



Sustainability *Report* 2020/21

living
edge®

livingon

Welcome to our FY 2020/21 sustainability report, thank you for taking the time to find out more about our business. Our sustainability program, LivingOn, was launched in 2008 and the values embodied by the program continue to shape our business today.

The 2020/21 financial year was dominated by the impacts of the COVID-19 pandemic, which led to unprecedented challenges and changes to the way we live, work, and connect. As we reflect on this difficult time, we look to learn from our shared experience, and in particular the lessons we can learn about our connection to each other and the planet.

The pandemic highlighted the value of spaces that support health and wellbeing and provide places for us to connect as a team and with our customers. We are proud to have achieved the first WELL Platinum certification in Western Australia for our showroom at 7 Queen Street, and we are extremely grateful to the people who worked so hard to make this project a success.

In FY21, we saw a 58% reduction in our scope 3 emissions when compared on a like for like basis with the previous reporting year, largely driven by a reduction in air freight activity resulting from the disruption caused by the pandemic. We recognise the significance of this reduction and we are working to implement new measures that prevent the use air freight wherever possible.

This report also introduces a new topic to the LivingOn program – the circular economy. We are passionate advocates for the benefits of circularity and its potential to create a paradigm shift in the way we consumer furniture products. We strive to be a leading voice in the future circular economy in Australia.

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Our Story

Living Edge is Australia's leader in authentic, original, and sustainable furniture.

At Living Edge, we believe that great design is an intelligent idea brought to life in a way that's beautiful, original and sustainable. For over 22 years we've been committed to offering our customers the best designs from the world's most established and forward-looking furniture brands.

Each brand we represent is selected for the quality and significance of its designs, its relevance to our Australian customers, and a commitment to sustainability and social responsibility that's in line with our own.

Our products improve people's home, work, and shared environments. Our unique range and knowledgeable service has made us Australia's preferred destination for architects, interior designers, and those who share a passion for authentic design.

Our collection is made up of designs for living and working, and everything in between. The aesthetic, functional, and manufacturing quality of our products give them longevity, and we hope that our pieces are handed down from generation to generation. That's what we mean by 'Furniture For Life'.

About LivingOn

Born in 2008, LivingOn is our sustainability program. The values that underpin LivingOn have shaped the way our business has grown, and our award-winning approach to sustainability has set a benchmark for our industry.

The LivingOn program began in 2008 with a recognition that our commitment to sustainability needed to be bigger than supplying product that met certain industry standards. We realised that we had a responsibility to the planet and its people to be a sustainable company in our own right, and that doing so could give our business an edge and even transform our industry.

The initial focus of LivingOn was on the environmental impact of importing high quality products from international brands, and in 2009, Living Edge became the first Herman Miller dealer in the world to offset the freight emissions for all products imported into Australia.

Since 2008, the LivingOn program has grown and evolved to encompass environmental, social, and economic issues – in line with the concept of the 'triple bottom line' of people, planet, and prosperity. One of the core philosophies of LivingOn is to 'Live Responsibly'; that means quantifying and ultimately taking responsibility for the social, environmental, and economic impacts that our activities create throughout our value chain.

As society reaches a critical turning point in our relationship with the planet, and each other, we recognise that we need to take ambitious new steps to go beyond reducing negative impacts and find ways to create shared value throughout our value chain by developing purpose-led product and service offerings. This is the future for LivingOn and we are excited to share it with everyone who interacts with our business.

Muuto Fiber shell contains a minimum of 80% pre-consumer recycled material, combined with FSC certified wood fibers. Global Green Tag Level C certified, LBC Red List Approved.

Recognition of LivingOn

Finalists, 2019 Banksia Awards, Medium Business
Winner, 2013 City of Yarra Sustainability Awards, Business
Winner, 2013 Keep Australia Beautiful Awards, Business
Finalist, 2010 Premier's Sustainability Awards, Victoria

The Philosophies of LivingOn

Furniture for Life

We choose to supply high quality furniture that's designed to be passed down from generation to generation and eventually recycled at the end of its long life. We are committed to prioritising and enabling the repair, re-use, remanufacturing, and resale of products to maximise their lifespan.

Live Responsibly

We recognise that our activities create environmental, social, and economic impacts throughout our value chain. We pledge to act responsibly, minimise the negative impact of our activities, and maximise positive outcomes.

Think Circular

We strive to be a leader in the future circular economy in Australia. We are passionate advocates for the benefits of the circular economy and its potential to create a paradigm shift in the way we consume furniture products.

Our Key Achievements

Climate Action

- In 2009, Living Edge became the first Herman Miller dealer to **offset freight emissions** for product imported into Australia
- In 2017, Living Edge achieved **carbon neutral operations** and has maintained carbon neutral operations every year since
- In FY20, Living Edge transitioned to carbon neutral energy in Sydney and Melbourne, **reducing Scope 2 emissions by an average 70% p/a**
- In FY21, our **total emissions decreased by 46.2%** from the previous reporting period, and 58% when compared on a like for like basis

Health and Wellbeing

- In April 2021, our Perth showroom became the first **WELL Platinum certified fit-out** in Western Australia
- In 2020, we introduced **How We Live WELL**, a health & wellness program for our staff and contract customers
- We provide our staff and their families free access to an **Employee Assistance Program** from Assure Programs

Waste and Recycling

- In 2019, we launched Living Without Waste, our waste reduction initiative
- We have introduced segregated waste streams at our showrooms and warehouses, including comingle and cardboard recycling, organic waste, soft plastics and specialist recycling
- We have helped our clients repair, re-use, and re-sell over 4,500 Herman Miller chairs, **diverting 104 tons of furniture from landfill**
- We are a signatory to the **Australian Packaging Covenant**, and we are working with APCO to improve the sustainability of our packaging

Governance

- We operate an **ISO 9001:2015** certified Quality Management System
- We operate an **ISO 14001:2015** certified Environmental Management System

Stakeholder Matrix

The following stakeholder groups have been identified in section 4.2 of Living Edge's ISO 9001 certified Quality Management Compliance Manual.

| Stakeholders | Needs and expectations | | Engagement Channel and Frequency | Purpose of Engagement |
|----------------------------------|---|--|--|---|
| Customers and Influencers | Product quality and longevity Customer service Provide goods and services on time Operate fairly, consistently and transparently | All Living Edge stakeholders need and expect the business to minimise the negative, and maximise the positive, environmental and social impacts of the organisation's activities. | Frequency: Daily <ul style="list-style-type: none"> Customer satisfaction surveys and NPS ratings In store and on-site engagement Online marketing | <ul style="list-style-type: none"> Measure customer satisfaction Retain customers Maintain contracts Attract new customers |
| Owners | Profitable and sustainable business | Environmental Impacts <ul style="list-style-type: none"> Emissions Waste Pollution Deforestation Biodiversity Water | Frequency: Monthly <ul style="list-style-type: none"> Annual planning session Monthly management review meetings | <ul style="list-style-type: none"> Performance reporting Strategic planning |
| Employees | Non-discriminatory workplace Workplace diversity Appreciation and respect Professional development & training Workplace health and safety | Social Impacts <ul style="list-style-type: none"> Health & Wellbeing Equality, Diversity & Inclusivity Decent Work & Pay Human Rights | Frequency: Daily <ul style="list-style-type: none"> Performance reviews 'First Friday Update' company meetings Training Line management Online – Slack, LENI, email Business Improvement Register (BIR) | <ul style="list-style-type: none"> Retain and develop talent Maintain culture Measure employee satisfaction Business improvement |
| Suppliers | Loyal, trusting relationships Fairness and honesty Shared sustainable growth Meet business obligations legally and ethically | | Frequency: Monthly <ul style="list-style-type: none"> Annual audits, performance surveys and reviews BIR case meetings Showroom visits Project meetings | <ul style="list-style-type: none"> Monitor and improve performance Manage environmental and social impact Maintain mutually beneficial relationships |

Stakeholder Matrix (cont.)

