

Responsible Sourcing 2021

*from the UK's leading supplier
of aluminium systems*





We're working towards a smarter and more

SUSTAINABLE FUTURE

Over the past forty years, Smart has grown to become the UK's leading supplier of aluminium systems and bespoke aluminium extrusions, building a reputation for both the quality of its products and its product innovation, design and technical expertise.

Our products and systems are proven in a wide range of new-build and refurbishment projects throughout the UK, spanning the complete range of commercial, public sector and residential applications.

Based in Yatton, North Somerset, our purpose-built premises house state-of-the-art extrusion, finishing, manufacturing, warehousing and distribution facilities. Our own fleet of lorries makes daily deliveries to a network of fabricators and installers across the UK. Employing around 600 people, we have an annual turnover in excess of £120 million.




*We're at the top of the
BRE's Responsible
Sourcing League*



75%

OF ALUMINIUM

ever made is still in use today, 40% of which has already been recycled.

A large industrial factory floor with high ceilings and grey metal walls. In the foreground, a worker in a dark blue uniform stands at a control console with multiple monitors. Another worker in a light pink shirt is visible behind the console. To the right, a third worker in a dark blue uniform walks towards the right. Large, complex machinery with grey pipes and the brand name 'Tecalex' is visible in the background. The floor is marked with yellow and red lines. A blue and white graphic overlay is in the bottom left corner.

5%
**OF THE TOTAL
ENERGY USED**
to produce Aluminium
is required to recycle it

Enabling employees to advance and DEVELOPING POTENTIAL

We employ around 600 people at our Yatton site. Whilst most of our employees live within a 15-mile radius, we have a diverse and inclusive workforce, with colleagues hailing from across the UK, Europe and beyond.

Where possible, we seek to develop and promote employees within the business, with advancements to supervisory and management roles, the development of technical skills and apprenticeships.

Our team leaders are responsible for identifying training needs and developing potential, enabling people to grow and develop organically without the pressure of 'management involvement'. When a training need is identified, if it is appropriate and practical, it is addressed by third party training, delivering certification for the trainee and aiding their continuing professional development.

✦ *People are at the heart of our business, which over the last 40 years has grown to become the leading supplier of Aluminium systems in the UK*



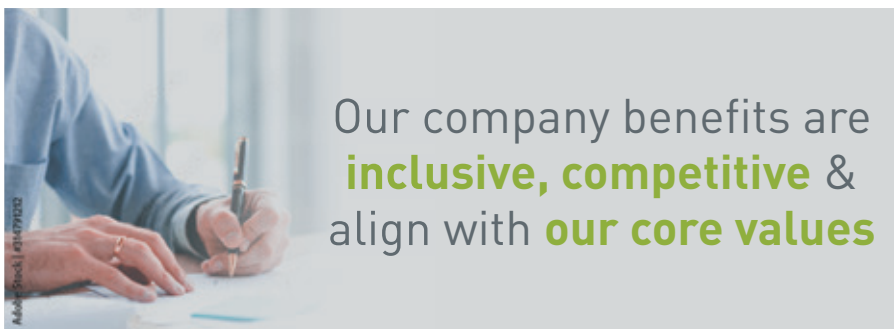
We take extra precautions to protect OUR EMPLOYEES & LOCAL COMMUNITIES

We are aware that we operate in a business environment where the potential for business ethics to be violated or breached exists.

Whilst we are able to operate with a large degree of freedom, we are bound not only by our own ethics, but also by those of our parent company, Corialis.

On completion of their induction, each employee signs a group-wide code of conduct, in which they are expected to follow the established Whistleblowing Policy, should the need arise.

The risk associated with bribery and corruption is assessed by the business regularly, to ensure legal and ethical compliance.



Our company benefits are
inclusive, competitive &
align with **our core values**



We collaborate with local communities through our apprenticeship schemes



We provide an environment that is inclusive, embraces diversity & engagement

We've delivered
5000 hours of employee training since 2019





◆ *Our workforce is in excess of 600 of which 90% live within a 10 mile radius of our manufacturing facility*

Local Communities

As one of the largest local employers and the most active manufacturing facility in the area, we realise that our activities can have both positive and negative impacts on the local community.

We are proud to support local companies where possible and practical, including catering, consultancy, technical services, hotels and transport businesses.

The nature of our operation makes it difficult for us to host groups of local stakeholders, however through meetings and consultations, we have involved the community at each stage of our site development.

