

ELECTRICAL & SECURITY SOLUTIONS

Sustainability Report Year 1

For Vision Systems

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[Publish Date 19/02/2025]



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Executive Summary

At Vision Systems, we believe that sustainability is not just a responsibility but a fundamental part of who we are and how we operate. As Company Directors, we are fully committed to embedding sustainability into every aspect of our business. From our day-to-day operations to long-term strategic planning, our focus is on driving positive environmental, social, and economic outcomes for our stakeholders and the communities we serve.

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Our sustainability strategy is built around clear, actionable goals that reflect our dedication to reducing our environmental footprint, fostering an inclusive and equitable workplace, and contributing meaningfully to society. We have set ambitious targets to guide us on this journey, and we are proud of the progress we have made so far. However, we recognise that sustainability is a continuous process, requiring constant innovation, engagement, and collaboration with our people.

As leaders, we are committed to transparently communicating our progress, holding ourselves accountable to the highest standards, and empowering our employees to play an active role in achieving our sustainability goals. Together, we are building a future where responsible business practices and sustainable growth go hand in hand.

We invite you to explore this report and learn more about the steps we are taking to ensure a sustainable future for our company, our people, and the planet.

OUR IMPACT AREA: Business Ethics & Governance –

In early 2023, we engaged an external consultancy to assist in advancing our sustainability goals and ensuring a structured approach to achieving them. This partnership resulted in the development of a comprehensive action plan for the next 3 financial years' sustainability targets. Each target was carefully aligned with our broader sustainability strategy, and ownership for each impact area was assigned to a dedicated member of the Sustainability Committee. This clear allocation of responsibilities ensures accountability and drives progress towards achieving our sustainability objectives over the next few years.

In mid-2023, we established our Sustainability Committee, comprising key members including Tristan Bailey (Business Director), Pip Delany-Lott (Personal Assistant), Will Lynton (Electrical Estimator), Tracey Chadwick (Faults & Service Co-Ordinator (SI)), Lou Cooper (HR Manager), Etienne Janse van Rensburg (National Operations Manager), Georgia Thompson (National PPM Contracts Manager), Frazer Walters (Electrical Project Manager), Terry Phillips (Security Engineer) and Sam Crampton (BDM).

The Committee convenes every six weeks to oversee and advance our sustainability initiatives. In our commitment to transparency and ethical governance, we introduced a new mechanism for stakeholders to voice their concerns. This includes regular Qualtrics surveys sent to staff, enabling them to provide feedback on our ethics and governance practices. Additionally, we have reviewed our existing policies related to anti-bribery and anti-corruption, and are confident that they effectively reflect our expectations and standards in these critical areas.

As part of our commitment to fostering a supportive and inclusive workplace, we are proud to report that four of our senior staff members have successfully completed a Mental Health First Aid course with St John. This training, totalling approximately 20 hours, equips our team with the skills to recognise and respond to mental health challenges in the workplace. By investing in this training, we are enhancing our ability to provide timely and effective support to our colleagues, reinforcing our dedication to overall employee well-being and creating a more compassionate work environment. We are happy to report that this training has surpassed our goal of 16 hours or sustainability specific training for our senior leadership team.



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In our pursuit of sustainable business practices, we have actively explored the availability of circular business models, such as leasing models for equipment and maintenance services. Our approach to fleet management aligns with these principles. We lease the majority of our vehicles, ensuring that our fleet remains modern and fuel-efficient, which helps reduce our environmental impact. However, for specific vehicles like Hiluxes, we assess their resale value at the end of the lease period. By considering the costs of financing and the anticipated value of the Hiluxes, we determine whether purchasing them at the lease's conclusion offers greater long-term benefits.

For equipment, our decision to rent or buy is project-dependent. When working on short-term projects, we opt to rent equipment, minimising unnecessary resource consumption and costs. For longer-term projects, we evaluate the value of purchasing equipment to ensure operational efficiency and cost-effectiveness. This flexible approach allows us to balance sustainability with practical business needs while optimising resource use throughout our operations.

