

MESSAGE FROM THE DIRECTOR

AS DIRECTOR AND OWNER OF THE BUSINESS, I CAN SEE GREAT VALUE IN REDUCING OUR ENVIRONMENTAL AND SOCIAL IMPACTS. IT MAKES SENSE FOR OUR COMPANY TO REMAIN COMPETITIVE BY REDUCING COST, MINIMISING RISK AND DRIVING EFFICIENCIES ACROSS THE BUSINESS.

I want Interloc Lockers to be the market leader in sustainability, and with that we are continually striving for new ways to reduce our impacts. We have maintained our ISO14001 EMS certification since 2009, and have had the timber laminate lockers certified since 2008. In 2010 we joined Ecospecifier Global GreenTag and achieved the highest level of environmental product certification, Level A. In 2013 we installed a 195 Kilowatt solar electricity system on the roof of our manufacturing facility.

We've made some major reductions with regards to our environmental impacts. But we see there is more to tackle. Industry requirements are no longer just about the environment, but also about social responsibility.

In 2014 we engaged the services of a specialist Work Health and Safety consultant to further assist us with the identification, control and monitoring of our workplace hazards and risks.

We have been working with our suppliers to ensure they too, take both the environment and social responsibility seriously. Our long term objective is to further influence our supply chain, to assist them in understanding the importance of addressing environmental and social issues.



BUSINESS OVERVIEW

Interloc lockers and Seating is a medium sized organisation, with its main manufacturing facility operating from Somersby, on the Central Coast of Sydney. The company has two warehousing facilities, one in Queensland and the other in Victoria and a head office (admin and sales) in Sydney. We service clients nationally.

We design, manufacture and install timber laminate lockers and seating. Our manufacturing operations include cutting, edging and assembly of timber lockers. Interloc also source metal and plastic lockers.



BUSINESS SUSTAINABILITY GOALS (2010-2017)

Compliance with environmental, health & safety laws and regulations.



Set annual environmental objectives and targets for waste and energy.



Lower operating costs by reducing our environmental impact.



Achieve the highest level of product Type 1 Ecolabelling certification.



Communicate and live our social & ethical principles.



Seek to influence our supply chain with regards to environmental and social compliance.



Strive for continual improvement and innovation.



OUR SUSTAINABILITY PROGRAM

WE CONTINUE TO STRIVE TO REDUCE OUR ENVIRONMENTAL IMPACT, CREATE A SAFE WORK ENVIRONMENT AND REQUEST SUPPLIERS TO HAVE STRONG ENVIRONMENTAL AND SOCIAL COMPLIANCE. WE DEMONSTRATE THIS BY HAVING;

ISO14001: EMS CERTIFICATION SINCE 2009 FOR ALL BUSINESS ACTIVITIES, INCLUDING MANUFACTURING, DESIGN AND INSTALLATION.



COMPLIANCE WITH ECOSPECIFIER GLOBAL GREENTAG CERTIFICATION (LEVEL A 21) FOR OUR TIMBER LAMINATED LOCKERS.



VERIFIED (ECOSPECIFIER GGT) COMPLIANT SUPPLY CHAIN FOR HEALTH AND SAFETY, SOCIAL AND ENVIRONMENTAL COMPLIANCE.



DOCUMENTED MANAGEMENT SYSTEM IN LINE WITH THE REQUIREMENTS OF AS4801:2001 AND THE NSW GOVERNMENTS WHS MANAGEMENT SYSTEM GUIDELINES (5TH EDITION).



SOCIAL RESPONSIBILITY

INTERLOC LOCKERS CONDUCTS ETHICAL BUSINESS PRACTICES THROUGHOUT OUR OPERATIONS AND AIMS TO DEVELOP STRONG RELATIONSHIPS WITH OUR STAFF, SUPPLIERS AND COMMUNITY, BASED ON TRUST, UNDERSTANDING AND RESPECT.

Our people and the people who work for our suppliers matter. We want our staff to work in a safe environment and for this to be extended to workers within our supply chain.

Interloc have a CSR Policy that we have incorporated into all business activities.

- ▶ Seeks to influence our supply chain on matters of environmental and social compliance.
- ▶ Shows we will not support, tolerate or condone any form of workplace harassment, antidiscrimination or violence.
- ▶ Believes everyone has the right to be treated with dignity and respect.

