

Executive Summary of Carbon Footprint Report

FY2024 (01 June 2023- 31 May 2024)





Report Highlights

Page 3: Introduction

Page 4: Carbon emissions aspect overview - FY24

Page 5: Emissions intensity by scope

Page 6: Emissions by aspect

Page 7: Net zero reduction target - carbon intensity

Page 8: Carbon reduction focus actions

Page 9: Case study 1 - Review of grid electricity consumption

Page 10: Case study 2 - Visible energy monitoring system

Page 11: Conclusion

Page 12: References



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 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:

Introduction

Carbon Lens Ltd have been commissioned by ETL to carry out an annual Carbon Footprint Assessment since June 2021.

This executive summary focusses on the FY2024 report, reviews progress and also expands on ETL’s carbon reduction initiatives as set out in our Roadmap.*

**period from 1st June 2023 to 31st May 2024*



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



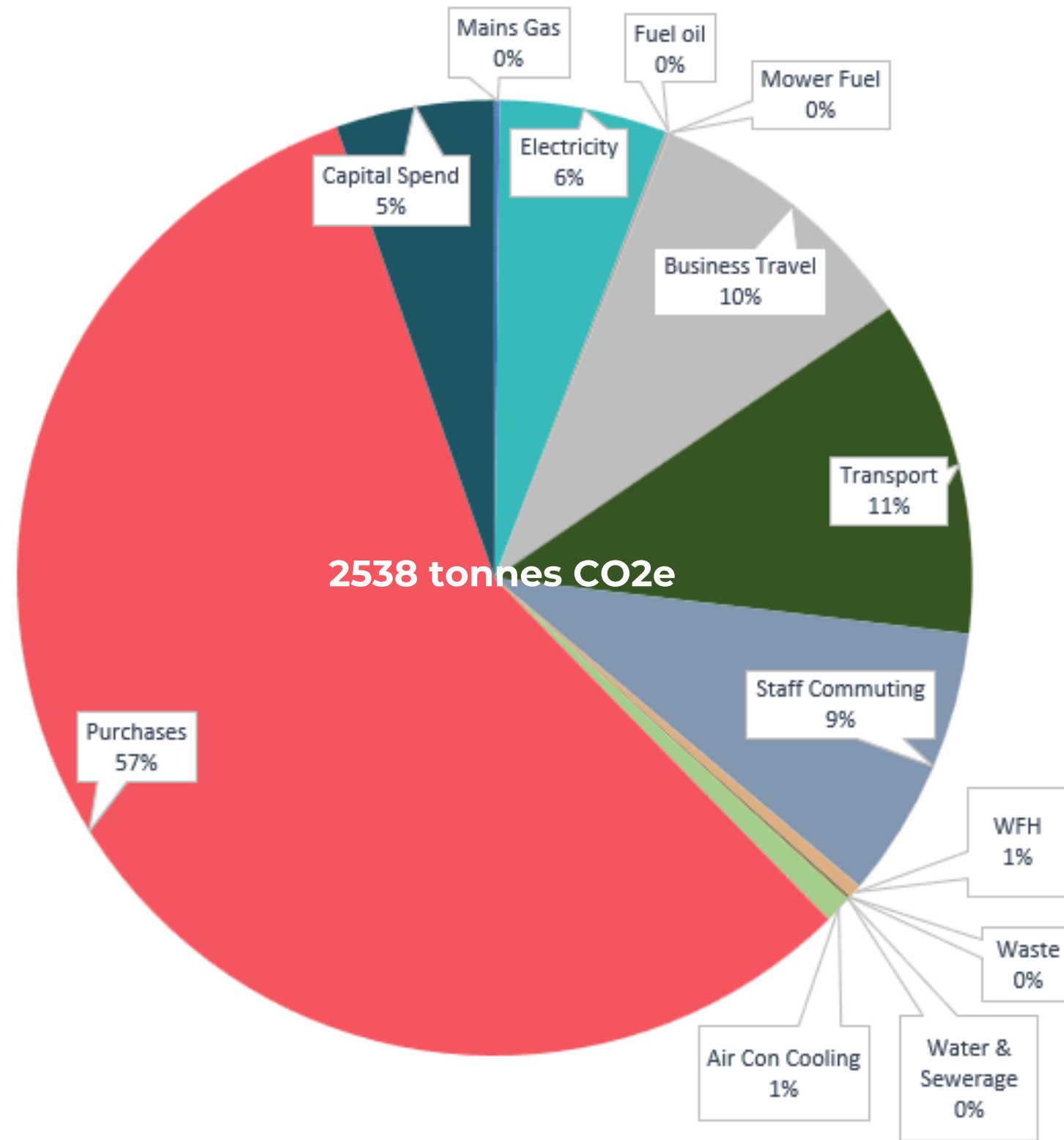
Reducing emissions
across all aspects of operations, including energy use, transport and travel, supply chain, financial investment, and waste.



