3 Line Electrical's Environmental Social and Governance Policy

Committed to our sustainability and environmental responsibility



ABOUT US

3Line Electrical was established in 2009, during which time we have organically grown into a 15 branch national independent electrical wholesale company. Operating with strong ethics, our core business is the supply of electrical materials to electrical contractors, social housing, installers, facilities managers, commercial/industrial users and the general public.

Environmental, Social and Governance Policy (ESG)

At 3Line Electrical Wholesale, we recognise the pivotal role we play in fostering sustainable practices within the electrical industry. As a leading electrical wholesale company, we are committed to integrating Environmental, Social, and Governance (ESG) principles into our core business operations.



Environmental Responsibility: Distribution of energy-efficient and environmentally-friendly products by offering a diverse range of sustainable solutions. We empower and encourage our customers to reduce their carbon footprint and contribute to a greener future and we have launched our very own sustainable product brand which underpins this strategy, called Go-Green.LINE.

Social Engagement: Our commitment to social responsibility extends to fostering diversity and inclusion within our workforce and engaging with local communities. We provide equal opportunities for all employees and actively support initiatives that enrich the communities we serve.

Governance Excellence: Maintaining the highest standards of corporate governance is paramount to our operations. We uphold transparency, accountability, and integrity in all aspects of our business practices. Our governance framework ensures compliance with regulatory requirements and ethical standards.

ENVIRONMENT

Throughout our 15 branch network, 3Line Electrical provides innovative electrical solutions for our customers across residential, commercial, educational and industrial sectors to improve energy efficiency, performance, comfort and safety.

Energy Efficiency and Conservation: All 3Line branches have conducted energy audits to identify opportunities for improvement. As a result of our findings, all locations have implemented energy-efficient lighting systems and are now operating using 100% LED lighting. Some locations have also invested in HVAC upgrades, equipment optimisation and presence detection technology to ensure lighting is only activated when needed.

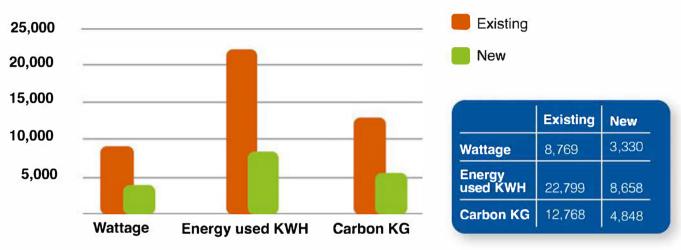






102.96 Tonnes of Carbon Reduction

BRANCH LIGHTING UPGRADE PROGRAMME Average Branch



As part of our carbon reduction programme, lighting upgrades were carried out at all 3Line branches over 12 – 24 months. Inefficient lighting was replaced with LED technology and presence detection. The results at an average branch reduced carbon output from 12.768 tonnes to 4.848.

If we extend these results to 13 sites this equates to 102.96 tonnes of carbon saved.

Waste Reduction and Recycling: 3Line have implemented waste reduction measures such as reducing paper usage and promoting digital documentation by encouraging as many customers as possible to receive electronic invoicing and statements. This is backed up by the My.3line App, which allows our customers to manage their account online without the need to print documents.

Software has also been introduced in 2024 to offer an IT solution for proof of delivery documentation. This enables the business to store electronic versions of the original documents and reduce the need to print them.

All 3Line branches have large recycling bins for paper, cardboard, plastics, and electronic waste.

The decision was made around 5 years ago to stop using single use carrier bags and replace with environmentally friendly "Bags for life". We encourage customers to use these in place of traditional plastic.





SHOWER RECYCLING SERVICE

In collaboration with Triton Showers we offer a full recycling service for all showers regardless of manufacturer.

In partnership with



SMOKE DETECTOR DISPOSAL SERVICE

3Line offer a comprehensive service for the disposal of smoke detectors from start to finish, safely and legally.

In partnership with



LANDFILL DIVERSION



As a business 4.8% of our waste ends up in landfill with nearly 50% recycled.



Carbon Emissions Reduction: After evaluating the transportation practices, 3Line have invested in route optimisation software for all delivery vans across our network to minimise carbon emissions.

External sales executives who drive a company vehicle are mandated to drive a hybrid or fully electric vehicle. As of 1st January 2024 the company policy is to no longer allow the order of combustion only vehicles for sales staff.

Due to the lack of a viable alternative, 3Line are currently exploring carbon offset programs to mitigate the environmental impact of our delivery vans.

Sustainable Product Selection: As part of our commitment to the use of energy-efficient products Go.Green.LINE was launched in 2023 showcasing all of the products we supply that have a positive impact on the environment. The brand has grown and we now employ a Go.Green.LINE manager who supports all 15 branches with training and sales support for the 3Line team and customers alike.