OUR IMPACT AREA: Working at Vision System -

As part of our commitment to sustainability, we have taken significant steps to ensure that our entire team is actively engaged and aligned with our sustainability strategy. Our Business Director has personally presented our sustainability goals, policies, and targets to each of our regional teams. These presentations have been instrumental in clarifying our direction and fostering a collective sense of responsibility. Additionally, we regularly update our website with the progress we are making toward these goals and incorporate sustainability updates in our monthly team meetings to keep the momentum going.

Beyond communication, we have actively participated in various initiatives to demonstrate our dedication to sustainability. Our team has engaged in volunteer activities, including participating in events like Volunteer Day, supporting Gumboot Friday, contributing to E-waste recycling efforts, and repurposing uniforms into dog beds. These activities allow us to make a tangible impact on our community and environment.

To ensure an open line of communication with our staff, we have established a mechanism for ongoing feedback and engagement. Regular Qualtrics surveys are sent to all employees, offering them the opportunity to ask questions, share ideas, and raise any concerns related to our sustainability performance. For added convenience, we provide a quick reply link in our mid-week communications to encourage immediate feedback.

In November 2023, we conducted a DE&I survey (Diverse, Equity & Inclusion). With our DE&I survey complete a focus for the next coming years would be to ensure that we have opportunities for staff and the business to continue on this journey.

We are committed to fostering an inclusive and supportive work environment where the contributions of all employees are recognised and valued. Our celebration of Women in the Workplace reflects our broader efforts to champion diversity and promote gender equity within the organisation.

All new employees are introduced to our sustainability strategy upon joining the company and are required to read and acknowledge their understanding. Furthermore, we have undertaken a comprehensive review of all our policies and processes, with a particular focus on recruitment, to ensure they remain inclusive and equitable, aligning with our sustainability objectives.



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As part of our commitment to fostering a culture of sustainability and reducing waste, we developed an innovative online internal marketplace called the "Vision Systems Ecosystem" (VSE). This platform enables our staff to share, trade, and exchange second-hand goods within the company. By facilitating the reuse of items such as office supplies, furniture, electronics, and other personal or work-related goods, VSE promotes resource efficiency and helps reduce the environmental impact associated with purchasing new products.

The Vision Systems Ecosystem not only encourages sustainable practices but also strengthens our internal community by providing an easy-to-use platform where employees can support one another. By circulating goods within our network, we are reducing waste, minimising our carbon footprint, and promoting a more circular economy. VSE has been well-received by our staff, reflecting our collective commitment to sustainability and responsible resource use.

OUR IMPACT AREA: THE HEALTH & WELLBEING OF OUR PEOPLE –

As part of our ongoing commitment to supporting the health, well-being, and job satisfaction of our team, our HR Manager conducted a comprehensive well-being survey. This survey aimed to assess the overall health, sense of work satisfaction, and resilience of our employees, providing valuable insights into how we can better support our workforce. The results of these surveys inform our strategies for maintaining a positive and supportive workplace environment.

During the induction process, all new employees receive an introduction to our Workplace Wellbeing Policy on their first day. This ensures that from the start of their journey with us, they understand the resources and support available for their health and well-being. Additionally, four members of our team, including our HR Manager, Business Development Manager, Electrical Team Leader, and Service Coordinator, have completed Mental Health Awareness training. This training has enhanced their understanding of mental health issues, equipping them to provide better support to colleagues and contribute to a more compassionate work environment.

To promote physical well-being, our HR Manager conducts an annual ergonomics assessment for all office staff, ensuring that their workstations are optimally set up to prevent strain and discomfort. We have also offered all staff the opportunity to have an adjustable standing desk. While there has been some uptake, all employees are aware that they can request a standing desk at any time, fostering a workplace that encourages comfort and health.

Through these initiatives, we are continually working to create a supportive, inclusive, and resilient workplace where our employees feel valued and empowered to thrive.

