

Pace Micro Technology plc

Lead our markets in the development of great products with the lowest environmental impact

# Environmental Report 2007

Period covered June 07 – December 07

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# 1 CEO Introduction

Environmental issues continue to dominate the technology market and at Pace, as part of our Vision of Great products to our customers every time, we are at the forefront of industry developments in energy efficiency.

Governments worldwide are focussing their attention on electronic products and want to see all companies minimise the energy demands made by their products. This is an important focus and has helped drive our strategy for environmental performance improvement through 2007, with our centre of attention on energy reduction in the operation and stand-by functionality of set-top box products.

We have been working with the UK government and Energy Star in the US to ensure that we are at the forefront of new environmental developments. We also continue to develop innovative and environmentally sustainable products that seek to minimise energy use during operation.

This environmental report focuses on our environmental performance over our shortened financial year, during which we have:

- ✦ Developed an Environmental Strategy focusing on site operations, our products and our supply chain.
- ✦ Achieved our target of 75% of products (by Volume) destined for the EU market compliant to the EU code of conduct on energy efficiency of TV services systems.
- ✦ Reduced our total site energy consumption
- ✦ Worked with Forest of Bradford in their forestation programme
- ✦ For the first time included Pace India in our Environmental Strategy

In 2008 we are firmly committed to improving our products' energy performance and motivating our supply chain to be as environmentally conscious as possible.

It is vital that we continue to improve our key environmental impacts and ensure our customers' demands are met and exceeded for energy-efficient and environmentally-sustainable products.

I hope that you enjoy the report. We welcome feedback from our stakeholders and have included contact details to enable this to happen. I look forward to hearing your views.

Kind regards



Neil Gaydon



## 2 Site Performance

In this section environmental performance at Pace's principal sites is presented covering energy use, greenhouse gas emissions, water use, paper use and waste management. For the first time, the analysis includes the Pace India office. The analysis covers the period June – December 2007. The data has been annualised to compare this period with the previous financial year.

### 2.1 Key Performance Indicators

The following tables provide a summary overview of Pace's Environmental Key Performances Indicators. If not otherwise stated, the data have been normalised per sales in million pounds. A detailed analysis will be provided in the following sections.

**Table 1 – Summary Table**

Green House Gases	
Scope 1	225 tonnes
Scope 2	1,171 tonnes
Scope 3	751 tonnes
<b>Total</b>	<b>2,147 tonnes</b>
Indirect supplied water (UK, France and India offices only)	4,661 cubic meter
Recycled waste	30 tonnes

#### 2.1.1 Green House Gas (GHG)

**Table 2 – Scope 1 GHG emission**

Scope 1			Quantity			
Source	Definition	Data source and calculation methods	Jun07-Dec07 Absolute	Jun06-May07 Absolute	Jun07-Dec07 Normalised to Sales	Jun06-May07 Normalised to Sales
Gas	Emission from offices' boilers	Yearly consumption in kWh collected from fuel bills, converted according to country specific emission factor	221 tonnes of CO <sub>2</sub>	519 tonnes of CO <sub>2</sub>	▲	▲
Vehicle Fuel	Petrol and Diesel used by staff and van hire fleet	Expense claims and recorded mileage	4 tonnes of CO <sub>2</sub>	11 tonnes of CO <sub>2</sub>	▲	▲
<b>Total</b>			<b>225 tonnes of CO<sub>2</sub></b>	<b>530 tonnes of CO<sub>2</sub></b>	▲	▲

▲ TBC : The normalised figures will be available after release of the financial report.

