



**Statement on Modern Slavery**

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**This is a statement pursuant to section 54 of the United Kingdom Modern Slavery Act 2015 (UK Law) and section 16 of the Australian Modern Slavery Act 2018 (Cth) (AU Law), of the steps Clevertronics has taken during the financial year July 2020 - June 2021 to ensure that slavery and human trafficking is not taking place in any of its supply chains or in in any parts of its own business. In this statement, Clevertronics adopts the meaning of modern slavery as defined in the AU Law and UK Law as it applies to the jurisdictions in which Clevertronics operates.**

Slavery, human trafficking, exploitation, servitude and forced or compulsory labour are serious global concerns that have the potential to impact every industry and organisation. Clevertronics takes its responsibilities seriously and is committed to ensuring that we and our business partners act ethically and with integrity in all our business dealings and activities. Clevertronics does not tolerate modern slavery in any of our operations or supply chains within the jurisdictions we operate.

# Clevertronics: the reporting entity, our structure, business and operations

## Clevertronics – Who are We?

Clevertronics AU is an Australian privately held company. It wholly owns the subsidiaries Clevertronics NZ and Clevertronics UK, which operate in New Zealand and the United Kingdom respectively. For the purposes of this statement, Clevertronics AU is the reporting entity as defined in the AU Law and Clevertronics UK is the commercial organisation as defined in the UK Law.

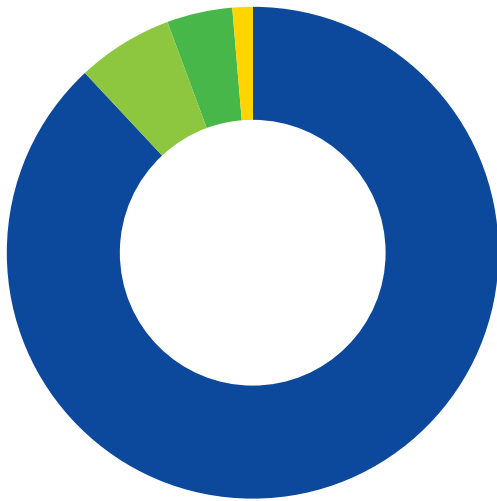
We employ 182 staff predominately in Australia with smaller sales offices in New Zealand and the United Kingdom. Our primary activities are the design, manufacture, distribution and commissioning of emergency lighting products and systems.

We employ staff in finance & human resources, operations, manufacturing, system commissioning, marketing, engineering / research and development and sales roles.

Graph 1 illustrates that our direct work force is predominately based in Australia (90% based in Australia), and graph 2 shows that most of our roles are based in sales (42%) while 23% of our staff are engaged in manufacturing.

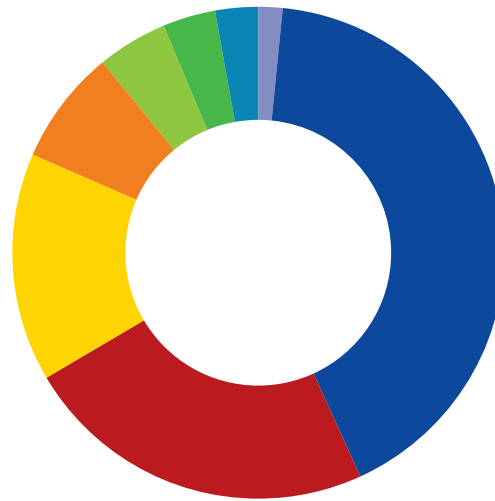
Our manufacturing plants are based in Scoresby, Melbourne, Australia and in Shanghai China (a joint venture manufacturing plant).

Employees by region



- Australia – 90%
- China – 1%
- New Zealand – 6%
- United Kingdom – 3%

Employees by role



- Admin
- Engineering 13%
- Marketing
- Operations 5%
- Production 23%
- Management
- Sales 42%
- Finance 5%

## Our Supply Chains

By “supply chain”, we mean the products or services we acquire and that contribute toward the services we provide. Clevertronics recognises modern slavery risks may arise in our supply chains.

