

2021



We haven't ever

our group CSR

publicly. Most

of the statistics

relate specifically

to 2021, but there

are also examples

included from

preceding years

that we take pride

At a glance

THE BIGGER PICTURE

UN Global Compact



Sustainable Development Goals















carbon neutral

radar manufacturing & testing

Our solar panel power equalled of our total energy consumption

ANPR manufacturing contributes direct emissions



The Group vehicle fleet is 1/3 hybrid

WASTE & WATER

of group waste was diverted from landfill

TGS Hollco went paperless, saving 10,000 sheets of paper annually

ANPR camera packaging is 95% cardboard



COMMUNITY RESPONSIBILITY



£1529 spent on publicly accessible defibrillator

Charity bookshop for Birmingham Children's Hospital running for 5 years



Over £2500 donated to charitable causes



£2500

SKILL DEVELOPMENT & KNOWLEDGE **SHARING**

2 employees supported to study an undergraduate degree



Attendances at:

- CIRENCESTER COLLEGE
- UNIVERSITY OF GLOUCESTERSHIRE
- WARWICK UNIVERSITY



One **STEM** ambassador

2 employees completed L3 Advanced Apprenticeships in Electrical & **Electronic Engineering**

SUSTAINABLE VALUE **CHAINS**

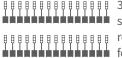
95% of all our suppliers are from the UK

Almost 1/2 within 50 miles of their TTG partner

CIRCULAR ECONOMY

A new AGD94X is 73% reclaimed and 92% recycled material





30 portable signals remanufactured for a customer



38% of all TTG products have End of Life material care advice

GOOD BUSINESS PRACTICE

15 patents, 9 more pending

£2,000,000

£2 million spent on R&D in 2021

Flexible Working offered

Policies on:

- Gender Expression & Identity
- Diversity & Inclusion

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Icon Key



Manufacturing Depot



Scope 1 & 2 Emissions in tCO₂e



Renewable energy generation in kWh



CO₂e per Square Foot in kgCO₂e



No. of EV Chargers



Non-manufacturing Depot

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Introduction



About The Traffic Group

Our sole purpose as a family business is to offer safer, greener, more efficient highways products and operations.

A dedicated team of 130 employees helps drive a culture of continuous improvement across all aspects of our business and ensures that treatment of all our stakeholders, including the environment, is fair and ethical.

Previously, our contributions across the three areas of sustainability (the environment, the economy and human society) have only been demonstrated in our product design and our everyday business activities.

We have now reached a size that means we have the available resources to start effectively reporting our Corporate Social Responsibility (CSR) activities. This will allow us to benchmark our Group's efforts against previous years and hold ourselves accountable to commitments and continuous progress towards holistic sustainable development.

A word from our Group MD

"Our business focus is safer, greener, more efficient journeys. The average road user will almost certainly overlook everything we do as a business but there are very real, very valuable societal and environmental benefits in our core offerings. As anyone who works for the business will know, if you speak to friends or family about motorways, car parks, traffic lights or bus lanes there is nearly always a business context you can bore them to death with. This means they all have interactions with what we do somewhere in their lives which is a unique opportunity.

With the issues brought on by Coronavirus and the on-going international climate emergency, our impacts on our society and the environment have now come to the forefront – both at The Traffic Group, but also in all our personal lives. We're in a strong position to affect change where our specialist technology covers a wide range of traffic management solutions which gives us an opportunity to make a magnified difference compared with some sectors. We are now looking at CSR as more than just an add-on to our current operations but an integrated part of our everyday routines and practices.

On the environmental side, there is a perception from some people that COP26 happened to everyone else.

We need to start moving in a motivated way, both in the business and at home, to make the changes we all need to make to make a better future.

Every product from The Traffic Group is designed and made in the UK with most parts locally sourced, we promote use of solar power and electric vehicle charging facilities, and we try not to use 100% virgin material in anything we manufacture. These are some of the easy things to identify and work on. As our policy and activities move forward, some of the issues we need to address and resolve will become more complicated and difficult but I trust, as individuals and collectively, we all embrace the challenge. Ultimately, we all benefit."