**Table 3 – Scope 2 GHG emissions**

Scope 2			Quantity			
Source	Definition	Data source and calculation method	Jun07-Dec07 Absolute	Jun06-May07 Absolute	Jun07-Dec07 Normalised to Sales	2006-2007 Normalised to Sales
Electricity Use	Directly purchased electricity, which generates greenhouses gases including CO <sub>2</sub>	Yearly consumption of directly purchased electricity in kWh, converted according to country specific guidelines	1,171 tonnes of CO <sub>2</sub>	1,468 tonnes of CO <sub>2</sub>	▲	▲

**Table 4 – Scope 3 GHG emissions**

Scope 3			Quantity			
Source	Definition	Data source and calculation method	Jun07-Dec07 Absolute	Jun06-May07 Absolute	Jun07-Dec07 Normalised to Sales	Jun06-May07 Normalised to Sales Business
Trip	CO <sub>2</sub> emission linked to travels of member of the company either by train or plane	Recorded miles converted according to DEFRA emission factors	4 tonnes of CO <sub>2</sub> of road miles 747 tonnes of CO <sub>2</sub> of air miles	1,432 tonnes of CO <sub>2</sub>	▲	

**Table 5 - Waste**

Typology			Quantity			
	Definition	Data Source and calculation methods	Jun07-Dec07 Absolute	Jun06-May07 Absolute	Jun07-Dec07 Normalised to Sales	Jun06-May07 Normalised to Sales
Recycled	General office waste which includes waste electronic waste (UK only)	Volume of waste generated per annum calculated by recording the number of bins and skips removed for recycling, converted to tonnes according to country specific guideline	30 tonnes	28.8 tonnes	▲	▲
Resource Use	Paper use	Yearly consumption in number of sheets collected from paper bills	790,823 sheets	1,533,220 sheets (UK and France only)	▲	▲

▲ TBC : The normalised figures will be available after release of the financial report.



### 2.1.3 Carbon Emission

As displayed in Figure 1, considering both direct and indirect emissions, Pace emitted **2,147 tonnes** of CO<sub>2</sub> in the period June 2007 – December 2007. Emissions in the previous financial year totalled 3,430 metric tonnes. As shown in Figure 3, Pace recognises that almost 90% of its total carbon footprint relates to electricity use and business travel, and is committed to reducing the associated emissions wherever possible. It aims to achieve this by:

- ✦ Increasing the number of video conference and conference calls, reducing staff airline use;
- ✦ Build on the sale of its car fleet and by encouraging rail use wherever possible, which has fewer carbon dioxide emission per kilometre;
- ✦ Continue to explore the viable renewable electricity options
- ✦ Improving the energy efficiency of its offices.

