

# Clevertronics' commitment to **ESG**





## Clevertronics' commitment to ESG

Through transparent governance and communications, innovative products and services, and strengthening the resilience of our business operations, we're improving Clevertronics' sustainability performance. Our ESG strategy has three pillars to guide our efforts over the three years from 2024 to 2027. This ensures that our new programs of work, coupled with our existing initiatives, will deliver a more positive impact.



## Effective governance and communications

As sustainability becomes a more urgent call, people want to know they're working with and for businesses that operate with ethics and integrity. However, words are not enough. For our strategy to drive tangible impact, we are creating a robust ESG structure and implementing policies to ensure we communicate our progress transparently and reflect this commitment in our decisions and actions.

Together, these ensure Clevertronics contributes to a better future by meeting and exceeding our mandatory requirements. We continue to refine our strategic approach and improving our engagement around sustainability. With evidence-backed data and transparent, consistent communications, our stakeholders, including employees, customers, and suppliers, can follow our progress.

## Where we are today

- Published our ESG Strategy for 2025-2027
- As of 2024, our Anti-Bribery and Corruption, Environmental, and Workplace Health & Safety policies are all in place
- Completed our scope 1,2,3 carbon footprint analysis in August 2024
- Outlined our actions for each pillar with clear actions, targets and time frames

## Our targets

- By the end of Q1 2025, establish internal and external communication procedures on our ESG strategy and progress
- By the end of Q2 2025, establish an ESG governance structure to endorse and publish relevant policies
- By Q1 2025, the code of conduct policy will be updated and available on our websites
- By the end of 2025, we will report on our progress in line with all reporting requirements, including the development of a Climate Disclosure Roadmap to comply with mandatory climate-related financial disclosures

## How we'll achieve them

As the most valuable component of our business, we want to ensure that we're engaging honestly and consistently with customers, suppliers, and staff on sustainability matters. We are rolling out regular communications for products and at an organisational level to keep all key stakeholders informed of our progress.

- **Ensure robust governance**  
Our strategy will help us achieve our vision with clear, ambitious targets for products, operations, governance, and policies and processes needed to enforce them. We'll establish precise data collection and reporting systems to track our ESG progress and ensure we report in line with all mandatory requirements, including developing a Climate Disclosure Roadmap a Modern Slavery Statement.
- **Encourage employee engagement**  
Implementing change management activities within the organisation means our ESG strategy is effectively implemented and adopted by the team. We'll provide regular training for our people to ensure they can confidently communicate our progress.





## Innovative products and services

We can all contribute to a lower-carbon future. Our products and services provide value to various industries and have a significant impact, so we want to make it a more positive one.

We're proud of the longevity of our emergency lighting solutions and the transition to more recycled and recyclable content in our packaging and products. Now, we want to advance this further by improving our product's circularity, reducing waste, and upgrading our packaging.

By integrating circularity principles into the innovation and design processes, our products will produce fewer emissions, consume less energy, and remain as durable as ever. These improvements also pass the environmental and economic benefits onto our customers, who'll actively reduce their environmental footprints by choosing our products.

### Where we are today

- Tripled the product lifetime of exit and emergency luminaires by introducing the L10 Nanophosphate range in 2012
- Ensured 95% of luminaire materials and packaging can be recycled and reclaimed
- In 2024, we began the environmental product declaration (EPD) process by conducting Lifecycle assessments (LCA) on the top 20% of product volume with an external partner
- Completed phase-out of 99.9% of Ni-Cad batteries from our ranges starting in 2012
- Partnered with EnviroStream to recycle lithium batteries
- Maintained membership with the Australian Packaging Covenant Organisation (APCO)
- In 2023, we set up a dedicated manufacturing recycling process for 100% of obsolete finished goods to be harvested and sent to respective recycling partners (i.e. batteries, plastics, metal and electronics)

## Our actions and targets

- By the end 2025, have the Australian recycling logo on 80% of applicable packaging
- By the end of 2025, all single-use plastic will be reduced by 25% based on the 2023 volume
- By 2026, 100% of batteries powered products will be lithium (current 99.9%)
- By Q2 2026, products representing 40% of our product volume will have an environmental product disclosure (EPD)
- By March 2026, review the product design and procurement processes to increase the use of recycled and alternative materials
- By 2026, establish packaging requirements with key suppliers
- By 2027, reduce the energy consumption in standby mode by 40% for our LP and L10 exit and emergency products
- By 2027, Upgrade packaging to ensure all packaging is 100% recyclable
- By 2027, have in place a product takeback scheme for all customers to access to ensure all products are harvested and recycled correctly after end-of-life