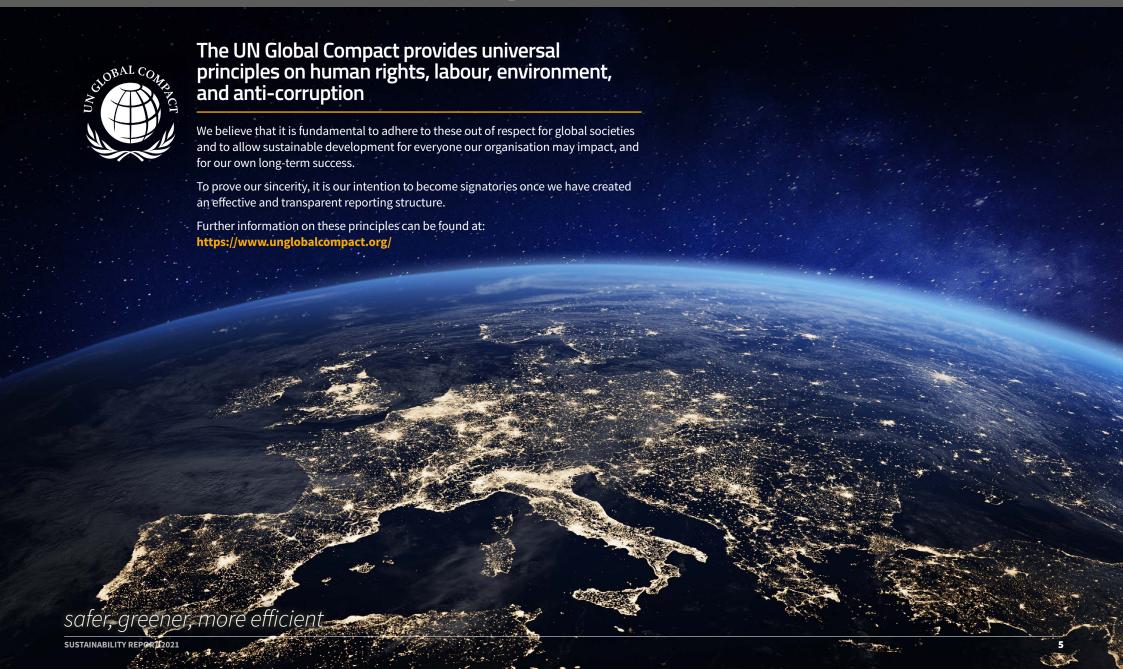


Peter Hutchinson MANAGING DIRECTOR

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The UN Global Compact





Sustainable Development Goals

The **UN Global Compact** has outlined detailed indicators in the form of Sustainable Development Goals (SDGs) to help structure responsible business efforts.

Although we inherently contribute to a wide range of SDGs, we have chosen to consciously focus our efforts on eight. These are evenly spread across Biosphere, Society and Economy Goals to ensure diversity within our CSR strategy. The table below explains in more detail the logic behind our choices.

GOAL	CATEGORY	DEFINITION	CHOICE RATIONAL
2 ZERO HUNGER	Society	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	 Far removed from sector, therefore increases variety of CSR activities in relation to industry closeness. Fairly easy to find related organisations. One of the worst performing SDGs. Area where major challenges remain for the UK.
3 GOOD HEALTH AND WELL-BEING	Society	Ensure healthy lives and promote well-being for all at all ages.	 High relevancy for all employees. Specific target linked to reducing road traffic collisions. Links to pollution and air quality, which are greatly affected by congestion.
4 QUALITY EDUCATION	Society	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	 Qualified workforce with high levels of knowledge and expertise to leverage. Employees have participated in educational events and activities in the past. e.g. school, college and university visits; internships; apprenticeships; work experience placements.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Economy	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	 High problem-solving capabilities owing to highly qualified workforce. Wide span of influence within the highways and transport sector in the UK. Strong R&D resources exist in the group.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Economy	Ensure sustainable consumption and production patterns.	 Area where major challenges remain for the UK. Our business models are centred around consumption and production as we are a manufacturing group of organisations.