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



Reporting
and publicising progress.

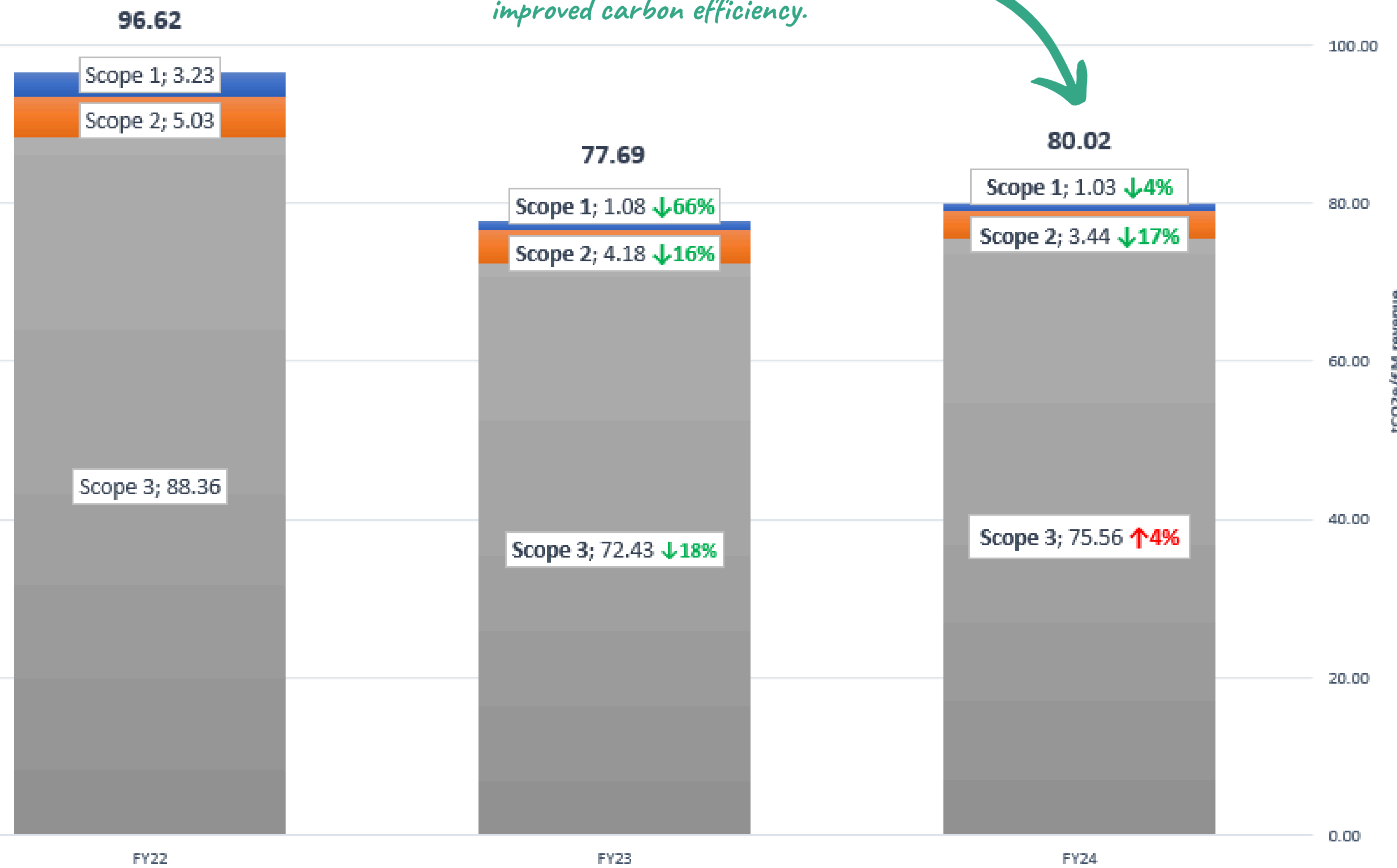


Purchased goods and services are the highest contributors of emissions (57%), followed by **transport of product** (11%), **business travel** (10%), **staff commuting** (9%), **electricity** (6%) and **capital spend** (5%)

