



## Corporate Social Responsibility Policy

The Transys Group seeks to be a good corporate citizen in all aspects of its operations and activities. To this end we have brought together a series of operating principles under the broad heading of Corporate Social Responsibility (CSR) to serve as a guide to employees in all aspects of their work for the Company.

The principles cover all areas of the Group's operations and have been developed with reference to the relevant codes of corporate governance, national and international law, and best practice, including the revised Combined Code and international statements and guidelines such as the UN Universal Declaration of Human Rights. Taken together, these principles form our CSR policy.

The policy can be divided into six main areas:

1. Ethical Business Conduct
2. Policies Specific to Employees
3. Policies Specific to the Group
4. Fair Employment Practices
5. Workplace Health and Safety, and
6. Environmental Policy

### 1. **ETHICAL BUSINESS CONDUCT**

#### **Our Principles**

We value the principles of accountability, honesty and integrity in all aspects of our business. Our policy is to conduct our business in a manner which ensures:

- Fair treatment of all employees and clients
- Transparency of our business policies and practices
- High standards in all matters relating to health, safety and the environment
- Ethical business practices throughout our operations

We recognise that the involvement of our employees is key to the future success of the business and we have for many years adopted a policy of keeping employees fully informed on all matters affecting them. We have consistently operated a remuneration strategy that recognises both corporate and individual performance. We are also committed to best practice in employment matters, recognising the role this plays in attracting and retaining staff.

To succeed in delivering the best possible service to our clients, every employee is expected to adhere to the group's core values and to uphold them in the workplace. Employees are expected at all times, to exercise the highest ethical judgement and comply with laws applicable to their duties. These principles cover all employees and are set out on the company's intranet.

On the company Intranet all of the policies that underpin this document can be found and these are also contained in the Employees Handbook.

## **2. POLICIES SPECIFIC TO EMPLOYEES**

### **A. Compliance with Codes and Regulations**

In addition to the Group's internal operating principles employees shall adhere to all national laws and regulations.

#### **Whistle Blowing**

In the event that an employee discovers a breach of company policy, there is a facility for him/her to report that breach in confidence either to his line manager or to another Director. The Managing Director has a duty to investigate fully the detail behind such a report. Maliciously motivated reports for which there is no real basis for making a report are not welcomed and will result in disciplinary action being taken against the employee making the accusation.

### **B. Outside Interests**

The Group requires that employees avoid at all times any situation which may involve a conflict of interest between the employee and the company. Employees are expressly prohibited from accepting other paid employment, including directorships in other companies, without the consent of the board. In general, this does not apply to charitable work or relationships with non-profit organisations unless this has the potential to impact on the employee's normal duties.

### **C. Dealing with Customers, Stakeholder and External Parties**

The Group is committed to the provision of accurate information and fairness in all its dealings with customers, stakeholders, officials and any other external party having direct business with the group.

#### **D. Confidentiality**

Every employee shall respect any information which is confidential to the Group including, but not limited to, trade secrets, confidential knowledge or any information concerning the process or invention used by the Group. Breaches of confidentiality may be cause for disciplinary action.

#### **Data Protection**

We are committed to complying with the data protection principles established by the 1995 EU Directive on Data Protection. This commitment applies throughout the group and in all countries in which it operates. If the group conducts business in a jurisdiction where stricter rules apply, then it will comply with those rules as a matter of course. All employees and agents of the Group are responsible for ensuring compliance with the policy. Information collected may be accessible throughout the Group but will not be disclosed to any third party in a form which identifies the individual concerned. It will not be used for marketing purposes without the individual's consent and will not be sold to third parties. Upon request, an individual will be informed of the existence, use and disclosure of his or her personal data and will be given access to that data to confirm its accuracy or amend it as appropriate.

#### **E. Fair Dealings**

Dealing for clients will be undertaken in an order and manner which is unquestionably fair for the client and the company.

#### **F. Malpractice**

The Group actively works to deter malpractice in its workplace, with specific attention to activities involving bribery and corruption, fraud, money laundering and insider trading. The Group has detailed procedures for staff to follow in order to ensure observance of these principles.

The Managing Director regulates the value and type of gifts which may be given (or accepted) by staff to (or from) counterparts in the industry, the frequency with which those gifts may be made (or accepted) and how they should be recorded.

Employees should avoid any financial situation that conflicts with the Group's interests or potential interests.

