

Corporate Responsibility Report

FY2024

01 June 2023 - 31 May 2024





Report Highlights

Part 1: Message from our CEO

Part 2: Environmental

Part 3: Social

Part 4: Governance



As a leading design and manufacturer of RF equipment, we are continuously striving to improve our impact on employees, the wider community, and the environment, whilst upholding the highest standards of governance.

Kevin Dunne (CEO)

Message from our CEO

Over the past years we have significantly invested in embedding Environmental, Social and Governance initiatives into the three key goals of our business strategy:

- 1 Operational Excellence** - designing and manufacturing high quality products in the most efficient and sustainable way.
- 2 Sustainable Business Growth** - engaging with customers and suppliers to encourage socially and environmentally responsible business ethics amidst the growing market.
- 3 People and Culture** - equipping our employees to fulfil their potential in a safe, positive and inspiring workplace.



Environmental

Reducing the energy, carbon, water and waste impact of our business is of critical importance to ETL. We are increasingly integrating environmental responsibility into our activities, from daily operations and processes through to long term business planning and investment.

We aim to reduce our environmental impact across the full life cycle of our products and services by engagement with suppliers; to propagate environmental responsibility throughout our supply chain.

Page 5: Commitment to Net Zero

Page 6: Carbon footprint comparison - FY23 vs FY22

Page 7: Net Zero Reduction Targets

Page 8: Net Zero Reduction Targets - Carbon Intensity

Page 9: Grid consumption post solar PV additions in Hereford

Page 10: Carbon reduction focus actions - 2023

Page 11: Carbon reduction focus actions - 2024

Page 12: Energy Monitoring

Page 13: Green Travel Scheme

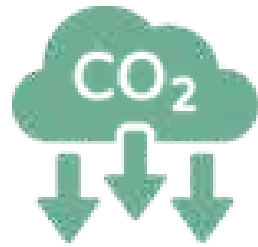
Page 14: Waste Management

Page 15: Quality & Environmental Management

Page 16: Cross functional process improvements

Page 17: Sustainable Procurement

Page 18: Product Design



Commitment to Net Zero

Carbon Reduction Roadmap

ETL's Carbon Reduction Roadmap aims to reduce emissions year-on-year in line with NET Zero reduction targets. Our updated roadmap states a Net Zero target date of 2050 and target of a 70% reduction in CO2e emissions by 2033 (from the baseline position), with incremental targets each year and associated actions. This target has been set using the Science-Based Targets Initiative (SBTi) guidance. Key measures to achieve this include monitoring and reporting on energy use, identifying where savings can be made, increasing the overall efficiency of our operations and use of renewable energy.

As part of our Carbon Reduction Roadmap we are committed to:



Measuring

understanding, and taking steps to reduce our own greenhouse gas emissions, (Carbon Footprint).



Reducing emissions

across all aspects of operations, including energy use, transport and travel, supply chain, financial investment, and waste.



Influencing

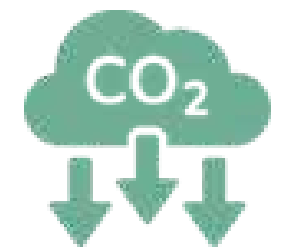
stakeholders including suppliers, customers and staff to take steps to reduce emissions.



Reporting

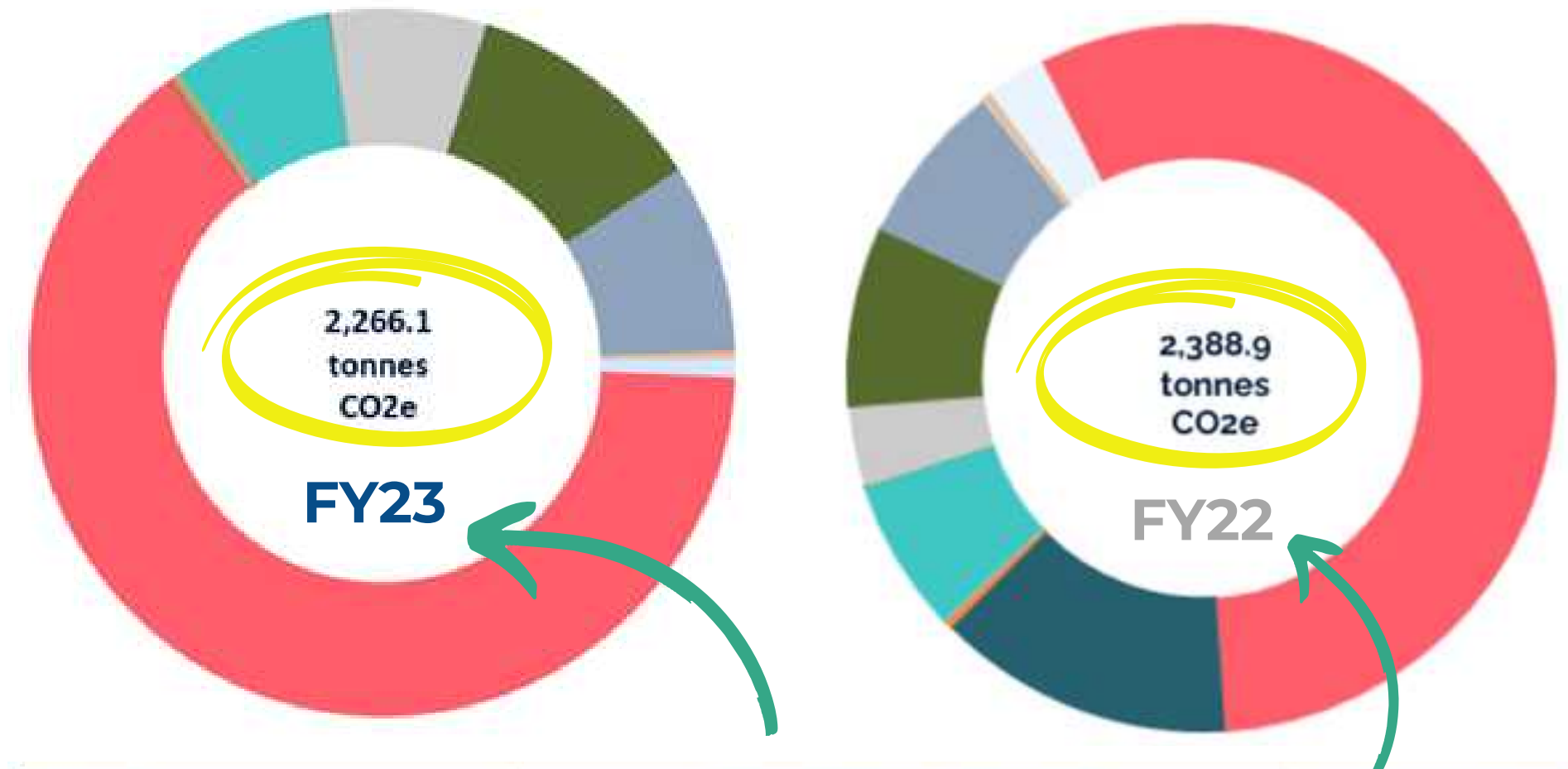
and publicising progress.

Carbon footprint comparison - FY23 vs FY22



Summary

- Total emissions in FY23 are calculated to be 5% lower than in FY22 (location based)
- The **most significant reduction was capital spend**, due to the C4 building project that was factored into the FY22 emissions
- Turnover has increased, so carbon intensity (emissions per £M) has reduced by 19%, indicating improved carbon efficiency (further details on page 7).
- **Purchased goods and services** are the highest contributors of emissions (64%), followed by **transport of product** (11.1%), **staff commuting** (8.6%), **electricity** (7.4) and **business travel** (7.1%)