As with any relationship, there are times when parties disagree, and we treat any community complaint with the same degree of seriousness and level of importance as we would if it were from a customer or regulator.

OUR 360° APPROACH



We are fully committed to working towards a greener, more sustainable environment. From the procurement of raw materials to the delivery of finished goods we ensure every aspect of our activities is conducted in accordance with UK legislation and leading environmental practices.

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We aim to promote an understanding of environmental issues among our staff, customers, suppliers, and stakeholders, in relation to our business. Our common goal is to ensure we continually improve the environmental impact of all our activities.

Our pursuit in minimising our environmental impacts is integral to the success of our Environmental Management System. Smart has been an certified ISO 14001 company since 2011, and endeavours to show continual improvements and investments in product efficiency, waste capture, recycling, and sustainable power generation.

MORE THAN **30%**
of our aluminium extrusions
are made from recycled billet.



(Photo: Hydro)



We capture and store up to
900,000 litres of rainwater
for re-use in production



We're continually improving
our range of **renewable**
energy sources



100%

RESPONSIBLY SOURCED

We source all of our Aluminium billet from 3 of the World's leading suppliers ensuring that it is responsibly sourced.

We ensure our Aluminium billet is RESPONSIBLY SOURCED

How and from whom a company purchases materials can impact the broader environment in many ways.

We recognise that to ensure product sustainability we must ensure 100% material traceability and ensure our suppliers uphold high environmental, social, and quality based standards. In 2016 we made the decision to pursue certification to BES 6001 to ensure and prove our products have been responsibly sourced, particularly bauxite.

We require much more than affordability from our suppliers; standardised management systems must be in place to identify and reduce their quality, environmental and health and safety risks. As a direct result of this, a key supplier reports that their production sits below the industry average for energy consumption per kilogram of aluminium produced at 13.9kWh per kg; with 70% of their total production related energy consumption coming from renewable sources.

We are pleased to report in 2021, despite complications in raw material procurement due to COVID-19, around 80% of our constituent materials were sourced from suppliers that hold certification to: ISO 9001:2015 Quality Management, ISO 14,001:2015 Environmental Management and ISO 45,001:2018 Occupational Health & Safety Management.



Pictured: Rehabilitated areas from bauxite mining in Brazil. (Photo: Hydro).

Why Aluminium's lifecycle makes it THE 'GREENEST' METAL ON EARTH

Aluminium is commonly referred to as the ultimate building material. It is durable, light-weight, resistant to both corrosion and pollutants giving aluminium products a life cycle measured in decades rather than years. It is 100% recyclable, losing none of its material qualities in the recycling process. Large reserves of bauxite ore and the quality of the recycled aluminium offer a building material that is not only sustainable but also effectively inexhaustible.

(Photo: Hydro).



Economical Recycling

Recycling Aluminium takes just 5% of the total energy that was used to produce it from its raw material.



Bauxite Extraction



Alumina Refining

The lifecycle of aluminium, and aluminium profiles is widely known and understood. With aluminium products recycled worldwide, it is believed that 75% of aluminium produced in the 1880's is still in use today.

We consider the lifecycle of our products from the design room drawing board, through to production and beyond.

Identifying, for example, the risks that chromates hold in powder coating; the impact of energy demand in extrusion and the transportation of our products across the UK.

Detailed and thorough environmental product declarations, footprint calculations and lifecycle studies have been carried out by various aluminium sector trade bodies, action groups, and industry councils - as well as on our own specific examples. Our objective is to improve the impact of our product across its lifecycle.

✦ *During the painting process, our advanced technology allows us to capture 98% of the excess powder that is used in the booth during coating. This powder is then recycled and re-used*



Resource Use

We are committed to reducing the environmental impact of our products. Aluminium billet and polyamide insulating profiles encompass the make-up of our constituent materials. As per request we offer a 60um powder coat to ensure long life.

Through the design of our systems and their related profiles, we seek to minimise the amount of material used, whilst retaining the strength and durability of the finished products. We are pleased to report that in 2021, 24.2% of our incoming billet was recycled. Our vertical powder coating lines are designed to capture and reuse 98% of excess powder.

We optimise our resource use in cutting of material during fabrication and tailoring project-

specific designs to meet specific performance requirements. Our customers receive software tools and training concomitant to product sale, enabling them to assess minimum profile criteria based on wind load/specification.