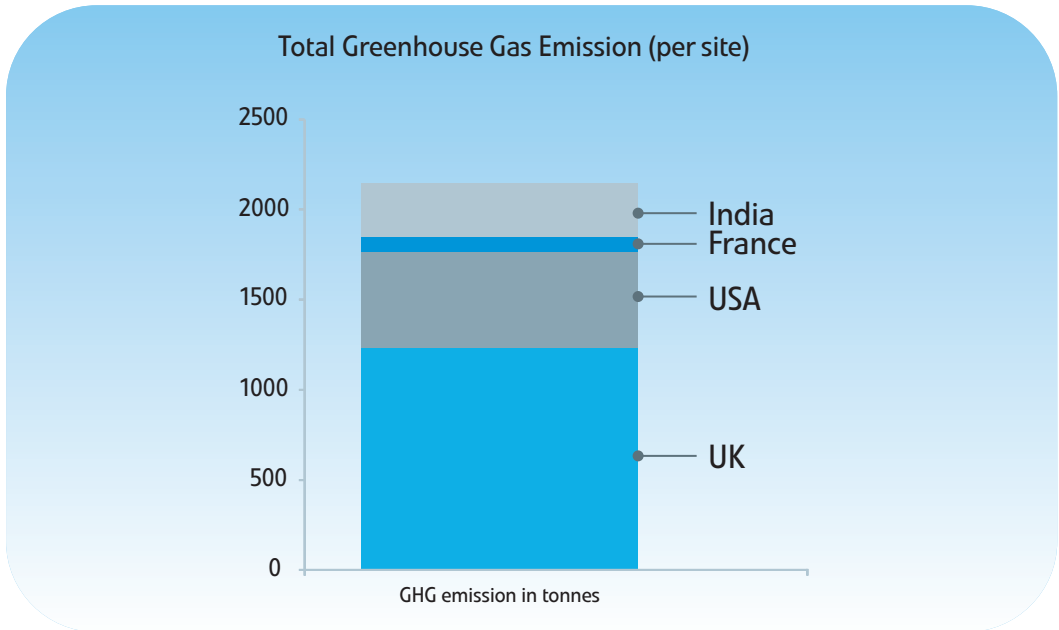


Figure 1 – Pace carbon footprint

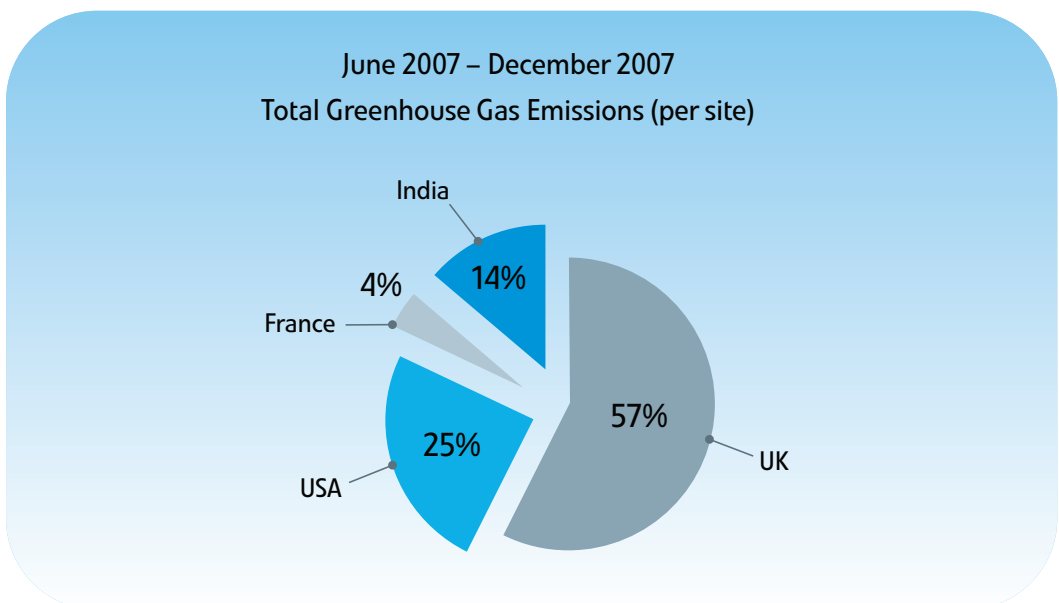
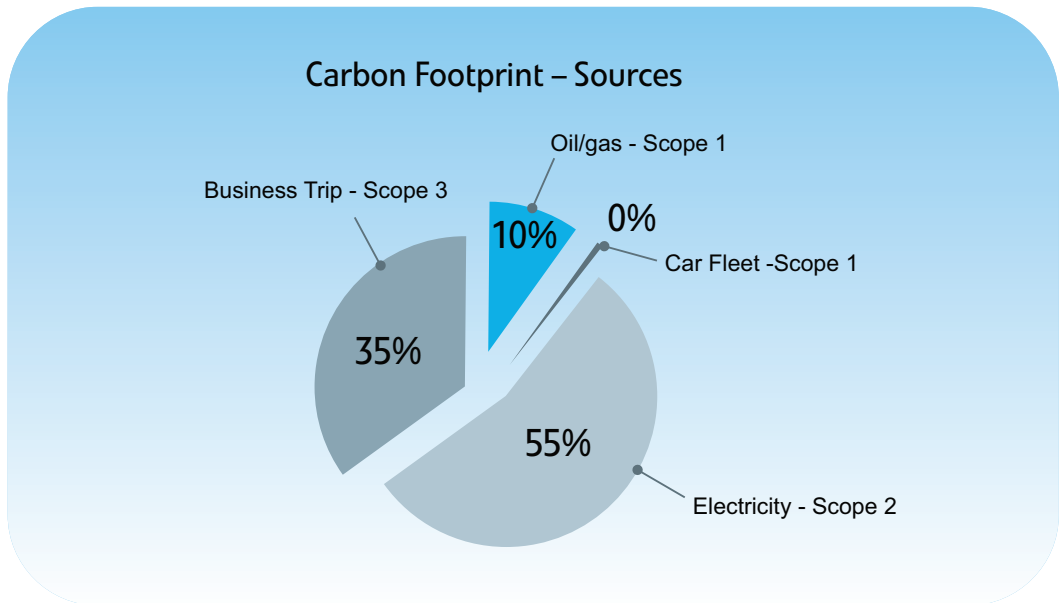
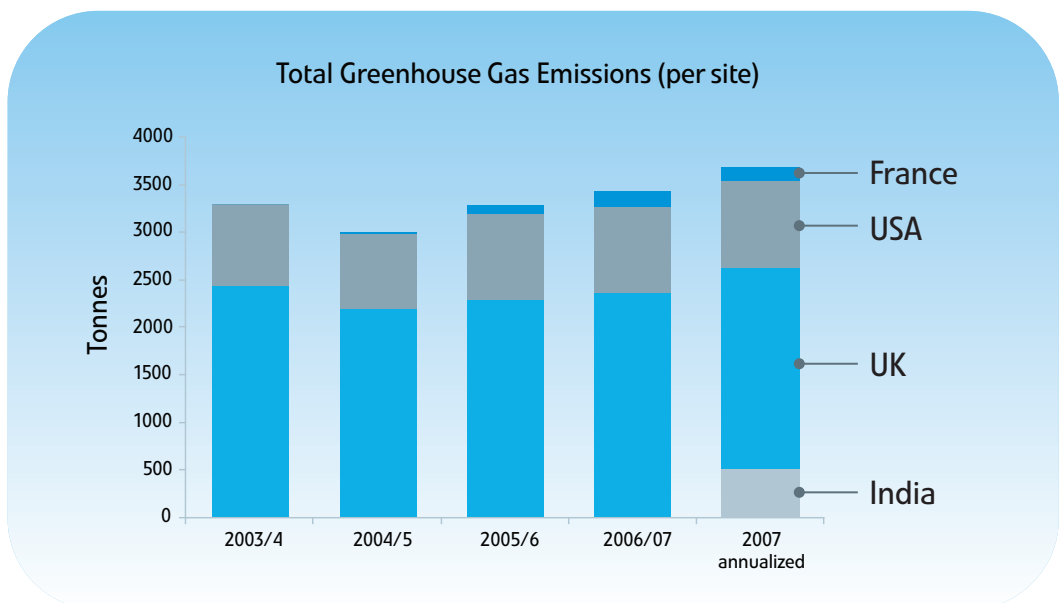