- ▶ We will not discriminate on the grounds of race, gender, disability, nationality, religion, philosophical belief, political belief, age, sexual orientation, family status, trade union or another factor.
- ▶ We will not employ child labour, working hours will not be excessive and we will always meet any national minimum wage.

Interloc has partnered with local schools and participated in the Youth Connections program. The program provides workplace opportunity for students undertaking vocational subjects for their HSC.

WORKPLACE HEALTH AND SAFETY

IN 2014 WE ENGAGED THE SERVICES OF A SPECIALIST WORK HEALTH AND SAFETY CONSULTANT TO FURTHER ASSIST US WITH THE IDENTIFICATION, CONTROL AND MONITORING OF OUR WORKPLACE HAZARDS AND RISKS.

We have a documented management system in line with the requirements of AS4801:2001 and the NSW Government WHS Management system guidelines 5th edition.

In the past few years we have;

- ▶ Established a WHS Committee and conduct regular committee meetings;
- ▶ Implemented a forklift driver competency testing scheme;
- ▶ Developed objectives and targets aimed at eliminating workplace injuries and improving communication, consultation, training and general safety awareness amongst workers;
- ▶ Documented additional safe work procedures as required by the corporate risk assessment.
- ▶ Improved safety performance through our audit and inspection program

OUR APPROACH

AVOID

We've introduced cloud computing and eliminated paper by having our warranty packs and invoicing sent electronically. No contract files have been printed in the past nine months and our project teams have all drawings on tablets. All lockers are transported in packing blankets and are loaded on wooden pallets made from timber offcuts.

REDUCE

Dematerialisation, ensure the cutting of timber in the factory does not allow for unnecessary waste.

REUSE

Plastic pallet gluts are reused for transportation. Wooden pallets from QLD & VIC are transported back to NSW.

RECYCLE

Comingle items to include aluminium cans, plastic containers, paper and cardboard. Other recycled items include steel and soft plastics.

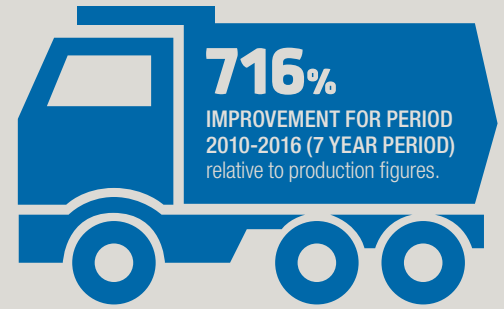
RECOVERY

Energy recovery, timber offcuts and briquettes are used as biomass.

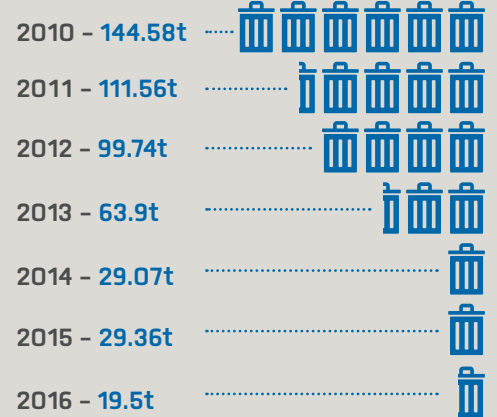
DISPOSAL

Minimal amount of waste ends up in landfill. See opposite for year on year reductions.

FACTORY WASTE RECYCLING



WASTE



RECYCLED ITEMS

- ▶ **TIMBER OFFCUTS (MDF, PARTICLE BOARD, PLYWOOD).**
- ▶ **SOFT & HARD PLASTICS.**
- ▶ **SAW DUST – USED AS BIOMASS.**
- ▶ **PAPER & CARDBOARD.**
- ▶ **COMINGLE.**



WASTE NOT

WE'VE HAD GREAT SUCCESS WITH OUR REUSE AND RECYCLING PROGRAM, WITH GREAT THANKS TO ALL OUR STAFF WHO SHOW CONTINUED SUPPORT OF OUR PROGRAM.



ENERGY REDUCTIONS

OUR INITIATIVES:



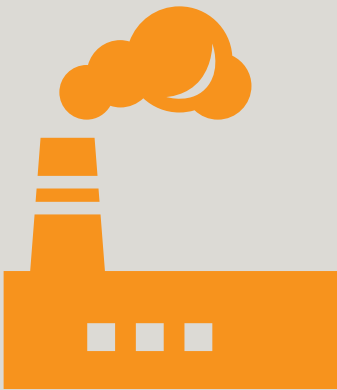
LED LIGHTING

In 2012 we installed LED Lighting in our Somersby manufacturing facility.