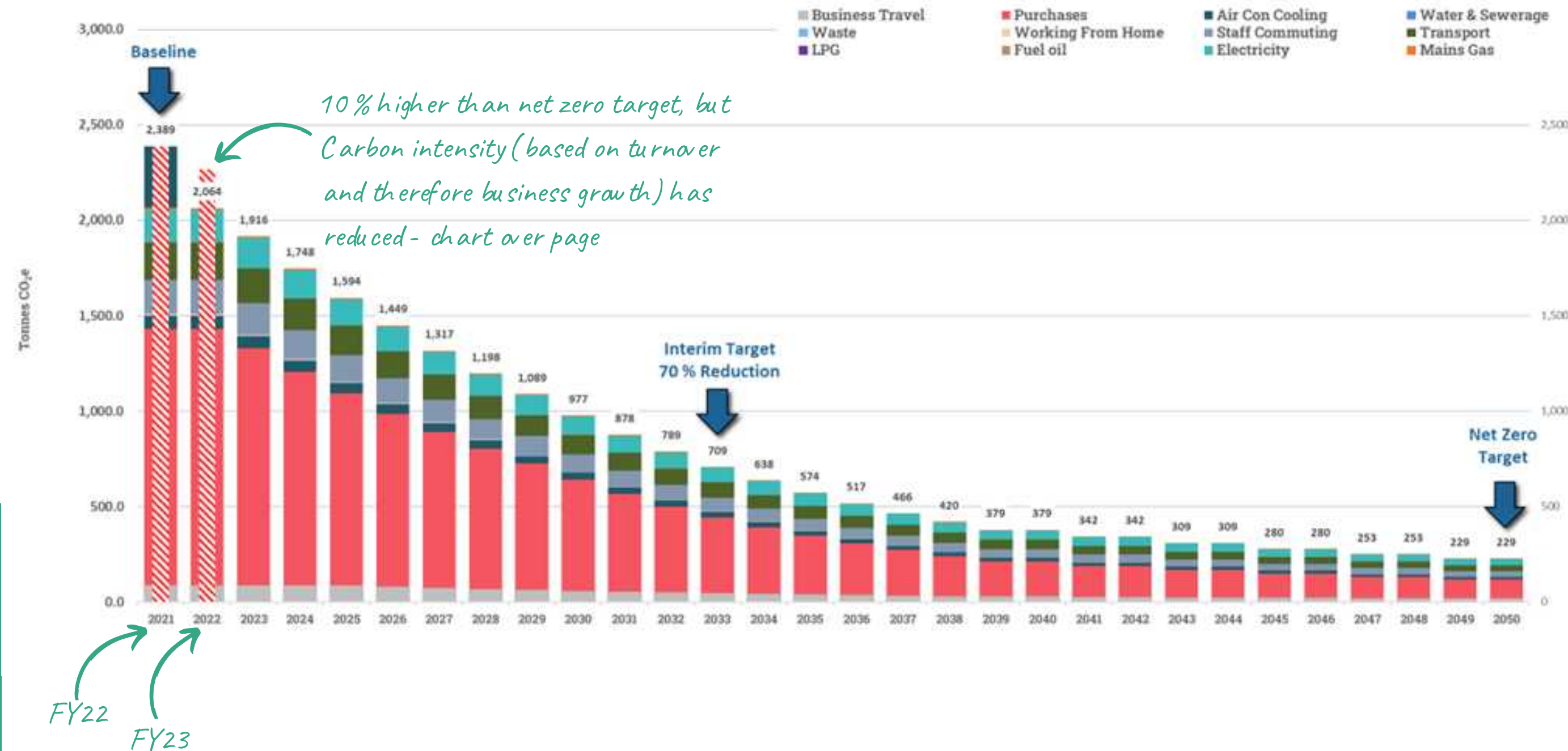


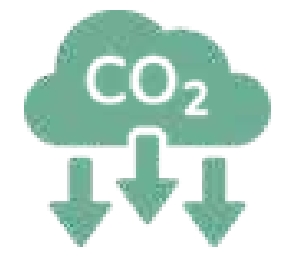
Aspect	Tonnes CO ₂ e (Location Based)					2022 Emissions	
	Total	Scope 1	Scope 2	Scope 3	%	tCO ₂ e	% Change
Mains Gas	9.30	7.94		1.35	0.4%	11.37	-18%
* Electricity	167.57		120.00	47.58	7.4%	168.64	-1%
* Fuel oil	2.92	2.37		0.54	0.1%	1.70	72%
* Business Travel	161.40	3.77	1.98	155.65	7.1%	85.96	88%
* Transport	251.63			251.63	11.1%	197.42	27%
* Staff Commuting	195.25			195.25	8.6%	177.38	10%
Working from Home	7.58			7.58	0.3%	9.71	-22%
Waste	0.15			0.15	0.0%	0.07	116%
Water & Sewerage	1.34			1.34	0.1%	1.39	-3%
Air Con Cooling	17.34	17.34		0.00	0.8%	65.66	-74%
* Purchases	1,449.18			1,449.18	64.0%	1,346.52	8%
Capital Spend	2.39			2.39	0.1%	323.03	-99%
Total	2,266.05	31.43	121.98	2,112.65	100%	2,388.85	-5%

For ETL to achieve net zero by 2050, a target of a 70% reduction in CO2e emissions by 2033 from the baseline position has been set. This is equivalent to a 1,680 tonnes reduction in CO2e by 2033.

Summary

- FY23 emissions (2266.05 tCO₂e) are 10% higher than the net zero target using the 2021 (FY-22) baseline. This is expected with increased turnover.
- Carbon intensity has reduced as shown on the following page, indicating improved carbon efficiency.**



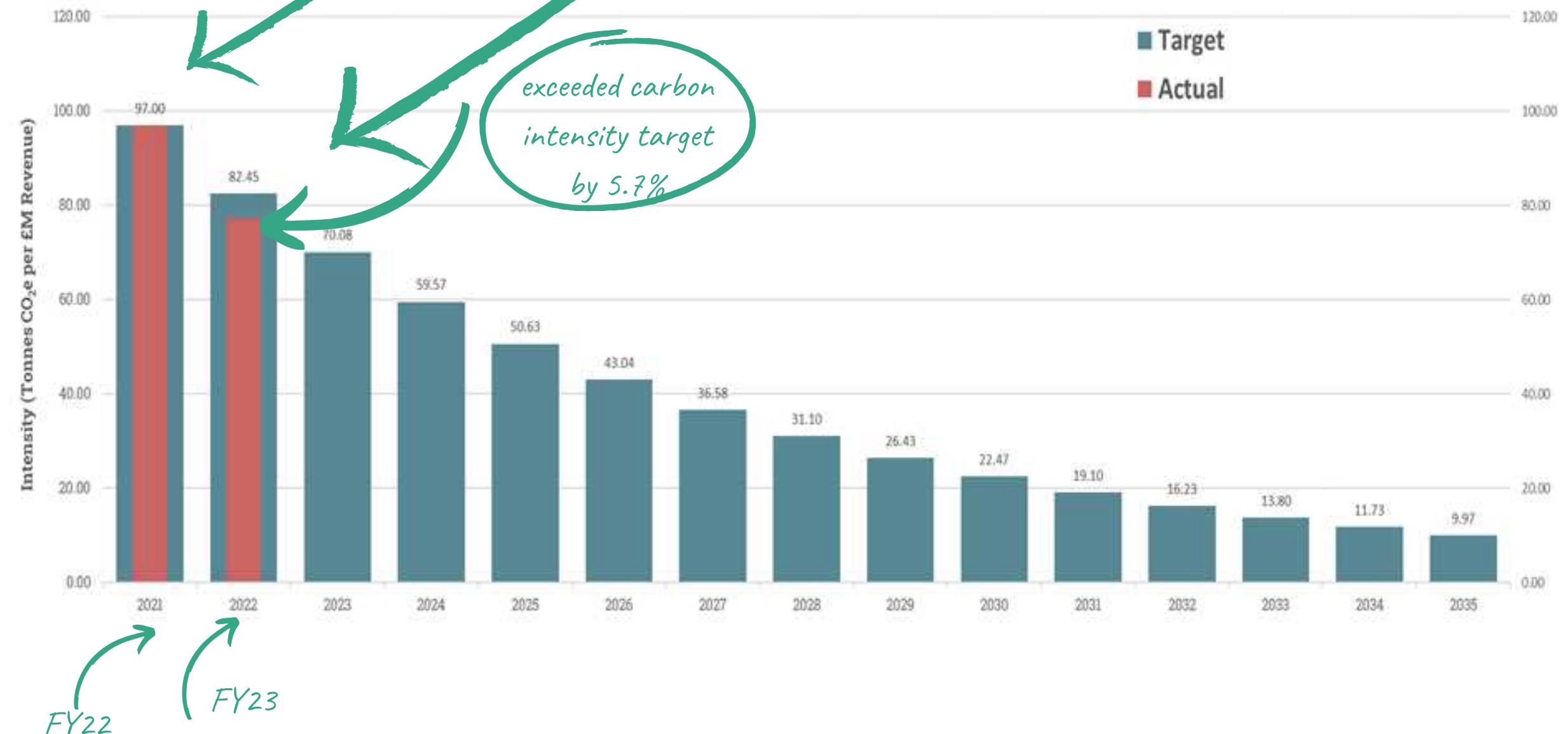


Net Zero Reduction Targets - Carbon Intensity

Summary

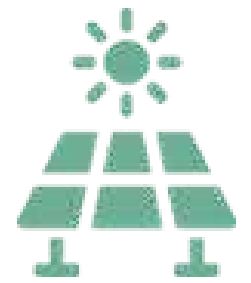
- Carbon intensity has reduced by 19% indicating improved carbon efficiency.
- Carbon intensity target of 82.45 tCO₂e per £M Revenue has been exceeded by 5.7%, at 77.69 tCO₂e per £M Revenue
- The **significant reduction in capital spend in FY23**, due to the C4 building project spend in FY22, is the main contributor to this reduction in carbon intensity.

Carbon Intensity - location based (per £M Revenue)			
	FY22	FY23	% change
Total tCO ₂ e	2388.85	2266.05	-5.14%
Revenue	£24,723,556.00	£29,168,160.00	17.98%
Tonnes CO₂e per £M Revenue	96.62	77.69	-19.60%



The UK Office for National Statistics has calculated a generic average intensity of 80 tCO₂e per £M for the “Computer, electronic, communication and optical products” sector (SIC(07) group 26) - 2021 figures*.

*Source: <https://www.ons.gov.uk/file?uri=/economy/environmentalaccounts/datasets/ukenvironmentalaccounts/atmosphericemissionsgreenhousegasemissionsintensitybyeconomicsector/unitedkingdom/current/atmosphericemissionsghgintensity.xlsx>



Review of grid consumption in Hereford post Solar PV additions in May 2023



Initiative: In May 2023 we almost doubled our solar PV in Hereford by installing panels on building C2 (all three roof pitches), C3 (2 additional roof pitches) and C4 (2 additional roof pitches). We already had solar PV on 2 of the roof pitches of building's C3 and C4.