Aspect	Tonnes CO2e - Location Based 2024				
	Total	Scope 1	Scope 2	Scope 3	%
Mains Gas	4.32	3.71	0.00	0.61	0%
Electricity	143.62	0.00	108.20	35.42	6%
Fuel oil	3.59	2.92	0.00	0.67	0%
Mower Fuel	0.17	0.13	0.00	0.04	0%
Business Travel	241.08	2.28	0.73	238.07	10%
Transport	288.96	0.00	0.00	288.96	11%
Staff Commuting	235.88	0.00	0.00	235.88	9%
WFH	12.01	0.00	0.00	12.01	0%
Waste	1.60	0.00	0.00	1.60	0%
Water & Sewerage	1.13	0.00	0.00	1.13	0%
Air Con Cooling	23.60	23.60	0.00	0.00	1%
Purchases	1,445.33	0.00	0.00	1,445.33	57%
Capital Spend	136.23	0.00	0.00	136.23	5%
Total	2,537.52	32.64	108.93	2,395.95	100%

Emissions intensity (tCO2e/£M revenue) by scope for last 3 financial years

Total emissions intensity has reduced by 17% since FY22 indicating overall improved carbon efficiency.



- **Scope 1 and 2** emissions intensity has reduced year-on-year; primarily as a result of significant energy emissions reduction. In FY24, electricity (across all scopes) reduced by 23.9 tCO2e; 14% reduction compared with FY23. Further details are on the next page.
- **Scope 3** emissions intensity has increased (4.3%) in FY23. These are indirect emissions up and down the supply chain. Purchased goods and services and capital spend account for 66% of scope 3 emissions, followed by transport of product (12%) staff commuting (10%) and business travel (10%).
- A break down of the carbon emissions from each scope is shown on the next page.

Scope 1 █
Direct emissions made by ETL

- Company Facilities
- Company Vehicles
- Fugitive (e.g. fuel, oil, gas)

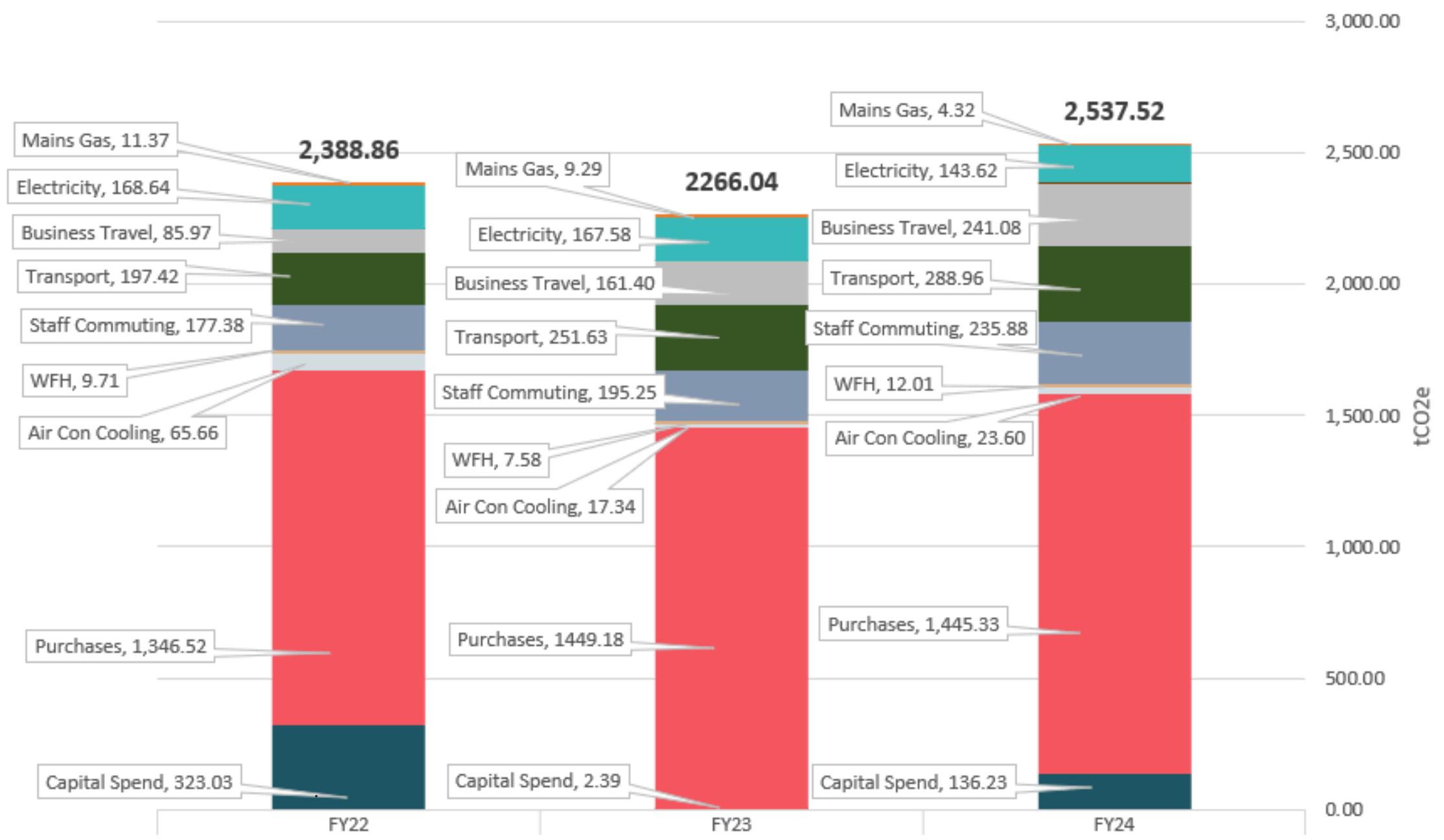
Scope 2 █
Indirect emissions made by ETL

