



Sustainability and TCFD



Tracsis is committed to delivering sustainable growth, and ensuring that our products, services and activities all make positive contributions to the world around us. Securing ISO 14001 accreditation for our environmental management system is an important step towards achieving our goal of being carbon neutral by 2030.”

Chris Barnes

Chief Executive Officer

Sustainability is at the heart of our purpose and our products

Our approach



Tracsis is fully committed to delivering sustainable growth that benefits the communities in which we, and our customers, operate. The Group's products and services are well aligned with this vision, and support our customers in delivering positive environmental and social outcomes. This is achieved by maximising operating efficiency, improving health and safety performance, delivering enhanced customer experience, and providing expert consultancy on environmental and transport issues. Our growth strategy is focused in these areas.

Sustainability is a fundamental component of how we deliver long-term stakeholder value and of our employee proposition in order to attract and retain talent. Our Environmental, Social and Governance (ESG) strategy articulates our sustainability ambitions and provides a framework for delivering these. The execution of this strategy will embed ESG as a core component of our operating model.

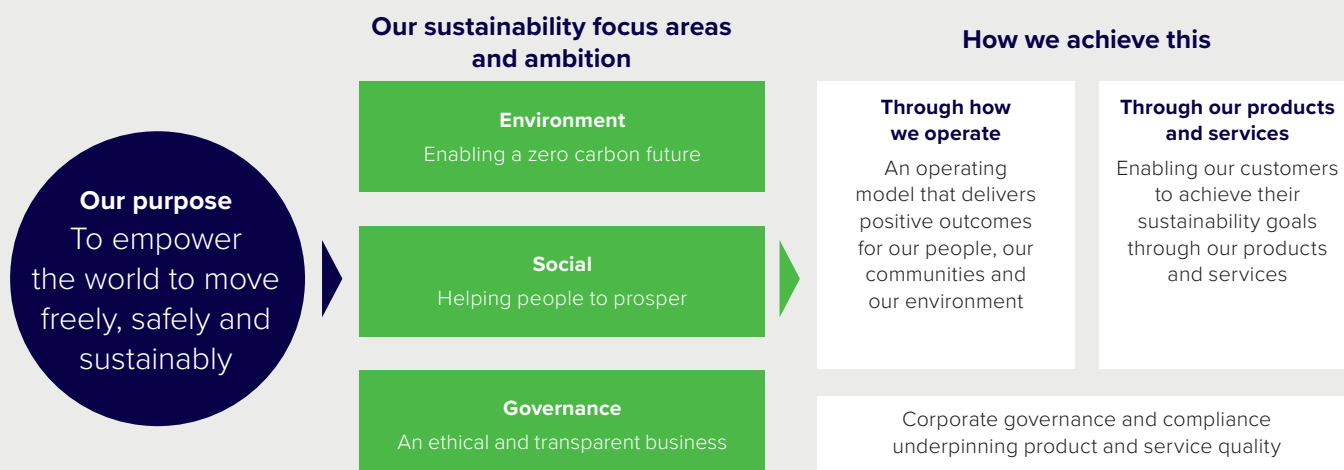


United Nations Sustainable Development Goals (“SDGs”)

Our ESG strategy and ambitions are aligned to the United Nation SDGs, as summarised in the table below. In reviewing this alignment we have considered the subindicators within each of the SDGs.

UN SDG	Sustainable development target	Tracsis alignment
 3 GOOD HEALTH AND WELL-BEING	3.6 Halve the number of global deaths and injuries from road traffic accidents	Our Rail Technology & Services products help to deliver a modern, efficient railway with high levels of availability and an improved customer experience, to encourage increased use of public transport.
 4 QUALITY EDUCATION	4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Community outreach activities focused on encouraging careers in tech and improving access and diversity.
 5 GENDER EQUALITY	5.5 Ensure women’s full and effective participation and equal opportunities for leadership	50% of the Tracsis Board is female. We aim to increase female representation across all levels throughout the business.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.1 Develop quality, reliable, sustainable and resilient infrastructure	The core purpose of our Rail Technology & Services business is to enable the digital transformation of the railway to improve reliability, efficiency and sustainability.
 11 SUSTAINABLE CITIES AND COMMUNITIES	11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all 11.6 Reduce the adverse per capita environmental impact of cities	Our Rail Technology & Services products help to deliver a modern railway, with high levels of availability, increased efficiency, improved safety outcomes, and access to pay-as-you-go ticketing. Our Data, Analytics, Consultancy & Events Division provides expert advice and analysis to deliver optimised transport infrastructure solutions which contribute to sustainable transport initiatives and CO ₂ reduction.
 13 CLIMATE ACTION	13.2 Integrate climate change measures into policies, strategies and planning	Our target is to be carbon neutral for scope 1 and scope 2 emissions from Tracsis operations by 2030. Our products and services support optimised transport infrastructure solutions and the increased use of public transport, to help reduce GHG emissions.