The following stakeholder groups have been identified in section 4.2 of Living Edge's ISO 9001 certified Quality Management Compliance Manual.

| Stakeholders | Needs and expectations | | Engagement Channel and Frequency | Purpose of Engagement |
|----------------------|---|---|--|--|
| Bank | <ul style="list-style-type: none"> Meet financial obligations Behave honestly and ethically | All Living Edge stakeholders need and expect the business to minimise the negative, and maximise the positive, environmental and social impacts of the organisation's activities. | Frequency: When required <ul style="list-style-type: none"> In person meetings | <ul style="list-style-type: none"> Maintain mutually beneficial relationship |
| Competitors | <ul style="list-style-type: none"> Collaborate in non-competitive industry initiatives Behave honestly and ethically Be respectful | | Frequency: When required <ul style="list-style-type: none"> Industry groups Events | <ul style="list-style-type: none"> Maintain good relationships Drive industry change |
| The Community | <ul style="list-style-type: none"> Act as a responsible member of the local community Support the needs of the community Participate in community activities | Environmental Impacts <ul style="list-style-type: none"> Emissions Waste Pollution Deforestation Biodiversity | Frequency: Specific Events <ul style="list-style-type: none"> Online marketing Community events | <ul style="list-style-type: none"> Maintain good relationships |
| Regulators | <ul style="list-style-type: none"> Meet all compliance and regulatory obligations | Social Impacts <ul style="list-style-type: none"> Water Health & Wellbeing Equality, Diversity & Inclusivity Decent Work & Pay Human Rights | Frequency: When required <ul style="list-style-type: none"> Compliance audits | <ul style="list-style-type: none"> Ensure compliance |

Our Progress Against Our 2017 Objectives

In 2017, we set a range of sustainability objectives, with a focus on climate action, health & wellness, product certification and waste. A summary of our progress against these objectives can be found below.

In 2022, we will be setting new 5-year targets that reflect our ambition to maintain our position as a market leader in sustainability and advocate for circularity. We will publish our new 5-year targets in our FY22 LivingOn report.

| Topic | 2017 Objective | Progress | |
|---------|--|---|---|
| Climate | 100% of electricity consumed to come from renewables. | In FY21, 59% of electricity consumed at Living Edge premises was purchased from a Carbon Neutral energy supplier. This target will be rolled over into our 2022 goals. | C |
| | Reduce Scope 1 & 2 carbon emissions to 50 tonnes per annum prior to the purchase of carbon credits. | In FY21, SCOPE 1 & 2 emissions totalled 143.6 tonnes CO ₂ -e, representing a 63% reduction in Scope 1 & 2 emissions since 2017. This target will be rolled over into our 2022 goals. | C |
| | Continue to purchase carbon credits to offset footprint and maintain carbon neutral operations. | Living Edge has purchased VCS carbon credits to offset all operational emissions since 2017. | ✓ |
| | Expand on current electric vehicle fleet and implement company-wide electric or hybrid fleet capacity. | Ongoing. This has been challenging due to the lack of electric delivery vehicles currently available in Australia. We commit to prioritising electric or hybrid vehicles, where possible. | C |
| | Subscribe to pre-paid public transport in all states across Australia. | Pre-paid travel cards are available to all Living Edge employees. | ✓ |
| | Expand reporting boundary to include water, hotel accommodation, recycling, telecommunications, IT expenditure, packaging material, food and catering. | Our reporting boundary has been expanded year on year since 2017 and a summary of the additional inclusions for FY21 can be found on page 15 of this document. We will continue to expand the boundary of our reporting in Scope 3. | ✓ |

Our Progress Against Our 2017 Objectives

| Topic | 2017 Objective | Progress | |
|---------------------|---|--|---|
| Health and Wellness | Achieve WELL certification for at least one LE office or showroom. | In April 2021, Living Edge's new showroom at 7 Queen Street, Perth became the first WELL Platinum certified project in Western Australia | ✓ |
| | Introduce a health & wellbeing program for Living Edge employees. | In 2019, we launched How We Live Well, a health and wellness program available to Living Edge employees and our customers in the contract market (see page 35 for more information). | ✓ |
| | All contract clients to have access to health and wellness programs via Living Edge digital assets and showroom demonstrations. | | |
| | Every Living Edge office to have supplied at least one WELL-certified project by 2020. | Living Edge has delivered multiple WELL certified projects in NSW, VIC and WA. While this target will not be carried forward, we will continue to seek opportunities to collaborate on WELL certified projects in QLD and all states. | ⌚ |
| Products | 100% of products to meet one or more LivingOn criteria by 2020. | In 2022, we will be updating the way we evaluate and communicate the sustainability credentials of our products. See page 27 for more information about our LivingOn transparency project. We will report on our new strategy and pledges in our FY22 LivingOn report. | 🔄 |
| | More than 50% Living Edge products to meet WELL standards by 2023. | | |
| | Key product ranges to be certified to meet relevant industry programs by 2020. | Ongoing. We continue to maintain 3rd party certification for all key product ranges (see page 28). | ⌚ |
| Waste | Launch internal waste reduction program. | In 2018, we launched Living Without Waste, our internal waste reduction program (see page 31 for more information). | ✓ |

Environmental

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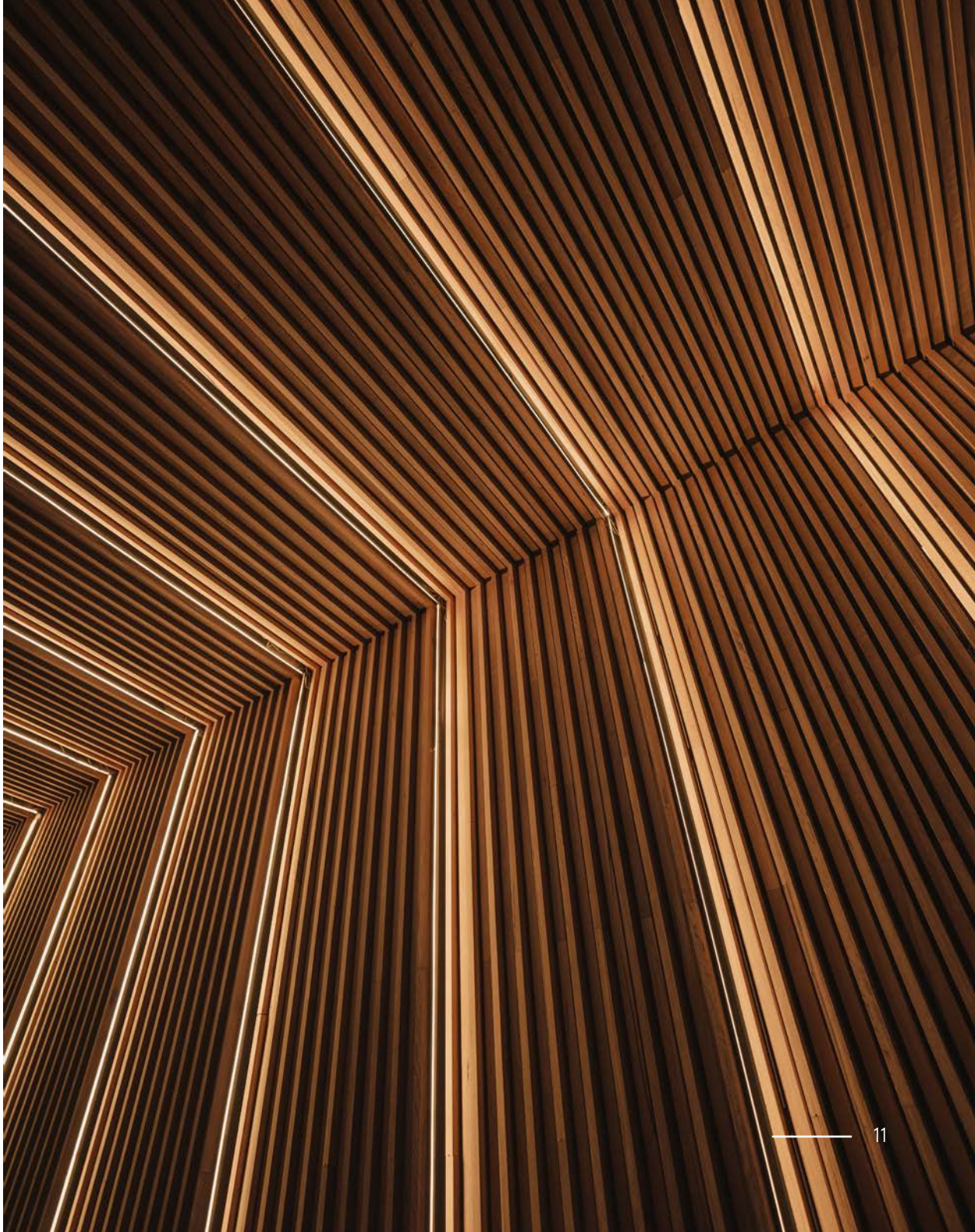
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Climate Action

Measuring, reducing, and offsetting our greenhouse gas emissions footprint has been a core element of our LivingOn program since its original launch in 2008.

