



# SUSTAINABILITY REPORT 2020



## CEO's Statement

Welcome to the Stone Sustainability Report 2020; highlighting the ongoing progress at Stone and its development as a sustainable business.

The company maintained good progress in its development since the previous report; whilst at the same time growing the size of the business and the scope of its activities.

Some of the recent highlights for the business have been:

- Increased turnover to record levels – despite uncertain market conditions
- Secured new investment into the company
- Reused and recycled record amounts of Waste Electrical and Electronic Equipment (WEEE)
- Championing the circular economy
- Developed platforms to enable organisations and private individuals to buy good quality, cost effective, refurbished IT equipment
- Continued support of national & local charities

These achievements reflect the determination of our business to secure long term sustainable growth; whilst maintaining the application of our core values in all activities.



**Simon Harbridge** – CEO



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## SUSTAINABLE



Our three decades in Technology are testament to our commitment to sustainability in all our business activities Environmental, Social and Economic. We continue to build on our strengths and do what we do really well.

## SERVICE MATTERS



We know that customer loyalty is hard won but easily lost, the actions of every single person in our business matter and make a difference every day.

## DEDICATED



To our chosen markets and to our customers. We work in vertically focused teams, so we can speak with authority and understanding, earn trust and develop relationships that make a positive difference to our customers.

## WE BELIEVE IN PEOPLE



We act with respect towards each other and our customers and partners. We operate in a fast moving, open and honest environment where we reward performance and a responsible will to win. We invest and provide opportunity that inspires, excites and enables our people to go the extra mile. Engaged employees work with passion.

## INTEGRITY



We are real, we care, and we do what we say. We are straightforward to deal with and never try to be something we are not. We are ethical, and our instinct is always to do the right thing. We accept personal and collective responsibility and are accountable for our actions.

## INNOVATIVE



We continuously move forward, committed in heart and mind to think "outside the box" and deliver creative solutions based on listening to and clearly understanding what our customers want.

# STONE'S CORE VALUES

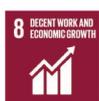
Stone has a series of core values which are integral to everything the business does. These values are a key part of the organisational policy and decision making processes, with particular reference to the environmental, social & economic considerations of business activities.

# SUSTAINABLE GROWTH

Stone believes that peace, justice and strong institutions are key to sustainable development.

## UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

Stone is committed to the pursuit of increasing sustainable growth in all business activities, encompassing environmental, social and economic aspects. As part of this the board has committed to working towards 4 of the United Nations' Sustainable Development Goals (SDG), based on guidance published in the SDG Compass to define priorities and set goals determined by an assessment of opportunities, risks and potential impacts.



Stone is committed to sustainable economic growth, both in the UK and abroad and will continue to work with its supply chain to promote fair pay and working conditions throughout its supply chain.



The UN has identified that investments in infrastructure, including information and communication technology, are crucial to achieving sustainable development. Stone has committed to continue to provide good quality, affordably priced, IT equipment within the UK. In addition, Stone will continue its support of non UK based IT charities such as IT Schools Africa.



Stone agrees with the UN's approach that sustainable consumption means "doing more and better with less" and will continue to improve its operational processes whilst reducing the use of raw materials and packaging.



Stone believes that peace, justice and strong institutions are key to sustainable development and will continue to work with its supply chain to promote best practice and compliance with local legislation. Stone will maintain its robust in house anti bribery processes to ensure that its business follows best practice and leads by example.