Analysis: To see the effect this is having on our energy consumption from the grid, here we are comparing Hereford energy consumption in 2023 vs 2022 after completion of the solar PV installation in May 2023

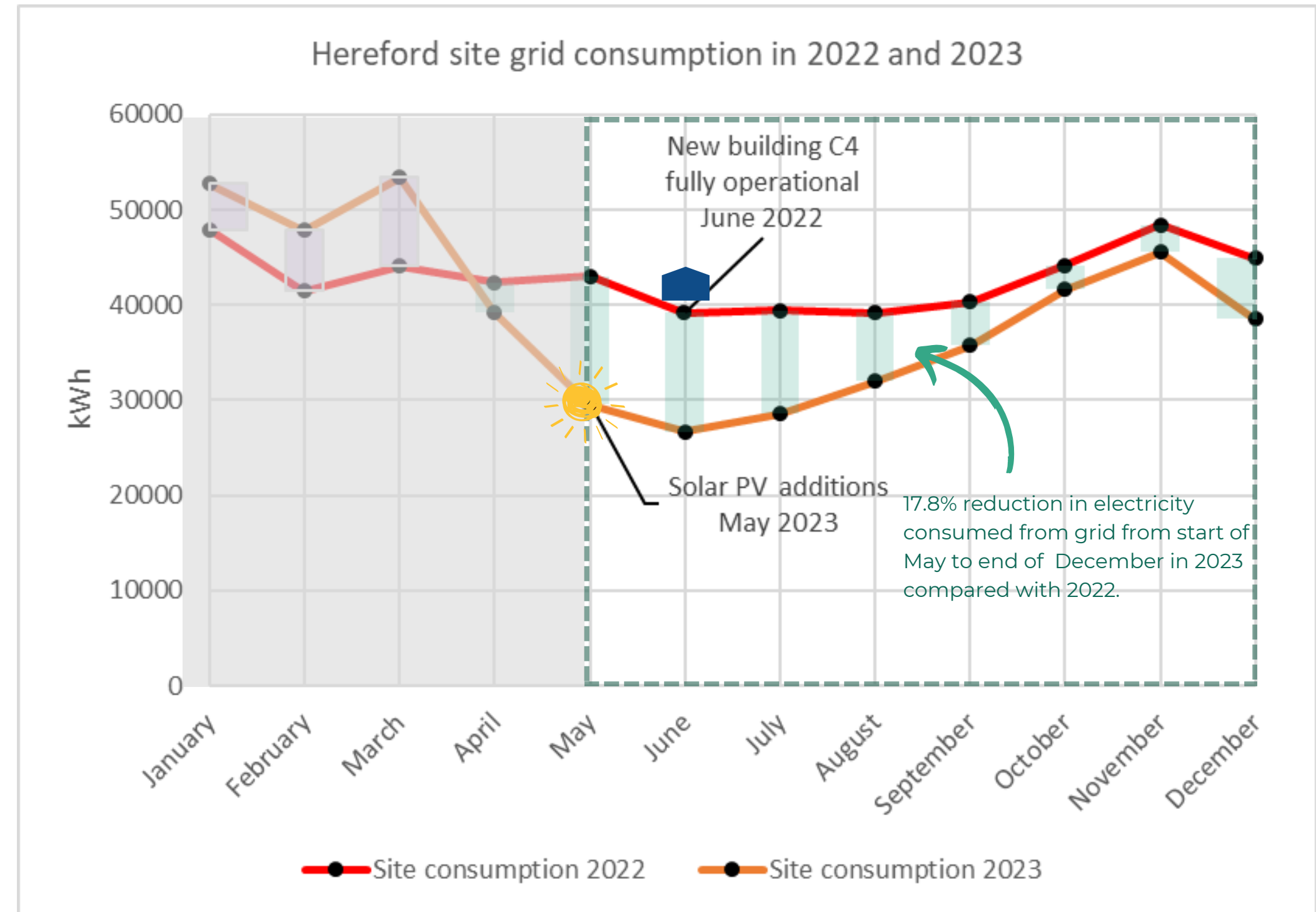


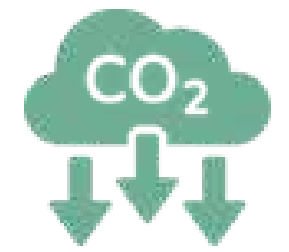
Result: 17.8% reduction in electricity consumed from grid from start of May to end of December in 2023 compared with 2022.



Next steps: In 2024 we are closely monitoring electricity usage on our new visible energy monitoring system and will be identifying where savings can be made, especially when the solar is not generating at night and over the winter months.

As this initiative was carried out at the end of FY23, the effects of this will be seen in the FY24 Carbon Footprint Report



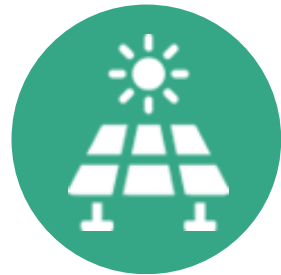


Carbon reduction focus actions 2023



Energy Monitoring

Energy Monitoring System installed at Hereford headquarters to capture overall consumption and a breakdown of electricity used by key equipment (including air conditioning, solar PV and plant facilities)



Solar PV expansion

May 2023 installation of an additional 141.96 kWp of solar PV at our Hereford site, in addition to the existing 72.64 kWp already in place.

Over the summer months approximately 41% of building C2, C3 and C4's electricity consumption has been drawn from the solar PV since this additional installation,



Energy champions

Good uptake of staff bringing forward energy saving ideas (including equipment settings and recycling)



LED outside lighting

Installation of LED lights in car park at Hereford site to replace all older non-led lighting



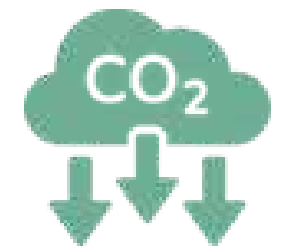
Recycling initiatives

Plastic bags/bubble wrap and foam in Production segregated for separate collection by local recycling company and diverted from general waste



Air conditioning settings

Monitoring and adjustment of settings to increase operating efficiency of air conditioning. For example, switching off the air con in our main production building (C4) at 16:00 instead of 18:00 resulted in a circa. 8% reduction in grid energy consumed over this time for the period that it was measured.



Electricity: 7.4%

FY23 footprint

Scope 2 & 3

Carbon reduction focus actions 2024



Supplier engagement

- Supplier surveys to determine status of carbon awareness.
- Collaboration with top 12 suppliers re emissions reduction.
- New Supplier Code of Conduct launch to support supplier engagement and propagate good practice.

64% FY23



Purchases footprint Scope 3

- Procurement strategy to be reviewed for purchases contributing to highest proportion of scope three purchases emissions (electronics (51.3%) and metal (29.9%) by means of increased engagement/ understanding of main suppliers' carbon intensities.



Freight Transport footprint Scope 3

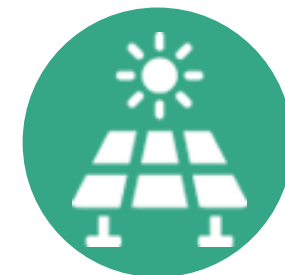
11.1% FY23

- Engagement with main freight companies re emission reduction plans (such as sustainable aviation fuel)



Visible energy reporting

- Visible energy use with regular reporting from our new Energy Monitoring System.
- Using the energy monitoring system to see where and when we are using energy, identifying where we can save energy, and monitoring the impact of changes made. Particular focus will be given to the times when the solar PV is not generating (night and winter)



Renewable energy

- Analysing how the Solar PV is working and exploring options such as battery storage and whether this would be a feasible option for the business.
- Monitoring solar PV in line with reduction measures to save energy at night when the panels are not generating.
- Exploring renewable energy tariffs.



Staff commuting and business travel

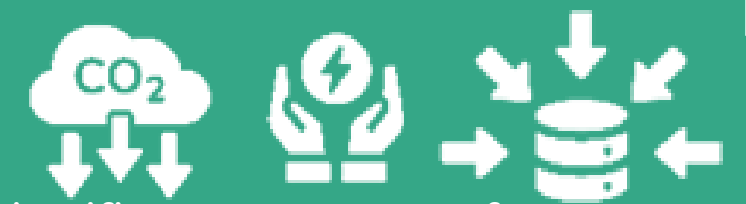
15.7% FY23

footprint

Scope 1, 2 & 3

- Increasing staff participation in Green Travel Scheme which promotes active travel and car sharing to reduce commuting emissions.
- Promotion of use of company electric vehicles for staff business trips.

Focus actions FY24



We noticed that **Compressor 1 in building C4** was consuming significant amounts of energy over the weekend.

Since April, the Production Team have been turning off the compressor along with other key equipment when not needed to be in operation.

The chart here shows a **43% reduction in energy consumed by the compressor in April compared with March** and this is a significant saving.