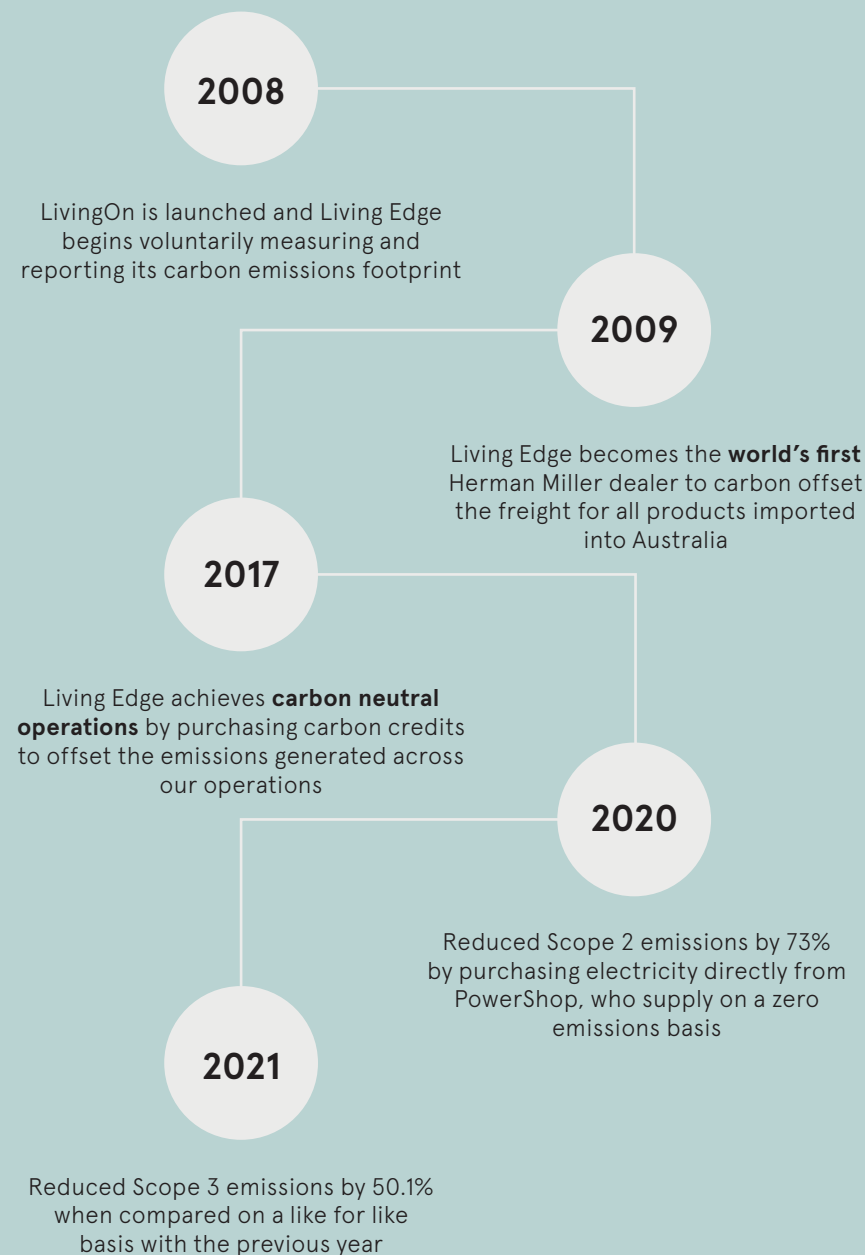
Bringing the world's best design to Australia requires large investments in international freight and we recognise that this core activity generates a significant proportion of our greenhouse gas emissions. That's why, in 2009, Living Edge became the world's first Herman Miller dealer to offset freight emissions generated by importing overseas products into Australia.

In 2017, we extended our commitment to neutralising our organisational emissions footprint by expanding our reporting boundary to include the scope 1, 2 and 3 emissions generated as a result of our activities at all our showrooms, offices and warehouses – thus achieving carbon neutral operations.

Living Edge has maintained carbon neutral operations every year since 2017 and we continue to engage Pangolin Associates, a leading carbon management consultancy, to verify our carbon inventory and purchase Verified Carbon Standard carbon credits on our behalf.

Accurately measuring our complete emissions footprint also provides us with opportunity to set emissions reduction targets and track progress against our commitments. In 2020, we reduced our Scope 2 emissions by 73% by changing our energy supply in Melbourne and Sydney to PowerShop, who supply energy on a zero emissions basis. In 2021, our scope 3 emissions reduced by 50.1%, despite expanding our reporting boundary to include new activity categories.

We recognise that offsetting our emissions represents the first step in the journey towards net-zero, and that we must now take the essential next step of reducing and eliminating all avoidable emissions in line with the most ambitious international targets. We are currently engaging Pangolin Associates to define our updated emissions reduction strategy and net-zero plan.



FY 2020/21 Greenhouse Gas Emissions

Emissions for the 2020/21 financial year totalled 1,156.5 tCO₂-e, a 46.2% reduction on the previous year (2019/20). This is despite expanding reporting in Scope 3 to include additional categories such as web hosting, telecommunications, digital marketing, printing services, cleaning services. When compared on a 'like for like' basis, emissions were reduced by 58% on the previous year.

Scope 1: 22.8 tCO₂-e

Scope 1 emissions decreased 35.3% year on year, predominantly due to the reduction in kms travelled by Living Edge's project managers during COVID-19 lockdowns.

Scope 2: 120.8 tCO₂-e

Scope 2 emissions increased 39.1% when compared to FY2019/20, however Scope 2 emissions remained 63% lower than FY 2018/19 – prior to the introduction of green power in Sydney and Melbourne.

Scope 3: 1,012.9 tCO₂-e

Scope 3 emissions decreased 50.1% year on year, despite the expansion of the reporting boundary. This reduction is largely due to a significant reduction in the use air freight in FY2020/21 due to the disruption caused by the COVID-19 pandemic. The positive impact of reduced air freight volumes has been identified by the business and is informing our reduction strategy for freight emissions.

Primary statement of GHG emissions for Living Edge

| CO ₂ -e Emissions (Tonnes) | | Reporting Year | | % Change | |
|---------------------------------------|--|----------------|--------------|--------------|---|
| Associated Inventory / Service | | FY2019/20 | FY2020/21 | YoY | |
| Scope 1 | Transport fuels, stationary fuels, refigerants | 35.3 | 22.8 | -35.3% | ▼ |
| Scope 2 | Purchased electricity | 86.9 | 120.8 | 39.1% | ▲ |
| Scope 3 | Equipment, employee commute, working from home, flights, third party services, off-site waste disposal, transmission & distribution losses, fuel extraction, production & distribution losses, other utilities | 2,028.1 | 1012.9 | -50.1% | ▼ |
| Total (scope 1 & 2) | | 122.1 | 143.6 | 17.6% | ▲ |
| Full Scope (1, 2 & 3) | Net Total | 2,150.2 | 1,156.5 | -46.2% | ▼ |
| | Like for Like YoY | 2,143.5 | 900.4 | -58.0% | ▼ |

Primary statement of GHG emissions for Living Edge

(i) The reporting boundary for FY21 has been expanded to include the following new categories:

- Telecommunications
- Tools & Hardware
- Staff Clothing
- Cleaning Services
- Printing
- Web Hosting & Tech Support

(ii) Food & Catering has been expanded to capture external events and entertaining.