## How we'll achieve them

### • Drive product innovation

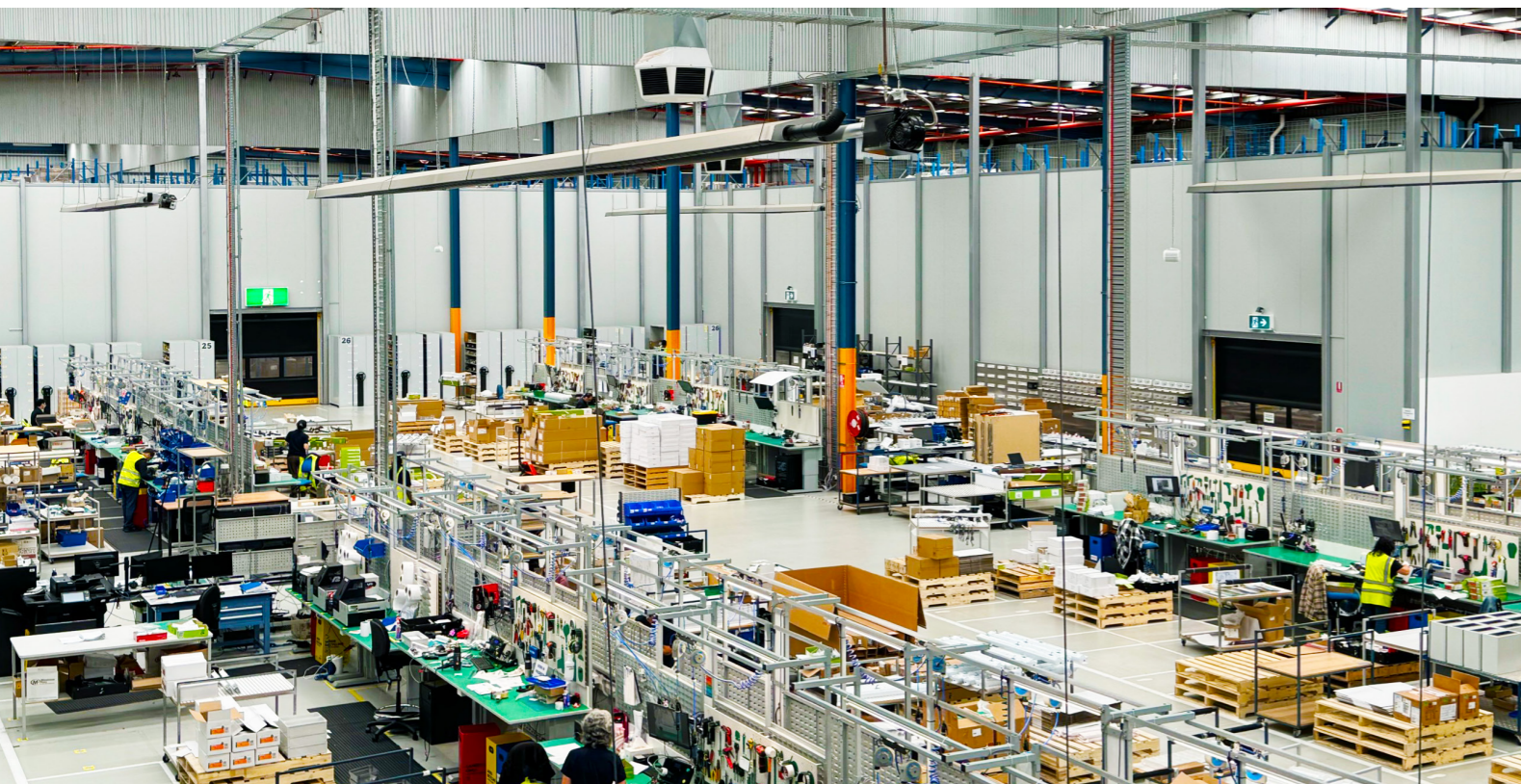
We're prioritising reviewing our product design and procurement processes to better understand and reduce emissions produced by the materials used in our emergency lighting solutions. Most importantly, we're working towards creating EPDs for our priority products to communicate their environmental impact based on life-cycle assessment data. Through the implementation of circular design principles, such as waste reduction and resource efficiency, we ensure they positively impact not just our operations but also our customers.