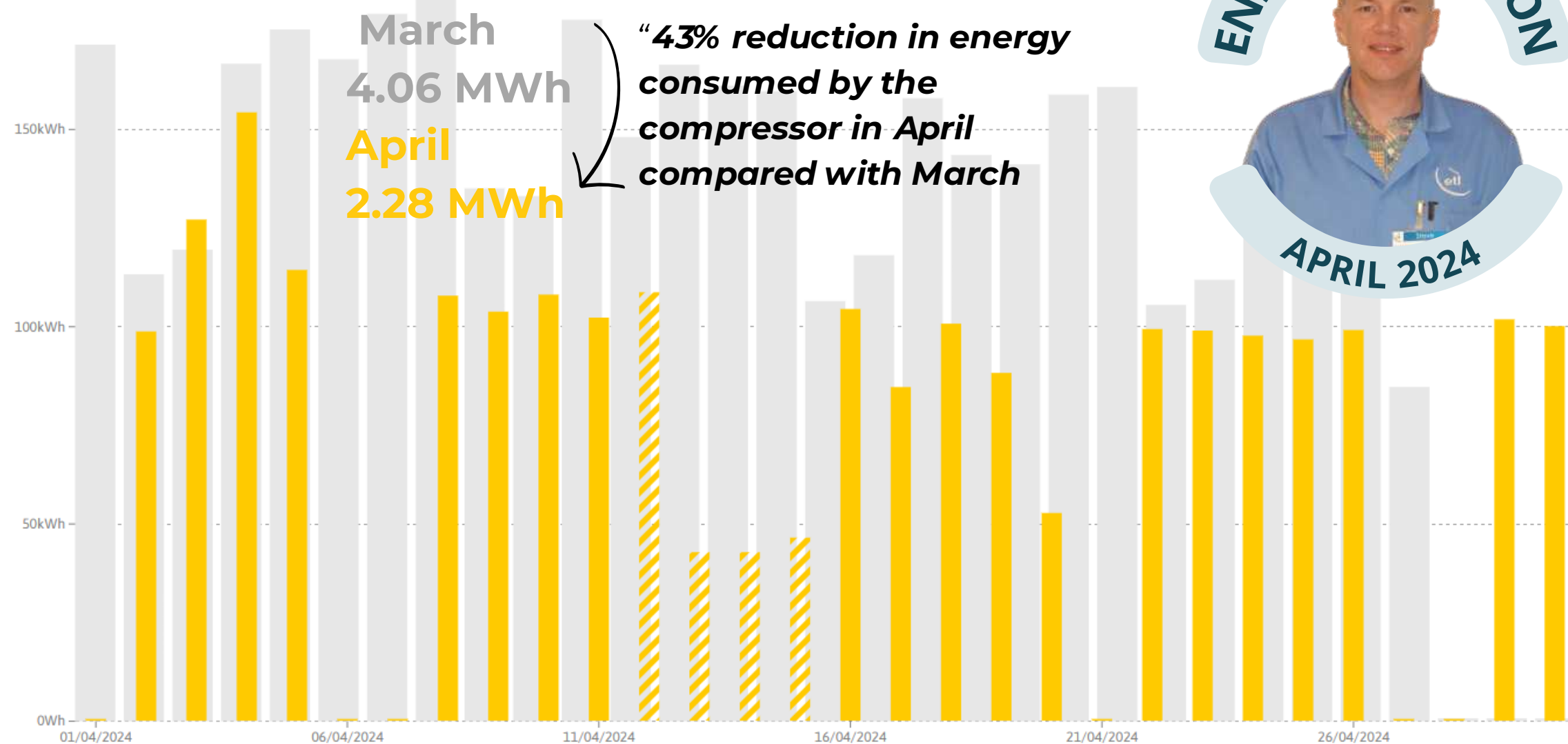


Energy Monitoring

In January 2024 we installed a new Energy Monitoring System to capture overall electricity consumption and a breakdown of key equipment consumption (including air con and plant facilities).

This is helping us to accurately see when and where we are using energy and to identify where we can save energy.

C4 Compressor 1 energy use in April and March 2024





Green Travel Scheme

If an employee travels to work by one of the greener options (car share, active travel, public transport) 5 or more times in a three-month quarter, they will receive a voucher in the company presentation.*

There are also top prizes for the person who travels the most for each of the three greener travel options at the end of the financial year.

Focus actions FY24

Record uptake of Green Travel Scheme

FY24 has seen a record number of employees joining our Green Travel Scheme, with 40 staff participating across the year compared with 33 staff in FY23.

Employees are encouraged to travel using Green methods, with a bike scheme, privileged car share spaces, and vouchers awarded in the company presentations.



13





Focus actions FY24

First collection of plastic waste for direct recycling

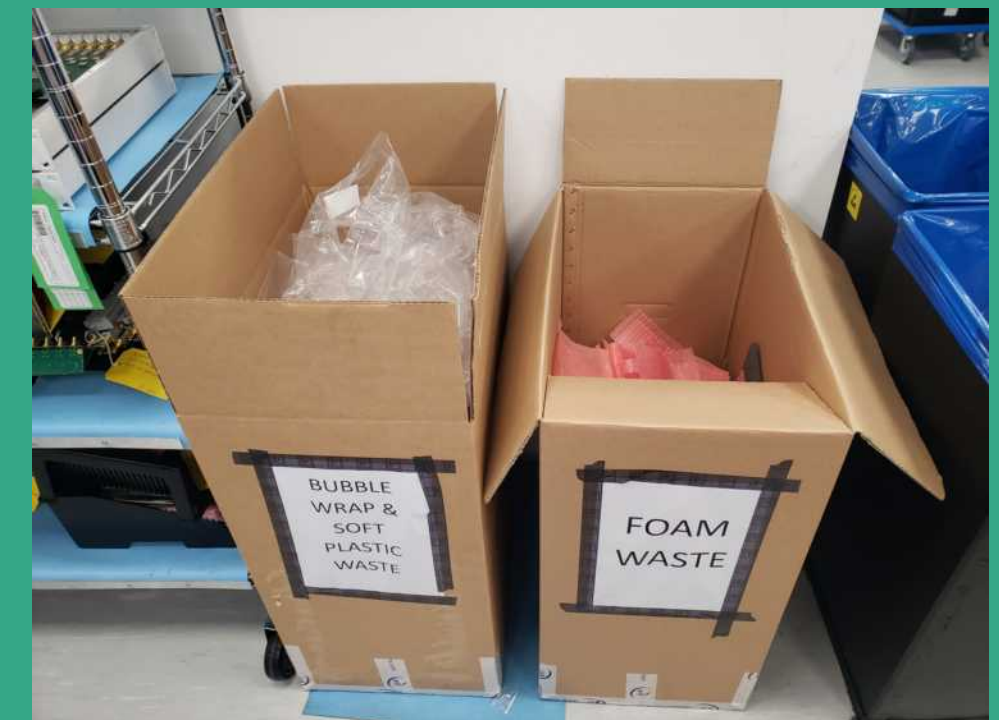
Since the end of 2023, our Production and Stores Teams have been diverting plastic bubble wrap, soft plastic and foam from general waste and saving for separate recycling.

We have since diverted 253 kg (73 bags) of bubble wrap, soft plastic and foam for recycling by our local waste contractors, Wye Valley Group and we arrange collections intermittently throughout the year.

This initiative was a direct result of feedback from our Production and Stores Teams who saw an opportunity for diverting plastic waste for separate recycling.

Waste Management

ETL's headquarters operates at zero waste to landfill with waste being streamed into general (recovered for energy) and recycling. Initiatives to increase recycling are continuously being sought such as direct recycling of plastic, bubble wrap and foam and recyclable packaging and re-use of product.





Quality & Environmental Management

ETL is committed to the design and assembly of high-performance communications and RF equipment for satellite earth stations. Whilst striving for the highest standards of quality in our products and services, we also recognise the direct and indirect impacts of our activities upon the environment and aim to minimise those impacts.

We operate under ISO 9001 Quality Management System and ISO 14001 Environmental Management System.

We are continuously working on improving our processes and systems in place that impact our Quality and Environmental performance.

Focus actions FY24

New team of internal auditors

In January 2024, our Senior Quality Engineer Ben Batson trained a new team of internal auditors from different departments across the Company. The team will be working alongside Ben to help ensure we are compliant and following protocols across the business. Audits carried out in March 2024 include::

- Purchasing
- Dispatch
- SMT
- Sales & Marketing
- Customer Support
- Assembly
- Test
- Anti-bribery and corruption

ISO audit 2024

"I'm pleased to announce that zero findings were made in the combined Rickmansworth and Hereford ISO audits, and thus we will be recertified to both standards in June 2024. I'd like to extend my thanks to everyone who participated in the audits at both Rickmansworth and Hereford. Both auditors remarked on ETL personnel being very open and willing to share, which demonstrates a high degree of professionalism and competence.

We will continue to run internal audits in the same style as external audits, to help build confidence, help all employees become familiar with being audited, and continually improve all areas of the business."

Ben Bateson (Senior Quality Engineer)





Cross functional process improvements

ETL's Strategic Goals are fully integrated with our **ESG KPIs** and **ISO Quality and Environmental Processes**. To achieve our goals we must both meet our ESG KPIs and operate within our ISO compliance requirements.

In FY24 our Chief Operating Officer, Alex Baldock implemented the SIOP* process which aligns supply with demand. This process ensures all teams across the business from Sales to Production understand our material, capability and capacity requirements; to improve end to end processes and enable improvement.

*Sales, Inventory and Operations Planning (SIOP)

Focus actions FY24

The **SIOP process** implemented in FY24 uses sales forecasts, pipeline and quotes analysis, operational forecasts, and risk factors to align supply with demand.

Key benefits of SIOP Process



On-time delivery improvements

Effective planning enabling on-time delivery and shorter lead times



Production efficiency

More time to plan effectively increasing SMT line operating efficiency (reduced change over times, hours of operation)



Supply Chain & transportation efficiency

Forecast planning reduces the number of shipments required as opposed to manufacturing to order



Energy reduction

Machines operating more efficiently and reduced requirement for machines to be operating over weekends

Staff development and retention



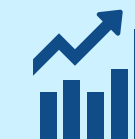
Team work

Cross collaboration and working towards our strategic goals



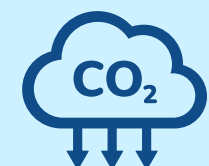
Productivity

Staff feel motivated, empowered and productive when working to forecast plans



Revenue increase

As a result of planning for SIOP opportunities and being able to efficiently deliver orders that otherwise would have been difficult to schedule



Carbon intensity reduction

Energy reduction and resource efficiency resulting in reduced emissions per £M turnover

Focus actions FY25

Human Factors Training for all staff to work towards reducing the number of defects caused by error.