Sustainable Development Goals

Sustainable Development Goals (continued).

GOAL	CATEGORY	DEFINITION	CHOICE RATIONAL
13 CLIMATE	Biosphere	Take urgent action to combat climate change and its impacts.	 Area where major challenges remain for the UK. Pollution is heavily linked to traffic management sector. Specific target linked to reducing greenhouse gas emissions.
15 LIFE ON LAND	Biosphere	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.	 Area where major challenges remain for the UK. Highway infrastructure is linked specifically with wildlife death and habitat destruction. Most relevant option for biosphere SDG (required for even spread of CSR activities) given limited choice and all group depot locations being landlocked.
17 PARTNERSHIPS FOR THE GOALS	Independent	Strengthen the means of implementation and revitalise the global partnership for sustainable development	 Area where major challenges remain for the UK and highly important SDG for achieving the goals. Focused on collaborative efforts and initiatives: Domestic resource mobilisation Financial resource assistance for developing countries Involves multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology, and financial resources (e.g. industry-wide initiatives)

We will ensure we are transparent with our progress through annual updates on contributions towards each of these goals.

See more about the indicators we are using on page 18.

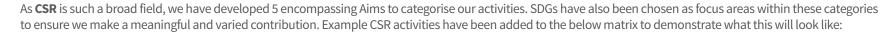


SDGs and Our Chosen Aims

As **CSR** is such a broad field, we have developed 5 encompassing Aims to categorise our activities. SDGs have also been chosen as focus areas within these categories to ensure we make a meaningful and varied contribution. Example CSR activities have been added to the below matrix to demonstrate what this will look like:

ALL MAV AGD TGS	WASTE & WATER	SUSTAINABLE VALUE CHAINS	DECARBONISATION	COMMUNITY RESPONSIBILITY	SKILL DEVELOPMENT & KNOWLEDGE SHARING
2 ZERO HUNGER				Food bank donations.	
3 GOOD HEALTH AND WELL-BEING		Conflict minerals statement. Modern Day Slavery Policy throughout TTG.		£1529 Investment by MAV Systems on defibrillator in external cabinet for community use. Flexible working. £2000 donation split between two local hospices.	
4 QUALITY EDUCATION				Demo and specially made equipment donations to educational organisations. Old Solar panels gifted to local school. IT equipment donations ITS Africa. IT equipment donations Wiltshire Digital Drive.	2 employees studying UG Business Management degree alongside their full-time roles. 2 Engineering apprenticeships offered. University Placement offered. Contact with local schools for recruitment.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE			Continuously improve product energy efficiency in design.	Sponsoring of Cheltenham Design Festival. Heavy R&D Investment (£2mil in 2021). Participation in Government-supported regulation reviews.	STEM Ambassador in Senior Management Team. Greener Highways Membership.

SDGs and Our Chosen Aims



ALL MAV AGD TGS	WASTE & WATER	SUSTAINABLE VALUE CHAINS	DECARBONISATION	COMMUNITY RESPONSIBILITY	SKILL DEVELOPMENT & KNOWLEDGE SHARING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Zero Waste to Landfill. 'High Pressure' aluminium castings. Packaging is 95% cardboard. Gloucestershire recycling centre for surplus gaskets. Paperless Production at Hollco.	Encouraging reduction in supplier packaging. Reusable transportation packaging developed for controller supplier.	Solar Panels on Manufacturing Unit. Green Energy Supplier. Company fleet is 1/3 Hybrid vehicles. Green Gas Supplier.		
13 CLIMATE ACTION		Preference of locally- based suppliers reduces transport emissions.			
15 LIFE ON LAND					
17 PARTNERSHIPS FOR THE GOALS			Electric Vehicle charging points. LED lighting upgrades.	£1000 sponsorship of local youth rugby team. £800 Local Choir Funding. Poulton Village Sports Recreation Club. Local cyclist fundraising for charity. Changing 'master' and 'slave' terminology. Christmas charitable donations. Christmas Gift from local butchers to all staff.	

