

Strategic report (continued)

Section 172(1) Statement

Section 172 (1) of the Companies Act 2006 requires directors to act in the way that they would consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in so doing have regard (amongst other matters) to –

- a) the likely consequences of any decision in the long-term
- b) the interests of the company's employees
- c) the need to foster the company's business relationships with suppliers, customers and others
- d) the impact of the company's operations on the community and the environment
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the company

Engagement and decision making in the year ended 31 March 2023:

The Directors have ensured compliance with their duties under Section 172 in relation to the Company and its various stakeholders, including its investors, workforce, customers and suppliers, local communities and the environment. The Company engages with the Companies stakeholders in an informed way with regular feedback and meetings between senior management teams. Directors complete performance reviews and close consideration of risks and opportunities for the business.

Epson's management philosophy focuses on the trust, commitment to openness, customer satisfaction and sustainability. Our corporate values respect individuality while promoting teamwork and to deliver unique value through innovative and creative solutions.

Capital investment

ETL board invested in capital items to improve business efficiency, reduce environmental impact and develop new products to meet customer demand and improve the longevity of the business.

Employees

Our employees are the most valued asset for ETL. Having a highly motivated and committed workforce who are aware of Epson's management philosophy and corporate behaviour principles is important to the continued long-term success of our business.

Suppliers

Our suppliers are an integral part of business and maintaining a mutual partnership with our suppliers is essential. Our suppliers appreciate prompt payment, and unambiguous communication of service requirement standards and demand level.

We uphold our commitment to pay our suppliers in accordance with the agreed payment terms. This involves maintaining regular and close communication with our suppliers to discuss demand levels and service standards.

Customers

All of our customers are Epson Group entities. Our customers look deliver quality products in a timely manner, at a competitive price.

Community involvement and opportunities for training and development

ETL has a long tradition of community involvement and, during the year, ETL donated printers to schools, sponsored a local sports team and donated funds to local charities. ETL also supported STEM activities in local schools and continued with its apprentice programme which provides employment and training opportunities.

Group values and ethics

The Seiko Epson Group has a rigorous code of conduct and high expectations of ethical behaviour, which is reinforced by group policies and regulations, focus months, in person and online training and assessments. The ETL management team reinforces Seiko Epson values and expectations at its twice-yearly full company meetings.

Strategic report (continued)

Fair treatment

Seiko Epson Group policies and regulations and the ETL company handbook contain many measures to ensure that human rights are upheld, and people are treated fairly. The policies cover: anti-discrimination, anti-bribery and corruption, fair procurement, anti-slavery and confidentiality. Benchmarking is used to ensure that staff are paid fairly.

Sustainability and the environment

The Epson 2023 Sustainability report can be found on the Seiko Epson website: <https://global.epson.com/>

At ETL, we aspire to achieve sustainability and enrich communities through promoting decarbonisation and closed resource loop management, developing environmental technologies, and providing products and services that reduce environmental impact.

Streamlined Energy and Carbon Reporting

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Epson to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31st March 2023.

Streamlined Energy and Carbon Reporting (continued)

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas and business travel in company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

	Year ended 31 st March 2023	Year ended 31 st March 2022
Energy (kWh)		
Natural Gas	1,925,255	2,125,261
Company vehicles	17,781	10,848
Electricity	7,089,321	6,210,896
Business travel	8,473	4,795
Total energy (kWh)	9,040,830	8,351,800
Emissions (tCO₂e)		
Natural gas (scope 1)	351.4	389.3
Company vehicles (scope 1)	4.3	2.7
Electricity (location-based) (scope 2)	1,370.9	1,318.8
Business travel (scope 3)	2.1	1.2
Total SECR emissions*	1,728.7	1,711.9
Intensity metric		
SECR emissions per intensity metric (tCO ₂ e/Turnover in £million)	23.7	24.9
*Location-based methodology		

Strategic report (continued)

ETL is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures, as detailed below. We are currently collaborating with our local Council and other likeminded businesses to push forward Telford's aim of being a carbon neutral Borough.

We continue to purchase green energy and as a result have market-based electricity emissions of 0 tCO₂.

We have worked on many environmental initiatives such as reviewing energy usage throughout site and educating our staff on Environmental Awareness and our Epson 2050 programme.

Epson 2050 aims to become carbon negative and underground resource free by 2050. Actions involving reducing the environmental impacts of products and services and in supply chain. Achieve sustainability in a circular economy and advance the frontiers of industry through creative, open innovation. Contribute to international environmental initiatives.

Activity data has been converted into equivalent energy and GHG emissions using emissions factors published by the UK Government in 2022. Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices..

Streamlined Energy and Carbon Reporting (continued)

GHG emissions associated with Scope 2 purchased electricity have been reported using both market-based and location-based methodologies. Only emissions calculated using the location-based methodology have been carried into the total emissions figure – market-based emissions have been included for comparison only.

Transport disclosures have been calculated using a combination of fuel card transaction reports and business mileage expense claim records. Fuel volumes and mileages have been converted into equivalent energy and GHG emissions using emissions factors published by BEIS in 2022.

Vehicle information such as engine size and type were provided for mileage claims and this information was used to select the correct emission factor for this conversion. For car and van rental, the data was provided in the form of licensing and rental charges. An approximate 20% of the total fees is allocated for estimating fuel expenses, which was then converted to a mileage value using a standard mileage rate paid.

On behalf of the Board



Kevin Browne

Director

Date 18.12.23