



Square Bear

SQUARE BEAR ACOUSTICS | COMMUNICATION ON PROGRESS

UNITED NATIONS GLOBAL COMPACT

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

FEBRUARY 2021 – FEBRUARY 2022



Square
Bear

Creating for tomorrow's tomorrow

INTRODUCTION

Square Bear Acoustics is a highly experienced team of people with a passion for workplace product design. We create solutions for environments that we would be happy to work within and we have a desire to make the workplace an enjoyable place to be.

We want the workplace to take on a biophilic approach with natural elements such as plants to assist with air quality, mobility to avoid static job-related injury, and products that can enhance the fun of teamwork.

Our products are Australian designed and manufactured at our facilities in Sydney, NSW. Our ability to manufacture locally reduces product lead-time and our team oversee the delivery and installation for projects throughout Australia. We implement a strict sustainability protocol for supply chain and materials, and we are passionate about manufacturing products that will assist in job satisfaction, organisational growth, and a reduction in disruptive influences such as employee turnover, illness, or unhappiness.

At Square Bear, we understand the importance of sustainability. We want to have a positive influence on our staff, our community and our environment – not because of social trends, but because it's the right thing to do. This involves minimising the environmental impacts of our products and manufacturing, providing a safe and healthy workplace for our employees, and ensuring that basic human and labour rights are extended to workers in our business and supply chains.

This document outlines our achievements between 2021-2023.



Pathway to sustainability

TO OUR STAKEHOLDERS - A MESSAGE FROM OUR FOUNDER

I am delighted to present the first Square Bear Communication on Progress (CoP) under the UN Global Compact. The Global Compact consists of Ten Principles covering the areas of Human Rights, Labour, Environment and Anti-Corruption. Square Bear joined the Global Compact on 16 February 2022.

This CoP will outline our actions to address the Ten Principles of the UN Global Compact, as well as the UN Sustainable Development Goals (SDGs) that best apply to our business. It will describe how we are integrating these principles and goals into our business strategies, culture and daily operations.

Since first entering the workplace design industry, I have watched businesses come and go, alter their course of production, source materials from around the globe and strive to find economical solutions that aren't always the most ethical, or sustainable long-term. We are all aware of the challenges of business operations

- especially manufacturing - and the impact that the accessible global market has had on production processes and material sourcing.

Over the last decade I have developed a greater understanding of the destruction we are inflicting on the planet, society and ultimately future generations by making poor manufacturing choices. This upsets me. I have watched manufacturers chase the dollar by taking shortcuts that impair what could be good, long-lasting and sustainable design, and by employing under-skilled staff - or, worse still, outsourcing production to suppliers outside of our geographic area without understanding the working conditions of employees in their supply chains.

With these things at the forefront of my mind, I am determined to design and produce products that will have a positive impact, in terms of social and environmental responsibility, within our business and our supply chain.

As a young business, we have many more steps to take on our sustainability journey. We have employed a highly regarded sustainability expert to help us make conscious choices that focus on social responsibility, human rights, fair operating practices, sustainable sourcing and positive environmental actions. We engage with our staff, suppliers and stakeholders in this educational process, while maintaining a fun approach and building the desire to better care for our planet, people, communities and workplaces.

Sincerely yours,



DEAN KUCH

Founder, owner and Managing Director

UN GLOBAL COMPACT: HUMAN RIGHTS



PRINCIPLE 1:

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

PRINCIPLE 2:

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

Policy and Goals

Square Bear support the protection of internationally proclaimed human rights. Our aim is for human rights to be valued and upheld within our company, and the companies we conduct business with and influence.

We remain committed to engaging with our suppliers, both locally and internationally, to emphasise the importance of honouring human rights at work. We will continue to conduct human rights due diligence within our supply chain in 2023 and beyond.

Implementation

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

In 2020 we engaged the services of a Sustainability Consultant to help us develop a **Sustainability Roadmap and Action Plan**. This includes actions to

address human rights in our business practices and our supply chain over the next five years.