SKYLIGHTS

Are in place in our manufacturing facility in Somersby and warehousing in Melbourne.



WATER

IN 2010, WE BUILT A STATE OF THE ART MANUFACTURING FACILITY AT SOMERSBY. THIS GAVE US THE OPPORTUNITY TO IMPLEMENT SOME GREEN INITIATIVES, WHICH INCLUDED A RAINWATER TANK AND A BIO-RETENTION BASIN.



RAINWATER TANK
10,000L

Used for staff amenities.

In ground water tanks & Bio retention area



BIO-RETENTION BASIN

Minimise nutrients in stormwater through control and prevention.

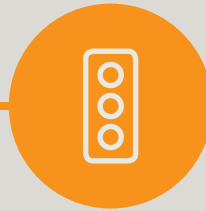
1



SOLAR PANELS

A 195 Kilowatt solar panel system was installed in 2013 as part of the Clean Technology Investment Program.

2



TRAFFIC LIGHT SYSTEM

Red, orange and green dots are placed on lights and appliances to further aid (remind) staff of 'switching off'.

3

4



MONITORING

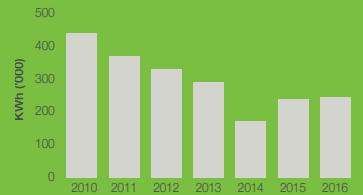
We continue to monitor energy use at all sites to ensure we're on track to meet our yearly targets.

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WE'VE CONTINUED TO MONITOR OUR ENERGY ACROSS ALL OUR SITES.

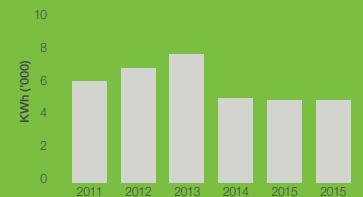
ENERGY FIGURES FOR SOMERSBY (MAIN MANUFACTURING SITE)

Energy 103.5% improvement for period 2010-2016 (7 Year period) based on production figures.



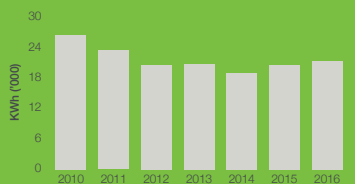
ENERGY FIGURES FOR VICTORIA (WAREHOUSING)

A 11.6% improvement for the period of 2011-2016 (6 year period) based on production figures.



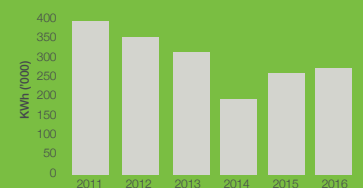
ENERGY FIGURES FOR HEAD OFFICE (SYDNEY)

A 25% increase for the period of 2010-2016 (7 year period) based on production figures



OVERALL COMPANY ENERGY FIGURES (HEAD OFFICE, SOMERSBY AND MELBOURNE) 2011-2016

A 44% improvement.



All figures are based on production figures and are recorded for a calendar year.

THIRD PARTY VERIFICATION



COMPANY ENVIRONMENTAL CERTIFICATION

INTERLOC LOCKERS HAVE BEEN CERTIFIED TO AS/NZ ISO14001: 2004 EMS SINCE 2009. CERTIFICATION TO THIS STANDARD GIVES OUR CLIENTS ASSURANCE THAT WE:

- ▶ Are aware of our major environmental impacts.
- ▶ Have operational controls in place to lower our environmental impacts (e.g. recycling program, water tanks, dust control, solar panels, led lighting).
- ▶ Periodically review environmental legislation and demonstrate compliance.
- ▶ Have annual targets to address all major environmental impacts.
- ▶ Strive for continual improvement .
- ▶ Are audited annually by Global Mark to ensure we comply with the ISO14001 Standard.

In 2009 we engaged the services of a specialist Sustainability Consultant who assists us with our environmental and social compliance requirements.

