



Sustainability Report 2023

Table of Contents

Introduction	2
2023 Sustainability Overview	2
2023 Highlights.....	3
Charity Support Partnership.....	3
Continuous Improvement Actions for 2024.....	3
Ethics	4
Anti-Bribery & Corruption	4
Sustainable Procurement	4
Labor & Human Rights	5
Employee Engagement surveys	7
Employee Recognition.....	7
Environment	8
Carbon offsetting	8
Products and Engineering	8



Sustainability Report 2023

Introduction

Acre security (Vanderbilt International) was founded in 2012, with one goal: to keep people, premises, and data safe in an unpredictable world. We're on a mission to reshape the security landscape, by creating agile, fluid solutions that are responsive to the industry's evolving needs. With over 100,000 customers worldwide, we pride ourselves on being the experts, backed by 45 years as a physical security industry leader.

We are a global provider of security systems, operating efficiently in ninety-five countries.

Acre security (Vanderbilt Intl) designs, manufactures, and distributes systems that safeguard environments and organizations of all sizes. Agility, adaptability, and dependability are distinctive marks of the brand. These decisive traits satisfy various of customers' application needs across banking, education, healthcare, retail, and more. Our product lines include access control, intrusion, and transmission.

We want to contribute to a sustainable future by putting actions that focus on reducing environmental impacts in their supply chain, development, occupational health, and administration.

Corporate responsibility, including Sustainability efforts, lies within the remit of the President. Risk analysis and the actions taken to address these risks are owned by ESG Committee who frequently review this.

Our company values are driven by forward-thinking and continuous evaluation of markets and trends to meet our customers' expectations and provide the best-in-class products to secure our customers' most valuable assets.

To learn more, please visit <https://acresecurity.com/>

2023 Sustainability Overview

We take a connected approach to security and believe the same should apply to our approach to the environment. It's another way we can eliminate risk and keep our eye on the future. This is our first year addressing sustainability head on and driving an environmental agenda across the business. We've begun an extensive assessment of our operations to understand where we can improve—from travel policies to material usage. While we don't manufacture products ourselves, we do have opportunities to enhance and accelerate our positive impact.

In 2023 we were awarded a Bronze EcoVadis medal, placing us in the top 35% of 100,000K+ companies in their network, recognized for driving sustainable growth and positive impact worldwide.

EcoVadis audits companies against international sustainability standards such as the United Nations Global Compact, the International Labor Organization, Global Reporting Initiative, and the ISO 26000 Social Responsibility standard. The audit spans domains such as sustainable procurement, ethics, labor and human rights, and the environment.

The EcoVadis medals have helped to raise awareness across our sites and amongst our customers on what Vanderbilt is doing to become a more sustainable company. We will continue to engage EcoVadis for CSR support and auditing services in 2024.

2023 Highlights

- Acre security (Vanderbilt Intl) was awarded a third EcoVadis Bronze medal in 2023. We were placed:
 - in the top 26% of companies rated by EcoVadis in the Manufacture of communication equipment industry.
 - in the top 17th percentile for Sustainable Procurement (16th percentile 2022).
 - in the top 29th percentile for company Ethics (28th percentile 2022).
 - We improved our environmental score by 3 points. For example, the Compliance team worked with other departments to ensure REACH & RoHS control mechanisms were integrated across various functional processes.
- We started a Safety Committee to review Health and Safety quarterly.
- Our Karlsruhe site reduced their carbon footprint to an estimation of 7.7ton by optimizing their delivery schedule.
- An EED audit has been carried out by an external part with excellent results. This has been reported to the Swedish Energy Agency.

Charity Support Partnership

Rehab Recycle (www.rehabrecycle.ie)

- We first partnered with Rehab Recycle in October 2021 to recycle obsolete equipment, and we continued this collaboration in 2023.
- Rehab Recycle is Ireland's largest NGO employer of people with disabilities.
- Rehab Recycle takes a "nothing wasted" approach and ensures no donations go to landfill. They repurpose donated equipment for schools and community groups across Ireland.
- They are certified for ISO management standards 9001 (Quality), 14001 (Environment), and 45001 (Occupational Health and Safety). They also comply with WEEE and GDPR.

Continuous Improvement Actions for 2024

QHSE manager who will drive environmental improvements across ACRE sites. Identified projects include:

- Implementation of Corporate Sustainability Reporting Directive (CSRD) action plan for Acre security including Time Data Security Ltd. (TDS).
- Global Environment policy and Sustainability plan.
- Electric Vehicle charge policy.
- Scalable solution for our sustainable reporting including Time Data Security Ltd. (TDS).
- Company cars - Increase hybrid/electrical car in the carpool for reduced carbon footprint.
- Reduced paper consumption – digital process for appraisal, digital signatures.
- Charity partner for other sites- either for donations, or a supplier who is also a charity.