Tracsis sustainability framework





Sustainability *continued*

Our sustainability goals



Environment

Sustainability ambitions

We see reducing carbon emissions as the area in which Tracsis can deliver the most material positive environmental impact.

Tracsis operating model

We are focused on reducing the carbon emissions from Tracsis' operations.

Our target is to be carbon neutral for scope 1 and 2 emissions across Tracsis operations by 2030.

Tracsis products and services

We envisage a zero carbon, energy efficient transport future.

Our products and services enable this by improving transport effectiveness and efficiency.



Social

Sustainability ambitions

We want to ensure Tracsis has a positive impact on the people who work for us, and on the communities where we operate.

Tracsis operating model

We want to provide our employees with meaningful, rewarding and sustainable employment:

- ensuring they are safe and protected from harm in the workplace;
- creating a diverse and positive culture, with progression based on merit and capability;
- equal pay for equal work, and fairly rewarding success;
- providing training and development for all employees through formal programmes; and
- identifying potential and supporting career progression.

Tracsis products and services

We want to deliver a positive social impact on society at large:

- supporting our customers to deliver positive social impacts through the application of our products and services;
- delivering improved health and safety outcomes for our customers through our Rail Technology products; and
- Tracsis operations having a positive impact in the communities where we operate.



Governance

Sustainability ambitions

Our ambition is to be a successful, innovative and sustainable business that delivers long-term value and is accountable for its actions and behaviour.

Tracsis operating model

Effective and transparent stakeholder engagement

Tracsis products and services

Managing sustainable value throughout the Company

Environmental

We are committed to environmental sustainability.

Our 2030 targets for Tracsis operations are as follows:

Aim	Metric	2030 target	FY 23 Performance	Change in the Year
Carbon neutral (Scope 1 and 2)	Tonnes of equivalent carbon dioxide emissions, (tCO ₂ e)	Zero	988 2022: 1,060	 7% lower
Fleet electrification (owned and hired for operations)	Number of electric vehicles/total number of vehicles	100%	16% 2022: 3%	 13 %pts higher
100% renewable energy supply	% kWh of renewable electricity supply (Scope 2)	100%	32% 2022: 40%	 8 %pts lower



Our key focus for Tracsis operations is to be carbon neutral for scope 1 and scope 2 emissions by 2030.

Over 70% of the Group’s carbon emissions are generated from its vehicle fleet, which is primarily in the Traffic Data & Events business. Our primary focus to achieve our carbon neutral goal is therefore on achieving 100% electrification of this fleet. At 31 July 2023 this had increased to 16% from 3% at 31 July 2022 (including hybrid vehicles). Achieving 100% electrification requires iterating our operating model to progressively increase the utilisation of electric vehicles. During the year, these two businesses have been fully integrated under a common leadership team to enable a consistent and focused approach to achieving this ambition. We are currently reviewing options to establish a hub of combined operating sites that will better support a fleet of electric vehicles.