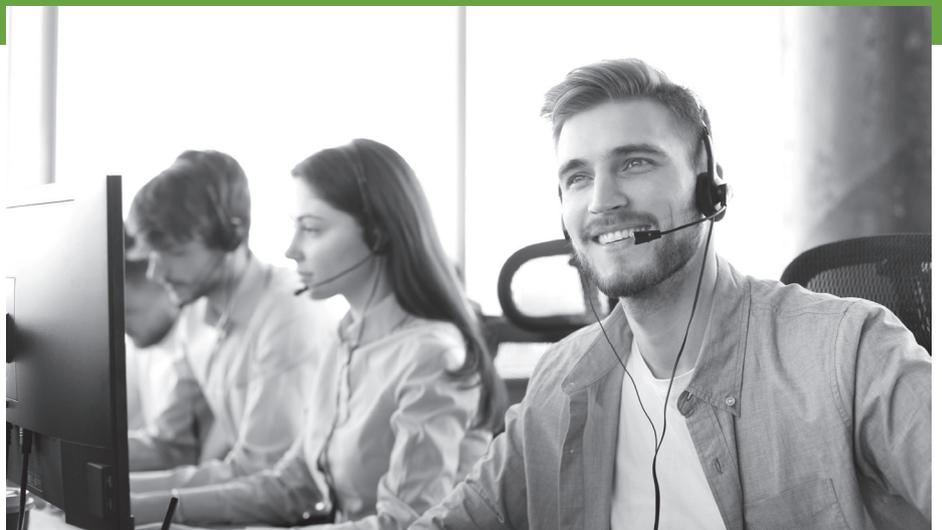
# SUSTAINABLE MANAGEMENT SYSTEMS

Over nearly 3 decades, we have grown significantly and we're proud to say we are the only OEM and Value added reseller in the UK with our own secure and fully accredited IT recycling facility. From our 100,000sq ft HQ, we offer complete, IT lifecycle services across the entire IT and AV landscape, from design and deployment, to IT Asset Disposal, to technical support and fully managed service, and everything else in between.

Recycling and refurbishment of waste electrical and electronic equipment (WEEE) through a dedicated IT Asset Disposal (ITAD) facility.

In order to accomplish these activities, whilst providing customer focused services and meeting the expectations of stakeholders, Stone is committed to ongoing certification to the following standards and schemes:

- ISO14001 Environmental Management System
- ISO9001 Quality Management System
- ISO27001 Information Security Management System
- ISO22301 Business Continuity Management System
- ADISA Secure IT Asset Disposal standard.
- Contractors Health & Safety Scheme (CHAS)





The management systems integrate with the sustainable development goals to ensure that the business develops sustainably and continually improves and progresses against strategic objectives set by senior management.

Key requirements of the systems are:

- Unbiased engagement with all identified stakeholders of the business, to ensure full comprehension of its sustainability issues and potential opportunities.
- A commitment to the application of core values throughout its activities and behaviour, achieving effect on sustainability issues beyond minimal legal requirements to which it complies.
- Compliance with all statutory and regulatory requirements.
- Obligation to meeting environmental responsibilities, recognising Stone's impacts, preventing pollution and protecting the environment in accordance with Stone's environmental programme.
- Clear communication of the effects of business activities and its progression in sustainable development, to all stakeholders; in a concise and accurate manner.
- The execution of business activities safely, efficiently, professionally, ethically and with the welfare of all stakeholders foremost.
- Provision of relevant, efficient, reliable, quality products & services exceeding the needs of targeted market sectors.
- Continuity & maintenance of services levels under all potential operating conditions.
- Protection of all data assets for which it holds responsibility as a data processor and of that which has importance to the operational performance of the business.
- Investment in and development of all staff, under a regime of equal opportunity.
- Social investment, both locally & nationally.





The senior management team ensure the effective implementation and clear communication of its policies, management system requirements and their effectiveness. The senior management team has accepted responsibility for:

- The management and accountability for the full life cycle environmental impact of all business activities and a commitment to reduce these impacts.
- Identification & understanding of all statutory and regulatory compliance requirements applicable to its activities, products & impacts.
- Regular review of performance against defined objectives, systems compliance and progression of actions identified to continually improve performance.
- The provision of adequate resources & competency levels to meet policies, objectives and system requirements.
- Ongoing appraisal of staff competency, development and training, to assure required levels are met, opportunities created and valued staff retained.
- Defined levels of responsibility for all aspects of business activity, identified assets, policy implementation, management system & legal requirements.
- Identification of vulnerabilities, hazards or threats which may negatively impact on performance levels, stakeholders, legal compliance, safety, welfare, company or stakeholder assets (including data) and the risks of such impact occurring.
- The mitigation of identified risks to acceptable levels, through the implementation of effective & proportional controls, increasing resilience and creating potential opportunities.