Ethics

Anti-Bribery & Corruption

We have a zero-tolerance policy against bribery and corruption. Our Whistleblowing policy, which empowers staff to voice any concerns anonymously without fear of repercussion. This policy is also cross-referenced with our corporate Code of Conduct and our mandatory employee onboarding training. No issues were reported in 2023 and 2022.

To prevent corrupt payments or practices by (or to) potential suppliers or third parties, several policies and standards have been put in place.

- Anti-bribery training is a mandatory part of our employee onboarding program. This is monitored and tracked closely by our Human Resources department.
- Our vendor invoicing process in Wiesbaden was digitalized. A second person digitally approves all invoices. This could be the employee's line manager, or a more senior leader, depending on the process and financial approval thresholds. We will continue to optimize further financial approval procedures. This will mitigate risks against fraudulent claims and eliminate manual approvals & associated risks.
- All employees are required to notify the relevant stakeholders if they are aware of a fraudulent transaction or identify a risk of one.

Sustainable Procurement

At Acre security (Vanderbilt Intl), we require our manufacturers to be ISO 14001 compliant, ensuring their contribution, efforts and compliance towards sustainability and waste reduction.

We track our suppliers' ISO expiry dates internally. We request the latest copies of their ISO certificates for our records.

In addition, our Supply Chain Management and R&D Compliance teams monitor our suppliers for their ongoing REACH, RoHS, and Conflict Minerals policy compliance, to ensure their continued compliance with our Conflict Minerals Policy and International's Suppliers Code of Conduct.

We uphold our obligations concerning the WEEE Directive. We report our shipments monthly and contribute to recycling costs of electrical/electronic and battery products to each of the relevant European authorities.

To reduce the global environmental footprint, the Supply Chain Management (SCM) and Customer Service teams optimize shipping methods from suppliers and to our distribution network by sending smaller, staggered shipments where it makes sense to do so.

To maintain a sustainable supply chain, we set the following targets with our suppliers:

- All suppliers agree to comply with company's Supplier Code of Conduct. This code covers:
 - Prohibition of corruption, bribery, bonded labor, and child labor.
 - Responsible mineral sourcing

Sustainability Report 2023

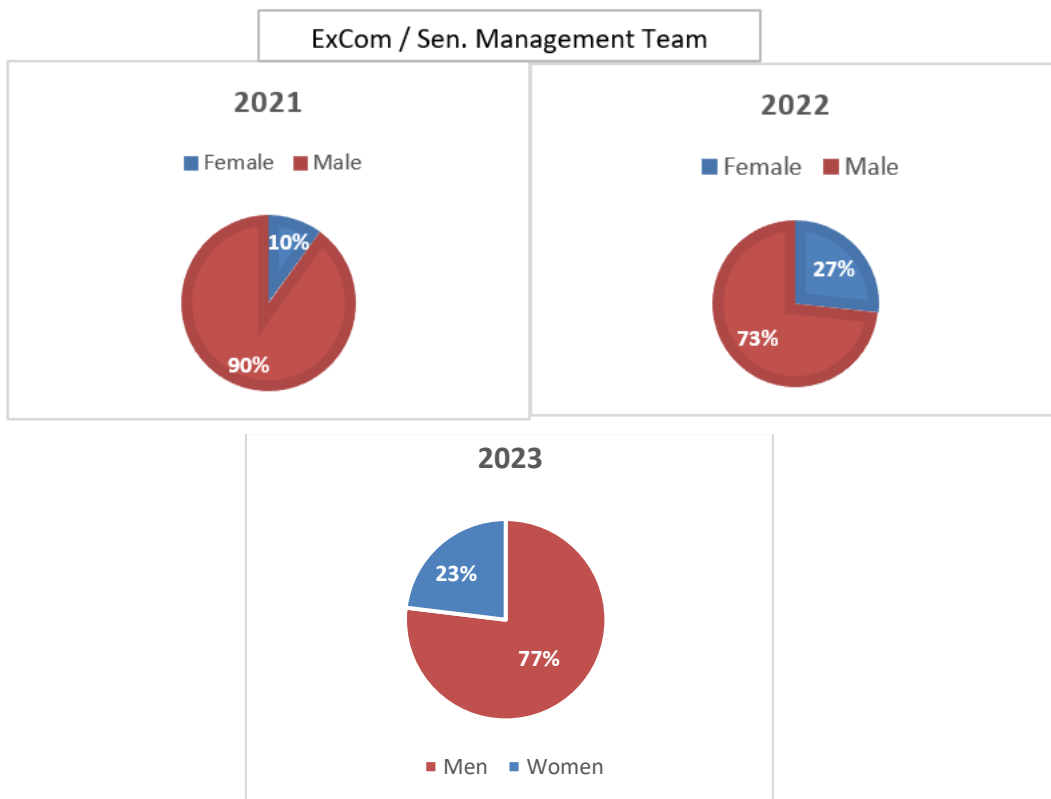
- Respect employees' human rights and take responsibility for their health & safety.
- Environmental protection and pollution reduction.
- Annual supplier completion of our Trusted Supplier Checklist
- Annual supplier completion of our Conflict Minerals Reporting Template
- Annual supplier audits (on-site or remote or self-assessment); In 2023, a total of 12 supplier audits were conducted wherein all the Major Non-conformances are closed.
- Ongoing quarterly business reviews with suppliers