(iii) Advertising has been expanded to capture digital marketing

| Activity Sector | Activity/Service | Activity Data | Units | Emissions (tCO ₂ -e/yr) | % |
|----------------------------------|---|---------------|-------------------|------------------------------------|-------|
| Utilities | Electricity | 156,171.1 | kWh | 134.2 | 11.6% |
| | Third Party Electricity | 40,115.5 | kWh | 36.8 | 3.2% |
| | Carbon Neutral Electricity | 224,375.0 | kWh | 0.0 | 0.0% |
| Equipment | Telecommunications ⁱ | 90,421.0 | \$ | 14.3 | 1.2% |
| | IT Equipment | 29,038.8 | \$ | 5.2 | 0.4% |
| | Carbon Neutral Paper | 740.0 | kg | 0.0 | 0.0% |
| | Stationary | 38,505.1 | \$ | 27.9 | 2.4% |
| | Tools & Hardware ⁱ | 6,430.5 | \$ | 1.4 | 0.1% |
| Employees | Staff Clothing ⁱ | 2,725.9 | \$ | 0.3 | 0.03% |
| | Employee Commute | 265,790.1 | passenger.km | 32.3 | 2.8% |
| | Working From Home | 20,595.9 | h | 10.0 | 0.9% |
| Flights | Business Flights | 94,567.3 | passenger.km | 16.1 | 1.4% |
| Transport Fuels | Post 2004 Gasoline | 5,417.7 | L | 13.2 | 1.1% |
| | Post 2004 Diesel Oil | 3,719.5 | L | 10.6 | 0.9% |
| Transport Fuels - Scope 3 | Privately Owned/Controlled | 784.6 | L | 2.2 | 0.2% |
| Stationary Fuels | Contractor (Local Deliveries) | 13,263.2 | L | 37.9 | 3.3% |
| | Diesel Oil | 21.9 | L | 0.1 | 0.01% |
| Third Party Services | Cleaning Services ⁱ | 112,976.0 | L | 16.0 | 1.4% |
| | Food and Catering ⁱⁱ | 127,735.0 | L | 49.5 | 4.3% |
| | Postage | 11,620.3 | L | 4.2 | 0.4% |
| | Printing ⁱ | 25,331.40 | L | 18.3 | 1.6% |
| | Domestic Hotel Accommodation | 56.0 | occupancy.nights | 2.8 | 0.2% |
| | Advertising ⁱⁱⁱ | 257,074.0 | \$ | 34.3 | 3.0% |
| | Taxi | 2,296.1 | \$ | 0.1 | 0.01% |
| | Rideshare | 9,389.40 | \$ | 1.2 | 0.1% |
| | Web Hosting & Tech Support ⁱ | 306,603.0 | \$ | 50.8 | 4.4% |
| | Freight | 9,713,339.1 | t.km | 419.0 | 36.2% |
| Synthetic Gases | Road Freight (km) | 143,766.2 | km | 142.7 | 12.3% |
| | Refrigerant | 0.8 | kg of refrigerant | 0.1 | 0.0% |
| Waste | Landfill | 53.7 | t | 75.0 | 6.5% |
| | Recycling | 84.1 | t | 0.0 | 0.0% |
| Total | | | | 1,156.5 | 100% |

Source: Pangolin Associates, Greenhouse Gas Assessment for Living Edge (Aust) Pty Ltd FY20/21



Carbon Offsetting

In April 2022, Living Edge purchased Verified Carbon Standard (VCS) carbon credits through Pangolin Associates to offset 3,500 tonnes of greenhouse gas emissions. These credits will be retired through the period of 1st July 2020 to 30th June 2023 to offset Living Edge's operational emissions in FY21, 22 and 23.

VCS Project: Allain Duhangan Hydroelectric Project (ADHP), India

The ADHP project is a run-of the-river 192 MW hydro power project at the confluence of Allain & Duhangan rivulets in the Himachal Pradesh state of India. The project consists of high head underground power plant that utilises flows from a combination of glacial snow melt and monsoon rains in these two rivulets for the purpose of harnessing hydro power. The project energy benefits have been assessed at (CEA approved) 678.18 GWh year in 90% dependable years.

Why We Purchase Carbon Credits

Living Edge sources products from manufacturers and designers from around the globe, including Australia, Asia, Europe and the USA. Whilst this allows us to offer our customers access to leading local and international brands, it requires a significant investment in road, sea, rail and occasionally air freight. Heavy-duty transport is recognised as one of the hardest to abate industry sectors, and whilst important progress is being made in zero emissions technologies such as hydrogen fuel cell and battery powered vehicles, the heavy-duty transport sector is unlikely to decarbonise until the 2040s at the earliest. Strategies are therefore required in the interim period to help capture and sequester carbon and accelerate the transition to emissions-free industry. To balance the impact of our total emissions footprint, we purchase carbon credits through our carbon consultants, Pangolin Associates, to contribute towards the financing of carbon avoidance projects.

Whilst we recognise that carbon credits will not provide the long-term solution to reaching net-zero, we believe they play an important short to medium term role in helping to protect and regenerate natural carbon sinks and financing the development of low carbon and zero emissions technologies.

Living Edge & Pangolin Associates

Pangolin Associates is an energy and carbon management consultancy that works with organisations Australia-wide to increase efficiencies and reduce environmental impacts and is the leading provider in Australia of government carbon neutral certifications. The consultancy's core services include greenhouse gas (GHG) assessments and verifications, the Australian Government's Climate Active program, carbon offsetting services and the supply of carbon credits.

Pangolin also provides energy audits and compliance services for the National Greenhouse and Energy Reporting Scheme (NGER), and the Climate Solutions Fund (ERF). Pangolin's scientific team is one of the few in Australia providing climate change initiatives such as Science Based Targets (SBT) services, and construction of environmental and energy management systems. Pangolin Associates was the first in its sector to become certified carbon neutral under Climate Active. It is also a founding B Corporation in Australia.

pangolinassociates.com

"Since 2017, Pangolin Associates have been independently verifying Living Edge's annual carbon emissions inventory. The verification process includes the undertaking of a number of procedures in order to ensure that inventory complies with industry best practice and that the data and methodologies supporting it are robust. As part of our review, we conduct an assessment of the activity sources covered by the inventory to ensure they are as complete as possible; sample test some the key data sources for accuracy; review any assumptions used; confirm that arithmetical calculations are correct and based on appropriate factors and methodologies and review any other relevant documentation. By undertaking this level of regular review for Living Edge, it should provide stakeholders with a level of comfort over the results of the analysis and ensure that Living Edge is providing a true and accurate representation of its carbon impacts."

Iain Smale, Managing Director
Pangolin Associates Pty Ltd

Living Edge, 7 Queen Street, Perth
WELL Platinum Certified

The Circular Economy

At Living Edge, we are passionate advocates for the benefits of the circular economy and its potential to create a paradigm shift in the way we consume furniture products.

In 2020, KPMG estimated a future circular economy in just three areas – food, transport and the built environment – could create an economic benefit to Australia of A\$23 billion in GDP by 2025. What's more, research by The Ellen MacArthur Foundation has demonstrated the key role the circular economy will play in meeting net-zero targets, particularly in the built environment, where eliminating waste and increasing recycling and reuse could lead to a 38% reduction in emissions from construction materials by 2050.

Perhaps most pertinently, circular strategies could provide the key to unlock solutions to the huge waste issue in the commercial fit-out industry, which sees over 30 thousand tons of furniture sent to landfill every year.

Living Edge is pursuing increased circularity through a range of new initiatives:

- Promoting and enabling the repair, re-use, re-manufacturing, re-sale, and recycling of Living Edge products
- Offering formal product stewardship commitments to both contract and retail customers
- Promoting Lifecycle, a furniture-as-a-service circular procurement model
- Participation in the Fit For Office product stewardship research project
- Focusing on sourcing and promoting circular economy ready products
- Committing to circular packaging through the Australian Packaging Covenant

Repair

Reuse

Remanufacture

Resell

Recycle

Circularity, a key to unlock solutions to some of our industries biggest challenges.

The Waste Challenge

Our industry dumps 115,000 tonnes of commercial fitout waste in landfill every year¹.

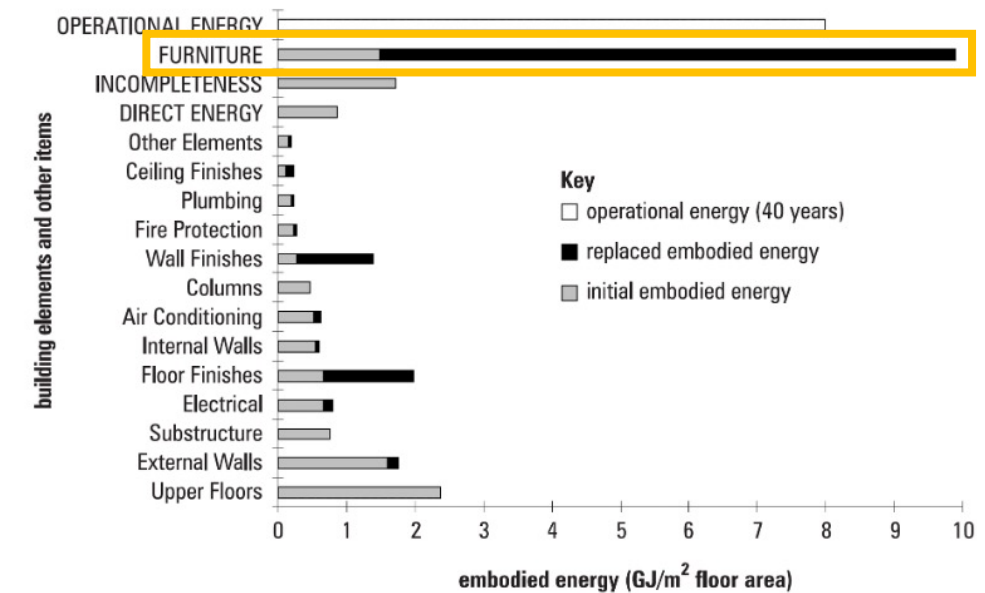
30% of this waste, 34,500 tonnes, relates to office furniture¹.

