ESG POLICY & FRAMEWORK 2024

ETL Systems Ltd

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ESG Policy

ETL delivers cutting-edge RF Technology solutions that enable seamless communication & connectivity across the world, pushing the boundaries of RF technology to shape the future of communication.

ETL's corporate and social responsibility is fundamental to the way that it operates. The company is continuously striving to improve its impact on employees, the wider community, and the environment, whilst upholding the highest standards of governance.

ETL's **Environmental, Social and Governance Framework** in this document sets out how we are achieving this in line with our business strategy.

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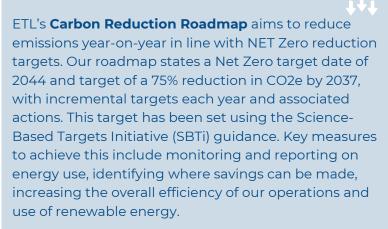
Environmental

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.

Commitment to Net Zero

ETL's **Carbon Reduction Roadmap** aims to reduce emissions year-on-year in line with NET Zero reduction targets. Our roadmap states a Net Zero target date of 2044 and target of a 75% reduction in CO_2e by 2037, 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, staff, to take steps to reduce emissions.
Reporting and publicising progress.

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.

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.

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.

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).

Equality, diversity and inclusion

ETL fosters a culture of equality, diversity and inclusion; with a working environment based on dignity, trust and respect, free from discrimination, harassment and bullying.

ETL offers work opportunities for people with a wide range of different skills and experience and including a range of work experience placements.

The recruitment and selection process is fair and unbiased, with unconscious bias/ inclusive recruitment training delivered to hiring managers.

We record and report gender, age, disability and ethnicity statistics.

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 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.

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.

Community engagement

We have a staff led Charitable Donation Committee where we support and visit local charities to find out about their work and explore opportunities for engagement.
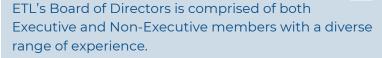
Governance

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.

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.

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.

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.

Supply Chain Management

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.

Cyber Security & 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 and 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.

Anti Bribery & Corruption

It is the policy of ETL to conduct all 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** is issued to all new starters as part of the induction programme, and we also deliver refresher training for key teams.

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.