It is the overall responsibility of the board of directors to review the company policies to ensure that they continue to meet the changing and developing needs of the business and its sustainability goals.

All staff are given the knowledge and training to enable them to comply with the requirements of the management systems and, where applicable, ensure compliance by any third party falling under its scope.

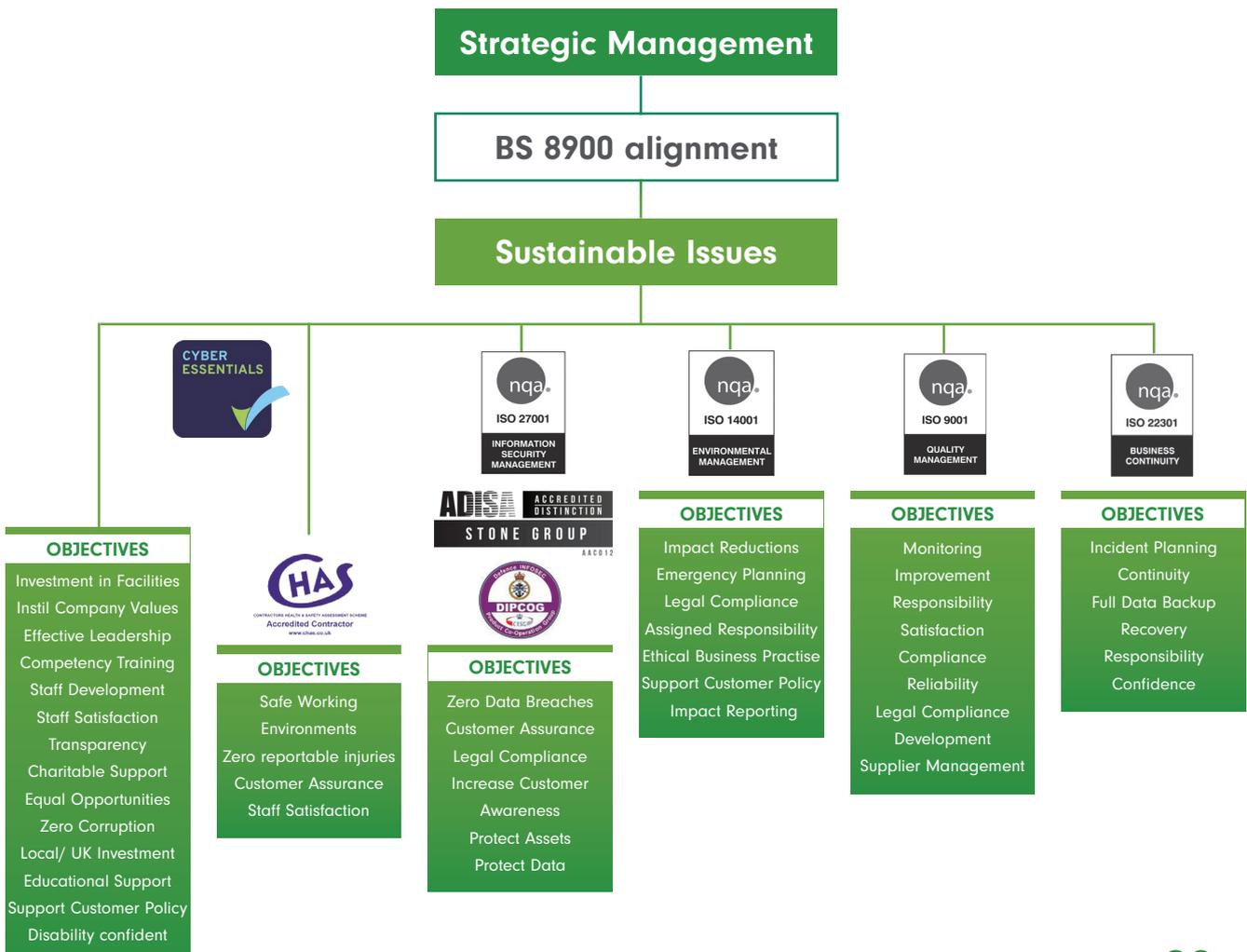
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# STRATEGIC MANAGEMENT

