



Sustainability and Environmental Review

Introduction

Lockwell Electrical is a trading division of Edmundson Electrical Ltd, a long established privately owned company with an unrivalled reputation in the marketplace and with a unique culture that empowers local teams throughout the United Kingdom to invest and trade in their local communities.

At Lockwell Electrical we are fully committed to meeting our corporate responsibilities. In fact we believe that acting responsibly is a core part of our success. We have therefore updated our review of sustainability and environmental issues that affect our business.

This review has identified seven key areas:

1. Transport
2. Property
3. Waste
4. Supply Chain
5. Products
6. Employees
7. Community

The following report sets out the progress we are making in each of these key areas and the plans we have in place for the future.



Transport

- In order to reduce the environmental impact of our fleet of delivery vehicles we replace them on a regular basis to ensure they operate to the latest emissions specifications.

- All of our fleet of light commercial delivery vehicles are now fitted with “stop / start” technology and comply with Euro 6 emission standards. All delivery vehicles nationwide are compliant with the London Low Emission Zone requirements.



- We are trialling the use of electric delivery vehicles in our fleet. We believe that supporting vehicle manufacturers in bringing these vehicles to market will help accelerate their uptake across the United Kingdom.
- We have added several Mitsubishi Canter “hybrid” electric/diesel delivery vehicles to our fleet, and we are working with our other partners to introduce even more energy efficient vehicles over the next two years.
- We have added “hybrid” electric/diesel cars to our company car list and these are proving popular with employees. For example some of our managers have already chosen the Vauxhall Ampera model which is an extended-range electric vehicle with CO2 emissions of only 27g/km. We have also worked closely with our vehicle supplier partners to promote the use of these energy efficient cars in the press. We have increased our selection of “hybrid” electric/diesel vehicles to include “hybrid” electric/diesel cars from other manufacturers including Mercedes, Toyota, Mitsubishi, Audi, Volvo, BMW and Volkswagen.

- We have installed electric charging points at several of the Company's locations for the use of employees, this has helped make it easier for them to decide to switch to a hybrid or electric car.



- We recognise that advances in car technology mean that cars can quickly become less energy efficient than the latest models. Therefore we refresh our company car list on a quarterly basis to ensure we include the latest technology in vehicles as soon as it becomes available.



- Employees are encouraged to select more energy efficient vehicles when choosing a company car. We prominently display emissions data within the company car literature provided to employees and monitor their car choices by emissions band.
- Employees are issued with a company car driver's handbook and are expected to drive safely, responsibly and efficiently.
- We encourage employees to use public transport where possible and it is common for long distance journeys to be made by train. We have also recently invested in technology to enable phone and video conferencing between our sites to reduce the environmental impact of travel.

Property

- To reduce the carbon footprint of our property portfolio we have invested heavily in making our buildings more energy efficient.



- We have installed solar photo-voltaic (PV) energy generation systems at many of our locations throughout the United Kingdom, including at some of our biggest operating sites. We have spent approximately £650,000 to date and are working closely with landlords to further increase this amount.
- The capacity of the solar PV systems already installed at our sites is over 550 kW. This has generated approximately 2,000,000 kWh of electricity and has saved the Company a significant amount in energy costs.
- We have also started to invest in alternative sources of energy such as ground source heat pumps. These further reduce our effect on the environment both in terms of energy saving and the visual impact of energy generation.

- Lighting is an area in which we believe significant energy reductions can be made. We have already installed LED and other low energy lighting systems across our property portfolio. All new and refurbished buildings have LED or low energy efficient light fittings as standard.



- In our Service Centre in Cheshire we have undertaken a complete upgrade of our lighting system and have achieved significant reductions in our energy usage. The new lighting system not only utilises the latest energy efficient technology but also incorporates good practice measures such as occupancy and motion detectors and daylight awareness controls.
- We have recently conducted environmental audits of our operations as part of the Energy Savings Opportunity Scheme (ESOS) and have identified further steps that can be taken towards energy reduction.
- We have commissioned specialist heating engineers who have reviewed our internal heating systems and upgraded them to the latest smart controllable technology.
- Our main electricity supplier, SSE, now generates 100% of their electricity from renewable sources.

Waste

- Lockwell Electrical is both a distributor and a producer of Waste Electrical and Electronic Equipment (WEEE) under the WEEE regulations and as such we fully comply with all requirements. We have formally documented policies on WEEE which our employees are trained in and the Company monitors compliance on an ongoing basis.
- We have comprehensive systems and arrangements in place to comply with the WEEE regulations comprising categorisation, segregation and temporary storage of electrical and electronic waste, including hazardous WEEE, prior to it being collected for recycling by one of Europe's foremost recycling companies. The Company also provides a service for commercial users to take back their WEEE.
- We comply with Environment Agency, Natural Resource Wales, Scottish Environmental Protection Agency and Northern Ireland Environment Agency standards on waste management, including the handling of hazardous waste. We hold current waste carrier's licences that were renewed in December 2018 and are valid for three years. All of our locations where applicable have been allocated waste premises codes by the relevant issuing Agency.



Our Service Centre located in Cheshire has instigated a “zero to landfill” waste management system. This has proven to be very successful and we have extended this to other operating sites in the United Kingdom. We are working closely with our partners to further roll out this solution across all our sites.



