

# Carbon Reduction Plan

Stone Technologies Ltd is committed to achieving Net Zero emissions by 2045.

## Commitment to achieving Net Zero

Stone Technologies Ltd is committed to achieving Net Zero emissions Scope 1 and Scope 2 Net Zero by 2030 and All Scopes by 2045.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

### Baseline Year: 2019 (\*Scope 3 baseline 2023)

#### Additional Details relating to the Baseline Emissions calculations.

Baseline calculations are based on those emissions over which Stone has direct control with Scope 3 emissions initially limited to those produced from the company's grey fleet.

#### Baseline year emissions:

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	552.4 tCO <sub>2</sub> e
Scope 2	182.7 tCO <sub>2</sub> e
Scope 3 (Included Sources)	13.8 tCO <sub>2</sub> e*
<b>Total Emissions</b>	<b>748.9 tCO<sub>2</sub>e net after offsets</b>

## Current Emissions Reporting

Reporting Year: 2023

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	728 tCO <sub>2</sub> e

Scope 2	8 tCO <sub>2</sub> e
Scope 3 (Included Sources)	193,274 tCO <sub>2</sub> e
<b>Total Emissions</b>	<b>194,010 tCO<sub>2</sub>e</b>

## Emissions Reduction Targets

In 2024 we embarked on assessing our complete Scope 3 carbon footprint. This analysis covers emissions from our direct operations and within the value chain. Establishing the carbon footprint for FY23 as a benchmark has provided a crucial foundation for measuring Stone Group's carbon impact.

This transparency of the full carbon impact demonstrates our steps towards your goal of achieving net-zero emissions, emphasising the critical need to escalate your efforts in minimising your carbon footprint in the forthcoming years. Furthermore, there's a significant opportunity to enhance the precision of your carbon footprint estimations through improvements in data quality. More accurate and refined data will undoubtedly lead to more reliable calculations, enabling more targeted and focused carbon reduction actions within Scope 3.

A key challenge in managing the reduction in net emissions is accommodating the additional impact of underlying growth in business activities. The Streamlined Energy & Carbon Reporting (SECR) disclosure included in the company's annual accounts reports an intensity measure, stated in tonnes of CO<sub>2</sub> per £1m of revenue, to better reflect the extent to which the business has managed these divergent challenges.

With full visibility of our carbon impact across all scopes we can clearly have a benchmark, Emissions/Turnover 417.2 tCO<sub>2</sub>e and Emissions/Employee is 1,190.2 tCO<sub>2</sub>e. We have increased our turnover and opened an additional site in Bathgate Scotland. We have identified that 99% of our carbon impact is within Scope 3.

However, we must not lose sight of the pathway target which requires reductions in absolute amounts of emissions. In 2022 78% of 2022 actual emissions (Scope 1 and 2) were from the company's fleet of vehicles and in 2023 this has increased to 90% and despite the progress made in moving company cars to either full EV or hybrid models, significant progress towards achieving our 2030 target remains difficult whilst there are few if any low or no emission commercial vehicles currently available in the UK.

In this regard, Stone is reporting increasing levels of emissions as a result of the market-leading work it is doing in collecting and repurposing over 1.5m e-waste devices, for the benefit of others.

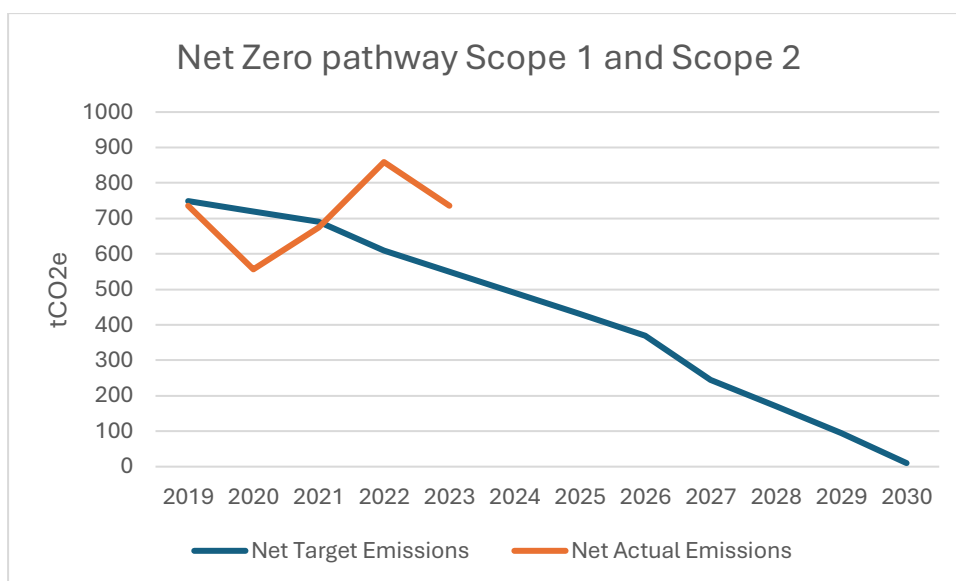
In order to continue our progress in achieving Net Zero, we have adopted the following carbon reduction targets.