Our Lifecycle procurement model is designed to tackle the waste challenge by leveraging the power of the circular economy.

The Embodied Energy Challenge

Over a 40-year lifecycle, furniture is by far the greatest contributor of replaced embodied energy – that's the embodied energy added to the building by discarding old furniture and buying new.

Lifecycle seeks to tackle this challenge by maximizing utilisation, extending product life, facilitating adaptive reuse, and product stewardship.



Treloar, G., McCoubrie, A., Love, P. and Iyer-Raniga, U. (1999). Embodied energy analysis of fixtures, fittings and furniture in office buildings. *Facilities*, 17(11), pp.403-410.

Lifecycle by Living Edge

Lifecycle is a circular procurement model developed by Living Edge to enable a more flexible and sustainable approach to furniture procurement.

Lifecycle is delivered through a leasing model, allowing our customers to benefit from using our best-in-class products whilst Living Edge retains ownership of, and ultimately responsibility for, those assets.

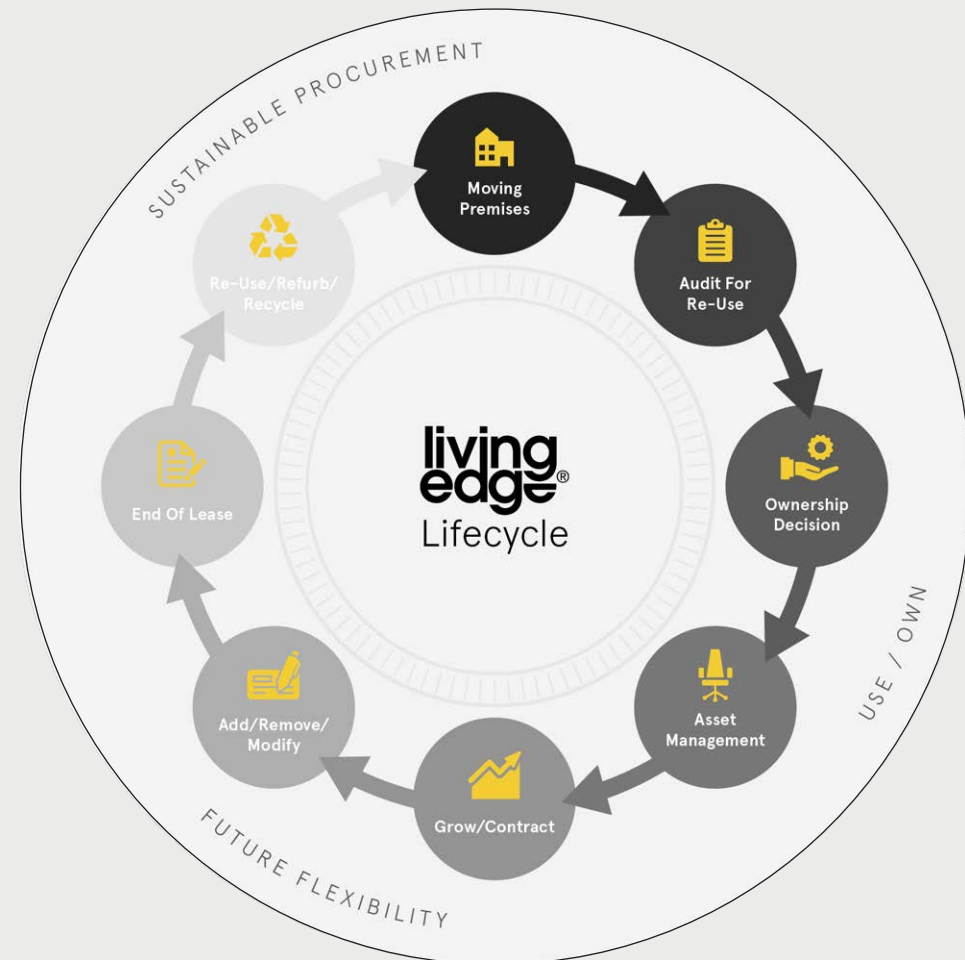
Lifecycle includes a suite of additional services that enhance the usership experience, enabling Living Edge to deliver **furniture as a service**.

Through consultation, Living Edge can create a product and service package that is tailored to your organisation's specific needs and circumstances, **all delivered through a simple monthly fee**.

Most importantly, Lifecycle includes an inherent product stewardship commitment that focuses on keeping high-quality products in use for multiple lifecycles, before they are retired through **sustainable end-of-life pathways**.

The Lifecycle service model includes:

- Access to best-in-class furniture products
- Sophisticated asset management tools
- Auditing & product reuse strategies
- Flexible stocking programs & 'kit-of-parts' solutions
- Move management & churn resource
- Product maintenance & warranty care
- Repair & remanufacturing solutions
- Sustainable end-of-life solutions – reuse, resell, recycle



The Benefits of Lifecycle

The Lifecycle model delivers three core benefits that we believe represent a step change when compared to traditional linear procurement strategies.

A Sustainable Approach

The Lifecycle model is based on the circular economic principles of eliminating waste and keeping products and materials in use for as long as possible.

Lifecycle creates sustainable outcomes by promoting and facilitating reuse strategies, resale opportunities and material recycling. Lifecycle is designed to eliminate furniture to landfill.

Future Flexibility

Lifecycle's furniture-as-a-service model offers operational flexibility that a traditional ownership model cannot.

Lifecycle can empower your organisation with flexibility to adapt to changing market and economic conditions with agility and pace.

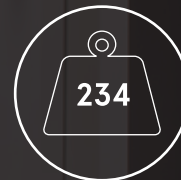
Economic Benefits

The Lifecycle model allows you to focus your resources on revenue generating activities.

By transferring CAPEX project funding to ongoing operating expenditure in a lease model, our clients can benefit by spreading cashflow over the tenancy lifecycle, reducing the total cost of ownership over the lease term.

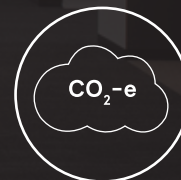


Since 2020, Living Edge has helped major organisations recondition and redeploy or resell 12,500 Herman Miller task chairs approaching the end of their 12-year warranty.



Tons diverted

Diverting an estimated 234 tons of furniture from landfill



586 tons avoided

Using LCA data, we estimate this has helped avoid 586 tons of CO₂-e from raw material production alone



693 acres

That's equivalent to the carbon sequestered by 693 acres of U.S. forests in one year¹

Repair | Reuse | Remanufacture | Resell | Recycle

One of the core philosophies of our business is 'Furniture For Life'. To us, that means prioritising and enabling the repair, re-use, remanufacturing, and resale of products to maximise their lifespan. And when a product is finally retired, we strive to recover as much material for recycling as possible.

We aim to extend the lifecycle of the products we supply through a suite of value-added services:

Auditing & Consultancy

We offer our contract customers a comprehensive auditing service, to help them assess the condition of their furniture assets and identify opportunities for reuse, refurbishment and resale. Our team of experienced account managers provide expert insight into how our products can be reconfigured and remanufactured to suit new use cases and spaces, as well as their value in the second-life market.

Asset Management

We can offer a tailored asset management service to help organisations track and maintain their furniture assets. In the context of the circular economy, asset management is an essential tool in enabling the accurate identification and recovery of assets at the end of a lease or ownership lifecycle.

Repair & Remanufacturing

Our customer care teams offers a complete warranty management service, to help maintain products throughout their warranty period. By ensuring products are refreshed towards the end of their warranty, we can extend their useful life. Living Edge also partners with a network of specialist fabricators to offer remanufacturing solutions including reupholstery, table and desk top refurbishment, and metalwork.