Figure 2 – Pace Carbon Footprint



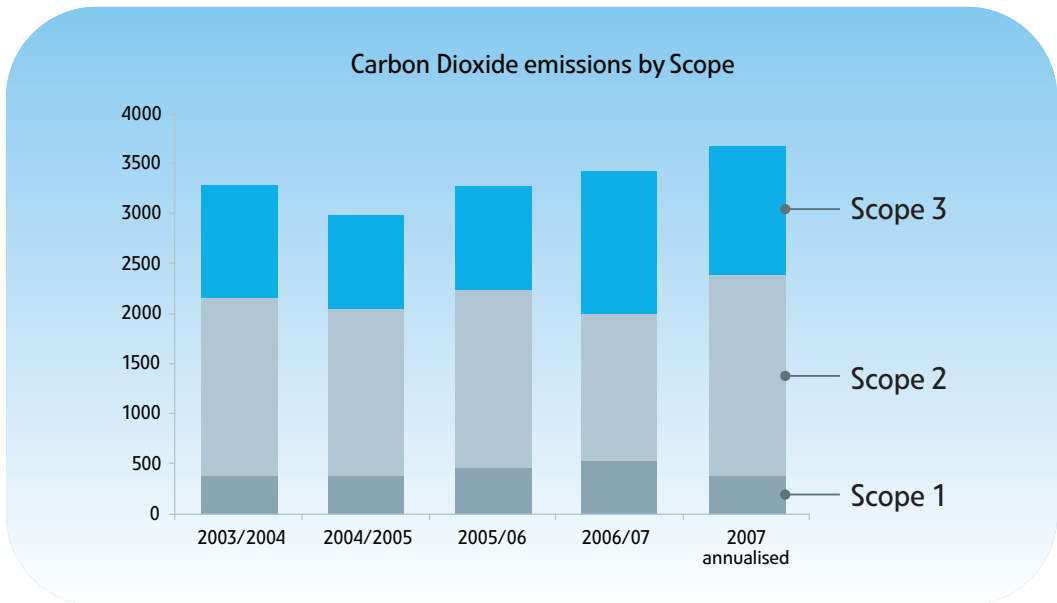
**Figure 3 – Pace Carbon Footprint – Source**

Figure 4 and Figure 5 compare Pace greenhouse gas emissions in the period June 2007 – December 2007 with previous years. To make the comparison possible, the figures for the shortened financial year have been annualised.