### • Upgrade our packaging

Product packaging can significantly impact a business's carbon footprint, so we're addressing and improving ours. By including more recycled and recyclable content in our packaging and working towards establishing packaging requirements with our suppliers, we're supporting the transition to more sustainable packaging standards in our industry.

### • Align with APCO

As members of APCO, we take the environmental impact of our packaging seriously and want to ensure we're contributing to a circular economy. This means aligning with APCO standards and recommendations to improve packaging and reduce its impact. This includes using APCO's packaging tracker tool to optimise our packaging process.





## Resilient business operations

One of the most significant steps in transitioning towards a more sustainable future is measuring and taking responsibility for our business's impact on the planet. Even more important are the actions we take to improve it. As an industry leader in quality and innovative emergency lighting solutions, we're reviewing and improving our supply chain and environmental impacts so that we can be part of the change we want to see. This reduces our footprint and ensures our business remains resilient and ready to act on future risks and opportunities while bringing our suppliers and manufacturing partners on the journey with us.

### Where we are today

- In 2020, environmental management instructions and engagement programs for waste segregation were introduced to the head office.
- Completed sustainable office fit-outs to improve temperature control
- Switched to 100% renewable electricity in our head office supported by a 200kW solar system installation and the purchase of renewable energy supply, GreenPower
- Installed two EV chargers into our head office facility.
- Rolled out Great Wrap compostable packaging for the transport of our products

### Our actions and targets

- In Q2 2025, Conduct an audit to identify energy-saving opportunities
- In Q2 2025, extend environmental management instructions and procedures for waste segregation to interstate branches
- By Q3 2025, ensure 100% of tier 1 and 2 suppliers sign our Supplier Code of Conduct
- By 2025, begin putting together our mandatory climate disclosure roadmap
- By 2026, achieve ISO 14001 for all interstate branches
- By 2027, reduce direct carbon emissions by 80%
- By 2027, transition our interstate branches to 100% renewable energy



## How we'll achieve them

- **Address operational impacts**  
Our multi-faceted approach targets key areas, including waste reduction, renewable energy, and recyclability, to significantly reduce our emissions and environmental impact. By mapping out our ESG risks and opportunities and developing a climate disclosure roadmap, we'll measure our impact and make it easier for our business to adapt in the future.
- **Enhance supply chain resilience**  
To positively influence the wider industry, we need to review and improve the impact of our supply chain and our own operations. With a better understanding of our manufacturing process and its related emissions, we can proactively take measures to reduce them.

Through a sustainability-focused engagement plan and Code of Conduct, we will ensure our key suppliers and manufacturing partners share our commitment so that we can all actively contribute to a more resilient, ethical supply chain.



## Customer FAQs

### ***What is Clevertronics doing to reduce its carbon footprint, and does it have a net zero goal?***

Our head office is currently powered by a 200kw solar array and renewable energy provider GreenPower, and our goal is to achieve 100% renewable energy at our interstate branches by 2027. Other initiatives, including EV forklifts, EV chargers for staff travel, and a sustainable office fit-out to reduce reliance on heating and cooling, are also helping to reduce our carbon footprint.

Although net zero isn't our current goal, we're working towards a target of an 80% reduction in scope 1 and 2 emissions by 2027. We'll review our net zero ambitions after completing our current ESG strategy.

## Customer FAQs *(Continued)*

### ***What sustainability certifications, memberships or ratings does Clevertronics have?***

These are some of the standards we use to guide our packaging, products, and operations to ensure we're aligned with national and industry standards. They include:

- ISO 14001:2015**  
 This internationally recognised standard for environmental management systems provides a framework for our business to operate more sustainably in areas including leadership, planning, and support.
- EXITCYCLE**  
 We are members of EXITCYCLE. This initiative is aimed at diverting exit and emergency lighting batteries from landfills. As signatories, we're committed to recycling all our end-of-life batteries.
- APCO**  
 As members of APCO, we share a common agenda: improving the sustainability of packaging in Australia. Through regulations and recommendations, APCO helps us reduce our packaging's impact.
- Flurocycle**  
 Clevertronics is a signatory of this voluntary product stewardship scheme, and we are committed to improving the recycling rate of waste mercury-containing lamps included in our products.
- Envirostream**  
 We partner with this Australian organisation to improve lithium-ion battery recycling rates.