OUR IMPACT AREA: ETHICAL & SUSTAINABLE PROCUREMENT –

As part of our ongoing commitment to sustainability, we have initiated a comprehensive process to map our supply chain for our top 20 most sold products. This mapping aims to identify gaps in our visibility and enhance our understanding of the social and environmental impacts associated with these products. By gaining clearer insights into our supply chain, we can better address sustainability challenges and drive improvements.

We are in the process of developing a Sustainable Procurement Policy that will set clear expectations for our suppliers concerning social and environmental factors. This policy will cover key areas such as emissions, materials management, supplier diversity, and the utilisation of local suppliers. Our objective is to create a framework that not only promotes responsible sourcing but also supports our broader sustainability goals. Alongside this policy, we are setting specific objectives and targets related to sustainable procurement and developing an action plan to implement and manage these guidelines effectively.



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Our commitment to increasing supplier diversity and supporting local businesses is also a central focus. We are reviewing opportunities to enhance supplier diversity and strengthen our relationships with local suppliers, ensuring that our procurement practices contribute to a more inclusive and supportive business ecosystem.

In addition, we are measuring our paper usage and setting reduction targets for 2024 and 2025. While we have made progress in tracking and setting goals, we currently lack solid evidentiary support to mark these goals as completed for this year. We are dedicated to addressing this gap and will continue to work towards achieving our paper reduction targets with a clear and evidence-based approach.

Through these efforts, we aim to drive more sustainable practices across our supply chain, enhance our procurement processes, and reduce our environmental footprint, ultimately contributing to a more sustainable future.

OUR IMPACT AREA: MATERIALS MANAGEMENT -

Due to the significant amount of packaging we receive from our suppliers, we have not yet begun a formal audit to understand the types and volumes of packaging materials entering our operations. However, this remains a priority as we work toward identifying the sources and opportunities to minimise waste. To better understand our current waste streams, we conducted a comprehensive bin audit at our operational sites. This audit provided valuable insights into where materials are being disposed of, allowing us to take informed steps toward improving waste diversion.

As part of this effort, we implemented separate bins in all our offices to facilitate the division of waste into landfill, plastics, and cardboard, promoting better recycling practices. Additionally, we investigated options for redirecting our food waste from landfill to composting. While we have not yet completed this changeover, we aim to fully implement this composting initiative in Year 2.

We also explored the possibility of creating a lunchbox and reusable cup library to reduce single-use items, but lunchboxes were deemed unsuitable for our staff needs. However, we have introduced boomerang coffee cups in our Auckland and Christchurch offices to reduce disposable cup waste. This small but effective initiative is already contributing to lowering our environmental footprint.

In terms of electronic waste, we developed an e-waste disposal policy to ensure that no operational IT or digital electronics go to landfill. This policy has been extended to our staff, allowing them to safely dispose of their personal e-waste through our program. Each of our offices also features a used battery drop-off point, providing a safe and environmentally responsible way for staff to dispose of their used batteries.

We are still investigating feasible options for soft plastic recycling. While progress has been made in other areas of waste management, we remain committed to finding solutions for all types of waste to reduce our environmental impact and move toward a more sustainable future.



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OUR IMPACT AREA: ENERGY & EMISSIONS –

We are in the process of mapping our carbon footprint by collecting data from the FY22-23 period, with the goal of establishing a baseline by November 2024. This baseline will provide the necessary foundation for setting science-based carbon reduction targets. Until this mapping is complete, we are unable to fully develop a comprehensive carbon reduction plan. However, this work is a critical first step in understanding our environmental impact and shaping our long-term sustainability strategy.

In the meantime, we have taken steps to minimise unnecessary travel and reduce emissions where possible. All staff are now required to consult our "decision travel tree" before embarking on any travel, particularly when it involves travel outside their district or flights. This tool encourages staff to consider alternative options such as virtual meetings and public transportation before committing to travel, helping to limit our travel-related emissions.