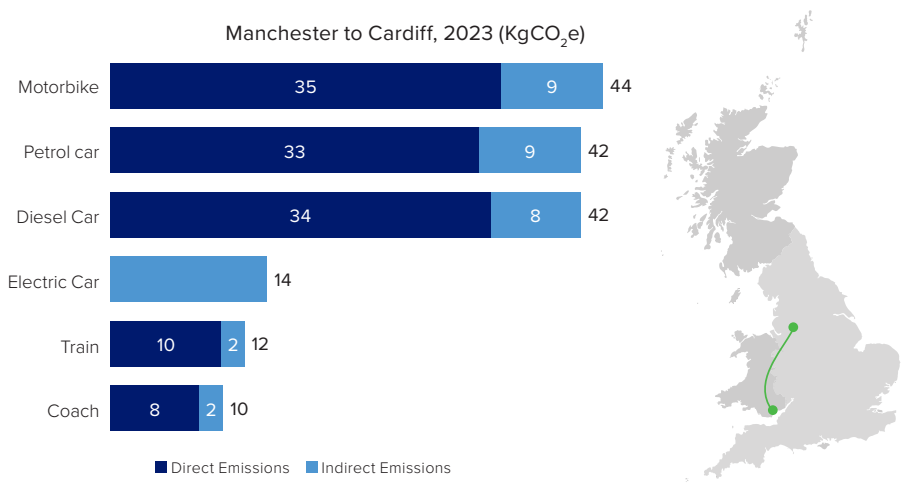
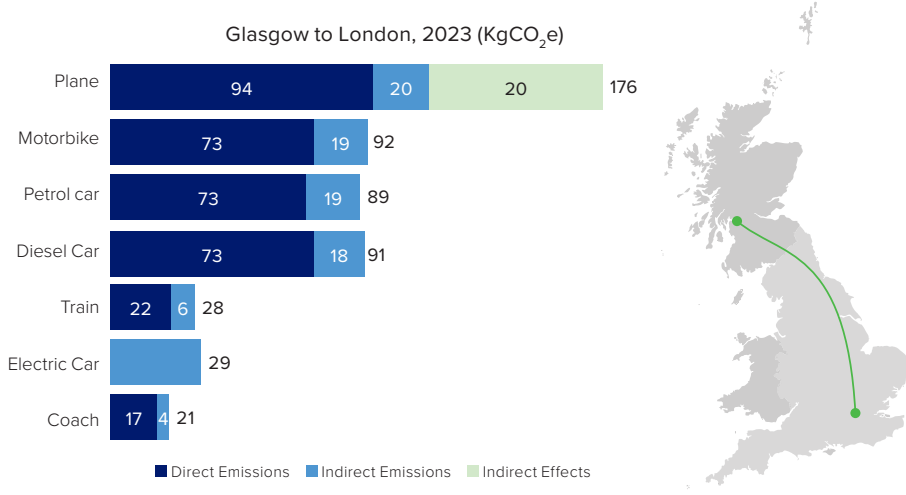
We are also committed to ensuring that 100% of the Group’s electricity supply is from renewable sources. This decreased in the year to 32% (2022: 40%) reflecting a full year of ownership of Rail Technology North America. We will identify how to improve this through the emerging Carbon Reduction Plan.

Our focus on carbon does not mean we are not also committed to delivering other positive environmental outcomes. For example we have a waste management policy to reduce the amount of waste the Group produces, and to increase the amount of reuse and recycling of waste materials.

Supporting our clients’ net zero ambitions

Our Rail Technology products support our clients to deliver more efficient and more reliable rail transport services, with an improved customer experience. We see increasing rail transport usage as an integral part of delivering a net zero transport future. Transport is the largest greenhouse gas (GHG) emitting sector in the UK, with 94% of these emissions coming from cars and taxis, heavy goods vehicles, and vans¹. Rail travel, by comparison, is a significantly lower carbon intensity form of transport, as shown in the charts below. Increasing rail usage requires the digital transformation of the rail industry, which Tracsis is well placed to support.

Indicative GHG emissions (KgCO₂e) for a single passenger on example journeys, 2021¹



1 Source: Department for Transport “Transport and Environment Statistics: 2023” published 19 October 2023.



Sustainability *continued*

Energy consumption and emissions data

We recognise the impact that greenhouse gas emissions have on our environment, and we are committed to reducing our emissions. The table below shows the Group's energy consumption and emissions in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements. We are reporting our two Divisions separately due to the different consumption profiles. FY23 data includes a full year of ownership of Rail Technology North America (Rail Technology & Services, Global) and Icon GEO (Data, Analytics, Consultancy & Events, Global), which has resulted in an increase in total emissions in the Rail Technology & Services Division.