We also recognise that our products have an impact on resource use at the end of their lives. Primarily, we systematically ensure our product have a long-life span by producing repairable and upgradeable products. Our products reach the end of their life with a typical recycle rate of 95% and require no dedicated retrieval scheme due to negligible hazardous material and aluminium being widely recycled.

Our journey towards reducing GREENHOUSE GAS EMISSIONS

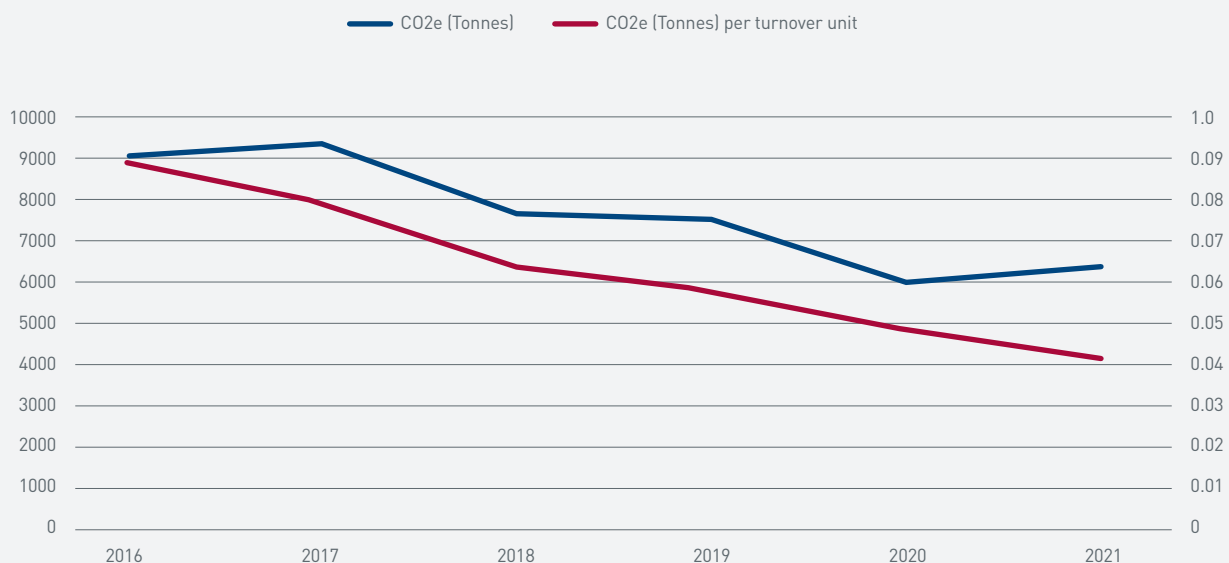
Aluminium extrusion is characteristically an energy intensive operation. At Smart we recognise this and aim to reduce greenhouse gas (GHG) emissions in line with national commitments to the Paris Agreement and the Climate Change Act.

We have collected and collated greenhouse gas emission data annually since 2012. Our GHG emissions are produced from the combustion of natural gas and diesel on our site, from our transport activities (including our delivery fleet, company vehicles and employee travel) and the electricity we purchase from the national grid.

We aim to continually reduce our GHG emissions. Following significant capital investment in 2016, we gained our own

independent grid supply, removing reliance on diesel generators and thus the inherent inefficiency of burning fossil fuels. In addition, we have planning permission to install two wind turbines on our site, which will potentially generate more than 15% of our extrusion's electricity supply. Our carpark supports employees who have electric vehicles by having accessible charging points.