- The Company is aware of the environmental cost of internal and external communications and to this end has invested considerably in the development and operation of intranet, electronic document and email facilities with the consequent reduction in use of paper and carbon fuels. The Company has recently recorded a significant increase in the use of electronic customer invoices.
- The majority of paper products used within the business are sourced from Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified suppliers.
- Lockwell Electrical is proud to be a member of the Green Achiever scheme for “green” businesses, achieving a 5 star award with a diamond banner in its most recent assessment.





Supply Chain

- Lockwell Electrical is part of a long established UK company with over 200 years of history and a wealth of experience in the electrical industry. We have achieved this by developing long term close working relationships with our suppliers, many of whom we have traded with for decades. We only buy finished goods for resale and choose market leading brands with good international reputations.
- Our preferred supplier policy focusses mainly on market leading brands and quality products from predominantly UK companies with consistently high standards similar to our own. In fact approximately 97% of our products are sourced from UK companies and a further 2% from other EU countries. We understand that sourcing product from suppliers with UK based infrastructure not only benefits our customers in terms of product quality and service but also benefits the communities we all work in.



- We carefully select preferred suppliers with the selection criteria including an assessment of product and material quality as well as product origin. Most of our preferred suppliers are UK based companies and therefore conform to UK legislation. We expect our suppliers, many of whom we have been trading with for many years, to exercise high standards within their own supply chains.



- We review key supplier environmental, sustainability and ethical policies and follow up with them any concerns we may have. This forms part of our preferred supplier selection criteria and we will continue to monitor this on an ongoing basis.
- Lockwell Electrical is part of a financially sound company and believes that paying suppliers to agreed terms is fundamental to building close working relationships with them.

Products

- We stock a vast selection of environmentally friendly products i.e. products that have a reduced impact on the environment compared to comparable substitute products. The proportion of these products in our total product offering has been steadily increasing over the past few years as new technology and innovation are introduced to the market.

- Over one quarter of our product lines are specifically sold as being environmentally friendly, equating to over £250 million of purchases per annum. These include the following examples:



- Solar PV equipment
- Ground source heat pumps
- Air source heat pumps
 - Biomass boilers
 - Solar thermal
 - Low energy lighting (e.g. LED)
- Low energy lighting & power controls
 - Voltage optimisers
 - Metering
 - Low energy hand driers
 - Heat recovery units



- To facilitate the increase in training and education of environmentally friendly products we have introduced dedicated training rooms in our larger locations. This forms part of our strategy to promote awareness of environmentally friendly products to our customers.



- To keep up with the pace of change in environmentally friendly products we constantly work with suppliers to introduce new product lines and partner with them to promote these new products in the market place.
- The Company has 13 locations situated around the UK that specialise in environmentally friendly products and are branded as “Greentech”. At each location there are renewables experts to assist with explaining products and providing technical knowledge.

Employees

- Our employees are undoubtedly our greatest asset and are trained to meet our requirements of efficiency and service to customers and suppliers. The Company has recognised the achievements of 430 of its employees who have completed at least 25 years of service.



- All our operations are based in the United Kingdom (with trading outlets also in Jersey, Guernsey and the Isle of Man) and we comply with employment legislation within these jurisdictions. However, as you would expect from a well-established company we manage employment standards above the minimum levels. For example all employees are eligible to participate in a profit share scheme and to join the Company pension scheme which provides benefit over and above the minimum legal requirements.

- Induction training sets the foundation for all employees and is followed by specific on the job training. The Company's operational best and required practices are documented in comprehensive Standard Practice Instructions and the local operating systems are supported by integrated training facilities. Commercial training, for example sales and inventory control, is provided locally. External training providers are engaged for specific subjects including leadership, management and sales development. Training courses are also provided for newly appointed managers and a personal development course takes place each year for established managers.
- The Company runs a Graduate Development programme to train the managers and sales people of the future. Over 650 graduates have joined us over the past 10 years.
- The Company supports vocational and product knowledge training provided by our industry body, the Electrical Distributors Association. We have provided opportunities to over 100 apprentices every year and have done so for over a decade.
- Managers undertake performance reviews with their staff and identify with them areas for development.



- All employees are issued with a handbook of employment which sets out the Company employment policies. The Company is an equal opportunities employer and follows family friendly employment policies.



- The Company is committed to conduct its affairs in an honest, open and fair manner and to comply with the law. All employees are required to comply with an internal ethics policy, Standard Practice Instruction 540, which sets out the principles of how the Company conducts its business affairs.

- The Company regards the promotion of health, safety and welfare measures as a mutual objective for the Company and all of its employees. The Company is committed to promoting a positive and informed health and safety culture and to do all that is reasonable to prevent injury and hazards to health by protecting people, including members of the public, from foreseeable hazards, whenever they come into



contact with the Company or its products. The Company's Health and Safety policy and procedures are set out in Standard Practice Instruction 816.

Community

- The Company has for over 40 years sponsored The ECA Apprentice of the Year award throughout the UK and also supports the more recently established SJIB Apprentice of the Year award in Scotland. These schemes identify and celebrate the achievements of young and adult craft apprentices in the electrical contracting industry.



- Lockwell Electrical is a major contributor to the industry's own charity, the Electrical Industries Charity (EIC), through sponsorship and collections at Company events. Company personnel undertake various organisational roles on behalf of the EIC at regional and local levels.
- The Company sponsors the Arts in a number of ways including the Halle Orchestra and the Royal Exchange Theatre in Manchester.
- Employees are encouraged to support their local communities and charitable causes and the Company provides financial support to assist them in doing this. Examples of charities that have recently benefited from employee and Company support include children's charities, sporting charities and cancer and heart disease charities.