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Decarbonisation

We will be using the Green House Gas Protocol's methodology for GHG accounting to communicate our decarbonisation efforts. Emission figures will use the unit CO₂e to encompass equivalent GHGs, and calculated using the UK Government Conversion Factors¹.



Scope 1

Company Facility Emissions

51.62 tCO₂e

Company Vehicles

81.33 tCO₂e

Scope 2

Emissions from Energy Consumption 22.39 tCO2e



Additional Reporting Figures



Green Gas (consumed)



1838.33 m³

Gas supplier changed in September.

High-Level Radioactive Waste in Energy Procurement



193 g

Renewable Energy Generation



AGD generate the equivalent of 12% of our total consumption through in-house solar PV generation, which is fed into the grid.



This off-sets 3.29 kgCO₂ of our scope 2 emissions for 2021.

This allows our radar manufacturing and testing facility to operate carbon-neutrally.

Energy Efficiency Initiatives



LED tube lighting upgrade in AGD manufacturing facility in 2021 will create CO₂ yearly savings of 866 kgCO₂



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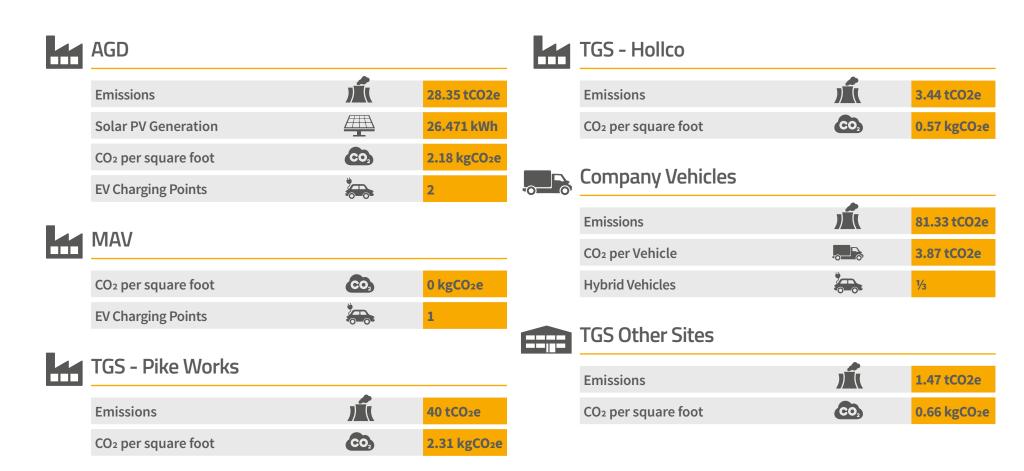
¹ https://www.rd.com/article/the-cost-to-light-up-eiffel-tower/

² https://www.tapioview.com/blog/what-represents-one-ton-co2-emissions/



Decarbonisation

Emissions Breakdown by Depot



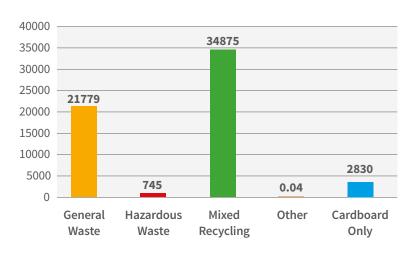
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Waste & Water

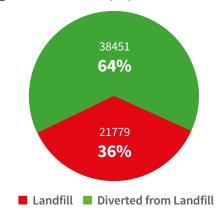


Current Waste Streams

TTG 2021 Annual Average Waste by Type (KG)



TTG Annual Average Waste to Landfill (KG)