#### **G. Use of Company Information / Assets**

Employees shall use the company's computer systems, internet and intranet, and email systems for business use. Any employee found to have disclosed confidential information, been abusive or malicious in using these facilities, or misusing the systems in any way may face disciplinary action. The Group strictly prohibits the use of its intranet, internet or email systems for acquiring, producing or disseminating pornography or similar material, including the use of abusive language or offensive images.

## **H. Disciplinary Procedure**

The Company has a detailed formal disciplinary procedure, full details of which are contained on the Company's intranet.

### **3. POLICIES SPECIFIC TO THE GROUP**

#### **A. Political Contributions**

It is the Group's policy not to make contributions for political purposes. However, employees are not hindered from being politically active in their own time using their own resources.

#### **B. Corporate Governance**

##### **i) Background**

The Group provides modifications to rail vehicles. Our ultimate goal is to maximise the wellbeing of our employees and the wealth of our investors through sound business practices.

Since its beginning in 1989, the Group has been committed to its core business values of integrity, transparency, honesty and accountability. These values form the basis of optimum corporate governance. The group is committed to complying with good corporate governance policies and to listening to and acting in accordance with the wishes of its shareholders.

##### **ii) Organisation**

The Board of Directors currently comprises the Chairman, 5 Directors and 1 Non-Executive Director.

Details of other directorships held by members of the board are reported on Companies House.

##### **iii) Meetings of the Board of Directors**

The Board of Directors is scheduled to meet ten times each year to review financial performance and strategy and has a formal schedule of matters reserved for its decision, which includes the setting of company goals, objectives, budgets and other plans.

##### **iv) Shareholder Relations**

The Group places a great deal of importance on communication with its shareholders and aims to keep shareholders informed by means of regular communication which is carried back by the non executive Director. Annual and Interim reports are widely distributed to other parties who may have an interest in the Group's performance.

## **C. Community Investment**

Transys Projects Community Investment Programme comes under the overall direction of Graham Roberts and Emma Stamps who report to the Board periodically and keep staff informed of developments in the area.

The Community Investment Programme has two main components, charitable giving and support for a variety of local organisations. The Group is an active sponsor of fundraising events and a supporter of business groups, such as Rail Alliance, in the Midlands.

### **Charitable Donations**

At the commencement of each fiscal year the Board will agree an amount which should be allocated to donations to charity and support for good causes. The Group will aim to grow this core amount over time and, depending on the profitability of the Company, may make specific one-off donations.

The amount allocated is administered by the Company and each proposal will be considered on its merits.

## **4. FAIR EMPLOYMENT PRACTICES**

In formulating employment policy the Group has been guided by the relevant legislation in the United Kingdom. The Guidelines encourage companies to foster openness, sustainability, and respect for employees' rights. The development of Group policies in this area is the responsibility of the management team. The policies cover all employees in the UK. The policies are periodically reviewed and updated, when appropriate.

### **A. Equal Opportunities Employer**

The Group is committed to providing equal opportunities to all workers and job applicants. It aims to ensure that no job applicant shall receive less favourable treatment on the grounds of sex, marital status, sexual orientation, race, colour, religion or belief, nationality or ethnic or national origin. The company will not treat an employee or job applicant less than favourably for a reason relating to their disability or part time or fixed term status unless this can be justified. The Group will also take all reasonably practical steps to ensure that disabled applicants or workers are able to participate in its business activities on an equal basis with people who are not disabled.

All employees are responsible for complying with this policy and for ensuring that the standards of behaviour required by the company are observed by:

- Treating others on their merits and disassociating themselves from any form of direct or indirect discrimination, victimisation or harassment;
- Bringing to the attention of their Departmental Manager any suspected working practice in breach of this policy; and

- Working together to promote a harmonious working environment free from discrimination, harassment and bullying.

The Company regards direct or indirect discrimination, victimisation and harassment as a serious matter. Employees who fail to comply with this policy will be subject to the Company's disciplinary procedure. All breaches of this policy will be regarded as serious disciplinary matters and will, if there has been victimisation, intentional discrimination or deliberate harassment be regarded as potential gross misconduct leading to summary dismissal.

The Company recognises that misunderstandings can arise where people of a different sex, interests and cultures work together. Any employee who believes that he or she is being treated in a way that is contrary to this policy should raise the issue with their Departmental Manager. If an employee feels that it is inappropriate to approach their Departmental Manager he or she may contact the Managing Director.