**Figure 4 - Pace Carbon Dioxide Emissions by site. 2007 annualised figures have been estimated from the period June 2007 – December 2007**

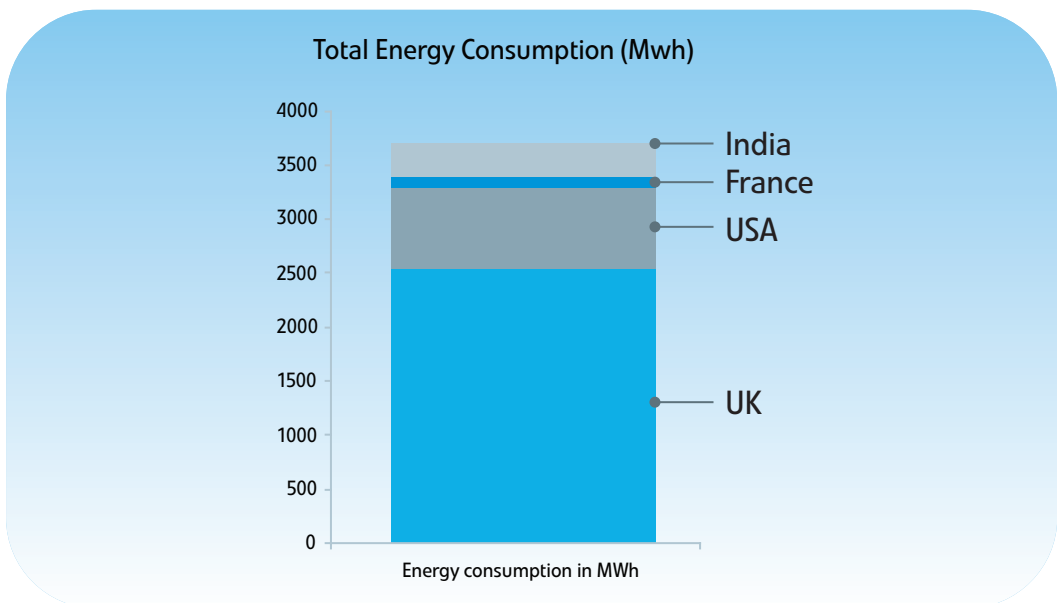




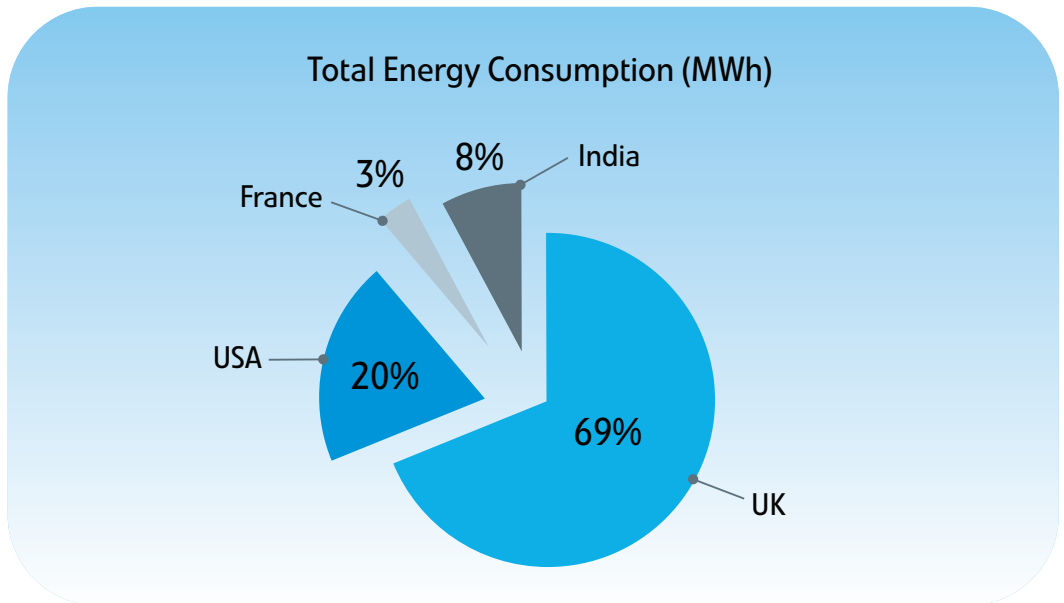
**Figure 5- Pace Carbon Dioxide Emissions by Scope. 2007 annualised figures have been estimated from the period June 2007 – December 2007**