2022 Fleet Composition



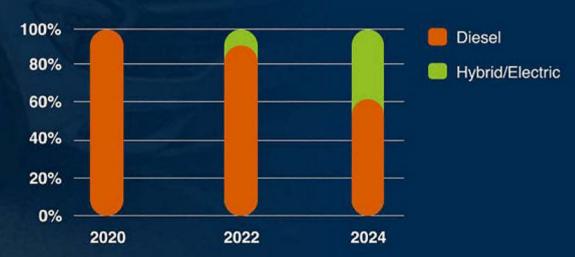
2024 Fleet Composition



Diesel Vehicles Hybrid Vehicles Electric Vehicles 3Line has committed to reducing carbon through a greener fleet management process.

Since 2020 the introduction of hybrid and fully electric vehicles to replace traditional diesel has seen the profile of our fleet change from 100% diesel to 35% electric/hybrid.

With longer ranges now possible we are looking to include electric delivery vans into our fleet and have had our 1st DC charger installed at North Walsham to begin this journey.



Fleet Conversion

Since the launch of our Go.Green.LINE brand, sales have grown in excess of £1m per annum. Through the supply of products such as PV systems, electric vehicle charging, LED lighting and heating we have helped reduce the demand on traditional fossil fuels by replacing outdated products and systems.

Environmental Compliance and Reporting:

3Line ensures compliance with environmental regulations at all branches. A key area of compliance for our business includes the safe disposal of fluorescent and discharge lamps. All branches have access to a lamp recycling station and offer this service to our customers.

3Line have engaged with Southampton university and for the past 12 months we have been working with them on a sustainability project. Through this work we are exploring ways of monitoring and tracking environmental performance metrics, such as energy consumption and waste generation.





ISO 14001

3Line are proud to announce that we are actively working towards implementing ISO 14001, a globally recognised standard for environmental management. This step reflects our commitment to minimizing our environmental impact, enhancing our sustainability efforts, and ensuring responsible business practices.

By adopting ISO 14001, we believe we can continuously improve our environmental performance, whilst benefiting our customers and the planet.

We have started this process by engaging with NQA and we will be working with them over the coming months to adapt our business practices to ensure full compliance.



Social

Employee Well-being and Development:

The health and safety of all employees is one of our top priorities and robust safety protocols have been implemented. Full training and protective equipment is supplied as part of the induction process. Click <u>HERE</u> see to our H&S policy.

As a multi-location business all branch teams are given safe workspaces of a high standard to operate from. In order to encourage the sense of "one team" throughout the business, a monthly newsletter is issued to all staff to share information around the company. This can include local achievements, marriages, births, competitions as well as important company announcements.

3Line staff are offered competitive remuneration packages, including benefits and opportunities for professional development and advancement. **Salary:** Team members are grouped together into peer groups and salary levels are set based on comparable job roles with a minimum and maximum expectation for that position.

Bonus: Team members are given the opportunity to enhance their salary through a transparent bonus scheme linked to the role they perform.

Training: As well as manufacturer led product training, 3Line are proud of our internal training procedures and the partnership we have with the EDA (Electrical Distributors Association). The EDA offer industry specific training to all electrical distributors through 12 different training modules, each equivalent to a City & Guilds accredited qualification.

To date, we have the highest number of training modules completed as a percentage of total staff in the EDA membership – with over 100 modules completed.

View our video on the benefits for staff studying these modules **<u>HERE</u>**

We are keen to develop new talent in our industry and to help with this we invest in apprenticeships across our branch network. Our apprentices learn to work in the warehouse, deal with customer sales at the trade counter and over the telephone, and to process customer orders. The programme also enables them to have a technical knowledge of the products and services we offer. Our successful apprentices are then offered a permanent career with 3Line Electrical.



Career progression: 3Line are passionate about promotion from within the business with many of our management team and senior sales staff promoted from more junior positions



Sage Benefits: 3Line offer an employee rewards programme via Sage, with no qualification period. The platform grants team members access to financial wellbeing checks, mental health support, online GP services and discount across many high street brands.

Mental Health: In addition to the services offered through our employee rewards programme, our HR Director is a qualified mental health first aider and offers all team members one to one support, should this be required.

We believe the 3Line team are our most important asset and through the measures above we foster a positive work environment that promotes teamwork, respect, and work-life balance across all branches. This is evidenced by extremely low staff turnover, with many employee service lengths above 10 years. **Modern Slavery:** 3Line Electrical takes this matter seriously and is committed to improving our practices to combat slavery and human trafficking. Click **HERE** to see our modern slavery statement.

Diversity, Equality, and Inclusion (DEI):

3Line embrace diversity and promote inclusivity by ensuring equal opportunities for all employees regardless of race, gender, age, ethnicity, sexual orientation, or background. Gender pay gap is measured and the average of female/male remuneration is in line with each other.