Reduced defect parts, re-work, returns and repairs

Increased operational efficiency, saving resources and energy

Strategic Plan Goals:

- 1) Operational Excellence
- 2) Sustainable Business Growth
- 3) People and Culture



Sustainable Procurement

ETL's sustainability strategy aims to develop, manufacture, and deliver innovative products with the lowest possible environmental impact and suppliers are encouraged to support this wherever possible. Sustainability initiatives – such as carbon footprint reduction, reduced resource consumption and emissions, waste minimisation, recyclable packaging materials and reduced emissions – will be factored into supplier selection and approval.

Focus actions FY24

Launch of Sustainable Procurement Policy

ETL is committed to operating in a responsible and sustainable way. As a design and manufacturing company of RF technology solutions, embedding this into our procurement process is key to sustainable business growth. Our **Sustainable Procurement Policy** sets out our approach to procurement across the following key areas

- 1 Propagating a responsible approach** to business through our supply chain
- 2 Identifying and mitigating risks** associated with our procurement process and within our extended supply network
- 3 Upholding business ethics** in our dealing with suppliers; including the laws and regulations of the respective countries we operate in and procure from
- 4 Managing and reducing the environmental impact of what we buy**
- 5 Upholding human rights and worker rights** in our supply chain

Policy link from:
<https://www.etlsystems.com/corporate-responsibility>



Focus actions FY24

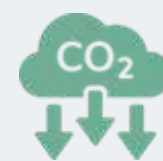
New ground breaking GENUS Digital IF Digitization platform

ETL has been a provider of RF Distribution systems for many years into all parts of the satellite industry and our equipment can be found at every earth station around the world.

Digital IF is a new ground breaking technology that allows RF signals to be distributed over IP (Internet Protocol) as opposed to traditional analogue transmission; and as a result away from hardware to software based functions.

As well as bringing huge benefits to the signal quality, flexibility, and security in signal transmission, this also has **incredible environmental benefits.**

Digital IF facilitates Virtual Network Functions (VNFs), transforming modems, signal generators and other analysis tools from hardware appliances into cloud-based software. This brings the huge benefit of flexibility to the end user and a shift from capital expenditure of hardware to operational expenditure. Modems are virtualised and become OPEX rather than capex.



Carbon Footprint of solution is reduced:

- Less hardware means reduced manufacturing
- Lighter transportation
- Fewer site visits - systems can be operated and serviced remotely
- When modems need to be upgraded it becomes a software rather than hardware upgrade.
- In situations where a whole set of modems are needed such as a sporting event or disaster relief; you can put the right modems on the right satellites for service on the right place on the ground - all carried out remotely



Mitigation against climate risk:

One of the frequent applications of our equipment is signal diversity. For example; a rainstorm in the tropics could wipe out an RF signal. This is solved by having diversity antennas - 2 antennas far apart (100km) which mitigates the risk against the storm, as it is unlikely that both antennas would be covered by a rainstorm at the same time.

Digital IF enables the signal to be re-routed whilst maintaining the quality and without the need for traditional fibre which would involve infrastructure and also signal degradation over distance.



Simon Swift, ETL Systems Engineering Director and Chair of the DIFI Specification Working Group.

Product Design

It is required by ISO 14001 that, when considering any new design, to retain a perspective on the full Life Cycle of the product.

Therefore, ETL's New Part Request and Approvals procedure states the importance of considering the carbon footprint impact when making decisions on the selection of parts.

Engineers are encouraged to minimise energy use of new designs by for example selecting parts with low energy consumption.

ETL also promotes significant re-use of product (e.g. reconditioning of PCB boards) as well as packaging.

Engineers raising a new parts request must also verify that parts are RoHS compliant.





Social

ETL's people have made the company as it stands today, and each member of staff is highly valued. As well as providing a safe and inclusive environment, we are committed to supporting employees in developing and maximising their career potential so that they can thrive at work.

ETL's commitment to its staff is reflected in obtaining "Great Place To Work" certification (Nov 23 – Nov 24).

We also strive to be a valued partner to our communities, with positive and growing relationships with local education establishments and charities.

Page 20: Health and Safety

Page 21: Training and development

Page 22: Leadership training

Page 23: Employee surveys

Page 24: Employee Forum

Page 25: Employee events

Page 26: Community engagement

Page 27: Early Careers



Health and Safety

Health and Safety is integral to how we do business as a responsible employer; ensuring that we provide a safe and healthy working environment for our staff whilst at work and others who could be affected by our work activities.

ETL's H&S Policy details our commitment to managing H&S in line with best practice across all our business activities. The policy sets out our commitment to manage risks, eliminate hazards and to meet our legal duties under the Health and Safety at Work Act 1974 and the Management of Health & Safety at Work Regulations 1992 together with all relevant subsidiary legislation.

ETL actively monitors H&S performance, with H&S statistics as a standing item on the Board Agenda. There is a dedicated H&S Team, including Officers, Fire Marshalls and First Aiders. H&S training is provided to ensure all staff are able to carry out their work safely. H&S Review meetings are carried out and any observations for improvement or non-conformities are recorded and addressed.

Accidents, incidents and near misses are recorded, reviewed at Board Level and corrective action is taken if required. Applicable cases would be reported to HSE under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

Focus actions FY24

New team of Fire Marshalls

Online Fire Safety Training completed by 7 new staff members between May 23 and August 23 to increase the Fire Warden Team, headed up by our Facilities Lead, Lynn Shaw.

Near Miss Reporting Process

To encourage prompt and fast reporting of near misses, a dedicated e-mailbox has been set up.

The mailbox is monitored by H&S representatives who follow the Near Miss Reporting Process of completing the Near Miss Form, logging the incident on the restricted Near Miss Log, and identifying and completing correction action required.

Risk Assessments

Risk Assessments for business processes identify any "Additional Controls Required", along with due dates for closure. These actions are monitored by relevant staff and reviewed in quarterly H&S meetings to ensure any potential H&S risks are minimised.



Fire Marshalls at the July 2024 Fire Drill at Hereford site



Training & development

ETL's **Career Pathways** programme works alongside our **performance review process** to support employees in achieving their career aims, recognising strengths and development areas and exploring opportunities.

As well as providing core mandatory compliance training in key areas, we invest significantly in training to support individual career development goals such as leadership and development, technical development, and digital marketing.

Focus actions FY24

Career Pathways launch

Comprehensive guidance for employees and managers adding to our development tools, helping employees to attain their goals and career aspirations. Our **Manager toolkit** launched alongside this programme is designed to equip managers with the right tools to inspire, motivate and support career plans tailored to their staff.

E-learning platform

ETL Learning Lounge is due to launch in June 2024 to support training and career development for all employees and ensure that mandatory compliance training is delivered in a systematic and auditable way.

Compliance modules are to be completed annually by all staff and within the first month of joining ETL for new employees.

Performance Review Process

New Performance Review Process launched in August 2024 with a framework for annual goal setting, followed by mid and end of year reviews. The process is designed to encourage employee development throughout the year and set clear goals in line with our company values and strategic plan.



Our new **People Development Partner** Jess Winn joined the HR team in March 2024 to lead our company wide **Learning and Career Development framework**; launching initiatives such as:

- **New hire on-boarding**,
- **Technical Training Academies**
- **Management Development**
- **Compliance training**
- **E-Learning**

Focus actions FY24



Leadership training

In April, people managers from all areas of ETL attended module one of our new management development programme; **Leading with a Purpose**. The training focused on foundations of people management such as communication, effective team work, feedback and individual motivation and working styles.

The training was the first in a series of management development training modules focusing on our people managers, with Module 2 planned for November 2025.



“A great chance to get to know other managers from different departments”

“A good chance to think about how I manage & work with my team each day”

“An insightful day, reflecting on what I can do to support my team”





Employee surveys

Staff feedback is critical to understand where improvements can be made across the business.

ETL carries out an employment survey using an independent third-party framework ('Great Place To Work') covering various aspects of work life - from job satisfaction to interactions with the leadership team and colleagues. In addition, training feedback and evaluation are carried out throughout the year.

Focus actions FY24

In FY24 we attained **"Great Place To Work"** certification (Nov 23 – Nov 24), with 72% of staff recommending ETL as a great place to work.

This is a good initial benchmark for ETL and shows our areas for continuous improvement in relation to our people and culture. Our core focus over FY24 is on addressing areas for improvement and we have set up a number of working groups across the business to support this.

The survey results identified where we are doing well; with a safe (97%) and inclusive (91%) and welcoming (86%) work environment and highlighted actions for improvement with three key focus areas below.



82% of employees responded to the survey



Focus actions FY24

Employee Forum launch and initiatives

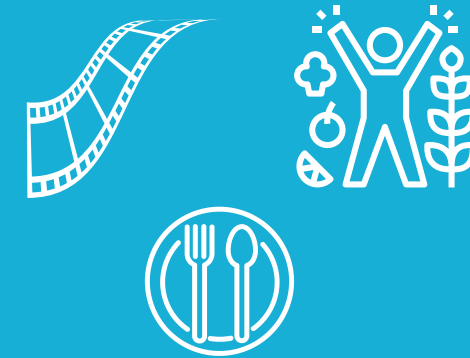


Employee Forum

The ETL Employee Forum launched in March 2023 gives representatives from all areas of the business a platform to openly discuss, debate and voice opinions.