- Purchased electricity

Scope 3 █
Indirect emissions up and down the supply chain

- Purchased goods and services
- Capital goods
- Fuel & energy related activities not included in Scope 1 or 2
- Upstream transportation and distribution
- Waste generated in operations and water
- Business travel
- Employee commuting and working from home
- Upstream leased assets
- Downstream transportation and distribution

Emissions (tCO2e) by aspect for last three financial years



Most significant emissions reduction in FY23

- Electricity emissions have reduced the most (23.9 tCO2e / 14% reduction). At our Herefordshire headquarters, the electricity consumption from the grid over FY24 reduced from 518,445 kWh to 442,209 kWh (76,236 kWh /14.7% reduction). Energy saving case studies from the solar panels and the energy monitoring system in Hereford are shown on page 9 and 10.

Most significant emissions increases in FY23

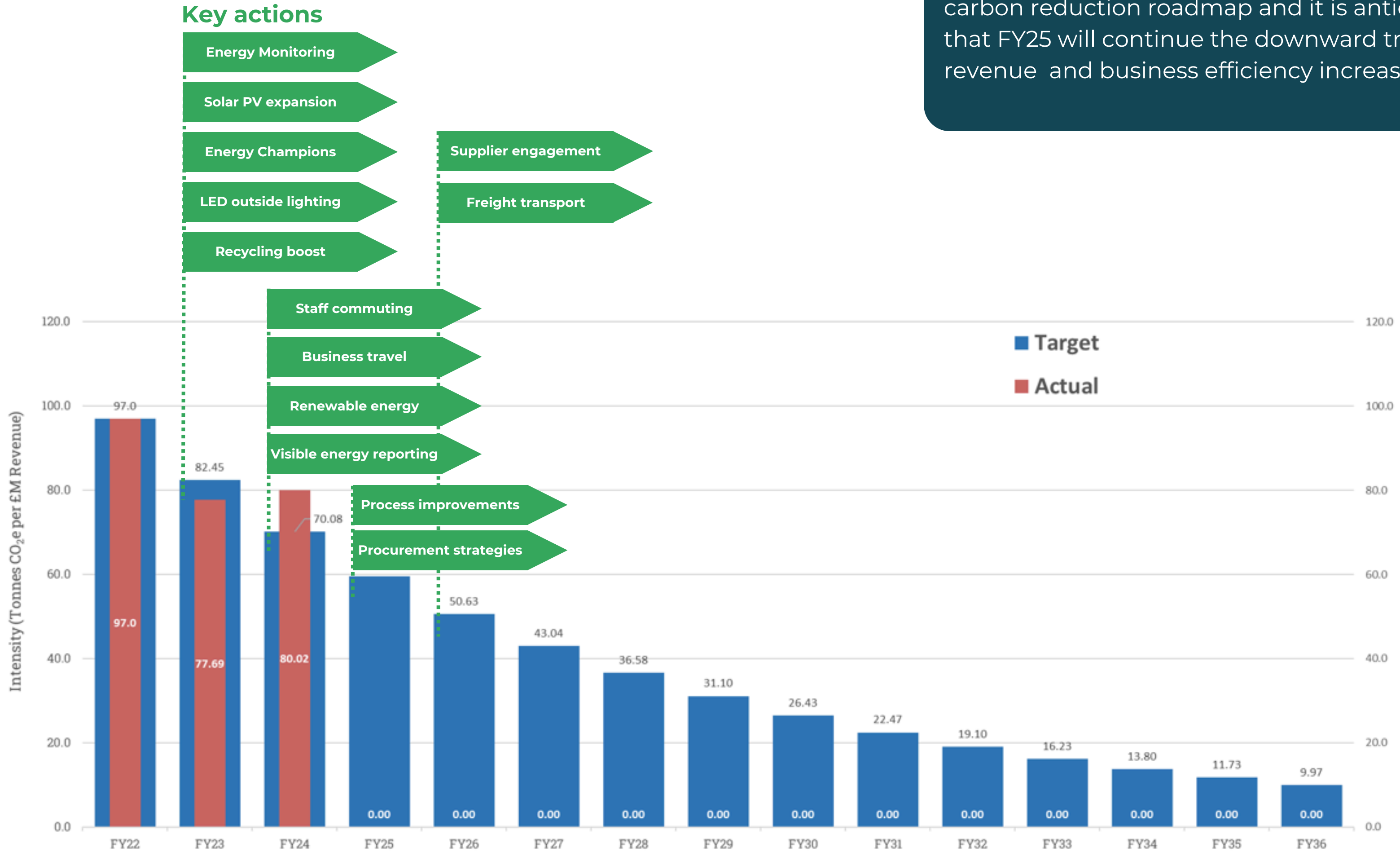
- As the business has grown over FY24, emissions have increased from the following main contributors of emissions:
 - **Purchased goods and services** and **capital spend** (62% of total emissions) - risen by 9%
(These emissions fall into Scope 3 category)
 - **Business travel** (10% of total emissions) - risen by 49%, driven by 60% increase in air travel - FY22 base line affected by COVID travel restrictions hence significant increase in subsequent years
(99% of these emissions fall into Scope 3 category)
 - **Transport of product** (11% of total emissions) - risen by 15% - more accurate data collection is a factor affecting the increase
(These emissions fall into Scope 3 category)
 - **Staff commuting** (9% of total emissions) - risen by 21% - affected by increase in headcount as business grows
(These emissions fall into Scope 3 category)