GREENHOUSE GAS EMISSIONS



Making the right choices in sustainable

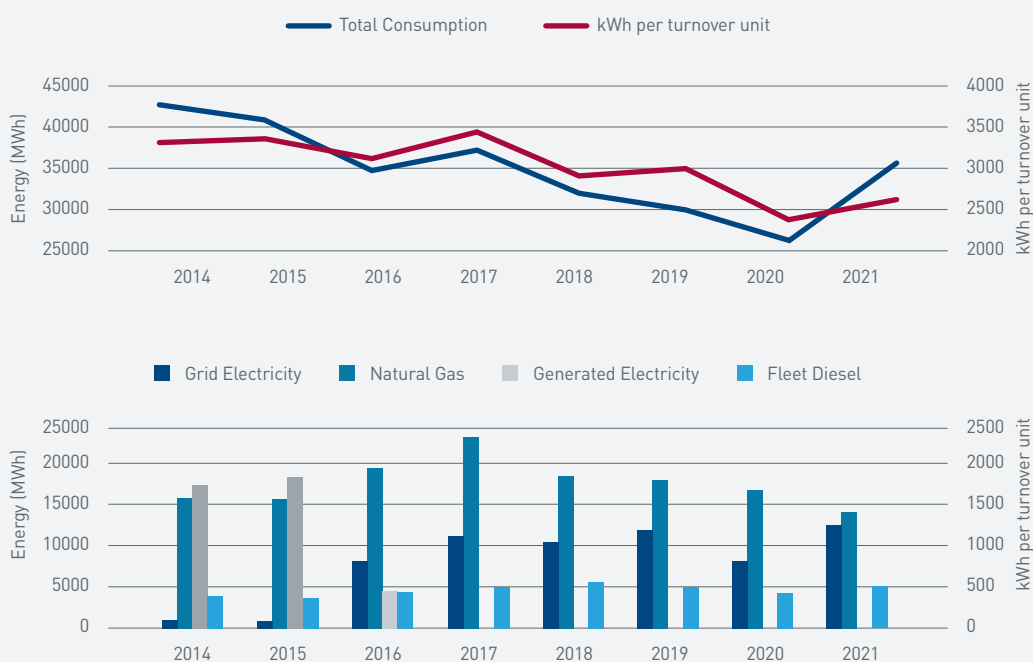
ENERGY USAGE & MANAGEMENT

Energy management is a crucial element of our management of capacity, cost, emissions and future development. We have had ISO 50001 certification since 2015 which models our energy management system for continual improvement.

We are now able to use data to better understand and make decisions about our energy usage and to take appropriate actions to continually improve energy management based on reviews of the system. Since 2015 we have put in place a number of projects and plans to reduce our electricity and diesel consumption, improving our energy performance with respect to our overall output.

✦ *Heat generated by the ageing ovens is recycled to pre-heat the aluminium extrusion dies*

SMART SYSTEMS ENERGY CONSUMPTION



Using the latest technologies we have IMPROVED WATER ABSTRACTION

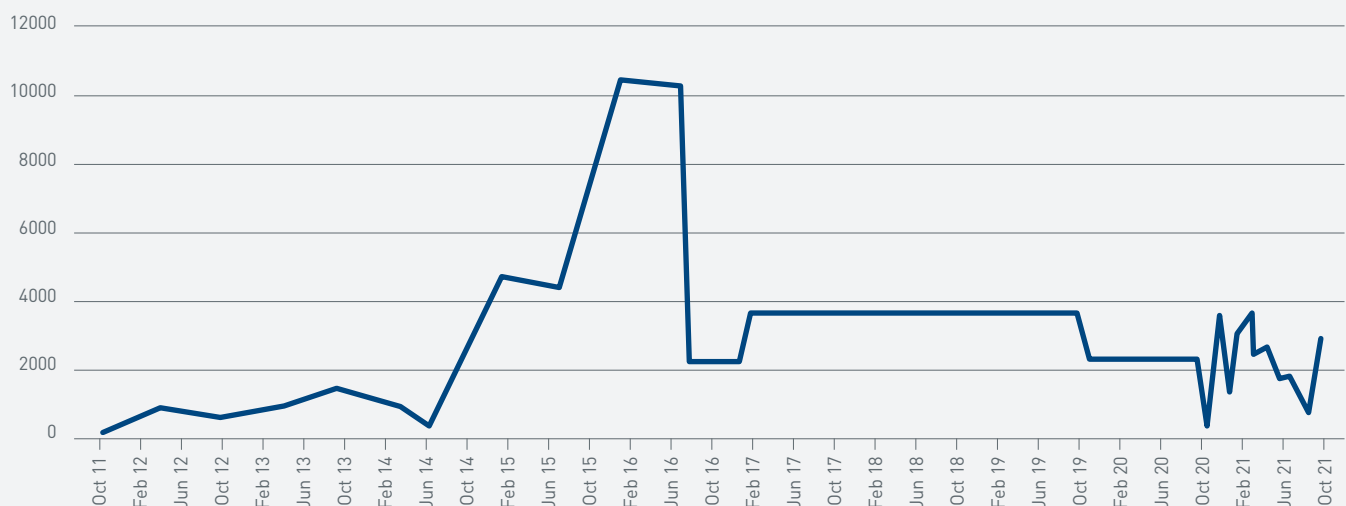
Since 2011 we have invested in abatement strategies to minimize our water usage and have continually improved our water-use efficiency.