Existing Initiatives

- Eliminating single-use plastic throughout value chain:
 - Reusable plastic moulds designed for regular deliveries to replace single-use packaging.
 - Paper packaging reused where possible.
 - Foam inserts and bubble wrap packaging replaced with specially designed cardboard inserts.
 - Polypropylene Brown Packing Tape dispenser for product packaging across entire group negates use of plastic tape and reduces volume of tape used.
 - ANPR Camera packaging has been redesigned and fully stress-tested to become 95% cardboard.
- Old IT equipment is donated to local charities IT Schools Africa and Wiltshire Digital Drive to assist children who have difficulty accessing computer equipment.
- After introducing a digital-based production system at the end of 2021, we have reduced our Hollco depot's
 production paper-consumption rate to zero, eliminating the use of almost 10,000 sheets of A4 each year.
 This is soon to be adopted across all Traffic Group Signals sites.
- AGD production have introduced tablets for paperless work Instructions and TEAMS meetings.
- Excess consumable items such as gaskets are donated to The Resource Centre to be repurchased for arts and crafts.
- Our old demo products have been donated to organisations such as The Yard, an adventure playground designed for disabled children.

Water Consumption

Our current water consumption is minimal and owing to general facilities and kitchen use, as well as cleaning of company property. In 2021, AGD saw a one-off increase in water consumption from the planting of new hedges and greenery.

Despite unfortunately not being able to get figures for all our sites' water consumption in 2021 for, we look to report on all sites in 2022.

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Waste & Water by Depot



TYPE	KG
Waste by Site Turnover (KG/£1000)	0.8
General Waste	2834
Hazardous Waste - WEEE	244
Mixed Recycling	5108
Other	0.007366
Cardboard	N/A
Water Consumption per Employee	21 m ³



TGS - Hollco

TYPE	KG
Waste by Site Turnover (KG/£1000)	1.8
General Waste	1811
Hazardous Waste - WEEE	175
Mixed Recycling	1026
Other	0.007366
Cardboard	5409
Water Consumption per Employee	38 m ³



TYPE	KG
Waste by Site Turnover (KG/£1000)	4.4
General Waste	11543
Hazardous Waste - WEEE	327
Mixed Recycling	23135
Other	0.014732
Cardboard	N/A
Water Consumption per Employee	N/A



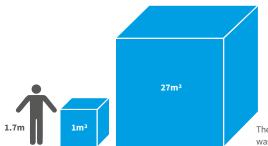
TGS Other Sites

ТҮРЕ	KG
General Waste	131
Hazardous Waste - WEEE	-
Mixed Recycling	197
Other	-
Cardboard	-
Water Consumption per Employee	N/A



TGS - Pike Works

TYPE	KG
Waste by Site Turnover (KG/£1000)	1.4
General Waste	5460
Hazardous Waste - WEEE	450
Mixed Recycling	N/A
Other	0.007366
Cardboard	2830
Water Consumption per Employee	8.1 m ³



The graphic visually demonstrates the volume of waste water compared to the average person.

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Community Responsibility

Community Responsibility

TTG have a history of donating to charitable causes in many ways, shapes and forms, but unfortunately much of this has gone undocumented.

In the past 5 years, we have donated:



- All old IT equipment to IT Schools Africa, Wiltshire Digital Drive
 - ► Our most recent donation in 2021 filled the company van
- ► £1000 sponsorship of local youth rugby team
- ► £800 funding for local choir
- Old solar panels to a local Birmingham school for their science department
- ► £1529 Investment on a defibrillator in external cabinet for community use
- Old demo equipment to a disabled children's play area
- £215 in 2021 through an employee-led charity book shop
- ► £2000 donation split between two local hospices



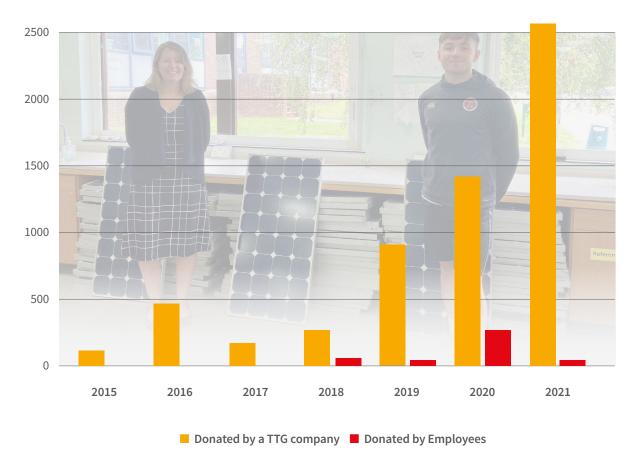
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Community Responsibility