Sustainable Development aligned to the BS8900 standard ensures that issues raised by relevant stakeholders are clearly understood by the Senior Management Team, assessed for their associated risks and made integral to strategic business planning, as documented in Stone’s sustainability portfolio.

Business continuity planning remains a key part of Stone’s programme to ensure that Stone is in the best position possible to continue delivering customers’ expectations in the event of untoward incidents. These plans are regularly tested and include the provision of an off site disaster recovery centre with access to copies of all business critical data.

Stone addresses many of the issues related to sustainable development through its management system. This not only provides a framework for the business but ensures it conforms with many recognised international standards as detailed below.



# SDG8 DECENT WORK & ECONOMIC GROWTH

## MODERN SLAVERY

Stone recognises the potential risk of human rights violations taking place within both UK and through internationally based suppliers of goods or services and has developed a modern slavery policy, available on the company website at [www.stonegroup.co.uk/modern-slavery-policy/](http://www.stonegroup.co.uk/modern-slavery-policy/) to reflect this.

Stone employs a formal supplier approval process for verifying the suitability of its supply base, as far as is practical and is providing awareness training for relevant staff.

A supplier's adoption of a sustainable business model and adherence to relevant standards relating to quality, sustainability and ethical considerations are important considerations for Stone when selecting new partners to work with.

Support of the awareness campaign being run by People & Planet, to highlight labour issues within the Electronics industry; was continued last year through donations, advisory & lobbying inputs.

Stone has promoted the Electronics Watch concept 'Reform Programme' through direct encouragement of its public sector customer base to affiliate with the programme and make commitments to changes in purchasing culture.

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Stone believes that peace, justice and strong institutions are key to sustainable development



**Improving working conditions in the global electronics industry**



# SDG9 INDUSTRY, INNOVATION & INFRASTRUCTURE

## STONE APPROVED AND ENCORE

Refitting IT facilities for businesses and educational establishments is a core part of Stones business and, as part of this, it was identified that, whilst many organisations had a need for regular equipment refreshes to keep up with the evolving digital landscape, other organisations had a need for reliable, yet cost effective equipment. Stone has worked to join these two needs together through the Stone Approved portal.

Stone carries out an in depth check of incoming equipment and ensures that no data remains on the devices before carrying out any necessary refurbishments and certifying them as ready for sale through the Stone Approved portal.

The Stone Approved portal enables organisations to buy good quality refurbished equipment with a two year warranty to enable them to stock their facilities with the equipment they need at a more budget conscious price.

Stone also identified a need for members of the public to buy their quality assured equipment at cost effective prices so developed the Encore portal.

Both of these sales portals are growing, not only providing cost effective IT equipment, but also contributing to a circular economy by diverting functional equipment from the waste stream and extracting maximum value by facilitating its reuse. This in turn helps organisations such as charities and community groups obtain good quality, reliable, IT equipment to achieve their objectives.

## FAMILY FUND

Stone has continued its work with the Family Fund, an association that has been in place since 2008. Stone's role is to deliver the latest technologies to families caring for severely disabled, or seriously ill children to make a positive difference to their lives. Stone works with assistive technology companies to ensure that, through training and continued support, Stone helps to improve the lives of families across the UK.