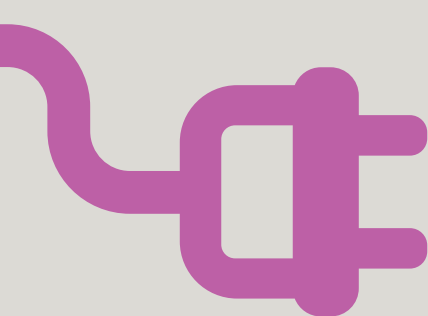


PRODUCT ENVIRONMENTAL CERTIFICATION

ECOSPECIFIER GLOBAL GREENTAG CERTIFICATION

INTERLOC ACHIEVED ITS FIRST ENVIRONMENTAL PRODUCT CERTIFICATION BACK IN 2008. SINCE THEN, INTERLOC HAS PARTNERED WITH ECOSPECIFIER GLOBAL GREEN TAG GREENRATE AND ACHIEVED A LEVEL A (21) CERTIFICATION. ASSESSMENT CRITERIA INCLUDE;

- ▶ Low Toxicity.
- ▶ Social and environmental LEGAL COMPLIANCE.
- ▶ COMPLIANT SUPPLY CHAIN for Human Rights and Health & Safety.
- ▶ Compliant ENVIRONMENTAL CLAIMS.
- ▶ FITNESS FOR PURPOSE.
- ▶ REPLACEMENT PARTS.
- ▶ PRODUCT STEWARDSHIP PROGRAM.
- ▶ DESIGN FOR DISASSEMBLY.



GREEN BUILDING COUNCIL OF AUSTRALIA

GREEN STAR RATING TOOLS

Products that are certified under GBCA recognised product certification schemes, e.g. Ecospecifier GreenTag GreenRate can help to achieve the following Green Star credits.

ECOSPECIFIER GLOBAL GREENTAG GREENRATE IS A PRODUCT CERTIFICATION SCHEME RECOGNISED BY THE GREEN BUILDING COUNCIL OF AUSTRALIA (GBCA). INTERLOC LOCKERS ACHIEVED LEVEL A GREENTAG GREENRATE CERTIFICATION IN 2010 FOR THEIR TIMBER LAMINATED LOCKERS.



Design and As Built v1.1 & Interiors v1.1 Green Star Rating Tools

Sustainable Product Credit

Aim of this credit is to encourage sustainability and transparency in product specification.

Third Party Certification – Interloc Lockers GreenTag Level A certification gives full points for the ‘Sustainability Factor (SF) – 1.00.

TRANSPARENCY AND SUSTAINABILITY INITIATIVE	SUSTAINABILITY FACTOR (SF)
Reused Product	1.00
Recycled Content Product	1.00
Environmental Product Declaration – Product-specific	0.75
Environmental Product Declaration – Industry-wide	0.50
Level A Third party Certification	1.00
Level B Third Party Certification	0.75
Level C Third Party Certification	0.50
Stewardship Program	0.50

Indoor Pollutants Credit

The aim of this Green Star credit is to recognise projects that safeguard occupant health through the reduction in internal air pollutant levels.

Two points are available where at least 95% of all engineered wood products meet stipulated formaldehyde limits.

NB: In addition to meeting the Indoor Pollutants criteria, Interloc’s timber laminated lockers have been tested and are found to be low VOC. This also lowers indoor air pollutants and creates a healthy indoor environment.

Performance v1.1 Green Star Rating Tool

Procurement and Purchasing - Refurbishment Materials

To encourage the measurement and reduction of the environmental impacts of materials used in the building operations, maintenance and upgrades.

1 point is available where refurbished and maintenance materials are purchased in accordance with the procurement framework during the performance period.

Legacy Green Star Rating Tools

For the Legacy Green Star rating tools, the following credits apply,

- ▶ MAT: Joinery, MAT: Furniture, MAT: Storage, MAT: Loose Furniture, FIT: Furniture, FIT: Assemblies,

NB: Level A = 100% product score in the Materials (MAT) Calculators

- ▶ IEQ: Formaldehyde Minimisation, IEQ: Reduced Exposure to Pollutants, IEQ: Volatile Organic Compounds (VOC).

SUMMARY



We are not a big company, and our risks are low, though we're still committed to lowering our environmental impacts. We have made some great gains, but will continue to monitor and set targets for further reductions.

There is a strong commitment from all involved, management, staff and

consultants. We all work together to strive to do the best for our society and the environment, both here in Australia and also within our supply chain.

Interloc Lockers realises there is an enormous opportunity for us to engage with our suppliers and contractors to encourage them in

understanding the benefits of being more efficient within their organisation and being responsible for human health and the environment. This is what's important to us.

