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Introduction

Vanderbilt International was founded in 2015, and it is a global provider of security systems, operating efficiently in ninety-five countries. Vanderbilt International currently employs 209 people worldwide.

Vanderbilt designs, manufactures, and distributes systems that safeguard environments and organizations of all sizes. Agility, adaptability, and dependability are distinctive marks of the Vanderbilt 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 video.

Vanderbilt wants 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 Vanderbilt's Executive Committee who frequently review this.

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

To learn more, please visit www.vanderbiltindustries.com, or follow us on [Twitter](#), [Facebook](#) and [LinkedIn](#).

2022 Sustainability Overview

In 2021, Vanderbilt engaged EcoVadis to formally audit and benchmark our sustainability management and performance. This was the first year that Vanderbilt had undergone a formal CSR evaluation.

We are delighted to report that Vanderbilt was awarded a bronze medal in 2022 for its Corporate Social Responsibility performance for the second year in row.

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 2023.

2022 Highlights

- Vanderbilt was awarded a second EcoVadis Bronze medal in 2022. We were placed
 - in the top 26% of companies rated by EcoVadis in the Manufacture of communication equipment industry.
 - in the top 15th percentile for Sustainable Procurement.
 - in the top 28th percentile for company Ethics.
 - We improved our environmental score by 10 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 quarterly Health and Safety review with newly appointed H&S site representatives.
- Our Karlsruhe site reduced their carbon footprint to an estimation of 7.7ton by optimizing their delivery schedule.

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 2022.
- Rehab Recycle is Ireland's largest NGO employer of people with disabilities.
- Rehab Recycle take 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 2023

We have recently onboarded a specialist QHSE manager who will drive environmental improvements across ACRE sites. Identified projects include:

- Dublin R&D waste management of components
 - Introduce a waste management system for R&D engineers' discarded waste (e.g., wires)
- Document shredding
- Annual 5S warehouse inventory review. Unclaimed items will be handled by Rehab Recycle.
- Employee Wellness survey
- Charity partner for other sites- either for donations, or a supplier who is also a charity (e.g., Rehab Recycle in Dublin).

In light of our parent company's acquisition of Time Data Security Ltd. (TDS) in 2021, we anticipate an expanded reporting scope from 2023. Therefore, we have to deploy a scalable technical solution for our sustainability reporting and align the companies' processes and sustainability KPIs. This is work-in-progress

with our IT & Quality teams. This will enable us to develop a centralized data baseline. As the TDS integration project is a transition period within the broader scope of our 5-year Full Potential Plan, we will align and apply revised sustainability KPIs upon the completed review of TDS' sustainability metrics.

Ethics

Anti-Bribery & Corruption

We have a zero-tolerance policy against bribery and corruption. In 2021, we published a 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 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 in 2022. 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.
- An ISO 9001:2015 internal audit was also performed on our financial Delegation of Authority process in 2022.
- 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 Vanderbilt, 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 Vanderbilt 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 Vanderbilt's Supplier Code of Conduct. This code was deployed in 2021 and covers:
 - Prohibition of corruption, bribery, bonded labor, and child labor.
 - Responsible mineral sourcing
 - 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)
- Ongoing quarterly business reviews with suppliers

Labor & Human Rights

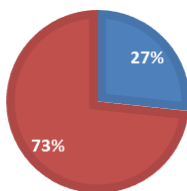
Vanderbilt strives to secure the right employee to ensure that everyone can make a difference with their blend of skills and experience. Vanderbilt adheres to and follows any applicable local collective agreements with unions.

In 2021, we applied the ISO 26000 standard to integrate socially responsible behavior into our organization. All employees must read and follow our Code of Conduct.

Refer graphical representation of gender percentage in 2022-

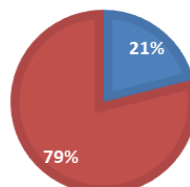
EXCOM/ SEN.MANAGEMENT TEAM

■ Female ■ Male



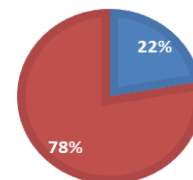
DEP. HEAD/ SALE TERRITORY HEAD/ FC

■ Female ■ Male



TEAM LEADER/ MANAGER/
DESIGNATED ASSOCIATE

■ Female ■ Male



Employee Engagement surveys

Starting from June 2021, Vanderbilt's Human Resources team conducts quarterly surveys with our employees, using & *Frankly*, to compile their feedback on work satisfaction and engagement. These quarterly pulse surveys give the management team 360-degree feedback from all sites and levels, from different perspectives. We currently have a survey engagement rate of ~80%, which we consider a positive metric.

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. Eight employees were promoted internally in 2022. We are also delighted to celebrate employees' years of service with us: 23 employees were recognized for their service milestones with us.

Environment

Vanderbilt 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.

Vanderbilt 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 meets monthly. All employees are actively encouraged and given time to take part in first aid courses: 8 First aiders were trained in 2022.

Vanderbilt actively encourages continuous improvements in environmental protection throughout its Supply Chain; this is explicitly expressed within our Supplier Code of Conduct. Energy efficiencies shall be gained wherever we can find them.

Carbon offsetting

We estimate approximately 3000 kg CO2 in 2022 in partnership with DHL's Go Green Climate Neutral Services. Ecovadis planted a tree on our behalf to commemorate our 2022 Bronze medal.

Our Karlsruhe site identified an opportunity to improve their carbon footprint in 2022, by 7.7 tons.

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. The products which were scrapped in 2022, constitute a total quantity of 15,514 units with a total cost of 386,502 euros.

About the report_

This report has been approved by the President of ACRE International

This report is for the financial year ending 31st December 2022 and covers the entire Vanderbilt Group.

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. In particular relevant key ratios will be added in subsequent years.

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