	Emissions by region				Emissions by Division			
	FY23		FY22		FY23		FY22	
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)	Rail Technology & Services	Data, Analytics, Consultancy & Events	Rail Technology & Services	Data, Analytics, Consultancy & Events
Energy consumption used to calculate emissions: /kWh	3,773,073	516,526	4,188,923	327,106	514,718	3,774,881	338,350	4,177,679
Scope 1: Direct emissions from owned/ controlled operations	787	57	782	44	17	827	10	817
Scope 2: Indirect emissions from the use of electricity	23	10	73	18	8	25	37	52
Scope 3: Emissions from sources that we do not own	75	35	126	17	62	48	16	126
Total emissions	885	102	981	79	87	900	65	995
Intensity ratio: total gross tCO ₂ e (as above)/£100,000 revenue	1.21	1.16	1.72	0.63	0.23	2.04	0.22	2.56

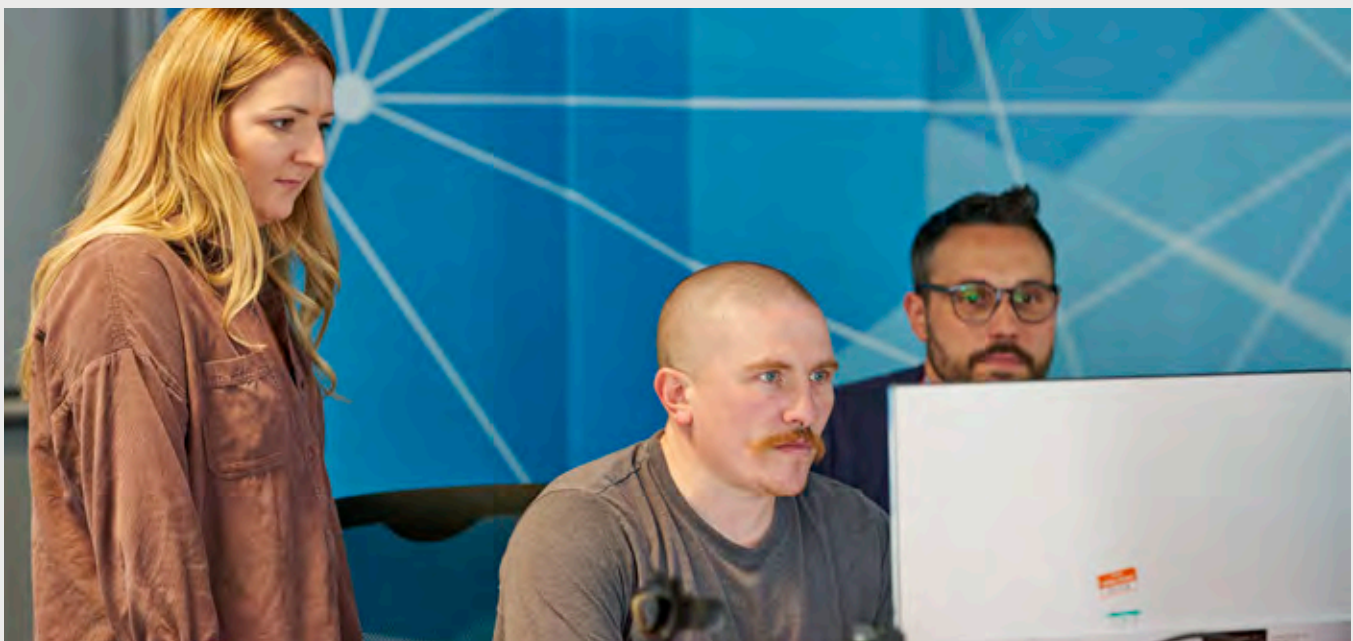
Methodology Reporting (and the organisational boundary to which it applies) uses the Control Approach as defined in the GHG Protocol Corporate Standard (Revised). BEIS-DEFRA 2022 Conversion Factors are used for UK emissions and Sustainable Energy Authority of Ireland (SEAI) 2021 Conversion Factors are used for Ireland. US figures use the 2007 IPCC Fourth Assessment Conversion Factors (to be consistent with the BEIS-DEFRA 2022 conversion factors which are based on the 2007 IPCC Fourth Assessment figures). Our process for collecting and reporting emissions data has been validated by external consultants as appropriate and sufficient.

Scope 1 emissions: Emissions from combustion of gas are based on kWh consumption. Emissions from combustion of fuel for transport purposes are based on litres of purchased fuel (converted to kWh for the energy consumption calculation above using BEIS-DEFRA 2022 Conversion Factor ratios).

Scope 2 emissions: Emissions for location-based purchased electricity are based on kWh consumption. Owing to the nature of the events industry, it has not been possible to produce carbon emission figures for remote event sites where event organisers provide electricity supply to temporary cabins, so these emissions are excluded.