In 2021 we developed our first **Human Rights Policy** - our overarching policy on human and labour rights. This policy demonstrates a commitment to:

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

UN GLOBAL COMPACT: HUMAN RIGHTS

In 2022 we conducted due diligence of our key suppliers, by sending them **Supplier Self-Assessment Questionnaires**. These assess suppliers against 13 core indicators:

1. general company information, including certifications, sustainability reporting and social audits
2. employment questions, such as workforce turnover, number of migrant workers, contractual arrangements etc
3. recruitment practices
4. freedom of association
5. anti-discrimination
6. fair working conditions
7. workplace health and safety
8. modern slavery preventive practices
9. supply chain management
10. environmental management
11. product environmental information
12. quality management
13. anti-corruption and bribery

We are keen to know whether our suppliers are working with their own suppliers around human rights, or whether they are willing to engage with them on this very important issue.

In 2022 we also asked our key product and material suppliers to sign our **Suppliers' Code of Conduct**, which outlines our expectations around human rights in line with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Our key suppliers are well-known Australian companies that have policies and procedures in place to address the human rights of their direct workforce. Most of our products and materials are manufactured in Australia, with a few materials sourced from overseas.

UN GLOBAL COMPACT: HUMAN RIGHTS

Measurement of Outcomes

In 2022 we engaged the services of a Human Rights Consultant to help us understand the risk level of our individual suppliers, and to thoroughly evaluate the information provided in the **Supplier Self-Assessment Questionnaires**. We now have two evaluation processes in place:

1. Supplier Self-Assessment Scorecard

The **Supplier Self-Assessment Scorecard** assesses and tracks the human rights performance of suppliers according to key indicators. It assesses impacts within their supply chain, the strength of their policy commitment, and whether they have systems in place to address modern slavery. Each supplier is allocated an overall score.

The scorecard helps us track supplier performance year on year, against a minimum benchmark and against our other suppliers. It helps us determine our next steps in engaging with our suppliers, and whether we need to set minimum standards and requirements.

2. Supplier Sustainability Evaluation Register

The **Supplier Sustainability Evaluation Register** classifies each supplier as low-, medium- or high-risk. To ascertain their level of risk we take into account their **Supplier Self-Assessment Score**, their country of operation, and their sustainability certification or labelling. Suppliers that are rated high-risk will be issued with corrective actions, enforcing improvement of their human or labour rights practices.

Square Bear have had no reports of investigations, legal cases, rulings, fines or other events related to any breaches of human rights in the last 12 months.

UN GLOBAL COMPACT: LABOUR



PRINCIPLE 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4: the elimination of all forms of forced and compulsory labour;

PRINCIPLE 5: the effective abolition of child labour; and

PRINCIPLE 6: the elimination of discrimination in respect of employment and occupation.

Policy and Goals

Square Bear are committed to promoting the International Labour Organization's Declaration of Fundamental Principles and Rights at Work (1998), from which the four principles above were derived.

To strengthen this commitment, we will be taking further steps over the next reporting period to assess and address modern slavery risks within our business operations and supply chain. In 2023 we plan to report voluntarily under the Commonwealth *Modern Slavery Act 2018*.

In 2023 Square Bear will also engage a consultant to assist us in developing an **Integrated Management System**, which will include the implementation of workplace health and safety risk assessment, mitigation strategies, procedures, training, action plans, roles and responsibilities and evaluation procedures.

Implementation

Square Bear are committed to providing a safe and healthy workplace for all employees, contractors and site visitors, and minimising work-related injuries and illnesses. All managers and employees have a responsibility to take reasonable care of their own health and safety, and to consider the health and safety of others.