The most significant emissions' increases are within Scope 3 which are emissions that we are indirectly responsible for and are more difficult to control.

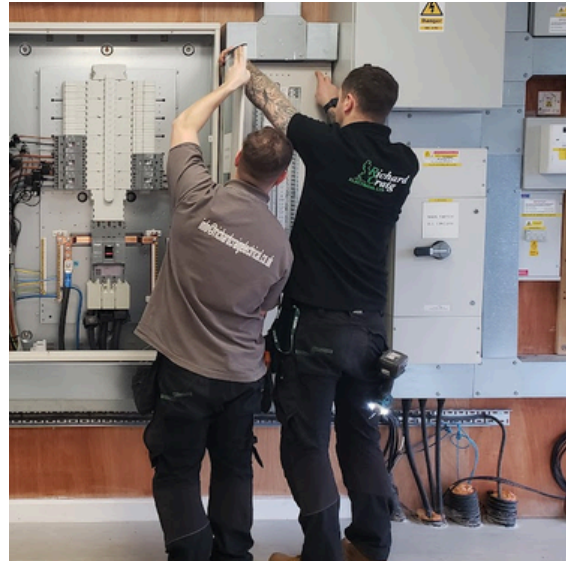
It is important to highlight that improved and more detailed data collection in FY24 has also contributed to the rise in Scope 3 emissions.

Net zero reduction target - carbon intensity (tCO2e/£M revenue)

Scope 3 reduction actions are the focus of our carbon reduction roadmap and it is anticipated that FY25 will continue the downward trend as revenue and business efficiency increase.



Carbon reduction focus actions



2023/24 actions

Visible energy monitoring and reporting

Renewable energy

Recycling of soft plastic

Green Travel Scheme

Supplier Code of Conduct & Sustainable Procurement Policy

New supplier onboarding and performance monitoring process launched with Risk Register

2025/26 actions

More energy reduction measures

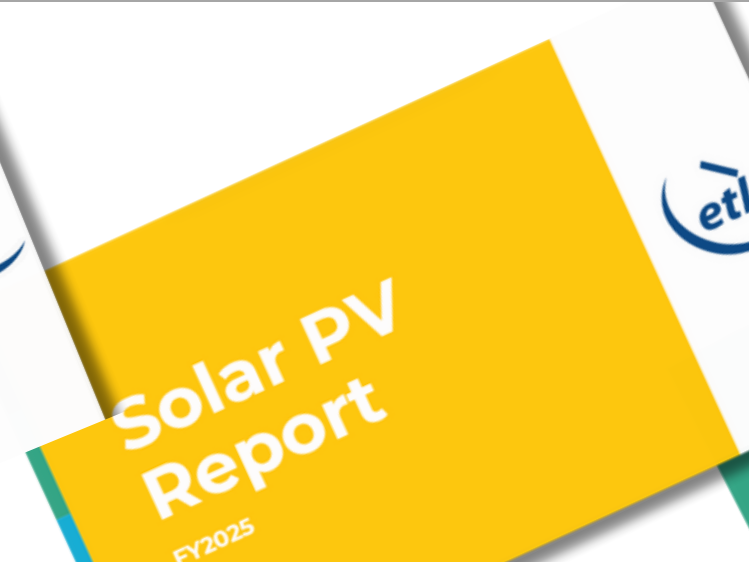
maximising use of renewables with monitoring