For Scope 1 and 2 emissions, the primary sources of data are invoices and service reports. Missing data points have been estimated based on available data for the same business location or, in one case where no data was available from the landlord, an analysis of locations with similar operational profiles. Where estimated data suggests a range of possible values, as opposed to a single reasonable value, the higher value of the range has been used to give the higher value of carbon emissions.

Scope 3 emissions: Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel are based on mileage from expense claim data or, where unavailable, maximum estimated mileage for each business given the nature of its operations.





Social

Ensuring that Tracsis has a positive impact on the people who work for us, and across society at large including the communities where we and our customers operate, is fundamental to our ambition to deliver sustainable growth and long-term stakeholder value. Our strategy is focused on four key areas.

Health and safety

Ensuring our people are safe and protected from harm in the workplace is a key priority and the Board is committed to driving a strong safety culture throughout the Group. Our 2030 target is for zero lost time injuries. The Group Health and Safety Manager is responsible for oversight of all safety issues and provides a report to the Executive Management Team on a monthly basis. This report covers the details of any health and safety related incidents including near misses, and mitigating actions being taken to ensure these are not repeated. During the financial year ended 31 July 2023 there were two RIDDOR reportable incidents, and no fatalities.

Employee engagement

The Group is focused on offering a compelling proposition to current and future employees, in order to retain and attract the best talent. A key component of this is regular and meaningful engagement with our employees from all parts of the Group. Communication occurs on both a formal and an ad hoc basis throughout the year. The CEO and CFO provide regular updates to senior leaders throughout the business to keep them informed of what is happening across the wider Group. They also make regular visits to our offices which provide opportunities for all staff to engage with them and to ask questions in a more informal setting. The Board also rotates the location of its meetings around Tracsis operating locations, which provides further opportunity for engagement with our employees.

We have continued to host lunchtime "Tracsis Talks" sessions covering a range of employee-generated topics and involving expert speakers. During the year this has included menopause awareness and neurodiversity.

In September 2022 the Group undertook its first employee survey, to better understand how we could improve our employee proposition. 60% of employees completed the survey, which delivered an engagement score of 85%. Feedback from employees in this survey resulted in three areas of focus for the year ended 31 July 2023:

Communication: Employees requested increased levels of communication and the improved ability to connect with colleagues around the Group. During the year we have implemented the Group's first groupwide HR information system, which gives all employees the ability to communicate and collaborate with each other. We have also increased the number of all-employee briefings given by Chris Barnes and the senior leadership team, which provide an update on Company strategy and performance and where people from across the Group can ask questions. As we continue to further integrate the Group's activities and operating model, we are creating more opportunities for increased collaboration and career development across the full span of Tracsis' activities.

Career development: We have invested in building out our internal talent team, who co-ordinate both our talent acquisition activities and also focus on building development pathways within the Company for our people. Vacancies across Tracsis are now advertised in a central place where all colleagues have visibility to apply, and we have rolled out a number of training programmes in the year aimed at developing management skills and other capabilities to enhance professional development. Topics have included how to hold an effective one-to-one, how to manage performance, and how to recruit effectively. During the year we have introduced a new performance development review process, which is designed to give employees the opportunity to have career development conversations with their managers and to align objectives with individual career aspirations.

Benefits: We are in the process of completing a comprehensive review of all benefits on offer across Tracsis, and have made progress in standardising our offering in a number of areas. This work is ongoing as we make further progress in integrating the Group.

We will undertake a second groupwide survey in November 2023.



Sustainability *continued*

Claudia-Liza Vanderpuije

Wednesday 4th October, 13:30pm to 14:30pm

WITH OVER 15 YEARS' EXPERIENCE IN THE TECH INDUSTRY, Claudia-Liza Vanderpuije has obtained six years of live broadcasting, writing for the UK's biggest business channels including Sky, BBC, ITV and of course Channel 5. Currently the face of 5 News Tonight, Claudia gives us the first back seat anchor to present the programme. Covering the day's big and topical stories with discussion, debate and in-depth interviews with political leaders and those at the centre of major events.

Raised and brought up by her Ghanaian mother on an island in London, and committed to work on equality, gender equality, education, diversity and inclusion, Claudia-Liza joins us to talk about her experiences growing up to becoming a headline name in journalism.