Our water attenuation system that facilitates rainwater harvesting (2,820,000 capacity) and filtration has afforded substantial reductions in our current and future associated water abstraction demands. Recycling and reusing the ionized water in our powder coating lines' pre-treatment processes has helped reduce our demand on local water resources through mains water abstraction.

In utilizing best available technologies we have significantly improved our water-use efficiency. As part of our expansion programme, in 2014 we installed a state-of-the-art vertical powder coating line, which has a lower water consumption rate than our horizontal line.

✦ *We collect and recycle 420,000 gallons of water per annum. When this is returned to the environment its actually cleaner than when it was harvested*

WATER ABSTRACTION
Mains Water m³



We fully adhere to the legal requirements of

WASTE PREVENTION & MANAGEMENT

In adhering to the Waste Regulations 2011 we deploy a control hierarchy to our waste management. As a large manufacturing company, we generate waste in various forms. As part of our commitment to prevent pollution and fully adhere to legal requirements, we ensure correct separation and storage of waste until collection.

We integrate waste minimisation into our processes to reduce our waste burden. In aluminium extrusion around 15% of the aluminium is not fit for use for its intended purpose, we collect and transport this for re-melting and receive reformed billet in return. Our powder coating lines use non chromate powder to minimise hazardous waste and successfully reuse up to 95% of excess powder. Disposable packaging from suppliers are reused onsite for material storage, whilst our aluminium profiles are

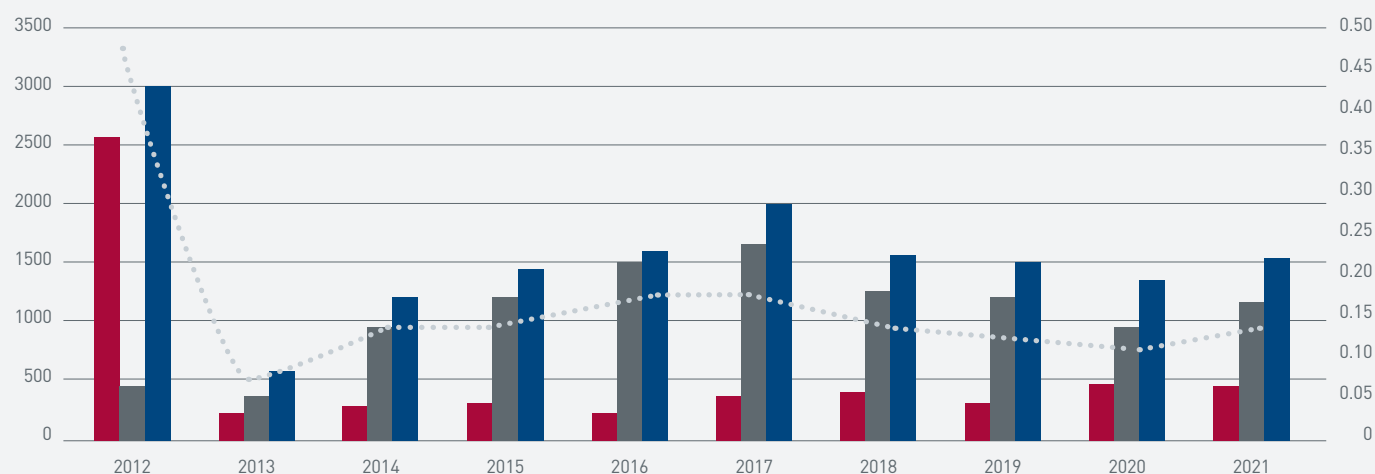
delivered in fully reusable stillages.

Furthermore, by ensuring that nothing we add to our profiles impedes recycling when an installed system reaches the end of its useful life, it can easily be recovered and sent for re-melting. We promote post-consumer reuse by creating products that allow glazing and installed accessory replaceability, whilst maintaining unit efficiency and contemporary aesthetics.

SMART SYSTEMS WASTE PERFORMANCE

Tonnes Waste per Turnover

■ Non Hazardous ■ Hazardous ■ Total ● Efficiency



We're actively reducing our carbon footprint

TRANSPORTATION CHANGES & IMPACT

We operate our own delivery fleet of rigid vehicles, with wagon and drag, and detachable load boxes, supplemented by efficient national haulage companies to reduce vehicle movements to and from our site.