### ***How do you manage risks in your supply chain and ensure that it's ethical and sustainable?***

A Modern Slavery Statement is due in 2025. This helps to improve the transparency of our extended supply chain, with a key focus on mitigating modern slavery risks and protecting human rights.

We're also introducing more stringent policies and procedures to minimise sustainability-related supply chain risks. By 2025, 100% of our tier 1 and 2 suppliers will have signed our Supplier Code of Conduct, and we'll have an engagement plan with our manufacturing partner in China, reflecting our commitment and reinforcing this as a shared responsibility.

Our procurement policies are being updated to align with our ESG objectives of emissions reduction, circularity, waste and packaging, and modern slavery.

## Customer FAQs

### ***Can you tell me about the lifecycle of your products?***

We're continually improving our products' lifespan, including tripling the product lifetime of our exit and emergency luminaires. Melbourne's Marvel Stadium is an example of our products' exceptional longevity, with 97.4% of 2,650 luminaires installed over 10 years ago still in service today.

To better understand our products' cradle-to-grave lifecycle and identify opportunities for improvement, we aim to obtain Environmental Product Declarations (EPDs) for at least 40% of our emergency lighting solutions by 2027. We'll also establish circular design principles by 2026, meaning we use materials as efficiently as possible and keep them in use for as long as possible.

### ***Are your products, batteries, and packaging recyclable?***

Many components of our products, batteries, and packaging are recyclable, and we're continually finding ways to improve both their recyclability and recycled content, including:

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|--|---|---|
| <ul style="list-style-type: none"> <li> <b>Products</b><br/>           During 2025, the ARL logo will continue to be rolled out across all our applicable products capture 80% by then end of the year to assist our customers with their recycling efforts. As a Flurocycle signatory, we ensure the correct recycling of all mercury-containing lamps in our products.         </li> </ul> | <ul style="list-style-type: none"> <li> <b>Batteries</b><br/>           All our batteries are designed and labelled for recycling. We partner with EnviroStream to recycle all lithium batteries and EXITCYCLE to recycle nickel-cadmium batteries, which we're actively phased out to 99.9%.         </li> </ul> | <ul style="list-style-type: none"> <li> <b>Packaging</b><br/>           We aim to reduce single-use plastic packaging by 25% by 2025 and have 100% recyclable packaging by 2027. As members of APCO, we stay up to date with the latest recommendations and guidelines on sustainable packaging in Australia.         </li> </ul> |
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### ***Do you have a takeback scheme for products?***

Although there's no formal scheme currently for our customers, we can recycle end-of-life products from contractors and facilities upon request. To improve product circularity for our customers, we're developing a takeback scheme with plans to run a pilot program in 2025.



**Victoria**

1 Caribbean Drive  
Scoresby VIC 3179  
Phone: +61 3 9559 2700  
Fax: +61 3 9559 2799

**New South Wales**

9 Distribution Place  
Seven Hills NSW 2147  
Phone: +61 2 8805 6400  
Fax: +61 2 8805 6444

**Queensland**

1/140 Wecker Road  
Mansfield QLD 4122  
Phone: +61 7 3442 9700  
Fax: +61 7 3442 9777

**Western Australia**

12 Milly Court  
Malaga WA 6090  
Phone: +61 8 9207 0000  
Fax: +61 8 9248 3725

**South Australia**

U1/136 Mooringe Ave  
North Plympton SA 5037  
Phone: +61 8 8301 8800  
Fax: +61 8 8351 8286

**Auckland**

Unit 22/761 Great South Road  
Penrose Auckland 1061  
Phone: +64 800 548 448

**Christchurch**

163C Wordsworth Street  
Sydenham Christchurch 8023  
Phone: +64 800 548 448

**United Kingdom**

806 Oxford Avenue  
Slough Trading Estate SL1 4LN  
Phone: 01895 430 255  
Fax: 01895 430 254

[clevertronics.com.au](http://clevertronics.com.au)

[clevertronics.co.nz](http://clevertronics.co.nz)

[clevertronics.co.uk](http://clevertronics.co.uk)