Recycling

We are developing new partnerships in the recycling industry to increase our ability to recover and recycle the materials used in our products. We hope to collaborate with these new partners to better understand the opportunities and challenges faced in the rapidly growing recycling sector.

Product Stewardship

Living Edge offers a formal Product Stewardship program for commercial contracts with a focus on sustainability.

We have established a hierarchy of outcomes to create a framework for how we treat products at the end of their initial lifecycle.

Living Edge Product Stewardship Policy

Living Edge and its manufacturing partners are committed to responsible life cycle management and the core principles of product stewardship and extended producer responsibility. As a supplier of premium products, Living Edge understands that corporate social and environmental responsibility goes beyond the point of sale and warranty periods.

Our product stewardship policy seeks to maximise the products life cycle environmental performance through very specific measures and customer-oriented services that are informed by the waste minimisation hierarchy, as well as related resource efficiency objectives. To this end, waste avoidance and resource recovery underpin our product stewardship policy and operations.

Our starting point is focused on extending overall product life and ensuring reuse and refurbishment wherever possible and appropriate for customers. This includes offering remarketing and refurbishment solutions that enable an effective second and third leased life for our products.

A Shared Commitment

The product recovery process on commercial projects often involves complex reverse-logistics processes, including de-installation, collection, storage, and transport. As part of a shared commitment to sustainability, we request that our customers bear the cost of these reverse logistics costs, whilst Living Edge provides a comprehensive consultancy and project management service to manage the process from start to finish, at no additional cost.

Hierarchy of Outcomes

RE-USE

Facilitate re-use by the original customer through regular maintenance and refurbishment services.

RE-SELL (Living Edge)

Re-sell the item through Living Edge's relive second-life product program.

RE-SELL (3rd Party)

Re-sell through one of our trusted partners in the second-life market.

DONATE

Donate the item to a charity or good cause.

TAKE-BACK

Send the product back to the manufacturer through a formal product take-back scheme.

RECYCLE

Disassemble the product and recycle separable materials through our network of recycling partners.

EfW

Disassemble the product and send appropriate separable materials to an energy from waste contractor.

LANDFILL

If all options have been exhausted, the product is disposed of through a reputable general waste contractor.

Circular Economy Ready Products

A truly circular economy requires high quality material and product inputs that are fit for circularity.

That means products that:

- are designed for disassembly after a long and useful life
- can be repaired, refurbished, and reconfigured multiple times
- are manufactured using clean renewable energy
- are made of sustainable materials that are readily recyclable or can be returned to the ecosystem as regenerative nutrients

Living Edge benefits from offering a portfolio of furniture that includes a wide range of products that are fit for the circular economy. Combined with Living Edge's commitment to providing ongoing warranty and maintenance services, and our commitment to prioritizing repair and re-use, we believe we have taken an important first steps towards a more circular approach to furniture fulfillment.

We recognise that we are only at the start of this journey, and that achieving circularity in the furniture industry will require ambitious, cross-sector collaboration that extends far beyond our own business. We strive to play a leading role in this transition to a more sustainable industry model.

FY22 / FY23 Goals

In FY22 and FY23, we aim to implement new systems of measurement that will help us quantify the sustainability, and circularity, of our product range. We intend to use the results of this analysis to share information transparently, and to drive strategic decision making about the products and brands we bring to market. Our ultimate goal is to offer an extensive portfolio of circular products, through new ownership models, and new marketplaces for multi-life products.

Some of our Circular Economy Ready Products:

- Herman Miller's performance task chairs are designed for disassembly, allowing individual components to be repaired and replaced, and the recyclable materials to be separated and recovered at end-of-life.
- The Atlas Office Landscape workstation system from Herman Miller is an innovative modular system which is reconfigurable as needs change.
- The HOWE multi-functional seating range, including the market defining 40/4 chair and SixE stacking chairs, is designed for disassembly and is 100% recyclable at end-of-life.
- The shell of Muuto's Fiber chair range contains a minimum of 80% recycled plastic content and can be recovered via Muuto's Fiber take back scheme.



The Australian Packaging Covenant

Living Edge is proud to be a signatory to the APC.

Our Sustainable Packaging Commitment

We recognise that we have a responsibility to reduce the environmental impact of the packaging used across our supply chain by designing and sourcing sustainable packaging products that are reusable, recyclable, or compostable, manufactured from recycled or renewable materials, and by making it easy for our customers to understand how to treat our packaging after they receive it at home or in store.

We are committed to integrating the Sustainable Packaging Guidelines into core business processes such as design and procurement processes, and we have pledged to collaborate with our brand partners to improve the sustainability of packaging materials across our supply chain. Our commitment to improving the sustainability of our packaging extends beyond the in-house packaging materials we design and source, to include the packaging used by our brand partners, and the business-to-business packaging used in our third-party distribution network.

Our priority will be to evaluate our own in-house packaging and transition to new sustainable alternatives in 2022 and 2023. Once this transition is complete, we intend to roll-out these new sustainable packaging standards to our third-party distribution partners in Australia, to ensure our products are shipped with a consistent level of quality. Finally, we will engage with our local and international brand partners to understand their own sustainable packaging goals and collaborate towards shared improvement.

As an APCO member, Living Edge benefits from access to insights, resources and programs designed to help build a sustainable national packaging ecosystem in Australia. As a signatory to the Covenant, we commit to publishing an annual report of our progress against an externally verified action plan, including quantifiable key performance indicators.

The Australian Packaging Covenant is managed by APCO, a not-for-profit organisation leading the development of a circular economy for packaging in Australia. The Covenant aims to reduce the environmental impacts of Consumer Packaging by supporting two core goals; optimising resource recovery of consumer packaging through the supply chain, and; preventing the impacts of fugitive packaging on the environment. To help achieve this goal, APCO has developed the Sustainable Packaging Guidelines, or 'SPGs'. The SPGs provide a common framework for member organisations to evaluate existing packaging solutions, and principles to inform sustainable alternatives.

APCO's 10 Sustainable Packaging Principles

- | | |
|-----------------------------------|--|
| 1. Design for recovery | 6. Use renewable materials |
| 2. Optimise material efficiency | 7. Design to minimise litter |
| 3. Design to reduce product waste | 8. Design for transport efficiency |
| 4. Eliminate hazardous materials | 9. Design for accessibility |
| 5. Use recycled materials | 10. Provide consumer information on sustainability |

By integrating these principles into the design and procurement of packaging materials, APCO members can collectively work to meet **Australia's 2025 National Packaging Targets**:

- 100% of all Australia's packaging will be reusable, recyclable or compostable by 2025, or earlier
- 70% of Australia's plastic packaging will be recycled or composted by 2025
- 50% average recycled content will be included across all packaging by 2025
- Problematic and unnecessary single-use plastic packaging will be phased out through design, innovation or introduction of alternatives.

APCO Packaging Assessment & Strategy

| 2020 Packaging Description | | Sustainable Packaging Alternative | |
|---|---|---|--|
| Living Edge Packing – In Store Retail | | | |
| Retial carrier bag (S/M/L) | Body: 250gsm artboard, matt laminated exterior, matt varnish interior Handles: Herringbone tape (material unknown), threaded and glued Recycled Content: 0% Recyclability: Not recyclable Recycling Artwork: None | Body: 220gsm black dyed FSC kraft paper Handles: Fine weave woven paper handle, threaded and glued Recycled Content: 100% Recyclability: 100% recyclable in one piece Recycling Artwork: APCO approved ARL logo | A new sustainable alternative has been designed, sampled, tested and approved. Delivery of small bags expected in FY 2021/22. Approval received to order medium & large bags using the new sustainable design once stock of existing bags has been used. |
| Tissue paper | 100% paper Source: Unknown Recyclable | 100% paper Source: FSC certified 100% recyclable | Ongoing project Targeting introduction in FY 2022/23 |
| Branded ribbon | Material: Unknown Recyclability: Not known to be recyclable | Further research required into recyclable ribbon products | Ongoing project Targeting introduction in FY 2022/23 |
| Branded stickers | 100% paper Source: Unknown Recyclable | 100% paper Source: FSC certified Recyclable | Ongoing project Targeting introduction in FY 2022/23 |
| Living Edge Packaging – E-Store, Warehouse & Shipping | | | |
| Shipping cartons | Material: 100% cardboard Source: Unknown Recycled Content: Contains recycled material but no data available from supplier on amount Recycling Artwork: None | Material: 100% cardboard Source: FSC certified if available Recycled Content: Target 50% Recycling Artwork: ARL logo for each separable item (carton/void fill) | Targeting implantation of 100% kerbside recyclable shipping packaging (carton/tape/void fill) by EOFY 2022/23. |