Monetary Charitable Donations Recorded per Year (£)

TTG 2021 Annual Average Waste by Type (KG)



Community Responsibility

Our employees operate several different charitable schemes, including a charity bookshop, and a charity sweet shop:

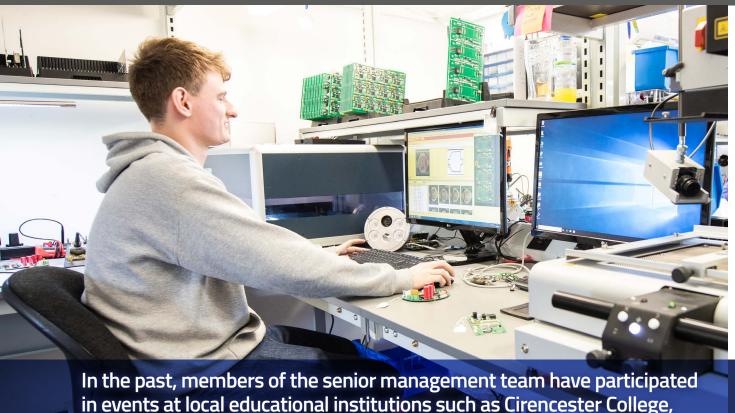
- The sweet shop donations are in aid of Teenage Cancer Trust and Mencap, and £165 has been raised since March 2020.
- Unfortunately, although the bookshop has been raising money for Birmingham Children's Hospital for over 5 years, we only have a figure available for 2020.



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Skill Development & Knowledge Sharing



Work experience is offered to Year 10+ students from local schools giving them the opportunity to work across different areas of the business, including Production, R&D, Customer Services, to get an overview of working life and how a business operates.

Apprenticeships have been offered to employees of all ages, where it is felt there is either a skills gap or to assist them in progressing within the business. Recently, two employees have completed their L3 Advanced Apprenticeships in Electrical & Electronic Engineering, which has resulted in one of them transferring from Production into Engineering as a PCB Design Engineer.

in events at local educational institutions such as Cirencester College, University of Gloucestershire, Warwick University, and have made Radio show appearances - most recently joining John Darvell on BBC Sounds. Our senior management team also includes a STEM ambassador

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Skill Development & Knowledge Sharing





The Traffic Group are a member of **Greener Highways**. This will offer opportunities to collaborate with the highways sector with the aim of helping education and implementation of sustainable initiatives, products, services and operations.

Over the years **placements** have been offered to University students, during their GAP year, to primarily work in Research & Development or other areas of the business dependent on their studies. Many students have graduated then returned to the business in full-time employment to gain further experience and to put their knowledge into practice.

TGS welcomed a University placement student from **Aston University** in 2021, who took on responsibilities in operations, project management, and marketing. By bringing their university learning to the placement project, they encouraged employees to think differently

and adapt to a more digital way of working, whilst deepening their understanding of business culture. After completing the placement year, the student continued to work full-time through a flexible working arrangement that will assist in their professional development, whilst allowing them to balance university commitments and a personal life.

Two employees are currently studying an **Undergraduate Business Management BSc degree** alongside their full-time roles at MAV
Systems, an opportunity offered and wholly supported by the company.

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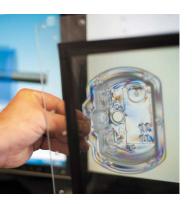
Sustainable Value Chains

All products from The Traffic Group are designed and made in the UK

Our supplier portfolio predominantly comprises of local suppliers; almost half of all Group suppliers are located within 50 miles from their TTG partner.