### 2.1.4 Energy Use

As shown in Figure 6, total energy in the analysed period was 3,705 MWh. In the last financial year, total energy consumption totalled 6,351 MWh.

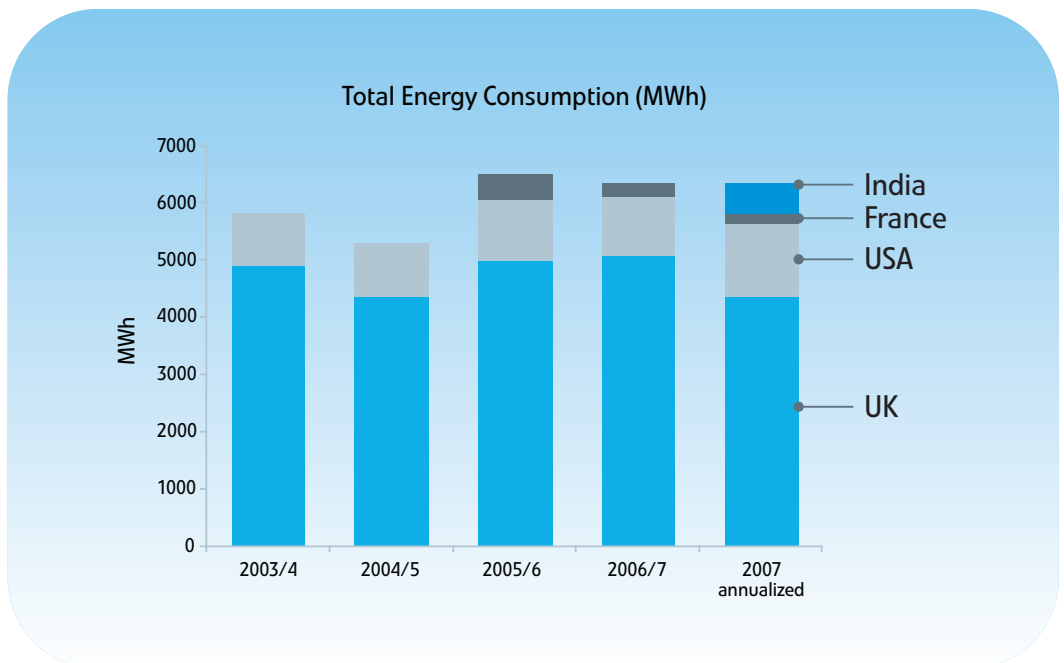


**Figure 6 –Total energy consumption for the period June 2007 – December 2007**



**Figure 7 - Energy Consumption per site for the period June 2007 – December 2007**

Figure 8 compares Pace energy consumption in the period June 2007 – December 2007 with previous years. To make possible the comparison, the figures for the shortened financial year have been annualised.

