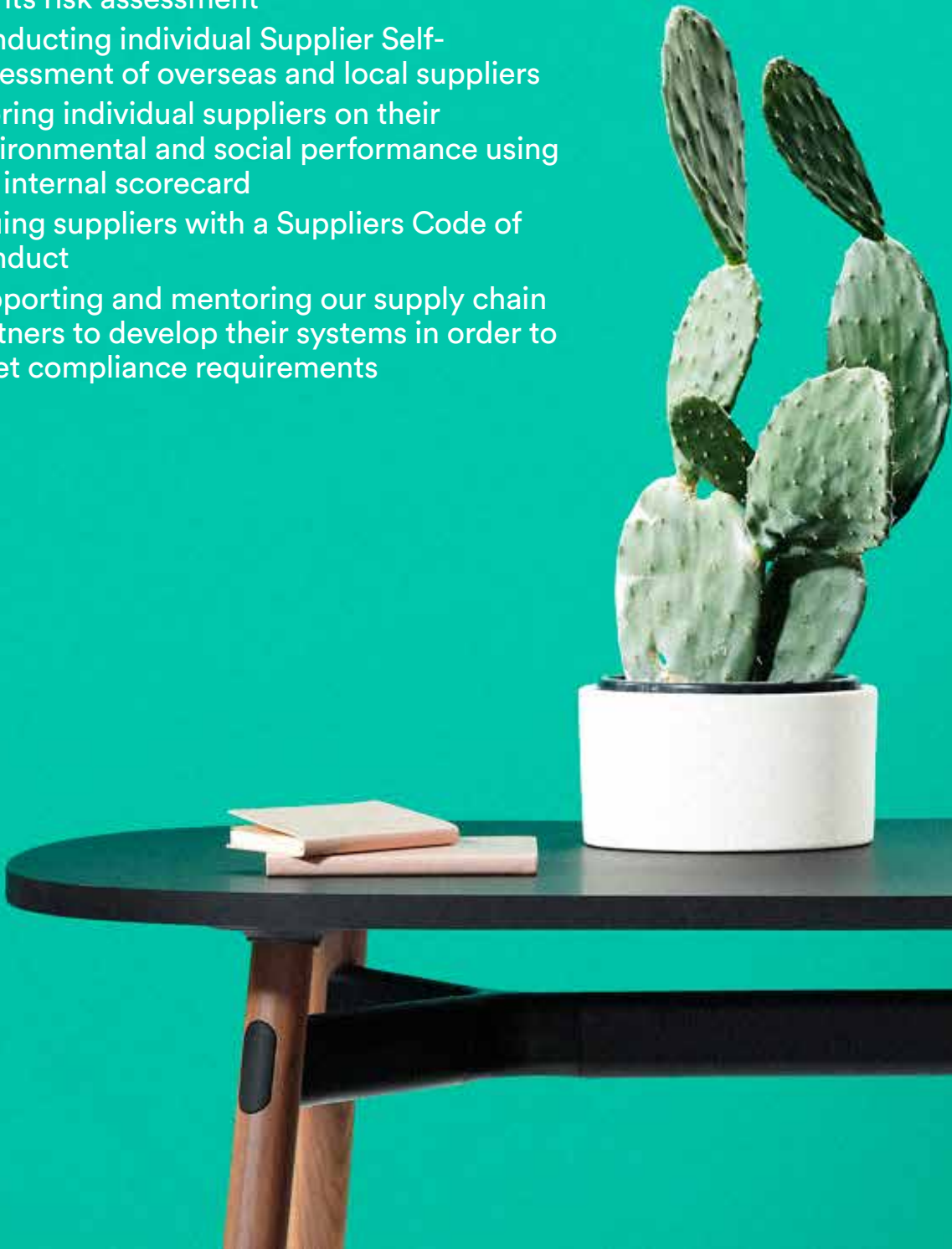
Thinking Works have had a number of employees attend an onsite First Aid Training course. The participants obtained qualifications in Cardiopulmonary Resuscitation, basic emergency life support and first aid. In January 2020 we purchased an Automated External Defibrillator and all our staff were provided training to use it in case of an emergency. Our First Aid Officers attended their annual CPR training in October 2019.

Fire Safety Training

As part of our commitment to staff safety, our fire wardens have undergone training with experts to ensure their skills are kept up to date. The training encompasses both theory and practical aspects of fire safety (evacuation drills and operation of fire extinguishers) and also includes emergency preparedness for gas leaks and bomb threats. We have annual reviews of our emergency drills by CHUBB to ensure we are conducting our drills as per our procedure.

Sustainable Supply Chain Due Dilligence

- Our due diligence process includes:
- Supply Chain mapping of business operations and supply chains
 - A high-level Modern Slavery and Human Rights risk assessment
 - Conducting individual Supplier Self-Assessment of overseas and local suppliers
 - Scoring individual suppliers on their environmental and social performance using our internal scorecard
 - Issuing suppliers with a Suppliers Code of Conduct
 - Supporting and mentoring our supply chain 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 **49.6 million people living in modern slavery, 27.6 million in forced labour and 22 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.