We project that carbon emissions can be halved to **97,005 tCO<sub>2</sub>e** by 2035.

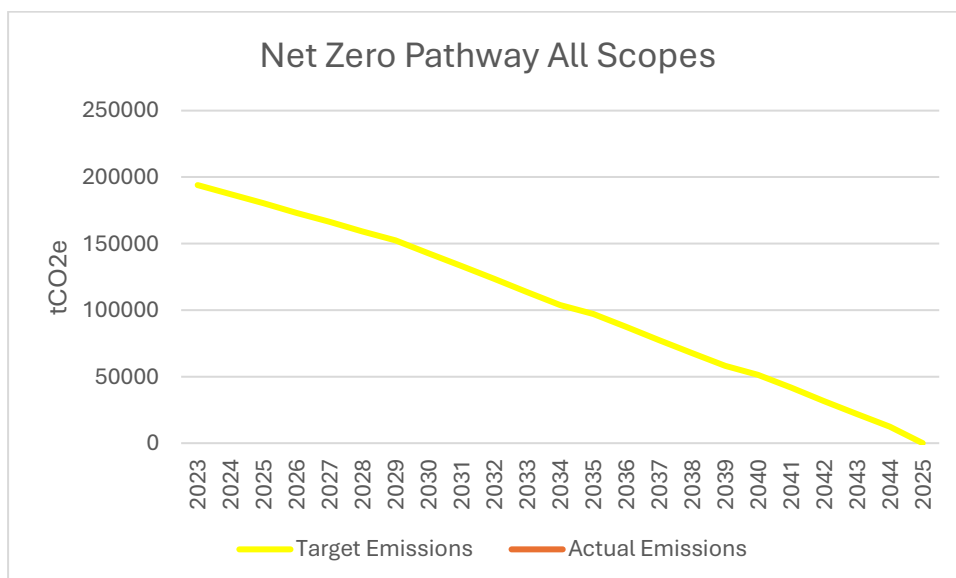
Our carbon reduction targets are:

- **25% by 2030 – 100% Scope 1 and Scope 2**
- **75% by 2040**
- **100% Net Zero by 2045 in line with Converge Technology Solutions Group Target.**

Progress against these targets can be seen in the graph below:



**As our base year for Scope 3 started in 2024 we can demonstrate our proposed carbon emissions reduction.**



## Carbon Reduction Projects

### *Completed Carbon Reduction Initiatives*

The following environmental management measures and projects have been completed or implemented since the 2019 baseline and the measures will be in effect when performing the contract:

Environmental performance:

- Improvements to our packaging materials
  - Stone used new and innovative packaging techniques and materials for its own brand products to remove all unnecessary single use plastic packaging.
  - Encouraged palletised deliveries to reduce amount of protection packaging for items.
  - Adopted unbleached packaging boxes and reinforced paper tape.
  - Adopted paper based protective packaging product that is both 100% recycled and 100% recyclable.
  - Implemented a new packaging system utilising cardboard inserts to reduce the usage of bubble wrap.
  - Converted
  - 100% renewable electricity at Stafford and working towards 100% renewable in Bathgate.
- Waste segregation for food waste recycling companies (for means like turning it into fuel through anaerobic digestion)
- Maintain our Zero to Landfill Accreditation
- We have reviewed bio packaging but identified the issue that most are not compostable in a domestic environment.

It is impossible to measure the impact on CO2 savings of each individual initiative as a number commenced before the baseline calculations were performed. Indeed, when considering the intensity measure of emissions per £1m of revenue (the most meaningful measure in terms of reporting results given revenue has grown by 58% since the baseline year) we have achieved only a 1% increase in CO2 emissions per £1M turnover in the five years since the baseline date excluding Scope 3.