This helps staff to understand different needs across the company as well as developing our employee experience by identifying opportunities for improvement.

Increased **holiday** allowance from January 2024 for all employees alongside holiday buy and sell scheme



ETL **People Perks** launched in July 2024 with a wide range of employee benefits, discounts and services to support the health and well being of staff

Work place flexibility changes from July 2024 with more hybrid working opportunities where possible



Energy saving and **recycling** ideas such as improving efficiency of equipment in different departments, and diverting plastic from general waste in Production



The new cohort of staff representatives in the 2024 Employee Forum will help progress and implement our action plans from the 2024 employee engagement survey.

Focus actions FY24



Department specific

- Global Sales Conference (June)
- Engineering conference (October)
- Off site Strategic Planning

NEW!

Company wide

- Summer BBQ
- Christmas Party
- Staff appreciation days
- Company presentations (quarterly)



Employee surveys help understand what worked and what can be improved upon for future events

Employee events

ETL places a significant emphasis on employee events, where our Facilities Lead Lynn Shaw collaborates with various teams to organize a diverse array of events throughout the year, catering to the entire company or specific teams.

The annual **Global Sales Conference** and **Engineering Conference** unite teams from various locations to foster collaboration towards departmental goals and roadmaps.

Furthermore, **company-wide events** provide staff with the chance to mingle across departments, promoting unity and serving as a token of appreciation for the valued members of the ETL team.

“The feedback and suggestions from the EEC, resulted in 7 key areas being selected to take further by focused working groups. These areas were selected based on the positive impacts they were likely to make, and where common threads were raised by multiple groups.

The working groups held kick-off meetings to define:

1. What needs to be achieved?
2. What steps and actions are needed to realise this?
3. When the actions identified will be completed and implemented

This will then be shared with the whole of engineering, followed by regular progress updates until we have concluded these 7 topics.

Thank you again for the constructive ideas shared at the conference. What is important now is that we turn these into tangible improvements! ”

Paul Gouws (Engineering Director)





Community engagement

ETL aims to be a trusted partner within our communities, fostering positive and expanding connections with local educational institutions and charitable organizations.

Our Charitable Donation Committee, led by our staff, actively engages with and supports local charities, alongside visits to learn about their initiatives and explore opportunities for collaboration.

Focus actions FY24

Charity support

In FY24 we supported seven local charities nominated by staff to receive a proportion of our Charity Fund.

This initiative not only provides staff with insights into the charities' missions, but also encourages them to contribute through different avenues. Our staff are eager to create a positive influence in the community and are passionate about this work.



Focus actions FY24

Work placements

In FY24, Hannah Clifton was among the four work experience/placement students, spending a week in July 2024 getting hands-on experience in all departments. Hannah's main assignment was to design an Early Careers flyer, aiming to give prospective work experience students an insight into our departments and their role in ETL's achievements.

ETL provides summer work placements with a primary focus on the Test Department, offering students the opportunity to acquire valuable experience in a crucial phase of the product design and manufacturing process.

Local universities

ETL is proud to be supporting our local engineering University (NMITE) and local six form students as they start in their careers.

Our relationship is continuing to develop with NMITE (New Engineering University in Hereford), which opened in 2021. The technology/ engineering courses provide a starting point for careers at ETL

Our **Talent and Early Careers Business Partner, Barry Tapping** visited NMITE in February 2024 to meet the cohort, find out about their projects and explore opportunities for collaboration. Barry has a project in mind for January 2025 working in partnership with the whole year group to design an early careers interactive board to be used by our careers department.

Barry is also exploring the potential launch of an intern programme in FY25, with two interns set to join the company.



Early careers

ETL actively engages with education establishments to seek students who are interested in exploring a career at ETL, within engineering, or another one of ETL's departments.

Our work placements offer opportunities for students at various stages, offering broad experience across multiple departments. We are also exploring internship programmes; with potential for roles available to suit different skill sets.



Feedback from one of our work experience students:

"My week at ETL gave me opportunity to work with a variety of different teams across all areas of the business, helping me see how the company works and the different skill sets across departments."

This has been so interesting and valuable in helping me to figure out my own career decisions"

Hannah Clifton (Work Placement July 2024)



Governance

Upholding the highest standards of governance is essential to maintaining value for our shareholders, external board members and other stake holders.

This includes complying with all laws, rules, regulations, and policies applicable to our business.

Page 29: Corporate Governance

Page 30: Code of business ethics

Page 31: Supply Chain Management

Page 32: Cyber Security and Data Protection

Page 33: Export Control & Compliance

Page 34: Anti Bribery & Corruption

Page 35: Anti-Competitive Practices



Corporate Governance

ETL's Board of Directors is comprised of both Executive and Non-Executive members with a diverse range of experience.

The Board provide entrepreneurial leadership, along with strategic planning and monitoring of business operations and performance against highest standards of best practice. The Environmental, Social and Governance impact of the business is critical to decisions made at Board level.

Board of Directors

Kevin Dunne
CEO

Ian Hilditch
Co Founder

Esen Bayar
Co Founder

Andrew Tyler
**Non-Executive
Chairman**

Jolyon Latimer
**Non-Executive
Director**

Paul Stephens
**Finance
Director**

Ben Lewis
**Non-Executive
Chairman**

Senior Leadership

Paul Gouws
CTO

Alex Baldock
COO

Andrew Bond
Sales Director

Joanna Gower
HR Director

Simon Swift
**Engineering Director
Digital Technologies**

Sunil Murphy
**Programme
Manager**

Robb Ferrari
**Operations
Manager**

Mo Arbabi
**Production
Director**

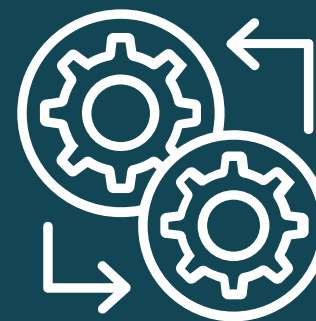
Susan Saadat
VP of Sales

Engineering

Operations

Sales

HR



*In addition to monthly board meetings, the Senior Leadership team have monthly meetings to review and discuss company performance both commercially and in terms of working towards **ETL's Strategic Goals**.*

*The **Annual Strategic Plan** and **business roadmap** is reviewed at off site planning days, with ESG KPIs and ISO Quality and Environmental compliance being embedded into this process.*

Core Values

- Innovative & Brave
- Ambitious & Driven
- Customer Empathy



Focus actions FY24

Conduct and compliance policies

ETL's **compliance & regulation** and **conduct & performance** policies are available to staff on our HR hub and referenced in the new starter booklet.

Performance management

The new **Performance Review Process** launched in FY24 is designed to support staff in setting clear, measurable goals in line with ETL's **strategic plan, core values** and always in accordance with the **highest standards of ethical practices**.

The review process is structured with **annual goal setting** and **mid and end of year reviews**, to ensure staff work with their managers throughout the year on career development and best practice.

Compliance training

The launch of our new **E-Learning Lounge** in June 2024 will bolster our compliance training and record keeping, ensuring that staff are aware of conduct expectations and requirements both specific to their role and on a broader scale.

*ETL's **Grievance Policy** is in place to ensure that staff feel comfortable and know who to report concerns to about how they have been personally treated.*

*ETL's **Whistle Blowing Policy** provides a reporting mechanism for staff to raise concerns about wrong doings/ compliance violations that might be taking place, in a confidential manner and without fear of adverse repercussions on themselves.*

In FY24 we added a third party advice line to the Whistle Blowing Policy to ensure that support is available to staff from both within the company and also from an external body.



Code of business ethics

ETL is committed to promoting the highest standards of openness, integrity, and accountability.

The Company encourages all employees to conduct themselves in accordance with high moral and ethical standards showing respect, integrity, honesty, fairness, and in full compliance with the law.

We have robust policies in place to ensure that conduct expectations are outlined, and we have rigorous processes in place to deal with misconduct.



Focus actions FY24

New Supplier Code of Conduct

Our existing Supplier Requirements Procedure has been enhanced in terms of **environmental performance, worker rights and good governance**. The new Code has been sent to our Suppliers, along with our **Supplier Carbon Footprint Survey**.

ETL's **Supplier Code of Conduct** states that Suppliers must comply with all laws and regulations applicable to their business, including the local laws and regulations of all countries outside their home country in which operations are managed or services are provided.

Environmental performance, worker rights and good governance are addressed in the Supplier Code of Conduct and the requirements stated represent a minimum standard of best practice.

Supply Chain Management

As part of a network of other organisations, people, and the environment, ETL's relationship with its suppliers and third parties is critical for ethical and sustainable business growth. ETL's **Supplier Code of Conduct** compliments ETL's **ESG Policy and Framework** and **Sustainable Procurement Policy** by encouraging socially and environmentally responsible business ethics across this network.