Abi Chew
HR Business Partner

For more information please contact:

Technology Makes It Possible, People Make It Happen

The Inclusive Manager's Toolkit

SUPPORTING YOUR TEAM

- 1

5-POINT PLAN

The 5-Point Plan is a tool for supporting, developing, and coaching in the workplace as it provides a structured approach to address their unique needs by focusing on business objectives, learning opportunities, supporting accommodations, recognizing strengths, and maintaining flexibility. The plan ensures a supportive and inclusive environment.
- 2

BE FLEXIBLE

To accommodate colleagues' needs, provide flexibility in working conditions where possible. This could include options such as: flexibility in work hours, remote work options or alternative work arrangements to support individual needs and promote a flexible work and reward environment as a practice, which requires an ongoing and individualized approach.
- 3

CLEAR COMMUNICATION

Establish open and transparent communication channels to ensure a regular and consistent communication about the business objectives, including their needs, concerns, and ideas. Offer listening before all responses also such as written, verbal and visual. This could include systems such as one-to-one, team discussions, team calls, private text requests or chat options.
- 4

BE ACCOMODATING

Common key communication strategies include providing assistance to colleagues, flexible work arrangements, or individualized and responsive to unique requirements and abilities.

Some examples of assistance that may be helpful in the workplace include: not to speak without speech recognition software, providing headphones, time management, organizational structures and content.
- 5

ACTIVE LISTENING

Active listening is a crucial skill for managers to foster positive communication, build trust, and support their colleagues. It involves fully engaging in the conversation, focusing on the speaker, and providing consistent attention. In a workplace, this process can enhance understanding, improve productivity, and create a more inclusive and supportive environment for all team members.
- 6

DEVELOP POLICIES

Explore developing and implementing a policy with colleagues across the company. Offer opportunities for feedback and maintain an open-door policy for all employees. For example: Equal Employment Opportunity Act, Reasonable Accommodation Act, Disability Discrimination Policy, Diversity & Inclusion Policy, Communication Accessibility & Working Group and the Community & Diversity Policy.

Social *continued*

Training, development and opportunities

We strive to provide our employees with a rewarding working environment, providing opportunities for personal development, career progression, and an inclusive and open culture. The Group has developed a comprehensive strategy to ensure that we have the processes, learning and development frameworks, and robust succession plans in place to continue to offer a compelling proposition to current and future employees, and to ensure we have the capabilities and talent to deliver our growth strategy.

During the year we have continued to deliver the 'OneTracsis' leadership development scheme for managers and senior leaders. As well as providing learning and development opportunities in a business context, this scheme is also designed to promote collaboration and innovation across the Group. The CEO and CFO have attended modules of this training programme to update on strategy and Group performance. A number of business initiatives have resulted from this scheme, which are now being progressed by multi-functional teams made up of colleagues who attended the programme and under the sponsorship of a senior leader.

As noted above we have delivered further training programmes this year with a focus on management skills. In the coming year we will be rolling out a Learning Management System that will provide an online resource of development materials to supplement in-person training.

Community engagement

In support of our focus on helping people to prosper, during the year we have started a series of community engagement initiatives centred around technology.

In February 2023 we launched our "Breaking Barriers" series. This is aimed at bringing the technology community in Leeds together and ensuring Tracsis is involved in the conversation around diversity and inclusion in tech. Over 60 people attended the event hosted at Tracsis' Leeds headquarters, and the event included a panel of Tracsis employees who shared their experiences and answered questions.

In September 2023 Tracsis was the headline sponsor of a "hack for good" hackathon in partnership with Leeds City Council as part of the Leeds Digital Festival. The theme of the event, which was attended by c.100 people, was using technology to help develop a skilled, productive and inclusive workforce. We plan to support similar events in other locations going forward.

A number of charitable initiatives have been undertaken across the Group this year, organised at a local operating site level. These have included work supporting the Trussell Trust and activities to collect and upcycle IT equipment for use in schools in Zambia.





Governance

The Tracsis Board provides oversight and has overall responsibility for the Group's sustainability performance. It sets the targets for the Group and monitors progress on delivering these.