Increased recycling on site with support from recycling company

Electric vehicle scheme

Circular economy policy and implementation

Supplier Risk Assessments
Supplier Monitoring Process development



Case Study 1

Review of grid consumption

Location: Hereford site

Action: Solar PV expansion and visible energy monitoring system installation

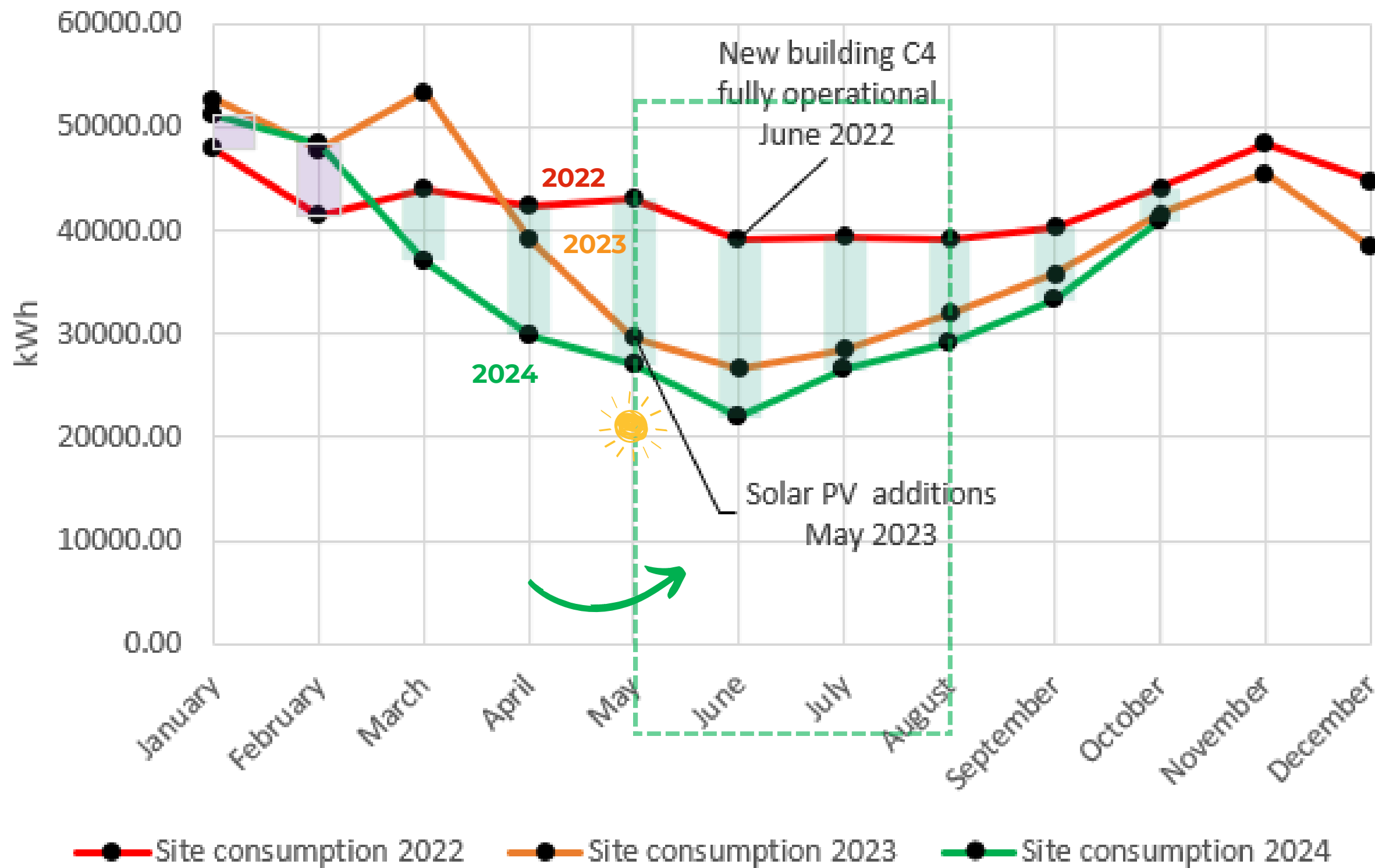
- **Analysis:** Grid consumptions across 2022, 2023 and 2024 at our Hereford site, to see the effect of our energy saving initiatives:
 - solar PV installation (May 2023)
 - visible energy monitoring (installed January 2024).