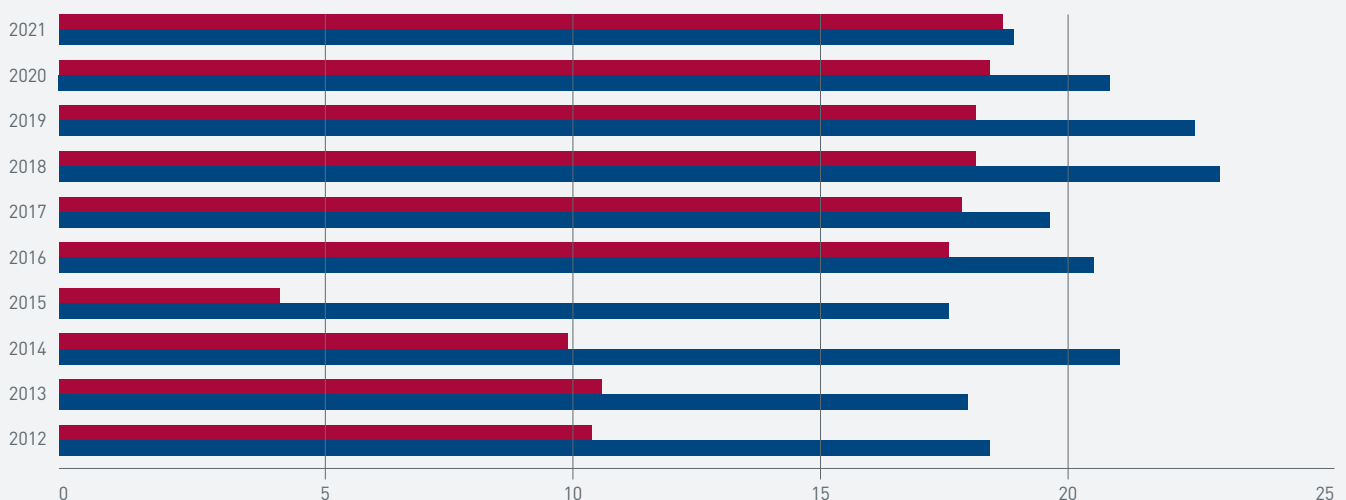
In 2015, using expanded capacity provided by national haulers, we implemented a network of hubs around the UK, enabling our vehicles to pick up material without having to return to Yatton, reducing empty runs. Whilst this has led to a lower overall MPG rate, as our vehicles are doing more shorter, less efficient journeys, we have increased overall output by 20%, with only a 5% increase in fleet mileage.

In order to mitigate all the potential impacts of our transport activities (spillage and pollution, emissions, addition to congestion, noise etc.), we continue to invest in our fleet. By leasing and upgrading our vehicles regularly,

we can meet current Euro V emission requirements. We also ensure each vehicle is maintained by the manufacturer in line with their recommendations, to reduce the risk of spills and leaks. Furthermore, we have installed 360 degree external camera systems on all our vehicles, giving drivers greater vision when operating in tight spaces, as well as the ability to assess their driving style.

From 2015, we set an annual target of a further 5% reduction in litres per delivery and by the end of the first half of 2016, we had already achieved a 3% reduction. Further reductions were achieved by 2017 due to additional distribution hubs coming online in late 2016.

SMART SYSTEMS FLEET FUELS



A safe and secure way to manufacture

ECO-TOXICITY RATING

Chemicals within the UK must be classified under the retained EU regulation; Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) legislation.

UK REACH addresses the production and use of chemical substances, and their potential impacts on both human health and the environment. At the time of writing no products manufactured by Smart Systems Ltd are above the UK REACH threshold.

Although a number of chemicals used within our processes utilise UK REACH registered substances, none are classified

as Substances of Very High Concern (SVHC) under article 57 of the legislation.

Chemicals used regularly in our processes are Sodium Hydroxide: Registration Number 01-211945-7892, Powder Paints: No known SVHC or SVHC candidates, Hydrochloric Acid: 231-595-7, and Ferric Chloride: 231-729-4.

✦ *Our pre-treatment process is alkaline based and 100% chromate free*

Our vision for the future



Working towards
a sustainable build
environment



We continue to set the standard as the most **modern and efficient plant in the UK**



Using **effective management systems** we aim to reduce our environmental impact

