

Smart Manufacturing Ltd Energy Policy

Purpose

Smart Manufacturing Energy policy aims to enhance energy efficiency, reduce operational costs, and minimize the environmental impact of our sheet metal manufacturing processes and associated processes.

We recognise that as a Company we must be responsible users of Energy, with the objective of furthering sustainability while remaining competitive as a business. As a small manufacturer, Smart's business model emphasises reduction of operational costs wherever possible with practical, ongoing efforts towards sustainable manufacturing being the primary emphasis of this policy in the near to medium term.

In the long term, Smart intends to be carbon neutral by 2045 through the usage of renewable energy for all operational purposes.

Scope

This policy applies to all employees, contractors, and stakeholders involved in the operations of Smart Manufacturing Ltd.

Energy Efficiency Goals

Smart will aim to be as energy efficient as possible in all its energy use on an ongoing basis. Specifically, Smart will:

- Reduce energy consumption by 10% over the next three years.
- Increase the use of renewable energy sources to at least 25% of total energy consumption by 2027.
 - This objective is already being met during summer months.

Implementation Strategies

Smart's implementation strategies will be informed by its business needs as well as the regulatory compliance regimes the business operates under. Incremental but ongoing steps are prioritized consistent with our status as a small business manufacturer.

- Upgrade Equipment: Invest in energy-efficient machinery and tools, such as variable frequency drives (VFDs) and high-efficiency motors.
 - This is an ongoing objective with older equipment being depreciated at regular intervals and investment in newer technology being made.

- This includes, but is not limited to, office equipment, luminaires, and production equipment.
 - Newer equipment with higher levels of automation is prioritised for procurement to reduce cycle times and consequently energy usage.
- Employee Training: Provide training on energy-saving practices specific to sheet metal manufacturing, including optimal machine operation and maintenance.
 - This includes completely automated manufacturing being promoted to avoid stop-start operation and consequent energy wastage.
 - This strategy is closely related to the acquisition of new equipment with higher levels of automation.
- Monitor Energy Use: Utilize energy management systems to track consumption in real-time and identify peak usage times.

Renewable Energy Initiatives

Smart will endeavour to support and encourage procurement of renewable energy to augment and eventually replace conventional forms of energy. The following steps have been taken in this regard, some of which are in advanced stages of implementation as noted:

- Install solar panels on facility rooftops to power operations.
 - This has already been implemented successfully with up to 40% of total energy needs now met through solar energy.
- Investigate partnerships with local renewable energy providers to source green energy.

Waste Reduction

Smart will aim to reduce all forms of waste that results in energy wastage in its operations. It has already taken concrete steps in this regard and aims to fully support circular supply chain in the sheet metal industry.

- Smart Manufacturing already implements a scrap metal recycling program in conjunction with a local business.
 - Expand existing recycling programs for scrap metal and other materials.
- Optimize production processes to minimize waste and improve material yield.
- Wherever possible, Smart will use suppliers that produce goods through sustainable manufacturing processes.
- Wherever possible, Smart will go above and beyond the requirements of applicable environmental legislation in all its operations.
- Promote sustainable design in all industrial equipment and/or turnkey solutions we supply to our business customers.

Review and Reporting

Smart will continue to closely monitor all operations to ensure adherence to this energy policy. We will:

- Review energy consumption quarterly and report progress to all stakeholders.
- Adjust strategies as necessary to meet energy efficiency goals.

Commitment to Continuous Improvement

Smart will continuously update this policy as the business expands and technological improvements become available with respect to renewable energy sources and equipment. To this end, we will:

- Stay informed about advancements in energy-efficient technologies and practices relevant to metal manufacturing.
- Engage employees in ongoing discussions about energy conservation and sustainability initiatives.