Labor & Human Rights

Acre security (Vanderbilt International) strives to secure the right employee to ensure that everyone can make a difference with their blend of skills and experience. We adhere to and follow any applicable local collective agreements with unions.

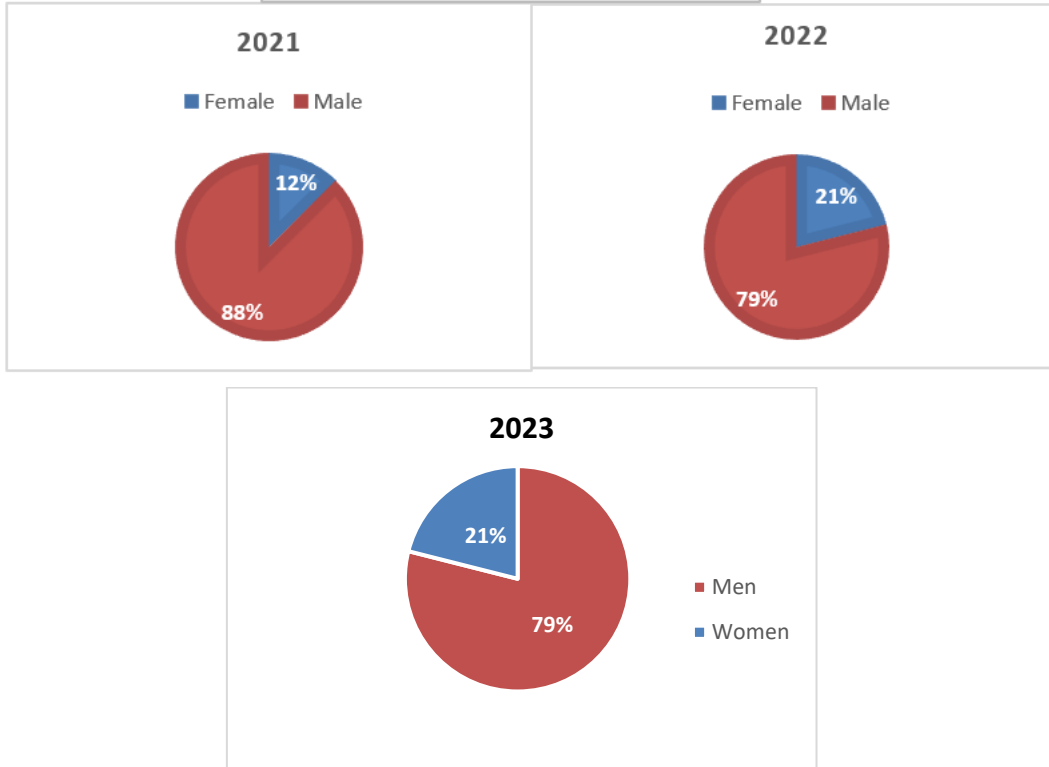
Voluntary turnover (rolling 12 months) 2023 was 11,1% (11,5% 2022).

Refer graphical representation of gender percentage in 2023 compared to 2021 and 2022.