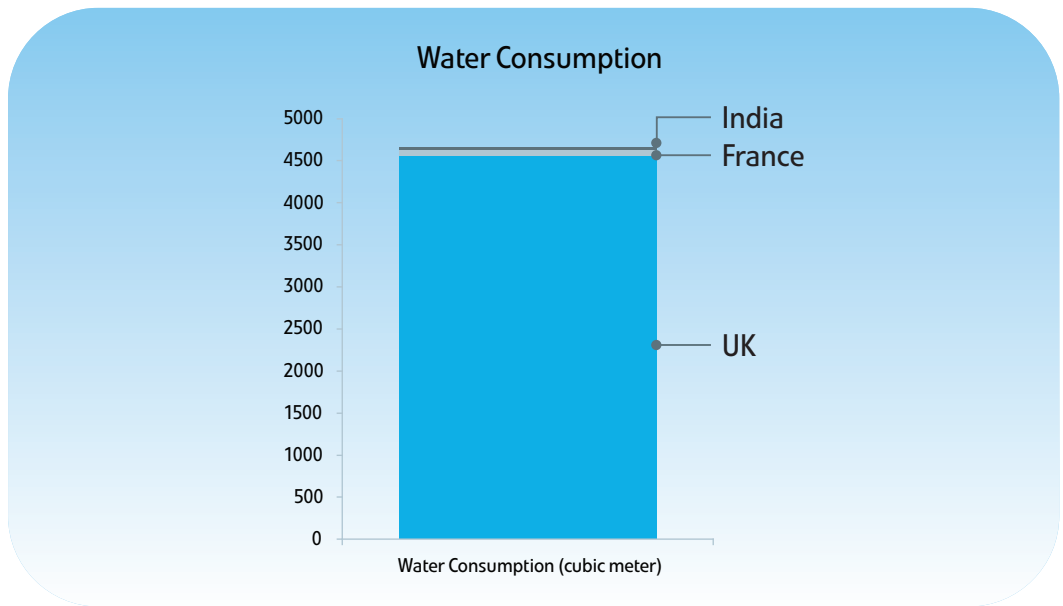


**Figure 8-Total Energy Consumption (Oil/Gas/Electricity) - 2007 annualised figures have been estimated from the period June 2007 – December 2007**



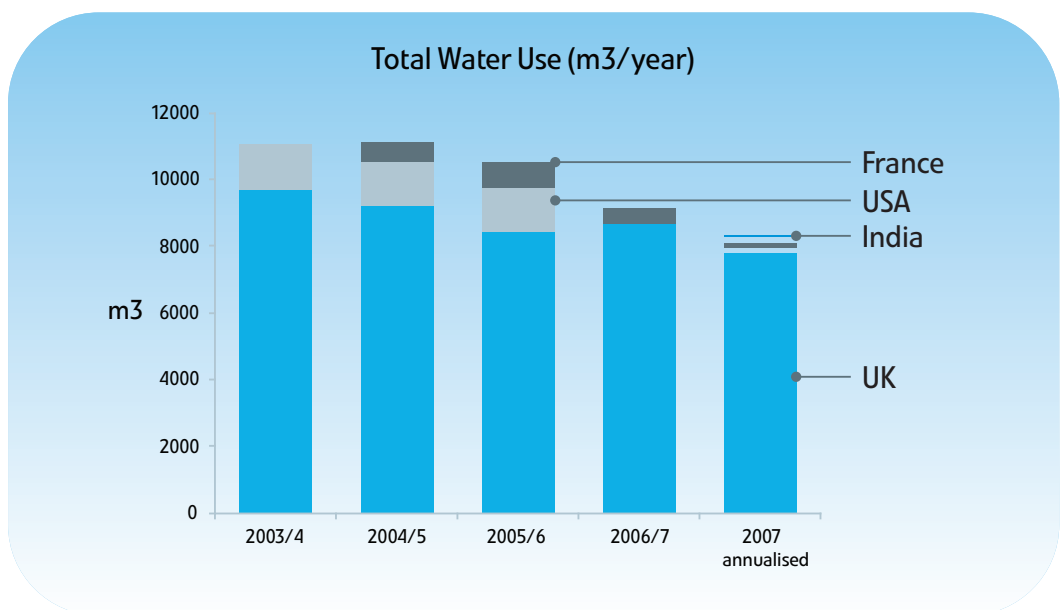
### 2.1.5 Water Use

For the period June 2007 – December 2007, **4,661** cubic meter of water has been used in line with the **10,460** cubic meter of the previous financial year. This figure contains information for the offices in UK, France and India.