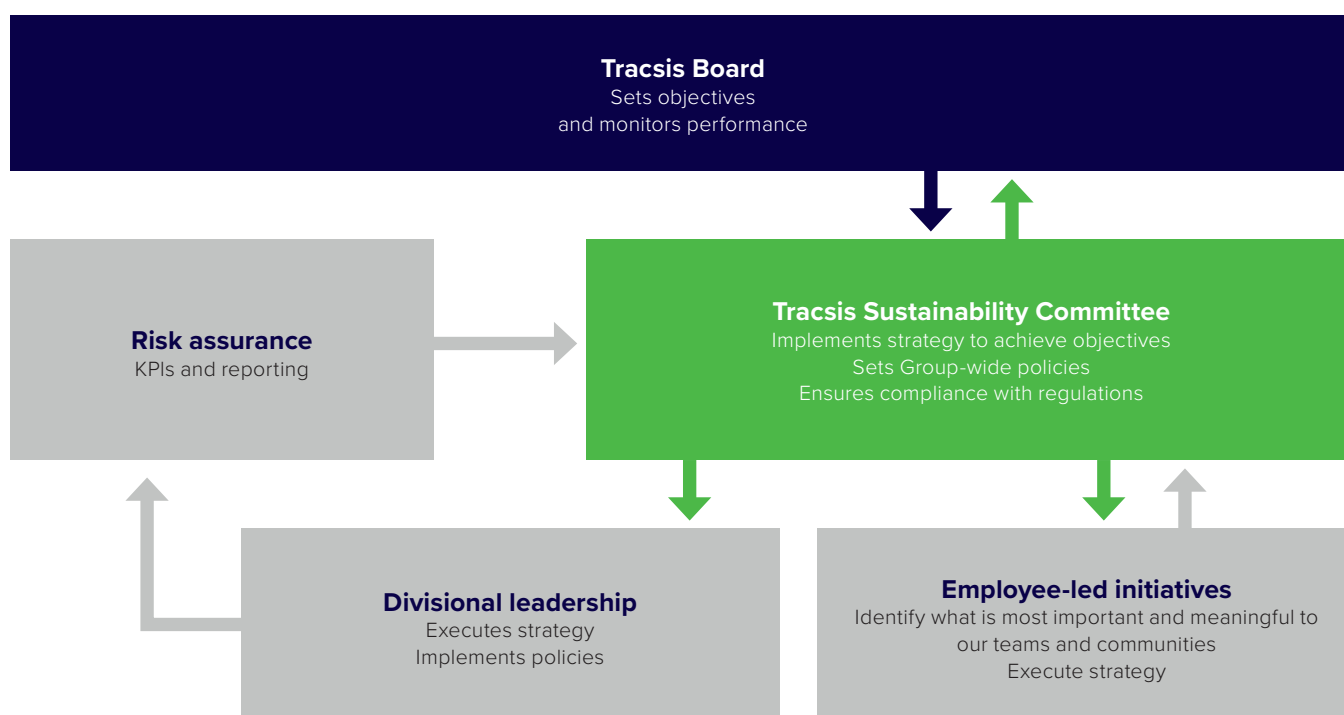
The Group has established a Sustainability Committee responsible for implementing a strategy to deliver these targets. Its remit also includes developing ESG policies, providing oversight of ESG initiatives, and ensuring compliance with relevant legal and regulatory matters. The ESG Committee is chaired by the Group Chief Executive Chris Barnes and comprises colleagues from a number of functional disciplines.

The ESG Committee works with the leadership teams of our Divisions and operating units to implement the Group's sustainability strategy. These activities range from groupwide implementation

of policies to initiatives delivered at a site level or by individual employees. More complex workstreams that require cross Divisional co-ordination are overseen by the Group Quality and Risk Director. The risk assurance team is also responsible for the measurement of performance and KPIs.

We recognise the increasing importance of sustainability to our stakeholders, including our employees. In order to ensure that the Group's strategy addresses those issues that are most meaningful to its people, it has established an ESG working group with representation from a diverse range of employees across the Group and at different levels of the organisation. This working group makes recommendations to the ESG Committee on initiatives, policies and areas of focus, and is empowered to help deliver the sustainability strategy.

How sustainability is managed in Tracsis



ISO 14001 accredited Environmental Management System

To better support our sustainability ambitions, we have introduced a groupwide Environmental Management System ('EMS') that covers all employees in the UK, Ireland and the US. This management system, which secured ISO 14001 certification in September 2023, is helping to create a highly effective, collaborative working environment within which we can deliver planned activity to a defined standard. Implementing this management system against an ambitious timeline has required sustained support at all levels across the business, demonstrating our commitment to our sustainability agenda.



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