Examples

- Plastic moulding comes from Worcester
- Die Casting comes from Doncaster
- Circuit boards from Stroud
- Cable Assembly from Gloucester and Eynsford













Three Key Concerns in the Value Chain of all Electronic Goods Manufacturers:

- 1. RARE EARTH ELEMENTS
- 2. CONFLICT MINERALS
- 3. MODERN DAY SLAVERY

As a group we adhere to our company policies on Modern Day Slavery, and Conflict Minerals

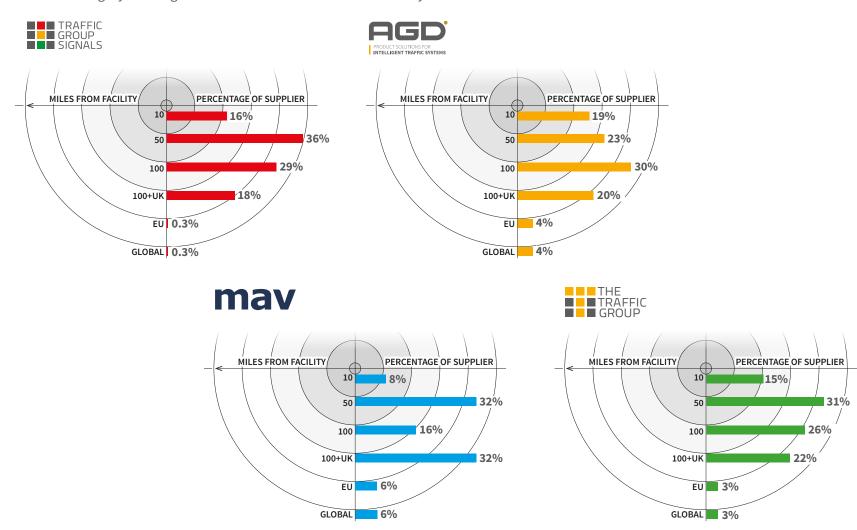
Policy adherence is step one. We hope to work closely with our PCB suppliers to gain further transparency down our supply chain.

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Sustainable Value Chains

To give you an idea, we have provided the locality of each company's suppliers according to percentage of suppliers in each category of straight-line distance from the relevant facility.



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Indicators

We plan to measure our progress using the following key performance indicators. As we are new to this area of business, we anticipate these to change as we begin to report on our progress.

Indicator - Decarbonisation	Reference
Scope 1 emissions	Page 10
Scope 2 emissions	Page 10
Scope 3 emissions	N/A
Renewable energy generation on-site	Page 10
Scope 1 & 2 emissions per square foot by depot	Page 11
EV charging points	Page 11
CO ₂ per vehicle	Page 11
Statistics on vehicle electrification	Page 11

Indicator - Waste & Water	Reference
Average total mass of annual waste	Page 12
Average mass of waste to landfill	Page 12
Average mass of waste diverted from landfill (by waste stream category)	Page 12
Average mass of waste per waste stream category by depot	Page 13
Average mass of waste generated per £1000 turnover by depot	Page 13
Average annual water consumption per employee by depot	Page 13
Percentage of recycled materials in products	Page 12
Number of products repaired and refurbished	N/A
Percentage of products with end-of-life care diagrams	PAGE 19

Indicator - Community Responsiblity	Reference
Charity Partnerships & Case Studies	Page14
Annual monetary charitable donations	Page14
Hours spent volunteering by employees in company time	N/A

Indicator - Skill Development & Knowledge Sharing	Reference
Number of employees participating at knowledge sharing events.	N/A
Employee attendance for internally held events and training days.	N/A
Work Experience placements.	Page 15

Indicator - Sustainable Value Chains	Reference
Contact with key suppliers in relation to:	N/A
Conflict Minerals	
Modern Day Slavery	
Rare Earth Elements	
Employee attendance for internally held training sessions for value chain sustainability	N/A

Circular Economy Statement

Transitioning to a Circular Economy is not something that can be achieved overnight, but something we need to progress year on year. Our strategy ultimately requires investment into five core areas:



Reducing & eliminating waste

3. Services to extend product life Services to extend useful life of materials used in product

5. Education on shared benefits of Circularity TRAFFIC



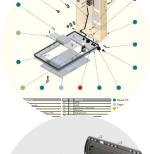


















What this looks like...