### Clevertronics Supply Chains

Our supply chains can be classified into three main categories. Direct Suppliers of Hardware and Direct Suppliers of Services that are supplied to Clevertronics to manufacture our products and Indirect Suppliers of goods and services in order to conduct business.

Supply Chain	Description
Direct Hardware	The sourcing of materials that are used in the manufacture of our emergency lighting products
Direct Service	Labour: <ul style="list-style-type: none"> <li>That is used to manufacture our products</li> <li>For the design / development of the software and hardware for our emergency lighting products and systems.</li> <li>For commissioning, and maintenance of our installed systems</li> </ul>
Indirect Suppliers	Who provide goods and services we purchase in order to operate our businesses on a day to day basis

Our Australian operations accounts for approximately 10% of our volume production with approximately 90% being sourced from our joint venture factory in Shanghai China. In 2020 we had a total of 518 suppliers with 85 of these being direct suppliers for product manufacture.

### Number Direct Suppliers to Clevertronics Offices (n=85)

Category	Australia	New Zealand	United Kingdom
Hardware	68	2	3
Service	11	0	1

### Direct Suppliers by Sourcing Geography

Country Source	AUD Dollars %	N %
Australia	8.9 %	71.76 %
New Zealand	0.58 %	5.88 %
United States	0.36 %	4.71 %
China / Hong Kong	89.1%	7.58%
Finland	>..5%	1.52 %
United Kingdom	>..5%	3.03%

### Indirect Suppliers

Indirect Suppliers accounted for 23.34% of our spend with 391 individual suppliers. We source goods and services from the following countries Australia, Hong Kong / China, New Zealand, Ireland, Israel, Taiwan ROC, Malaysia, India, Singapore, USA, United Kingdom and Finland.

## Risks of Modern Slavery in Our Supply Chains

Clevertronics acknowledges that modern slavery risks exist in supply chains via suppliers of components, goods and services and their intermediaries.

To focus our efforts Clevertronics has applied tiers to our suppliers by value \$AUD.

AUD\$	Australia	New Zealand	United Kingdom
Tier 1 > \$200,000	17	2	3
Tier 2 \$20,000 to \$199,000	92	10	8
Tier 3 \$0 to \$19,999	266	37	36

## Actions taken to control, assess and address risks

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### How we assess risks

#### Supplier due diligence

Being a medium sized business, with a small number of direct suppliers, Clevertronics can work directly with many of these suppliers to actively observe and influence their ethical performance.

- Contract review
- Recruitment Process
- Nature of workforce

We have undertaken due diligence via screening of suppliers against conceptual risks and mapping the supply chain to identify potential risks.

#### Assessment of multiple risk factors

To identify where the risks of modern slavery are highest in our activities and supply chains, we have adopted a process and tools to assess and review the risk of various geographies, sectors, and activities.

#### Geographic Risk Assessment

An essential method to mapping the supply chain is to assess the risk associated with various countries especially those regarded as medium to extreme risk.

Commercial Operations Clevertronics sales activities are based in three global regions, Australia, New Zealand, and the United Kingdom. These geographies are regarded as low risk for modern slavery.

Manufacturing Clevertronics' product is sourced from two factories. Our Australian factory, located in Scoresby, Melbourne, Australia. Australia has been assessed as a low risk geography for the incidence of modern slavery.

Our joint venture partner operations are based in Shanghai China, which is regarded as a medium risk jurisdiction for modern slavery.

#### Industry Sectors Risk Assessment

Research has highlighted the relevant industries that Clevertronics is most concerned with as including manufacturing, cleaning and the food and recruitment services industries.

## How we address and control risks

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#### Clevertronics' Ethics Framework

Clevertronics cares about people. Suppliers are an important part of our business, and our goal is that they share our values.

The Clevertronics Ethics Framework also includes our:

- Code of Conduct
- Key Policies:
- Anti-discrimination
- Anti-Corruption Bribery Statement
- Occupational Health and Safety

Our culture of caring about people is reflected in our workplaces which we strive to keep free from discrimination, bullying and harassment.

#### Monitoring Procurement

Our supply chain is identified as Direct Hardware, Direct Services, and Indirect Suppliers (of materials and services). Suppliers are subject to review based on research and a risk assessment which is conducted annually and is subject to a continual improvement process.