**Figure 9 – Pace water consumption for the period June 2007-December 2007**

Figure 10 compares Pace water consumption in the period June 2007 – December 2007 with previous years. To make possible the comparison, the figures for the shortened financial year have been annualised.



**Figure 10 – Pace water consumption - 2007 annualised figures have been estimated from the period June 2007 – December 2007**

# 3 Performance Vs Target 2007

(Jun 07 – Dec 07)

During the shortened financial year the Company set environmental targets and achieved the following outcomes in respect of its chosen measures of environmental impact:

ACTIVITY/IMPACT	OBJECTIVE	ACHIEVED	IN PROGRESS	NOT ACHIEVED
<b>Environmental Management System (EMS)</b>				
1. Pace Environmental strategy	Develop an executive driven environmental strategy for '08	✓		
<b>Premises, Energy, Air Emissions &amp; Resource Consumption</b>				
2. Reduction of STB power consumption	75% of products destined for EU market EU Code of Conduct compliant	✓		
3. Electricity Use	2% Reduction	✓		
<b>Stakeholder Groups</b>				
4. Volunteer activity	Conduct one Volunteer activity	✓		
5. Employee Awareness	Increase employee awareness		✓	
6. Reporting	Develop the annual reporting ensuring it adheres to the FTSE4GOOD (GHG protocol) reporting criteria.	✓		



# 4 Environmental Targets 2008

ACTIVITY/IMPACT	Objective	Target
1. Pace Environmental strategy	Develop a supply chains based strategy for environmental performance improvement	Engage all of our priority suppliers by Dec 2008
2. Set top box (STB) Power consumption	Develop 'design for environment' criteria for inclusion in the product creation process	Developed and implemented by March 2008
3. STB environmental impact	Minimise STB energy consumption	Design and develop a low environmental impact (LEI) STB by Dec 2008
4. Reduction of STB power consumption	Minimise power consumption of the STB to align with EU code of conduct	75% of products destined for EU market EU Code of Conduct compliant by Dec 2008
5. Electricity Use	Minimise site energy use where ever technically and commercially practical	Introduce individual lab electrical consumption mechanism by March 2008
6. Volunteer activity	Improve local environment	Conduct one Volunteer activity
7. Employee Awareness	Increase employee awareness	Implement an awareness programme focusing on individual employee energy consumption by July 2008
8. IT Equipment	Reduce the IT server equipment Energy consumption	Implement a server virtualisation strategy with a view to reducing IT power consumption by June '08.

# 5 Verification Statement

Trucost was requested by Pace to provide assurance in relation to the reliability, accuracy and consistency of environmental performance data contained within its Environmental Report 2007 (Jun – Dec). Trucost is an independent environmental research consultancy.

## 5.1 Scope of Assurance

The scope of this assurance statement is limited to those aspects of environmental performance data and information collated for offices in Saltaire (UK), Boca Raton (USA), Grenoble (France) and Bangalore (India).

## 5.2 Review Process

Trucost reviewed documentary evidence about the existence of environmental information, measurement and monitoring processes through interviews with key staff members. It also examined quantitative and qualitative evidence of environmental performance and progress towards local environmental objectives and targets. Trucost has assessed the potentially material environmental KPIs specific to Pace and its particular business operations. Environmental KPIs should be in accordance with the UK Government Guidelines, Environmental Key Performance Indicators: Reporting Guidelines for UK Business (2006). Having identified the appropriate KPIs, Trucost assessed the reports against the Guidelines, which set out the boundary issues between direct and indirect environmental impacts and how this information should be reported in quantitative terms.

## 5.3 Opinion

In Trucost's opinion, Pace has identified and assessed all its material 2007 (Jun – Dec) environmental impacts and has reported on these fully in accordance with current UK Government Guidelines for environmental reporting. In Trucost's opinion greenhouse gas emission data is reported in accordance with "The Greenhouse Gas Protocol"

### **Simon Thomas**

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January 2008



# 6 Feedback

Pace welcomes your comments/queries regarding its Environmental Report 2007 (Jun – Dec)

To provide feedback, please contact:

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