As identified in previous years the commercial fleet is a major contributing factor to our carbon emissions and work are working closely with providers to address this.

In the future, we hope to implement further measures including:

### **Products**

Our Sustainability team works with our in-house R&D facility and component suppliers to calculate an estimated whole-life product carbon cost per unit. This includes costs from:

- The manufacture of components and sub-assemblies
- Final unit assembly in our configuration facility

- Logistics
- Servicing
- Energy required to run the device throughout its service life.

The largest single contributor to the carbon cost per unit we can influence are those relating to the logistics involved in sourcing and supplying the product. We are working with our extended supply chain to reduce the whole-life product carbon cost per unit and welcome the opportunity to discuss potential savings with our customers.

### **Product whole-life carbon cost reduction strategies**

- Fuel efficiency and reduction of CO2 per £1m turnover:
  - Targeting further annual reduction by using electric vehicles.
  - Target of a 10%/£1M reduction in fuel usage and carbon emissions related to business travel, both for pre-sales/sales activities, and for our warranty services divisions, over the next 3 years.
- Supply chain: Stone Technologies has set its supply chain component partners a target of 20% carbon cost reduction in the manufacture and nested supplier supply chain logistics footprint over the next 5 years.
- Implementation of new industry technologies for power consumption reduction as soon as they become available, to reduce the energy consumption and carbon cost whilst in use.
- Stone Technologies is planning to install solar panels at the site during 2024 and has future zero carbon energy plans including the use of wood pellets for heating at our Bathgate site.

### **Product materials and features**

Our current product targets are:

- An overall increase in the use of recycled plastics in our monitors and base unit plastics. Working with suppliers we now supply with up to 85% post-consumer recycled materials and laptops with up to 35% recycled plastic.
- Stone Technologies now uses 80 Plus Bronze Power Supplies as standard, with Gold as standard for workstations and Platinum versions available across the range.
- Replace all remaining packaging materials that are not cardboard with compostable, non-plastic versions by the end of 2023

### **PAS2060**

Stone Technologies are working towards PAS2060 certification by 2045, highlighting our commitment to carbon neutrality.

Stone Technologies has committed a £2.5M of investment for 2022-2025 as part of our CMS and carbon neutrality planning, and our planned PAS2060 (Carbon Neutrality) accreditation.

### **Scope 4**

At Stone Technologies, one significant avenue of avoiding emissions is through refurbishing products to extend the lifespan of IT equipment for resale to customers. By opting for refurbished products instead of new ones, emissions associated with manufacturing and upstream transportation and distribution (T&D) processes are averted

At present the Greenhouse Gas Protocol recognised Scope 1 and Scope 2 and Scope 3. In 2019 the World Resources Institute identified "Scope 4". This is emission reduction outside the products life cycle or value change but as a result of the use of the product and at Stone we are promote a circular economy heavily engaged in our Implemented ITAD (Information Technology Asset Disposal) service where Stone provide a take back and data cleansing service for unwanted IT equipment for equipment provided by Stone and from other UK based companies, driving data security and protecting the environment from a build-up of electronic waste (the fastest growing waste stream in the world today)

Taking into account our gross emissions which represent the total greenhouse gases emitted directly from business operations, excluding any avoided emissions, offsets or reductions and comparing to net emissions. In 2023, our gross emissions amounted to 194,010 tCO<sub>2</sub>e and our net emissions amounted to 172,394 tCO<sub>2</sub>e identifying that our circular solution saved 21,616 tCO<sub>2</sub>e.

We are looking forward to updates to the GHG protocol that recognise the carbon saving of the circular economy at Stone Technologies Ltd.

### **Declaration and Sign Off**

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

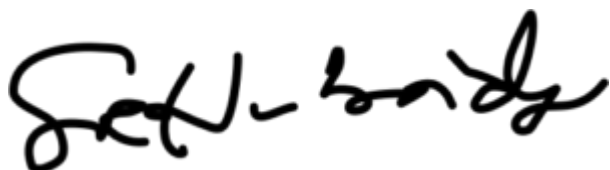
Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by Stone Technologies CEO,

Simon Harbridge.

Signed on behalf of the Supplier:

A handwritten signature in black ink, appearing to read 'Seth Hardy'.

Name of supplier: Stone Technologies Ltd

Date: May 2024