In 2019 we developed a Workplace Health and Safety Policy to protect our workers. Under the policy, we are committed to:

- complying with all applicable health and safety laws, regulations and standards
- providing safe plant and personal protective equipment to all employees
- implementing appropriate risk management systems, as well as promoting and continuously improving our health and safety standards
- providing appropriate health and safety training to all employees
- ensuring that employees embrace a proactive and collaborative safety culture

UN GLOBAL COMPACT: LABOUR

- investigating reported hazards and undertaking corrective actions
- ensuring all managers are accountable for monitoring safety performance in their areas of responsibility
- conducting our business with due consideration of all our stakeholders

Our factory employees are employed under Timber Industry Award and in line with the Commonwealth *Fair Work Act 2009*, underpinned by the National Employment Standards.

Our **Life at Square Bear (Employment Policies)** document outlines our Code of Conduct, and the policies and procedures we have in place to address equal opportunity, bullying and harassment, freedom of association and collective bargaining, grievance management, first aid and site safety.

Measurement of Outcomes

Square Bear are a proud to be an equal opportunity employer with a diverse workforce. We employ staff of a wide range of ages, from 18 to 60, and from a range of different cultural backgrounds. We have a ratio of 60-40 male-female staff in management positions.

Our key suppliers are well-known Australian companies that have policies and procedures in place to address the labour rights of their direct workforce. In 2022 we sent **Supplier Self-Assessment Questionnaires** to our key suppliers to get an understanding of their labour practices. They were also issued with our **Suppliers' Code of Conduct**, which outlines our expectations around labour rights in line with international standards and protocols, including the Declaration on Fundamental Principles and Rights at Work.

Internally, we have had had no reports of investigations, legal cases, rulings, fines or other events related to any breaches of labour, anti-discrimination and/or safety regulations in the last 12 months. Our policies are compliant with Principles 3 to 6 of the UN Global Compact. For instance, all overtime is freely chosen and monitored, and employees are free to join a trade union and bargain collectively.

UN GLOBAL COMPACT: ENVIRONMENT



PRINCIPLE 7: Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8: undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9: encourage the development and diffusion of environmentally friendly technologies.

Policy and Goals

Square Bear's **Environmental Program** includes measures to reduce waste and energy, ensure staff are aware of their responsibilities, and most importantly comply with environmental legislation. We also want to understand the environmental impacts of our products and are working with our suppliers to gain an understanding of their processes, with the aim of achieving any relevant and required certification of our products.

Our **Environmental Policy** sets out our commitment to addressing key environmental impacts. This commitment includes:

- complying with all applicable environmental laws, regulations and standards
- meeting the requirements of Australian Type I (third-party) ecolabelling standards

- reducing waste through our recycling program
- considering environmental issues in business strategies, programs and initiatives
- educating staff and stakeholders about our environmental objectives, programs and initiatives
- implementing pollution prevention practices
- reducing energy consumption
- conducting quality assurance to minimise waste in manufacturing of all product components
- taking a life-cycle approach to the design and development of our products
- conducting our business with due consideration of all our stakeholders
- striving for continual improvement to enhance environmental performance

UN GLOBAL COMPACT: ENVIRONMENT

In 2019 we engaged the services of a sustainability consultant to help us develop a **Sustainability Roadmap and Action Plan**. This roadmap outlines the environmental activities we plan to undertake over the next three to five years and is available on request.

Implementation

Square Bear's products are designed to have minimal impact on the planet and built using sustainable materials. A number of our product components have Australian Type I (third-party) ecolabelling certification. The foam, medium-density fibreboard (MDF) and PET acoustic panels used in our pods are Global GreenTag GreenRate Level A certified. We procure Forest Stewardship Council (FSC) chain of custody certified plywood.

We have had a number of our product ranges tested for volatile organic compound emissions with CETEC Foray, a laboratory accredited by the National Association of Testing Authorities. This helps inform our selection of materials, adhesives and coatings, to ensure a healthy indoor environment quality for the users of our pods.

We have a recycling program in place that includes paper, cardboard and steel, and have installed a solar panel system in our manufacturing facility in Sydney to help reduce our carbon emissions.