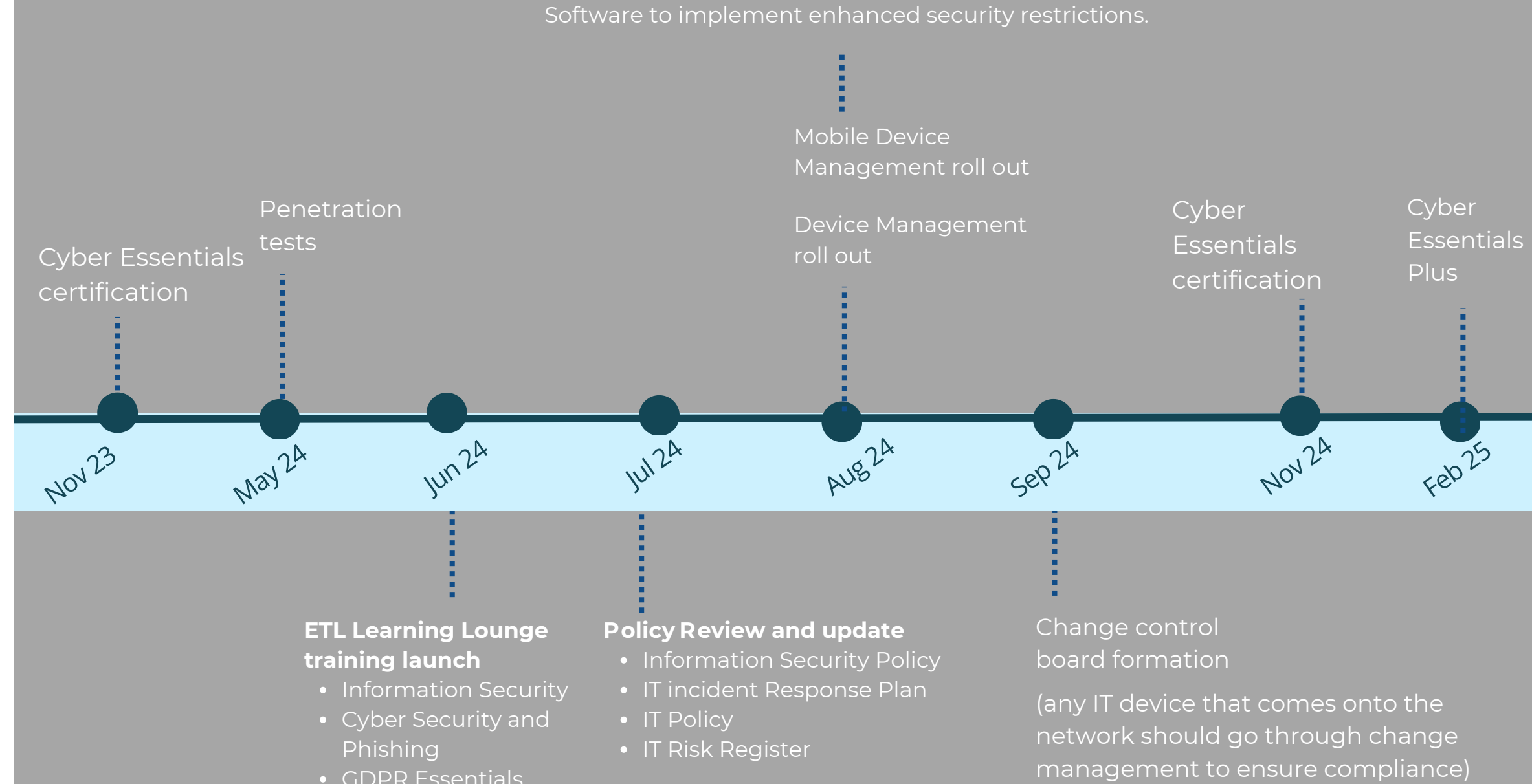


Focus actions FY24-FY25



Cyber Security and Data Protection

ETL complies with all applicable data privacy laws and regulations including GDPR. Cyber Security accreditation is in place with UK Cyber Essentials. We have a strong cybersecurity strategy in place to monitor cyber protection including regular network and device scanning and reporting.



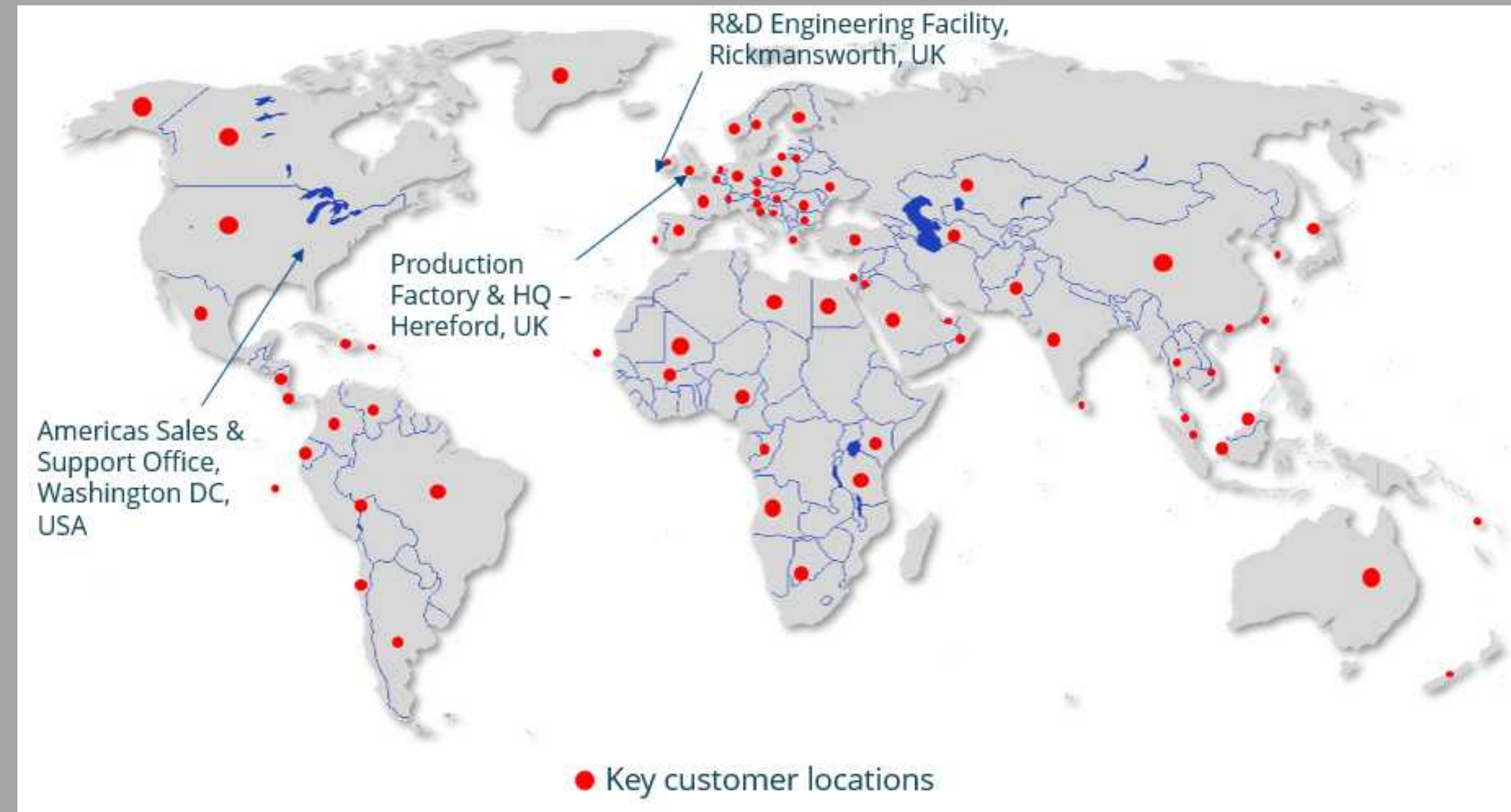


Export Control & Compliance

ETL's **Export Control Compliance Policies** ensure compliance to UK and US export legislation and export controls. The Company carries out an annual review of ETL products and technologies against the Export Control Lists. Training is delivered to relevant teams by ETL's Security Controller.

Focus actions FY24

ETL exports over 80% of its products to satellite customers in more than 110 countries around the world. Compliance to export control legislation is critical to how we operate.



Exports are controlled for a number of reasons including:

- concerns about internal repression, regional instability or other human rights violations
- concerns about the development of weapons of mass destruction
- foreign policy and international treaty commitments including as a result of the imposition of EU or United Nations trade sanctions or arms embargoes
- national and collective security of the UK and its allies

Policy link from:
<https://www.etlsystems.com/corporate-responsibility>



Focus actions FY24



Anti-Bribery & Corruption

It is the policy of ETL to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption in whatever form it may be encountered.

*ETL's **Anti-Bribery & Corruption Policy** applies to anyone associated with ETL; including all employees, volunteers, interns, consultants, contractors, agents, business or joint venture partners and sponsors.*



Annual audit

An annual Risk Assessment of Anti-Bribery & Corruption across the company is carried out and is used as the basis for the ABC audit.

Medium and high risk items highlighted in the Risk Assessment are audited alongside the policy. Actions to address any areas for improvement or non conformities are identified.

The annual audit was completed in April 2024..



Refresher training

Refresher training was delivered by our Security Controller, Rachael Heath to key teams (including Sales, Finance and Purchasing) in May 2023.

Future training for 100% of staff will be incorporated into our forthcoming ETL-Learning Lounge platform.

E-Learning

Preventing Bribery in Businesses will be mandatory annual training for all staff - module in ETL Learning Lounge launching in June 2024.

For new starters, the training requirement will be integrated into the on-boarding process.

Policy link from:
<https://www.etlsystems.com/corporate-responsibility>





Anti-Competitive Practices

ETL does not tolerate any anti-competitive behaviour, or behaviour which could lead to anti-competitive activity, or any legal, ethical, or moral breach of competition law. All staff and third parties acting on behalf of ETL are required to comply with ETL's **Anti-Competitive Practices Policy**. This outlines obligations and conduct required when dealing with competitors, customers and relating to a dominant market share.