APCO Packaging Assessment & Strategy

| 2020 Packaging Description | | Sustainable Packaging Alternative | |
|---|---|---|--|
| Living Edge Packing – E-Store, Warehouse & Shipping | | | |
| Packaging tape | General packaging tape Recyclability: Not recyclable | Paper-based packaging tape Source: FSC certified if possible Recyclability: Recycling friendly according to the INGEDE 12 Method | TESA paper-based packaging tapes currently being trialed for strength, bonding and durability. |
| Void fill | BioFill natural cornstarch void fill Recyclability: Degradable in compost or extended exposure to water. Not classed as recyclable in the APCO PREP assessment tool. Recycling Artwork: None | Ranpak FillPak TT Material: Kraft paper Source: FSC if available Recyclability: 100% recyclable Recycling Artwork: ARL logo applied to carton | Ranpak FillPak TT machine & FSC certified Fillpak kraft paper void fill implemented June 2022 |
| Heavy duty strapping | Material unknown Recyclability: Not known to be recyclable | Further research required | Ongoing project Targeting introduction in FY 2022/23 |
| Chair bags | Custom made plastic chair bag made from D2W environmentally degradable plastic | Degradable bag certified to AS 4736 OR bag recoverable through on-site recovery program (e.g. Reground) | Ongoing project |
| Pallets | Industry standard timber shipping pallet | Further research required | Ongoing project Targeting introduction in FY 2022/23 |
| Pallet wrap | LLDPE pallet wrap Recyclability: Conditional recycling | Degradable wrap certified to AS 4736 OR wrap recoverable through on-site recovery program (e.g., Reground) | Ongoing project |
| External / Third Party Packaging | | | |
| Supplier Packaging | Our current priority is to source sustainable alternatives to all packaging procured directly by Living Edge. Once this process is completed, we will collaborate with our our brand partners to assess their packaging materials against the APCO SPGs and, where required, work with our partners to help them transition to sustainable alternatives, in line with Australia’s 2025 Packaging Targets. | | |



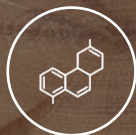
Production Location



Indoor Air Quality



Shipping



Material Health



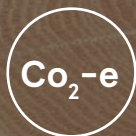
Timber Sourcing



Lifecycle Analysis



Recycled Content



Embodied Carbon



Recyclable Content



Product Stewardship



Product Certification



Warranty

Transparency and Education

We believe that transparency and education are essential to building a sustainable future in our industry. That's why in FY2021/22 we will be launching a new initiative to increase the availability and transparency of sustainability information about the products we bring to market.

Our aim is to provide easy to understand, meaningful sustainability information about our products through all our sales channels, including in-store, online and through our work with designers and specifiers. We have created a set of standard 'sustainable product indicators' to help communicate key information about responsible sourcing, freight emissions, recycling, testing and certification, and life cycle analysis.

We are also launching a fortnightly LivingOn workshop that is available to the whole company, where our Sustainability Strategist will provide training and education on topics from across the LivingOn framework.

Our ambition is to engage every member of the Living Edge team on sustainability issues and help them become knowledgeable and passionate advocates for sustainability in the furniture industry.

GBCA Recognised Product Certification

We collaborate with our suppliers to ensure that our key product ranges are accredited by Green Building Council of Australia (GBCA) recognised sustainability certification schemes.

These third-party accreditations provide our customers with independent assurance about the sustainability of the products we bring to market. Third-party certification also allows our products to contribute towards credits in building rating schemes such as Green Star, WELL and LEED.

AFRDI Green Tick

Products awarded Green Tick certification must be shown to meet the requirements of the AFRDI Standard 150 Sustainability Standard-Commercial Furniture at either Silver, Gold or Platinum level.

Global GreenTag

Global GreenTag is an ACCC approved National Certification Mark and an independent, third-party ecolabel which uses life-cycle assessment to rate the "cradle to end-of-life-fate" of eco-preferred products.

GECA

Good Environmental Choice Australia (GECA) was the first third-party certifier recognised by the GBCA and follows the ISO14024 standard. They are internationally recognised through their membership of the Global Ecolabelling Network.



AFRDI Green Tick

Herman Miller

- Aeron Chair
- Atlas Office Landscape
- Caper Chair
- CK8 storage
- CKL lockers
- Cosm Chair
- Eames Moulded Plastic Chair
- Express 2 Chair
- Imagine Desk System
- Keyn 5-star & 4-leg Chair
- Mirra 2 Chair and Stool
- Optimis Desk System
- Port Storage System
- Pronta Stacking Chair
- Ratio Desk System
- Sayl Chair and Stool
- Verus Task Chair and Stool



Green Tag GreenRate

HOWE

- 40/4 Chair, Plastic and Veneer
- 40/4 Barstool, Plastic and Veneer
- SixE Side Chair and Armchair
- Tempest Table Bases
- Moveo Table Bases

Muuto

- Around Low Tables
- Cover Collection
- Fiber Collection
- Nerd Collection
- Visu Collection



GECA

Derlot

- Upholstery collection
- Flatliner Shelving System
- Forum Media Walls
- Lerod Collection
- Mass Table
- Picket Collection
- Voltar Table
- Yeti Table

Caon

- Bloc Modular System

Timber Sourcing

At Living Edge, we are committed to sourcing all timber from legally harvested sources, meeting our obligations under the Illegal Logging Prohibition Act, and promoting the use of third-party certified wood products.

The world's forests are a precious resource. Forests and woodlands oxygenate the air we breathe, act as vast carbon sinks, regulate water systems, provide diverse habitats that support wildlife and human populations, and protect coastal areas from sea level rise. The health of these vital ecosystems is under extreme and unsustainable pressure from human activity. Together with the increasingly severe effects of climate change, the illegal harvesting of timber is leading to deforestation, forest and soil degradation, habitat loss and water pollution. Illegal harvesting is also contributing towards significant social issues, including unacceptable pay and working conditions, corruption, and armed conflict.

We recognise that as an importer and supplier of a wide range of high-quality timber products, we have a legal and moral responsibility to minimize the risk of illegal logging in our supply chain.

The Illegal Logging Prohibition Act 2012 commenced on 28 November 2012, making it a criminal offence to intentionally, knowingly or recklessly import timber or timber products into Australia, or process Australian raw logs, that have been illegally logged. The Regulation subsequently commenced on 30 November 2014, describing the due diligence process that businesses are legally required to undertake to minimize the risk of importing illegally logged timber and timber products, or processing illegally logged Australian timber.

Living Edge is committed to meeting the requirements of The Regulation and acting in full accordance with Australian law. We have implemented a due diligence system in line with the requirements of The Regulation, and undertaken risk assessments for all the timber products we import into Australia.

Living Edge Legal Timber Purchasing Statement

Living Edge recognises that it has a responsibility to the environment, customers, suppliers and staff to base its commercial activities on legally harvested forests. We are committed to purchasing all timber from legal harvested sources and will seek evidence of compliance, where needed, from suppliers by operating a due diligence system.

We are committed to complying with the Australian Illegal Prohibition Act 2012 and, where applicable, the Illegal Logging Prohibition Regulation.

We recognise that credible independent certification and 3rd party verification of forest management and chain of custody significantly reduces the risk that the timber is illegally harvested when purchasing timber from sources that are anything other than a low risk.

Our company will not encourage boycotts or bans on specific species of timber. Notwithstanding this, the company will cease to purchase any timber products whose supply is in breach of any national legislation in the country of harvest.

Our Sustainability & Compliance Manager is responsible for the implementation of this Policy and our company's due diligence system and will ensure that relevant legality issues are discussed regularly at the highest level of management.

We will ensure that all employees associated with timber purchasing are aware of the Policy commitments, and are given appropriate education and training to allow its full implementation.



SKUPA Breadstick Tables Designed and made in Australia from PEFC Certified Solid Timber

Chain of Custody Certification

Living Edge's portfolio of authentic, original, and sustainable products includes a wide range of FSC & PEFC certified products, and we are committed to transparently sharing information about product certification with our customers to help them make responsible choices.

The Forestry Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) are global not-for-profit organisations that provide independent auditing, monitoring and certification of responsible forest management and responsibly sourced timber-based products. Third party certification from the FSC and the PEFC provides manufacturers and consumers with the highest level of assurance that the timber they purchase has been responsibly sourced.