## IT SCHOOLS AFRICA

A proportion of the equipment that Stone recycle is sent as a charitable donation to IT Schools Africa. This charity helps set up classrooms with IT equipment given children the chance to use technology that they would otherwise not be able to access. Stone also supply into social schemes in the UK using refurbished IT equipment, get online @ home. In total over 3000 PCs and accessories have been donated to date.



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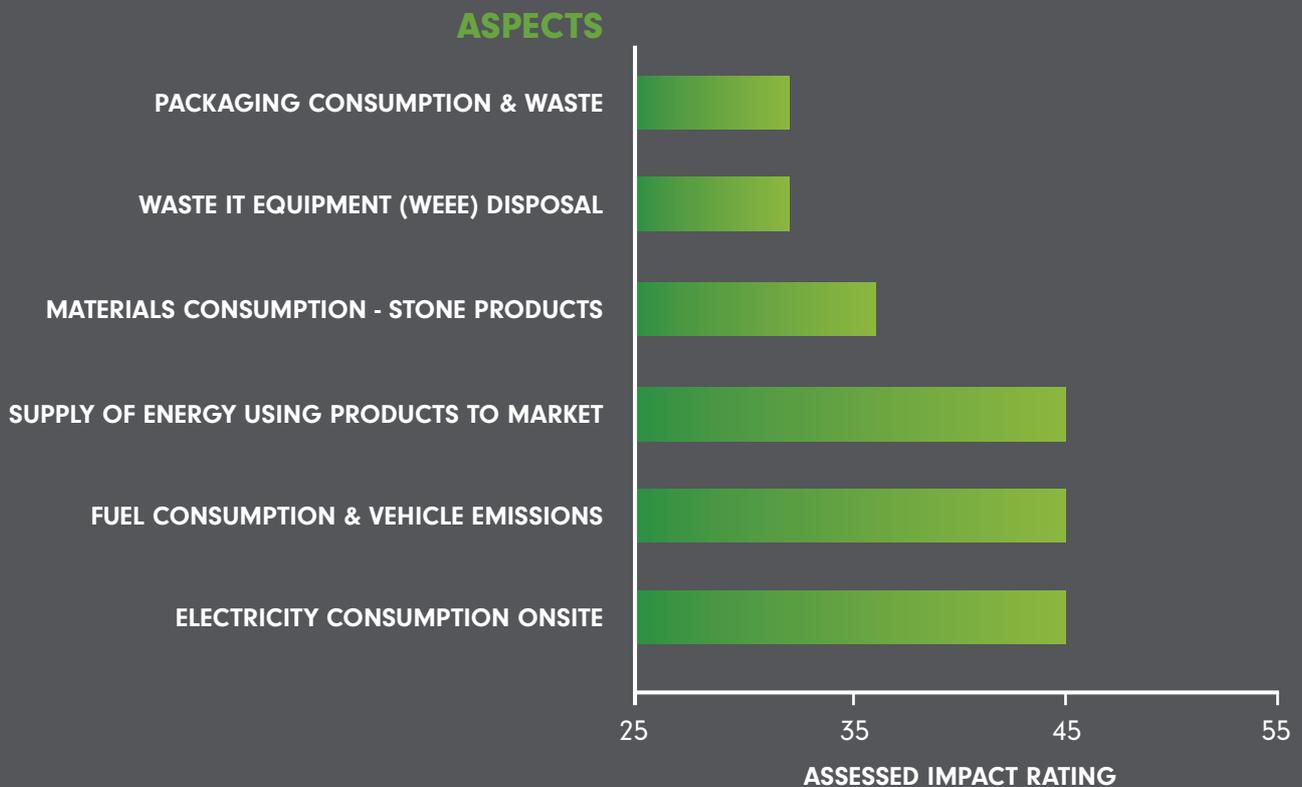


# SDG12 RESPONSIBLE CONSUMPTION & PRODUCTION

## ENVIRONMENTAL PERFORMANCE

Stone's environmental programme sets out to achieve reductions against its identified significant environmental impacts, primarily the consumption of energy and resources. These activities are also typically potential causes of greenhouse gas emissions and therefore impact reductions help reduce Stone's carbon footprint.