Through our Diversity, Equality, and Inclusion policy 3Line have established a mechanism for employees to report instances of discrimination, harassment, or bias and take prompt and appropriate action to address concerns. This includes education for the team as to what inclusion, equality and diversity looks like. Click <u>HERE</u> to see our Diversity, Equality, and Inclusion policy



Defibrillators: In 2022 all 3Line branches were equipped with a defibrillator for use by the local community in memory of a team member who sadly passed away through cardiac arrest. All defibrillators are registered with the British Heart Foundation via "the circuit" and are regularly used by the ambulance service if required.



Charity Events: Many branches organise initiatives to raise money and awareness for local and national charities. Recent events have raised money for Young Lives vs Cancer, Help for Hero's, Walking with the Wounded and more locally, Remy's Foundation which is in support of a Norwich customer who sadly lost his 11 year old son.



Community Engagement: 3Line believe strongly in engagement with local communities and support many local initiatives.

Examples of this include sponsorship of many sports teams, including rugby, football and cricket for young and underprivileged children. 3Line also support a non-competitive brass band in Norwich who actively encourage children to take up a musical instrument and also raise money for charities in and around Norfolk.



Customer Relations and Satisfaction:

3Line prioritise customer satisfaction by providing exceptional service, product expertise, and timely delivery. All customers are supplied with a dedicated relationship manager who ensures their needs are met and that they have an open line of communication to feed back any issues they may need addressing.



3Line offer educational resources and training to help customers make informed purchasing decisions and maximise the value of their purchases. This includes awareness evenings, which are our own training events inviting customers to learn about any changes to the electrical regulations. These are also used as charity events to support the causes mentioned in the previous page.



Supply Chain Responsibility: 3Line partner with suppliers who share the company's commitment to ethical business practices, with 90% of our procurement coming from AWEBB approved suppliers, the buying group that we are a key member of.

3Line are subject to annual audit and comply with all regulations around statutory reporting.

Internal audit is carried out at all branches through our Operational Manager who is required to physically attend all branches once per month to ensure compliance with company policies.

Risk Management: Operational risk is managed locally by branch managers who are required to regularly audit their business and report to the Managing Director. This would include physical safety checks of the building as well as business risk such as customer attrition and performance.

Financial risk is managed by the Finance Director who will analyse cash flow, financial performance and credit control, which includes the use of external credit monitoring facilities and insurance through Allianz.

Industry risk and regulation changes are monitored by the Managing Director who is also a board member of the EDA and AWEBB and regularly attends meetings to keep up to date with what is happening in the wider market.

Governance

Board Diversity and Independence: 3Line operate with a board of directors which includes a mixture of ages and gender. The skill set of the board ranges between operational electrical wholesale experience through to financial and HR expertise. The board meet regularly to discuss the strategy of the business and to evaluate current performance, with each member of the board able to critically challenge any decisions being made.

Ethical Business Conduct: 3Line have an expected code of conduct which outlines expected standards of behaviour for all employees, managers, and executives. Click **HERE** to see our Conduct and Standards policy.

Transparency and Disclosure: Financial reporting information is shared with both board members and all managers of 3Line who are given the opportunity to challenge anything contained within.



Disciplinary process: 3Line have a fair, robust and unbiased disciplinary procedure which is communicated to all staff at the induction phase. Click <u>HERE</u> to see our Conduct and Discipline policy and procedure. **Management structure:** A clear and well communicated organisational structure is in place, detailing line management from all branches through to the board of directors.

This is used to offer clarity to all staff and also provides the ability to talk to a member of senior management if an issue arises with the immediate line manager. Click **<u>HERE</u>** to see our management structure.

Cybersecurity: External IT threat is managed by a third party who ensures we are up to date with the most relevant security software to prevent a cyber attack.

All staff are advised of the IT risk posed by email traffic and how to spot what looks like a malicious email and are also directed to our IT, Internet and Email policy to provide further guidance, information and support. Click <u>HERE</u> to see our IT, Internet & Email policy All 3Line branches are fully PCIDSS compliant to protect the data of cardholders that may wish to settle their invoices using a debit or credit card.

GDPR: Data protection is taken seriously at 3Line with all information held securely. Customers are given the option to receive or opt out of our marketing preferences and any data held on behalf of a third party is only done so where absolutely necessary. Click **HERE** to see our Data Protection policy

In closing, our ESG policy reflects our commitment to sustainability, social responsibility, and ethical governance. By integrating Environmental, Social, and Governance principles into our operations, we aim to drive positive change, create lasting value, and build a brighter future for all stakeholders.

Together, we will continue to innovate, collaborate, and lead by example as we strive to make a meaningful impact on our communities and environment.