#### **B. Human Rights**

The Group supports the Universal Declaration of Human Rights in all of its spheres of influence. It upholds the freedom of association and recognises the right to collective bargaining.

#### **C. Forced / Child Labour**

The Group does not utilise or promote forced or child labour of any kind. We adhere strictly to country laws governing labour standards.

#### **D. Discrimination, Sexual Harassment and Other Forms of Harassment and/or Bullying**

All staff are entitled to work in an environment which respects their personal dignity and which is free from harassment, bullying or any other type of intimidation. Harassment, whether on the grounds of sex, race, colour, nationality or ethnic origin, religion or belief, or age, disability, sexual orientation, being in an inferior position in terms of power or hierarchy (leading to bullying), willingness to challenge harassment (leading to victimisation) or otherwise will not be tolerated by the Company.

#### **E. Employee Benefits**

The Group recognises the value of its employees and has identified and assessed their long term retention as key to the short and long term value of the Group. To this end, the Group aims to attract and retain skilled employees and enhance the life/work balance of each individual. The group offers its full time staff a range of benefits, life insurance, private health care and generous holiday entitlement.

## **F. Grievances**

The Group has adopted a grievance procedure to provide employees who consider that they have a problem or complaint about their work with a mechanism for resolving the issue fairly and speedily.

## **5. WORKPLACE HEALTH & SAFETY**

### **A. Health & Safety Policy**

The Group aims to provide each employee with a safe place to work. All group locations are required to abide by local health and safety regulations. Relevant information on occupational health and safety is provided in the Staff Handbook. Further information on health and safety topics is available on the company intranet.

### **B. H&S Records**

The group records all accidents and/or near misses and investigates these to determine if preventative action is required to prevent further accidents.

## **6. ENVIRONMENTAL POLICY**

### **A. Background**

The Group understands that its activities affect the environment and the communities in which we operate. We believe that we have a responsibility to identify and manage these impacts as effectively as possible. We are committed to continually improving our environmental performance and moving towards best practices in corporate sustainability. The policy is on the company Intranet.

### **C. Communicating the Policy**

All employees are informed of the policy and are encouraged to contribute to the achievement of its objectives.

### **D. Environmental Policy**

The Group aims to:

- Minimise the environmental impacts of our existing operations and ensure that the environmental impacts of new operations are fully assessed and minimised prior to their introduction;
- Reduce consumption of materials in all operations, where practicable, to re-use rather than dispose of materials where possible, and promote recycling and use of recycled materials;

- Seek to improve the energy efficiency of the office and to manage energy wisely in all operations;
- Dispose of waste and effluents in a responsible manner;
- Promote the ownership and control of environmental issues at business level;
- Provide the necessary training and support in order to ensure that staff fulfil their requirements.

#### **E. Environmental Risks**

As a Company working in the train modification sector, there are some environmental risks associated with the Groups business. However, important issues for the Group are the use of paper, the constant demand for energy and CO2 emissions resulting from the company's operations and efficient disposal of waste.

#### **F. Environmental Management**

##### **Energy**

The group aims to reduce the consumption of energy and will also strive to ensure that their office premises use energy in as efficient a manner as possible. Energy is used for office lighting, heating and cooling systems and for the operation of office equipment and kitchen appliances.

##### **Paper**

We seek to reduce the amount of paper used and to increase the amount of paper that is recycled. In addition, staff are encouraged to make use of electronic communications in the form of email and the scanning of documents into electronic records for storage.

##### **Waste**

General office waste is collected and removed each day by cleaners and taken to a compactor for removal by a waste contractor, or is collected weekly by the local authorities.

Toner cartridges are collected after use for re cycling.

Redundant computers and IT equipment is disposed of responsibly and legally.

Redundant equipment, which is not sold or given to a charity, will be collected by an approved third party company who will dispose/ recycle the hardware in a manner that is environmentally friendly and adheres to EU regulations.

## **Hazardous Materials**

We will accept responsibility for monitoring hazardous materials found in the office or used in the execution of our installation processes.

## **Transport**

Transport is a major source of CO2 emissions. To reduce these emissions the group encourages employees to use public transport. Car sharing is promoted for business trips. Our company car policy precludes the selection of high emission vehicles.

Conference calls are used where possible to reduce the need for regular travel.



**14<sup>th</sup> February 2012**

**Graham Roberts  
Managing Director**