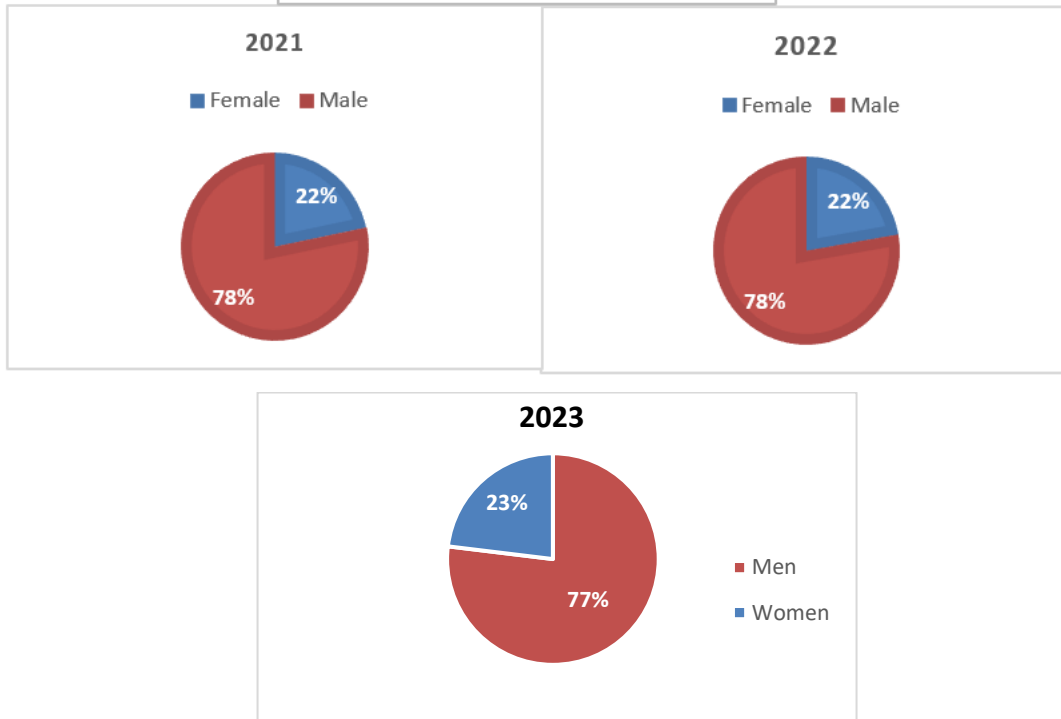


Sustainability Report 2023

DEP. HEAD/ SALE TERRITORY HEAD/ FC



TEAM LEADER / MANAGER / DESIGNATED



Employee Engagement surveys

The Human Resources team conducts quarterly surveys with our employees, using *& Frankly*, to compile their feedback on work satisfaction and engagement. These pulse surveys give the management team 360-degree feedback from all sites and levels, from different perspectives and since 2023 we conduct the same survey globally. We currently have a survey engagement rate of +70%.

Employee Recognition

As part of our high-performance value, we deem it important to recognize employees for their achievements. We do this via quarterly town halls and monthly Presidential letters. Any employee can recognize a colleague for their support and achievements. Nine employees were promoted internally in 2023. We are also delighted to celebrate employees' years of service with us: 43 employees were recognized for their service milestones with us.



Sustainability Report 2023

Environment

Acre security (Vanderbilt International) expects all employees to help and take responsibility for energy use and to conduct business in an environmentally friendly manner. LED lights and motion-sensor lights have been installed, where possible, to reduce the risk of energy waste. Where applicable, we review electricity providers' tariffs for green energy.

We are actively working to safeguard our environment by reducing pollution, reducing waste, and enforcing regulations that keep our water and air clean. Across all sites, office waste is managed in an environmentally friendly way.

Acre Security (Vanderbilt Intl) has the work environment management system (SAM) in place. Vanderbilt now has a designated Quality, Health & Safety and Environment manager who will be responsible for sustainability and environmental matters.

Each site has a nominated Health & Safety representative who does monthly QHSE review reporting to the QHSE Manager. All employees are actively encouraged and given time to take part in first aid , Fire Marshal courses.

Carbon offsetting

Ecovadis planted a tree on our behalf to commemorate our 2023 Bronze medal.

Our Karlsruhe site identified an opportunity to improve their carbon footprint in 2023, by 7.7 tons which is the same as 2022.

Products and Engineering

Our product managers plan the phase-out of their products well in advance to ensure sales of all components and finished goods to reduce any need for scrap. They collaborate cross-functionally with Supply Chain, Research & Development, Sales, Finance, and Marketing to successfully execute this process.

If there are End-of-Life components or finished goods that can no longer be used or sold, the Product Owner works closely with Supply Chain Management and our suppliers to ensure the proper management of any waste. A comparison of data is shown in the below table for products that were scrapped-

Year	Total qty (in units)	Total Cost (In Euros)
2023	16,854	382,844
2022	15,514	386,502
2021	4176	237,960



Sustainability Report 2023

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About the report_

This report has been approved by an extra Board meeting at Vanderbilt International (SWE) AB.

This report is for the financial year ending 31st December 2023 and covers the entire Vanderbilt Group. The report should be considered an attachment to Vanderbilt International (SWE) AB, org. no 5569874661, annual report.

It is our determination to continue developing our sustainability agenda and we are motivated to become more able to report on sustainability in an increasingly more structured way. Relevant key ratios will be added in subsequent years.

If you have any feedback related to this report, please contact the QHSE Manager (ruchirakulshetra@acre-int.com)