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.

In 2022 we expanded our due diligence process to include:

- engaging expert assistance to develop tools, and assist with training
- Modern Slavery Action Plan and Evaluation Tool, to track and evaluate our performance
- development of a Remediation Procedure
- training to assist our Purchasing Manager and Senior Management Team improve their understanding of Modern slavery.

Thinking Works are voluntarily reporting under the Commonwealth Modern Slavery Act (2018). Our Modern Slavery Statement provides a comprehensive outline of the actions we are taking to tackle modern slavery.

Our Modern Slavery Statement can be found on the [Australian Government's Online Register for Modern Slavery Statements](#).

Source:

1. *Walk Free, Global Slavery Index*
2. *Australian Government Modern Slavery Act 2018, Guidance for reporting Entities*

Thinking Generously

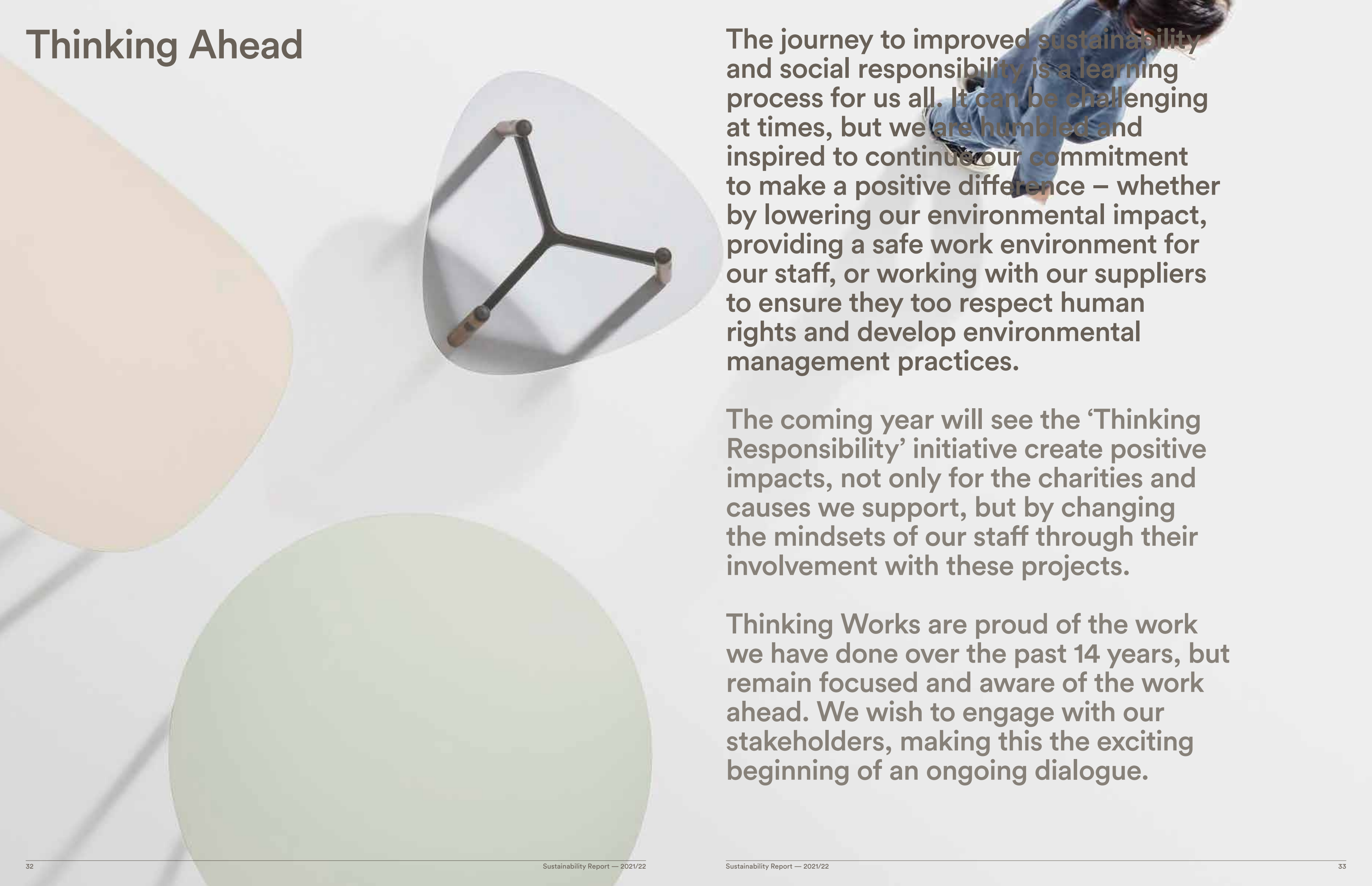
We love getting our staff involved in helping improve people's lives! And over the years, they've been hands on with making this happen. As well as hosting our own events, we are equally proud to partner with industry colleagues to support them with their charitable events.

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



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 14 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.

Thinking Works
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