## STONE'S SIGNIFICANT IMPACTS



## ENVIRONMENTAL PERFORMANCE

Packaging is vital to ensure products arrive with consumers in pristine condition however the choice of packaging material can have a significant environmental impact. Stone has been trialling new and innovative packaging techniques and materials for its own brand products with the aim of removing the use of single use plastic packaging by the end of 2020.

Stone encourages customers to use bulk palletised deliveries, provided by in house delivery services, to keep to a minimum the amount of packaging required to protect products in transit.

Bleached packing boxes are being replaced with unbleached ones and plastic packaging tape is being replaced with reinforced paper tape.

Bubble wrap was identified as a key issue and has been removed as external packaging for Stone brand workstations, servers and Dino PCs and being replaced with a paper based protective packaging product that is both 100% recycled and 100% recyclable. In addition, significant quantities of bubble wrap were being used to pack bulk orders so a new packaging system was devised using cardboard inserts.

Antistatic bubble wrap has been replaced with a 25% recycled content expanding foam in a bag., providing both environmental and product protection benefits.

Stone has continued to develop its own brand products to meet the requirements of customers whilst continually seeking performance and efficiency improvements.

## ASSET MANAGEMENT AND RECYCLING SERVICES

Stone provides a take back and data cleansing service for unwanted IT equipment through its ITAD (Information Technology Asset Disposal) service. Not only does Stone collect and process equipment produced and sold by Stone but equipment made by any other company that needs to be securely disposed of within the UK. Collections and deliveries are coordinated so that collections are made on return journeys from deliveries, thereby minimizing the number of empty journeys. Wherever possible Stone refurbishes and resells unwanted equipment to a new market, contributing towards a circular economy. This service has continued its impressive growth, providing data security and environmentally conscious organisations with a sustainable service.

## PRODUCT DEVELOPMENT

Stone's purchasing department has worked with suppliers to reiterate Stone's commitment to fair working practices and no modern slavery in the supply chain. Emphasis has been placed on working with suppliers who can demonstrate similar commitments.

Sales of the Stone PC Micro (formerly known as the Intel NUC) continue to rise year-on-year alongside our Mini PC.

Stone has expanded its range with the Stone Cloudbook, a new Celeron based notebook with a greatly reduced power requirement. This has enabled a number of customers to choose this device in place of some of the more powerful ones previously available, as a result increasing power efficiency on their sites.

2020 will see the introduction of smaller notebook form factors, which will in turn result in a smaller packaging footprint, helping towards Stone's aim to remove as much waste and plastic from packaging as possible. Stone also works with a professional fleet management company to ensure that vehicles are well maintained and serviced to ensure maximum efficiency. Carbon dioxide emission figures are an important consideration when a vehicle is selected and the average stated carbon dioxide g/km figure per vehicle has decreased during the reporting period.

Energy usage within Stone's headquarters is monitored as part of the environmental programme so that trends can be identified and efficiencies sought. Waste is segregated to facilitate recycling, for example, food waste from the canteen is collected for recycling by a company specialising in the conversion of food waste to fuel, primarily through anaerobic digestion.



## ENERGY USAGE

Efficient use of resources is key to minimising energy usage and associated emissions and Stone is proactively monitoring its key areas of energy usage as part of its environmental management system, with the aim of identifying efficiencies and keeping usage to a minimum.

Stone is conscious that the products it supplies are a key factor in the energy usage of customers so is continually innovating to develop products that meet the customer's technical requirements with the most efficient energy and material requirements. Advances have been made in packaging to minimise the space required for transport to ensure that deliveries can require as few vehicle journeys as possible.