Result



35% reduction
 in electricity consumed
 from grid from May to
 August in 2024
 compared with 2022 in
 Hereford.

Hereford site grid consumption in 2022, 2023 and 2024

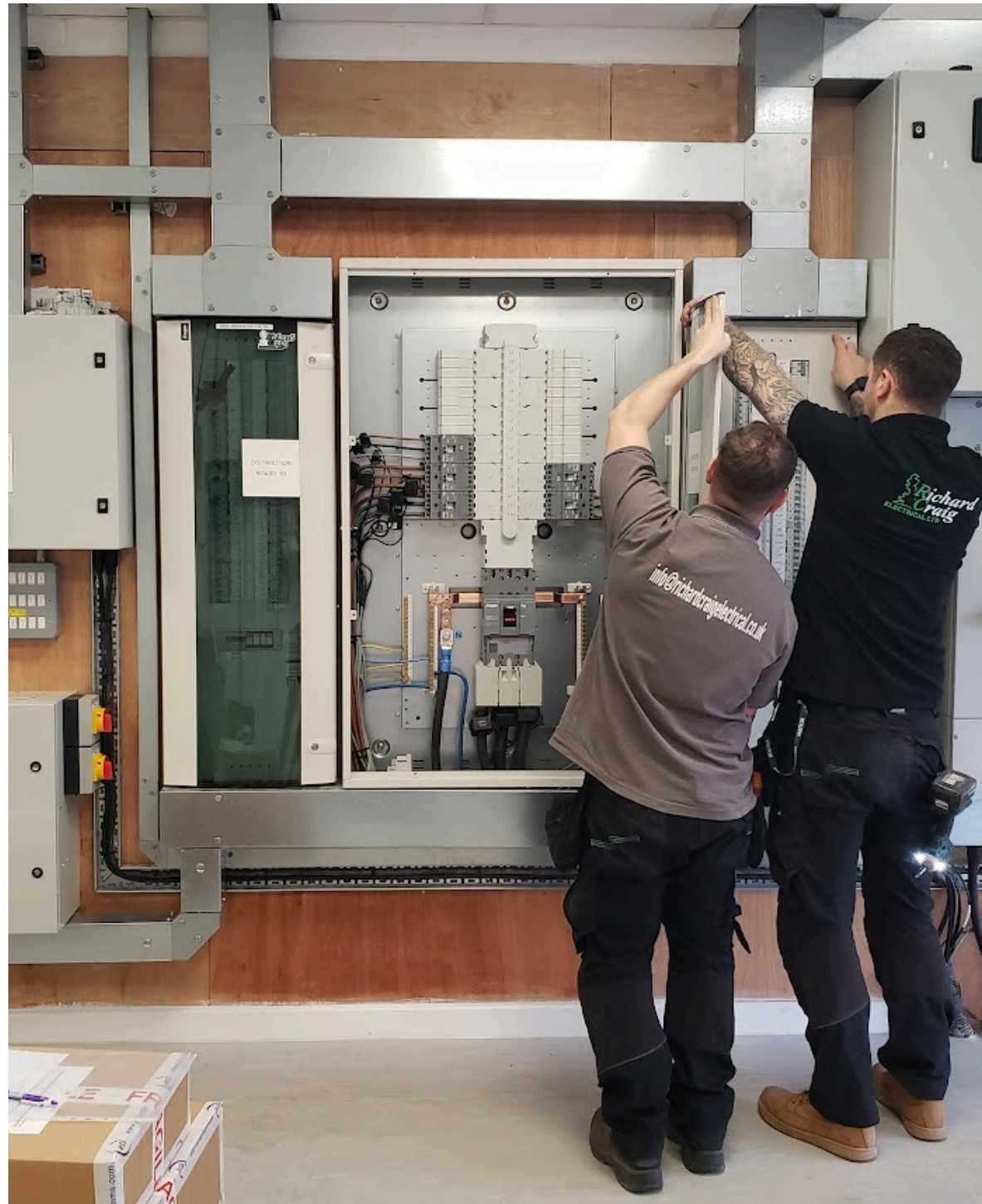


Case Study 2

Energy monitoring

Location: Hereford site

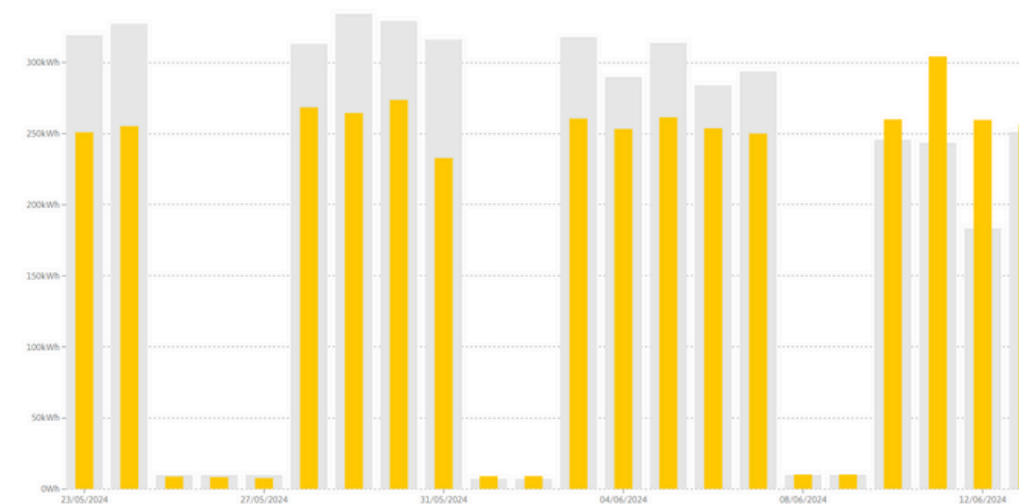
Action: Visible energy monitoring system installation in January 2024 at Hereford site



Energy consumed by production distribution board

Action: Changing reflow oven start up settings

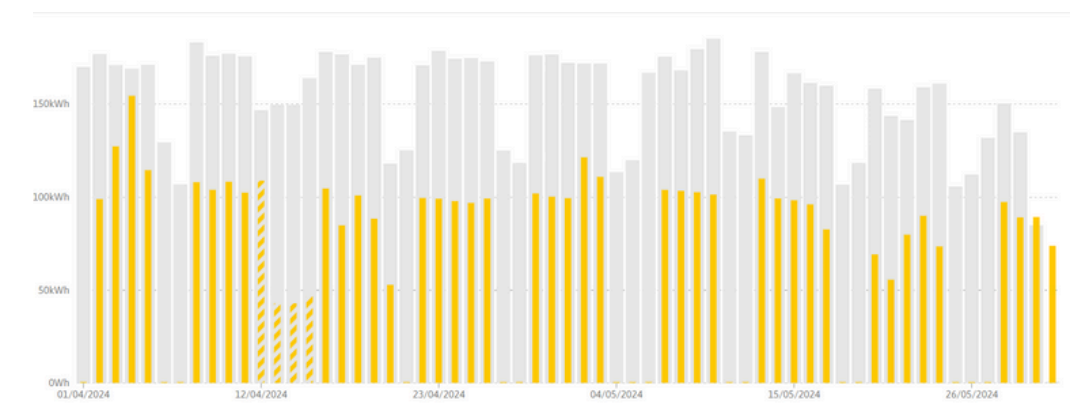
36% reduction
between 6 AM and 8 AM (on a day before and after change)
10% reduction
on consumption over 21 days before and after change



Energy consumed by compressor

Action: Powering off compressor when not needed along with other key items of equipment

54% reduction
in energy consumed by the compressor from 01 April to 31 May compared with 29 January to 29 March (61 day comparison)





Conclusion

- Total emissions intensity in FY24 has reduced by 17% since FY22 indicating improved overall carbon efficiency.
- **Scope 1 and 2** emissions intensity has reduced year on year (*FY22-FY23: 36.3% reduction and FY23-FY24 15.1% reduction for scope 1 and 2 combined*). This is primarily as a result of significant energy reduction. (*FY24, electricity reduced by 23.9 tCO₂e; 14% reduction compared with FY23*).
- **Scope 3** emissions intensity has increased (4.3%) in FY24. These are indirect emissions up and down the supply chain. Purchased goods and services and capital spend account for 66% of scope 3 emissions and 62% of total emissions. They rose by 9% in FY24, along with business travel, transport of product and staff commuting which have all increased as the business has grown.
- This has resulted in an overall 3% increase in emissions intensity from FY23 to FY24.
- Scope 3 reduction actions are the focus of our carbon reduction roadmap and it is anticipated that as we develop new products (such as Digital IF Technology), and as we make the business more scalable for future growth; carbon intensity emissions will reduce.

References:

*This Executive Summary has been prepared by ETL Systems Ltd and is based on the following reports issued by ***Carbon Lens Ltd**:*

- *Carbon Footprint Report for ETL Systems FY2024 Version 5 (30 Jan 2025)*
- *Carbon Footprint Report for ETL Systems FY2023 Version 14 (19 Feb 2024)*
- *Carbon Footprint Report for ETL Systems FY22 Rebaseline Feb 24 V2*

****Carbon Lens Ltd** are a consultancy company specialising in carbon reporting and reduction: <https://www.carbonlens.co.uk>*