We have also trialled one electric vehicle (EV) within our fleet. The feedback from the staff member using the EV has been positive, with praise for the vehicle's comfort, smooth ride, and instant acceleration. While the vehicle's range is advertised at 420km when fully charged, the actual range in real-world conditions, with lights, air conditioning, and other accessories in use, is closer to 350km. Overall, the trial has been a success, and the EV has proven to be a reliable option for reducing vehicle-related emissions. However, setting formal reduction targets for our fleet will not be possible until we finish mapping our carbon footprint baseline.

We have also reviewed our office infrastructure to identify how we can support zero-emission commuting options. As a result, we procured e-scooters for our Christchurch office, which are now being used for local meetings, reducing the need for short car trips. Unfortunately, due to the geographical location and size of our Auckland office, e-scooters were not a feasible option there. Additionally, while we aim to engage staff on how to enable zero or low-emissions commuting, the widespread use of company-supplied vehicles and geographical hurdles have made this challenging.

Finally, we are aware of the renewable energy sources currently powering our operations. Our electricity suppliers— Mercury, Contact Energy, and Meridian—all utilise renewable energy sources such as hydropower and wind farms. We are exploring ways to further increase our reliance on renewable energy as part of our long-term sustainability strategy. Through these efforts, we aim to build a future where emissions reduction is fully integrated into our operational practices.

OUR IMPACT AREA: SUPPORTING COMMUNITY -

As part of our commitment to social responsibility, we offer each staff member one paid volunteer day annually to support causes that matter to them. However, we observed low uptake on this initiative, prompting us to seek feedback from our employees to understand the barriers preventing participation. The primary reason cited was workload, with many employees feeling that the demands of their roles make it difficult to take time off for a volunteer day.

In response, we established an annual team community day for each of our offices to ensure collective participation and ease the burden of individual planning. These community days provide an opportunity for employees to contribute to meaningful causes as a group. For instance, our Christchurch team participated in a tree planting event, while our Auckland team took part in a beach cleanup. These activities not only support environmental sustainability but also foster team spirit and engagement in community service.



To further enhance our community involvement, we sought input from our employees to identify the causes they care about most and the needs they see within their local communities. These discussions are ongoing and will help us shape future volunteer opportunities that resonate with our team and have a positive impact on the areas where we live and work.

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Additionally, we reviewed our approach to charitable giving to ensure it aligns with our business values and reflects the causes our employees believe are important for us to support. As part of this review, Lou and Will have begun drafting a charitable giving policy, which will guide our future contributions and ensure they are directed toward impactful and meaningful initiatives. Through these efforts, we aim to create a culture of giving and community engagement that aligns with both our organisational mission and the passions of our people.

OUR IMPACT AREA: COMMUNICATING & INFLUENCING -

To demonstrate our commitment to sustainability and keep both our stakeholders and the public informed, we have developed a dedicated page on our website outlining our sustainability journey and publishing our full Sustainability Strategy, which can be viewed here: <u>Sustainability Goals</u>. This page serves as a transparent resource, highlighting the steps we are taking to achieve our sustainability goals and providing updates on our progress.

In parallel, we are actively working to complete our BCorp10 B Impact Assessment (BIA), a rigorous evaluation that will help us measure our overall social and environmental performance. This ongoing assessment is a critical part of our sustainability journey, enabling us to set benchmarks and continually improve our efforts to create positive impacts.

We have also integrated sustainability into our regular external communications plan. Through this, we tell the story of our journey, highlighting key milestones and what we are doing to achieve our goals. These updates are published on our website for the general public to see and are shared via social media when specific tasks or targets are completed. This approach ensures that our sustainability efforts are communicated consistently and reach a wider audience, including customers, partners, and the community.

To further embed sustainability into our organisational culture, all staff members who are part of our sustainability committee have their membership proudly listed in their email signatures. This not only reflects their dedication but also reinforces our company's collective commitment to sustainability in every interaction with internal and external stakeholders. Through these initiatives, we continue to prioritise transparency and engage others in our sustainability journey.