In the context of our product portfolio, there are two types of compliance:

Chain of Custody Certified Products

The highest level of compliance is a chain of custody certified product. In this scenario, every member of the supply chain, including the final manufacturer, assembler or brand must hold a chain of custody license. Every member of the chain must meet their due diligence obligations and prevent the cross contamination of certified and uncertified timber.

Chain of Custody Certified Timber

In some cases, a manufacturer or assembler will commit to solely purchasing chain of custody certified timber but will not hold a chain of custody license themselves. This is referred to as a 'broken chain of custody' and compliance can be evidenced through the provision of purchasing records and third party verified environmental management systems such as ISO 14001:2015.

Living Without Waste

Our Living Without Waste initiative is our response to the war on waste. We are committed to eliminating waste throughout our value chain, and this is reflected in our approach to waste and recycling in our showrooms and warehouses, and how we package the products we supply.

We have implemented a rigorous waste management program at each of our showrooms to minimise the amount of waste we send to general waste and maximise rates of recycling. We have introduced segregated waste streams for each of the following material types:

- General waste
- Comingle recycling
- Cardboard
- Food waste & organics
- Soft plastics
- Collection points for light globes, e-waste, batteries and printer cartridges

As part of the Living Without Waste initiative, we offer Living Edge team members a 25% reimbursement on the cost of reusable food and drinks containers, to incentivise our staff to adopt positive new habits and reduce their waste footprint. We also provide a selection of reusable food and drinks containers in our showroom kitchens to support the scheme.

We operate the same waste management procedures at our Sydney warehouse, with a particular focus on cardboard recycling. Our waste management contractor, Wasteflex, provides us with monthly reports, detailing the mass of material processed in each waste stream. This data helps us to track performance and accurately report emissions from waste treatment in our annual carbon inventory.





Social

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Our WELL Platinum Showroom

Our Perth Showroom at 7 Queen Street has received the first Platinum WELL Certification in Western Australia for its focus on sustainability and wellbeing.

One of the key aims of our LivingOn program was to achieve WELL certification at one of our showrooms and in 2021 we achieved our goal. Our Health and Wellbeing program contributed significantly towards the successful certification of 7 Queen Street.

The WELL Building Standard is a vehicle for buildings and organizations to deliver more thoughtful and intentional spaces that enhance human health and wellbeing. Living Edge engaged global advisory firm ARUP to assist with the certification, this included special focus on improving the quality of air, water and light with inspired design decisions to support mental health, facilitate a good night's sleep and foster a space where people can do their best work each day.



“On behalf of all of us at the International WELL Building Institute, I would like to congratulate Living Edge for achieving WELL Platinum Certification at their Perth office and showroom. This project is significant: not only was Certification achieved in a beautiful 1900s heritage-listed building, but from the very start of the process, it was clear that there was a strong commitment from Living Edge to both the physical and mental well-being of their staff and customers. This commitment has resulted in a warm and inviting space, supported by leading organisational policies, and a dedication to maintaining this high performance over time.”

Jack Noonan, Vice President Asia Pacific, IWBI



Health and Wellbeing

How We Live WELL is our health and wellness program. The program focuses on improving the wellbeing of all those who interact with our brand, including our customers, our people, and our partners in the design community.

How We Live WELL features team activities, tools and resources, support services and physical spaces that combine to help improve the wellbeing of all our stakeholders.

The Features of How We Live WELL:

- Yoga, mindfulness & meditation classes for our staff and partners
- Access to an Employee Assistance Program for our staff and their family
- Educational resources about health & wellbeing shared regularly through our company intranet and Slack messaging service
- Tools & resources to help our customers and design professionals select products that will help create healthier, happier homes and places of work
- A portfolio of high-quality ergonomic products that support physical wellbeing, and contribute to meet the criteria of the WELL Building Standard
- On site amenities including showers to help encourage our staff to actively commute and exercise during the day
- High quality working environments for our staff that deliver the WELL concepts of air, water, nourishment, light, movement, thermal comfort, sound, materials, mind and community



Reconciliation

In 2021, Living Edge partnered with Designcraft and Gulanga P/L, an Indigenous firm based in the ACT, to form Mura Projects Pty Ltd, a Supply Nation registered furniture company that provides commercial clients with an exceptional range of high quality Australian and international furniture and fitout products anywhere in Australia.

The word Mura means 'pathway' in the local Ngunnawal language and one of the guiding principles of Mura Projects is the establishment of a mechanism to providing a pathway to opportunities for the local Indigenous community.

The Directors of Living Edge and Designcraft have pledged that their share of profits from the entity will be re-invested back into supporting indigenous employment and education in the furniture industry.

We recognise we must now take the next steps in our reconciliation plan and deliver the following goals:

- Develop and publish our Reconciliation Action Plan.
- Support procurement through indigenous owned entities into our operations.
- Connect with local land councils in NSW and WA to develop relationships for re-investment back into the indigenous community.
- Understand what Reconciliation means for those communities and how we can contribute.

We look forward to sharing our progress in future issues of this report.



Mura Projects Pty Ltd, trading as Living Edge Mura

- 50% Indigenous owned
- 25% owned by Living Edge
- 25% owned by Designcraft

Living Edge and Mura Projects acknowledge and pay respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

The Modern Slavery Act

Living Edge is committed to carrying out the due diligence and remedial actions required to identify, assess, address, and monitor the risks of modern slavery practices occurring in its operations and supply chain.

What is Modern Slavery?

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. The Australian Modern Slavery Act 2018 (the Act) is the first national legislation in the world to define modern slavery. The Act defines modern slavery as including eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour. The worst forms of child labour means situations where children are subjected to slavery or similar practices, or engaged in hazardous work.

The United Nations (UN) and Walk Free Foundation estimate there are approximately 40 million victims of modern slavery around the world. 16 million of these victims are exploited in the private economy. Australia is not immune from modern slavery. The Australian Government estimates there were 1,567 modern slavery victims in Australia between 2015 and 2017.

The Modern Slavery Act (2018)

The Modern Slavery Act (2018) requires organisations with a consolidated annual revenue of at least AU\$100 million to publish an annual Modern Slavery statement. The statement must explain what they are doing to assess and address the risks that modern slavery practices may be occurring in its operations and supply chain. Organisations that do not meet the revenue threshold can provide their own statement to communicate the actions they are taking and demonstrate their commitment to acting with responsibility and integrity.

Living Edge has published a formal Modern Slavery Statement that has been created in alignment with the Guidance for Reporting Entities under The Act. This statement has not been formally submitted the Australian Border Force as a voluntary statement.

A copy of our formal Modern Slavery Statement is available on request.

The Modern Slavery Act

Our Activities & Targets for FY22

- Identify risks throughout the organisation's supply chain through a scoping exercise, using the resources provided in Appendix 5 of the Guidance for Reporting Entities.
- Assess internal policies to strengthen governance preventing the risks of modern slavery practices. Policy reviews will include recruitment, whistleblowing, procurement, and the employee code of conduct.
- Provide training to all staff to increase awareness of the causes of modern slavery and how the organisation is seeking to reduce modern slavery risks. Incorporate this training into the standard induction program for new staff.
- Engage with tier one suppliers to assess how they are addressing their modern slavery risks.
- Cross reference the risks identified in the scoping exercise with the responses from tier one suppliers and recognised modern slavery risk factors to assess risks in tier one of the supply chain.
- Require all tier one suppliers to sign a new Supplier Code of Conduct, including specific reference to modern slavery risks and governance.
- Address risks identified in the tier one supply chain through collaborative engagement with the supplier in question. Living Edge will advocate for the adoption of robust governance by all its tier one suppliers.
- In the event a supplier is non-cooperative with Living Edge's efforts to address modern slavery risks, Living Edge will consider remedial action, including ceasing its relationship with that supplier.

Our Activities & Targets for FY23

- Extend due diligence auditing to sub-suppliers and map the organisation's supply chain beyond tier one, in as much detail as possible.
- Use the timber sourcing data collected through due diligence relating to the Illegal Logging Prohibition Act to carry out a modern slavery risk assessment of timber sourcing in the organisation's supply chain.
- Collaborate with tier one suppliers to advocate for the adoption of improved governance by suppliers beyond tier one.
- If risks are identified beyond tier one, and those sub-suppliers are non-cooperative with the collaborative effort to reduce modern slavery risk, Living Edge will advocate for the tier one supplier in question to seek an alternative source for the material or product being sourced.

Thank you

If you would like to learn more about LivingOn,
please don't hesitate to get in touch:

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**living
edge®**



livingon