Stone has invested in fleet routing software to enable efficient planning of vehicle journeys to minimise distances travelled and the resultant fuel usage and exhaust emissions. Engineer vehicles are proactively monitored for driving efficiency to reduce the unnecessary impact from harsh breaking and heavy acceleration.

Stone also works with a professional fleet management company to ensure that vehicles are well maintained and serviced to ensure maximum efficiency. Carbon dioxide emission figures are an important consideration when a vehicle is selected and the average stated carbon dioxide g/km figure per vehicle has decreased during the reporting period.

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# SDG16 PEACE, JUSTICE & STRONG INSTITUTIONS

## SOCIAL RESPONSIBILITY

Stone made the decision during 2019 that the requirements of the new framework for the Gold Investors in People were no longer aligned with Stone's plans for people development and so allowed this certification to lapse to enable the business to focus on the areas of people development most beneficial to the company.

Staff development remains a key focus of Stone's human resources plans; with dedicated resource ensuring training & performance monitoring is maintained across all business sections. Staff have regular updates regarding the performance of the business and have opportunities to input their opinions into the strategic direction of the company.

The overall growth in the business and meant that staff numbers have been steadily and sustainably increasing. As a result, investments have been made to develop an all important recruitment and induction process to ensure new employees get the best start possible to their career with Stone. Stone has also committed to becoming a Disability Confident employer.

Following on from the recruitment and induction phase investment has been made with a new online training platform which provides training covering a multitude of areas including sustainability, data security, environmental compliance and health and safety. Staff training programmes are being developed to enable individuals to receive role specific training and to increase their existing knowledge base. Additional courses are available to individuals who would like to develop an interest or simply improve their knowledge in a specific subject area.

Stone currently employs 7 apprentices in different areas of the business, using the apprenticeship programme to provide career development and training to existing employees as well as to applicants from local colleges.

Stone has relationships with organisations such as Mencap, the local job centre and local schools and colleges and, through a variety of different initiatives, offers work experience placements ranging from one week to six months. These placements enable local students, unemployed people and school leavers to gain valuable skills and experience in the workplace whilst promoting Stone within the local area.

Stone staff chose a number of charities to support during the last reporting period and arranged a number of fund raising events including fancy dress days, a sponsored run and raffle, raising over £14,000 in total. Charities supported include PoppyFields, Contact the Elderly, Alzheimer's Society and Katharine House.economy. This service has continued its impressive growth, providing data security and environmentally conscious organisations with a sustainable service.





## ECONOMIC STABILITY

Stone achieved a successful management buyout at the end of 2019, backed by Souter Investments, one of the UK's leading family investment offices, specialising in private equity. As a result of the deal Stone has a strong balance sheet and certainty as to its funding position in the medium term.

Brexit continues to impact the economy, however Stone has continued to achieve economic growth and increased operating profit, despite the market uncertainty. This growth has included developing a new Private Sector vertical and developing Stone's standing within the IT Asset Disposal (ITAD) sector.

Given the size of the IT sector, Brexit planning ahead of the potential exit in March 2019 accelerated across the supply chain, providing Stone with confidence that minimal disruption is likely should the UK fail to secure a trade agreement with the EU by December 2020.

Increasing the utilisation of Ecommerce portals and developing Stone's capabilities in this area, has been progressed throughout the reporting period and offers the ability to extend product offerings, whilst streamlining the processing requirements.

Stone offers training and apprenticeships, helping to develop the modern workforce and supporting the UK's digital transformation.

Stone continues to provide local employment opportunities; with staff also employed across the country in order to support national operations whilst minimising distances travelled. The engagement of local contractors and service providers where practical is also a key procurement policy.



Stone continues to provide local employment opportunities



Stone remains the largest UK independent IT provider, supporting the UK economy through:

- Corporate tax
- Employee tax
- Employment opportunities
- Public Sector Support
- Support of Education