Focus actions FY24

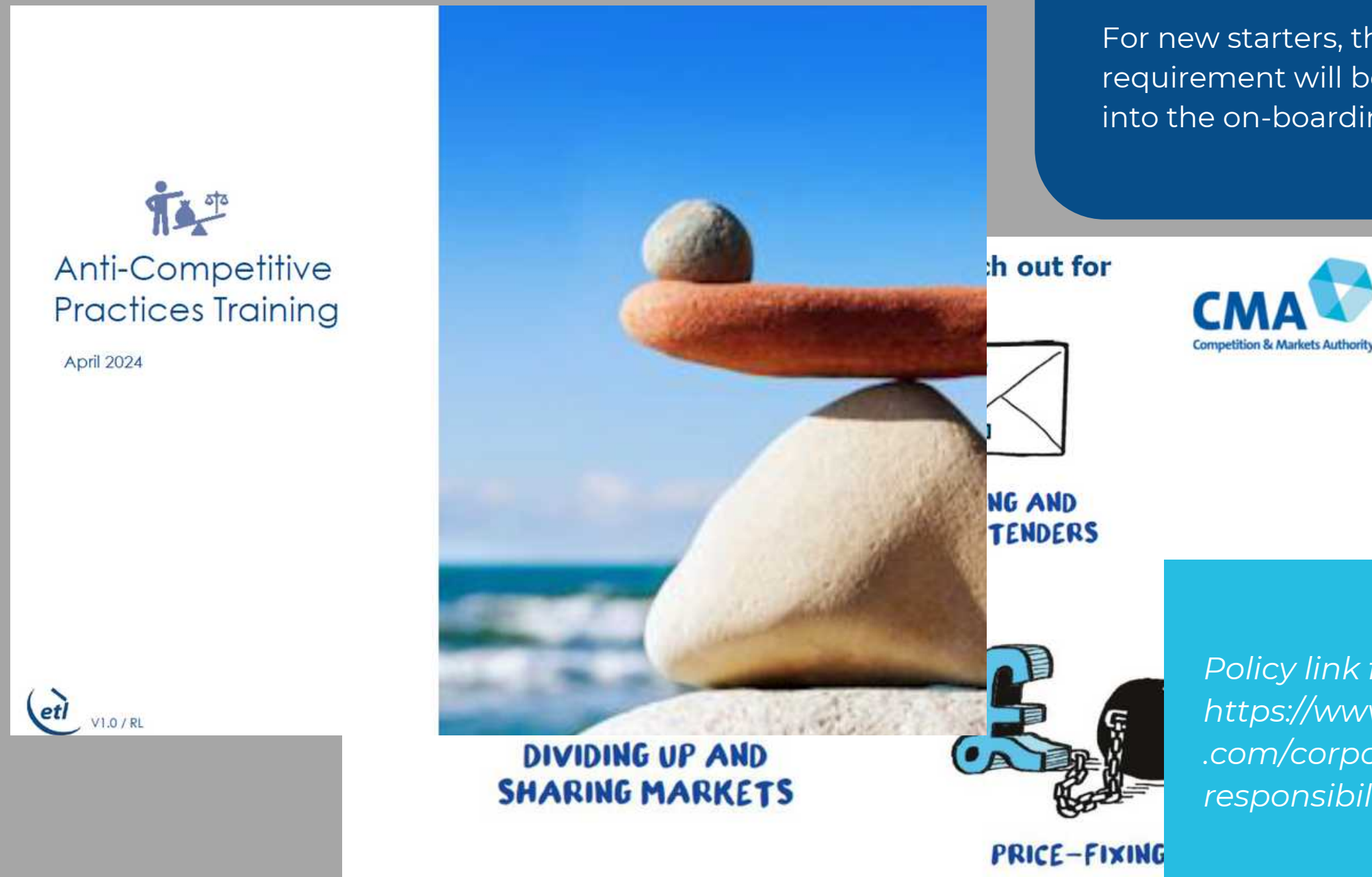
New Policy launch

A new policy has been released on the Corporate Responsibility page of ETL's website. This policy highlights ETL's dedication to meeting all legal obligations and defining the conduct expectations for all employees and representatives of ETL.

E-Learning

Anti-Competitive Practices will be mandatory annual training for all staff - module in ETL Learning Lounge launching in June 2024.

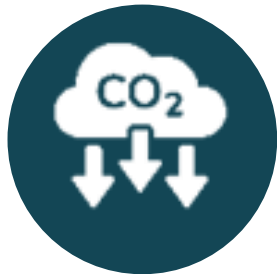
For new starters, the training requirement will be integrated into the on-boarding process.



Policy link from:
<https://www.etlsystems.com/corporate-responsibility>



Key ESG highlights FY24



Carbon emissions reduction

- 5% carbon emissions reduction (FY23 vs FY22, location based)
- Additional 141.96 kWp of Solar PV at Hereford site (72.64 kWp already in place)
- Visible Energy Monitoring and Reporting System
- Energy Champions and implementation of energy saving measures
- LED outside lighting
- Recycling initiatives such as soft plastic and foam in Production



Quality & Environmental Management

- ISO 9001 and ISO 14001 recertification
- New internal audit team to review key operations across the business



Cross functional process improvements

- SIOP process implementation - improving end to end processes; saving resources, energy and reducing carbon intensity of operations



Supplier engagement

- New Supplier Code of Conduct launched and issued to Suppliers along with a Carbon Footprint Survey
- New Sustainable Procurement Policy launched
- Increased engagement with Suppliers and third parties on ESG aspects, building a foundation for on-going collaboration



New Policies

- ESG Policy and Framework
- Sustainable Procurement Policy
- Standalone Human Rights Policy Statement
- Anti-Competitive Practices Policy
- Standalone EDI Policy
- HR Policy updates in line with employment legislation changes



Product design

- GENUS Digital IF Digitization platform - environmental benefits with shift from hardware to virtualisation of modems



Health & Safety

- New team of Fire Marshalls
- Near Miss Reporting Process update
- Risk Assessment refresh



Training and development

- New Performance Review Process
- Career Pathways and Manager Toolkit launch
- Leadership training - *Learning with a Purpose*
- Career development with internal promotions



Employee benefits

- Increased holiday allowance alongside holiday buy and sell scheme
- People Perks launch with employee discounts and health and well being services
- Workplace flexibility options
- Employee Forum and implementation of ideas and feedback
- GPTW survey and accreditation



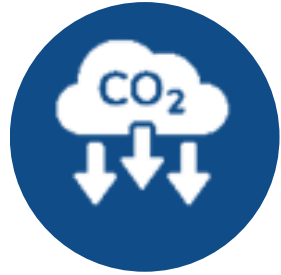
Company Strategic Plan

- launch of new Annual Strategic Plan, embedded with ESG KPIs, ISO Quality and Environmental compliance and integration with new Performance Review Process



Key ESG focus FY25

Carbon emissions reduction



- 15% carbon emissions reduction target (location based) by implementation of carbon reduction actions (page 11)
- Energy monitoring and reporting using the visible energy platform installed in January 2024, with a focus on identifying where more savings can be made and implementing changes
- Development of recycling initiatives and promotion of targets in Hereford and Rickmansworth

Quality & Environmental Management



- ISO 9001 Quality Management System and ISO 14001 Environmental Management System compliance
- Actions resulting from internal audits conducted in March 2024 supporting process improvements of key operations across the business

Supplier engagement



- Supplier Code of Conduct and Carbon Footprint Survey responses to be incorporated into Supplier Reviews and Risk Assessments
- Promotion of Sustainable Procurement Policy
- Development of Supplier On-Boarding and Performance Monitoring processes, with generation of a Supplier Risk Register for assessing suppliers across various aspects (including product criticality and ESG)

Transport



- Detailed carbon footprint reporting from main freight company and potential investment in sustainable aviation fuel scheme
- Exploration of electric car schemes
- Development of Green Travel Scheme on the back of the success in FY24



Cyber security and data protection

- Penetration tests - May 2024
- ETL Learning Lounge training launch - June 2024
- Device and mobile device management roll out - August 2024
- Change control board formation - September 2024
- Cyber Essentials certification - November 2024
- Cyber Essentials Plus - February 2025



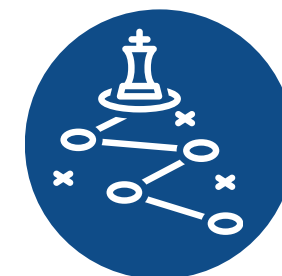
Training and development

- ETL Learning Lounge launching in June 2024
- Actions from Employee Forum and GPTW Engagement Survey
- Continuation of management development programme - Leading with a Purpose
- Evaluation of FY24 newly launched Performance Review Process
- Early careers initiatives including placements, internships and collaboration with NMITE (New Engineering University in Hereford)



Policies

- IT Policy review and update - July 2024
- HR Policy updates in line with employment legislation changes (including Neo-natal Policy update in line with legislation changes coming into force in October 2024)
- Distribution Agreements and Declaration Forms signed by third parties involved in the sale of ETL products to be audited and reviewed



Company Strategic Plan

- Review of company performance against Strategic Plan Goals
- Review of Strategic Plan Goals ensuring they are fully integrated with updated ESG KPIs and ISO Quality and Environmental compliance.

References:

*This Corporate Responsibility Report has been prepared by ETL Systems Ltd.
Extracts are included from following reports issued by Carbon Lens Ltd:*

- *Carbon Footprint Report for ETL Systems 2023 Version 14*
- *Carbon Footprint Report for ETL Systems FY22 Rebaseline Feb 24 V2*