Examples included in the product design section of our Good Business Practices on page 20.
Investment in product testing for durability and Recycled Content of Products.

Please see our 'Waste & Water' efforts, detailed on page 13.

Repair and re-manufacturing services offered by each group company.

38% of Products with End-Of-Life care diagrams.

Design team focus on circular and modular design training.

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THE TRAFFIC GROUP

Good Business Practices





Ethical Practices:

It almost goes without saying that we ensure compliance with all statutory and regulatory requirements related to our activities, products and services and their environmental aspects, and in-line with the context of the organisation and having considered our interested parties.

All group organisations look to operate according to ISO 9001, 14001 and 45001 Standards, as these provide a clear base level for our social obligation to: Quality, Health and Safety, and Mitigation of Environmental Impacts.



Empowering Employees

The Traffic Group is committed to an ethical, inclusive and diverse working environment that respects our employee's human rights and freedom. Naturally, employees' safety and wellbeing is paramount and we hope to ensure that we can address any issues swiftly and effectively. All employees are given the opportunity to work flexibly, and this is done on a case-by-case basis to ensure the best outcome for both parties.

As a group, we are in the final stages of promoting all employees' pay from the UK Government's National Living Wage to the Living Wage foundation's 'Real Living Wage'. We plan to receive official certification by the end of 2022.



We are keen to support our employees' financial well-being. Historically we have provided financial advice sessions to employees which we look to continue offering in a more structured manner.

Training and career progression opportunities are taken seriously as a group.

- We look to further develop individuals as and when this is requested, as well as when opportunities arise within the group before looking to recruit externally. Additionally, we approach employees to offer further training and education for their job roles to allow for career path progression when opportunities arise.
- Continuing Professional Development activities are available to all employees, where training, support, and memberships of an associated professional body are provided to help our employees become more competent and effective professionals.

Empowering employees and assisting any CSR activities undertaken in personal time is a priority for management regarding CSR. Flexible working arrangements, matched donations and sponsorships have been granted in the past upon request.

Fairness, Inclusion and Respect

In addition to upholding our Gender Identity & Expression Policy and our Diversity & Inclusion Policy, The Traffic Group has a zero-tolerance attitude to bullying, harassment or victimisation of any kind. Naturally, we offer any reasonable adjustments to support employees where necessary.







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Good Business Practices





Investment in R&D in 2021 totalled to almost £2 million

We hold 15 patents, with 9 more pending ___

The efficiencies we create, and the nature of our product applications, means our investment has a direct positive relationship with sustainability.

Examples include:



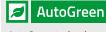
The AGD335 - an ultra low power radar used for vehicle sign activation where solar power provides the sole energy source. This design pulses the radar at 20Hz providing a saving from 100mA to 16mA at 6 Volts (84%



reduction).

Extra Low Voltage (ELV) nearside signals using LED technology offered further industry leading power efficiency with a power reduction down from 22W to only 10W in the AGD94x range of signals.





AutoGreen technology is proven to improve journey times through roadworks by 50% compared to VA.



AGM batteries over lead acid batteries.



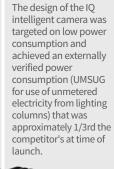


Reduce idling cars

BMS and RC2 discharges batteries equally to increase longevity and reliability of batteries, extends battery life.



RC2 run time on fully charged batteries = 28 days.





Use of ANPR is a

fundamental factor

in the acquisition and

enforcement of public

road transport policies

• Enforcement of bus lanes to provide high attraction to public transport versus car use.







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We aim to get things right first time, every time, but we appreciate that this is a new and complex area of business, and we may get things wrong. If you are concerned that we are not acting as you think we should, we would appreciate your guidance in making the right decisions going forward as a responsible business.

Contact Us

The Traffic Group Limited
White Lion House, Gloucester Road, Cheltenham, GL51 0TF, UK
Telephone: +44 (0) 1452 854212 Email: enquiries@traffic.group Web: traffic.group

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