**Management of Direct Hardware Procurement:**

Our operations in Australia procure from several direct suppliers of componentry for the manufacture and assembly of our products. The supply of electrical componentry is predominately from China and is regarded as medium risk.

Our main hardware supplier is our joint venture partner and they account for 90% of our purchases by value. Our Chinese partner has embedded Australian management within the organisation and an engineer in the design team. This provides the Clevertronics organisation with visibility within the joint venture and downstream supply chains componentry.

The Joint Venture Partner is vetted, via a formal visit by our engineering team on an annual basis when international travel is possible.

Management of Direct Services Procurement: In relation to our procured Manufacturing services in Australia they are regarded as low risk for modern slavery. The recruitment process is overseen by Clevertronics Management and our recruitment agencies for our temporary labour meet all local labour laws.

**Management of Indirect Goods and Materials Procurement:**

Clevertronics has 391 indirect suppliers for a range of goods and materials. Our research has indicated that promotional materials (not for resale products) used for internal or corporate activities are regarded as high risk.

Other suppliers are risk assessed if they source their goods from high risk geographies for high risk commodities or materials (as outlined in the Modern Slavery Risk Index).

**Management of Indirect Services Procurement:**

Our Chinese joint venture partners employ a permanent work force in the manufacture and assembly of our products. The organisation meets all local labour laws and our local representatives audit the workforce and conditions to ensure that it is free from all aspects of modern slavery.

In Australia, professional services such as accounting, legal and insurance are regarded as low risk and no additional measures are taken.

Services such as cleaning, building maintenance, security and travel services are considered low risk as Clevertronics engages reputable service providers in each jurisdiction.

**Working with Our Customers**

Our direct customers are typically large multinational corporations who have adopted their own anti-slavery policies and procedures, of which we are signatories and many of our indirect customers seek visibility of our business practises and supply chains via their own supplier management policies of which we are also signatories.

## Assessing the effectiveness of our actions

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### Risk Mitigation of Modern Slavery

Clevertronics takes active measures to mitigate modern slavery risks from eventuating. Once a risk is identified using geographic, supplier and industry metrics, we undertake ongoing due diligence and research to assess our effectiveness in ensuring that slavery and human trafficking is not taking place in our business or supply chains. We also apply controls to further mitigate or remediate any identified risks.

### Within the Supply Chain

#### Clevertronics:

- Has developed a Supplier Code of Conduct, which details our expectations of suppliers and a risk-based due diligence process for manufacturing operations, marketing activities and select service providers, to address responsible business sourcing.

- Is incorporating our Supplier Code of Conduct into our contracts with suppliers. This will include contractual obligations that recognise modern slavery risks, using a risk-based approach.
- Undertakes an annual review of processes, internal audits, and compliance monitoring.
- Is providing relevant staff training on the deployment of risk based analytic tools and in identifying and risk mitigation with the supply chain.
- Has developed a supplier questionnaire that will be available for Clevertronics to undertake further assessment of suppliers that Clevertronics identifies as high risk.

## Other relevant information

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### Hardware supply

Electrical hardware supply limitations have resulted in Clevertronics engaging in short-term supply contracts in the Shanghai region, which raised the risk rating of direct hardware procurement temporarily to high risk.

### COVID 19

Clevertronics has experienced challenges during the COVID-19 pandemic, including an inability to travel to Shanghai, China, where our joint venture partner operations are based. Clevertronics' engineering team usually conducts a formal annual visit to our partner factory on an annual basis. However, we remain confident that this has not increased the risk in our supply chain as Australian management remains embedded within the organisation and an engineer in the design team.

## Contacting Us

If you wish to contact Clevertronics and or if there exist questions in relation to our policies, practises or codes please contact any of the following company representatives for clarity and assistance.

<b>Title</b>	<b>Name</b>	<b>Contact Number</b>
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## Signatory

This statement was approved by the Sole Director of Clevertronics.



Antonio Todaro  
(Sole Director)

Dated: 27 July 2021

This statement encompasses, Clevertronics International UK LTD.





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