Measurement of Outcomes

We understand that our suppliers play a major role in helping us address our sustainability objectives. In 2022 Square Bear conducted a human rights and environmental risk assessment of our key suppliers to get an understanding of their environmental compliance. Our main suppliers are well-known Australian brands that have processes and certifications in place to address their environmental risks and impacts, such as Environmental Management Systems and Australian Type I (third-party) ecolabelling certification.

Square Bear have had no reports of investigations, legal cases, rulings, fines or other events related to any breaches of environmental regulations in the last 12 months.

UN GLOBAL COMPACT: ANTI-CORRUPTION



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

Policy and Goals

Square Bear are committed to ensuring that all our business activities are conducted ethically and in accordance with the relevant Australian and overseas standards and legislation. We understand the importance of combating corruption of every kind.

Implementation

We have an **Anti-Corruption and Bribery Policy** in place that requires both employees and senior management to meet the highest of standards of ethical behaviour. It involves a rigorous zero-tolerance policy towards facilitation payments, and towards potential bribery and corruption in relation to political and charitable contributions, gifts and entertainment expenses. It also requires due diligence regarding compliance with our **Suppliers' Code of Conduct**.

Measurement of Outcomes

Square Bear have had no reports of investigations, legal cases, rulings, fines or other events related to any breaches of anti-corruption and bribery regulations in the last 12 months.

We plan to provide training to our sales and procurement teams to ensure the highest level of integrity in all their business dealings.

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The 17 interlinked Sustainable Development Goals aim to wipe out extreme poverty, cut inequality and preserve our planet by 2030. They were set up by the United Nations General Assembly in 2015 and adopted by 193 countries.

Square Bear understand the urgent need for countries, businesses and individuals to take action to fulfil these global goals. We have outlined our actions to support the nine UN SDG goals that are relevant to our business.



GOAL 3: Good Health and Well-Being

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

Square Bear aim to reduce the use of hazardous and prohibited substances and volatile organic compounds in our product ranges.

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



GOAL 5: Gender Equality

Achieve gender equality and empower all women and girls.

Square Bear understand the importance of ending all forms of discrimination against women and girls everywhere. We actively seek female employees for every department in our business and as an example of our endeavours have engaged female employees as cabinet makers, production managers as well as sales, marketing, administration and business management.



GOAL 6: Clean Water and Sanitation

Ensure access to water and sanitation for all.

In our manufacturing facility in Sydney, we have put limits on water use and have bunding in place to ensure that no hazardous waste can leave the site and end up in stormwater.

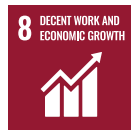
UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)



GOAL 7: Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy

We have installed a solar panel system in our manufacturing facility in Sydney.



GOAL 8: Decent Work and Economic Growth

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

Decent work is important to our business, in terms of how we treat our staff and how our suppliers treat theirs. We want to partner with businesses that share similar values to ours and that adopt decent work practices. As part of our long-term strategy, we will continue to conduct supplier due diligence to ensure that workers in our supply chain are not being exploited.



GOAL 9: Industry, Innovation and Infrastructure

Build resilient infrastructure, promote sustainable industrialization and foster innovation.

At Square Bear we are always looking for new and innovative ways of designing and manufacturing our acoustic pods and other products, to enable efficient and sustainable use of resources including seeking materials that are recycled, made from natural materials and fully sustainable.

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)



GOAL 10: Reduced Inequalities

Reduce inequality within and among countries

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



GOAL 12: Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

Square Bear have a number of processes and initiatives in place that support sustainable consumption and production patterns. Such as our supplier due diligence process and procurement of materials and products that are third party certified.



GOAL 13: Industry, Innovation and Infrastructure

Take urgent action to combat climate change and its impacts.

Square Bear have multiple initiatives in place to reduce the impacts of climate change. These include solar-panel systems and energy-efficient lighting in our main manufacturing facility.



Square Bear

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