

A man with short brown hair and a beard, wearing a dark blue long-sleeved shirt and a bright yellow high-visibility vest, is smiling and looking at a computer monitor. He is standing at a workstation in a warehouse or factory setting. The vest has "EH Smith" and "General Merchants" logos on it, and the name "Dan" is visible on the chest. In the foreground, there is a black keyboard and a barcode scanner. In the background, there are yellow overhead cranes and blue structural elements of the facility.

# Building a foundation for tomorrow

CSR Report  
July 2024



**EH Smith**





**Collaborating.  
Influencing.  
Thinking differently.**



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# Welcome

Having recently reached the milestone of a century of trading it is interesting to reflect on the challenges our predecessors may have faced in trying to survive and thrive in our industry.

An inclination to understand, adapt and act responsibly are instincts that I suspect go back to the very early days of our enterprise. Part of being a good business means being socially responsible members of our communities. It means conducting our operations in an orderly, safe, clean and sustainable way. This is as true at the beginning of our second century in business as it was at the beginning of our first.

For many years we have been doing what we can to limit the impact of our operations in ways that will mitigate their negative environmental consequences. We have invested heavily in staff development, improvements to our estate and making our fleet of vehicles less polluting.

A desire to leave things in good order, to be aware of the impact we have on our neighbours and communities, and to be responsible custodians has always underpinned our company. But there is still a lot we can, and must, do.

As we lay the foundation for our next 100 years, this report outlines where we currently stand on our sustainability journey and our responsibilities as a business to society. Our aim is to become carbon neutral in our operations by 2035. I believe this ambitious target is an important step in making a significant contribution.

We hope that our customers, suppliers, and friends welcome our approach so far and will continue to support our future initiatives.



John Parker, EH Smith Chairman



**Our aim is to become carbon neutral in our operations by 2035**



# About Us

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EH Smith operates across a broad spectrum of the construction industry.

From supporting builders and self-builders with one-off projects through to working closely with architects, specifiers, developers and engineers on major construction, infrastructure, groundworks and housing projects; EH Smith is a critical partner on a huge range of schemes across the UK.

Established in 1922 by Ernest Howard Smith, we remain one of the largest family-owned builders' merchants in the UK. EH Smith has a network of branches servicing the material needs of trade and DIY across England. A Design Centre in Clerkenwell to support the architecture and specification sectors completes the estate. Work is underway to open a second Design Centre in central Birmingham in 2024/25.

“ Part of being a good business means being **socially responsible** members of our communities.



EH Smith remains one of the largest family-owned builders' merchants in the UK.





**57 members of staff  
have successfully  
completed the  
trainee scheme in the  
last eight years alone**

## Our People

We recognise that the success and prosperity of our company relies on our colleagues – the individuals who drive our business forwards. Their relationships with our customers, the culture of going the extra mile and making sure we uphold the values of the company are, we believe, what sets us apart in our industry.

### Ensuring Safety

We strive to meet the highest safety standards across our branches and the construction sites we work on.

- EH Smith received the Order of Distinction from the Royal Society for the Prevention of Accidents (RoSPA) in 2022 in recognition of our 15th consecutive Gold Award for high levels of occupational health and safety management aligned with outstanding control of risk. We continue to meet and exceed this benchmark. In 2024 we received our 17th consecutive award.
- We continue to encourage a culture of Safety First by extending our programme of 'Safety Champions' at each branch and site.
- Our training programme for exceeding standards has been rolled out across our network of branches.



**In 2024 we received our  
17<sup>th</sup> consecutive RoSPA Gold  
Award for health and safety**



## Developing People

We recognise the importance of nurturing and developing talent to sustain our future activities. There have been many different trainee schemes running at EH Smith for well over 30 years.

- Our apprenticeship programme offers a range of development and learning opportunities across our business.
- The current programme was introduced in 2017. In this time 57 apprentices have graduated from the scheme, and we are pleased that most have stayed within the business. We are particularly proud that EH Smith apprentices have won Trainee of the Year at three of the last five Builders Merchants Awards.
- We are committed to making sure all staff benefit from Continuing Professional Development.
- We are dedicated to developing training programmes wherever needs are identified.

## Inclusion and Equal Opportunities

We work hard to nurture a family ethos whereby the interests of staff are placed at the heart of everything we do. We are committed to being a safe, inclusive and accepting workplace for all backgrounds and communities.

- All staff are treated equally and have the same access to resources and opportunities.
- We have a zero-tolerance approach to modern slavery and are committed to acting ethically and with integrity in all our business dealings and relationships.
- Training on our diversity and inclusion policies, and the risks EH Smith faces from modern slavery in its supply chains, forms part of the induction process for all employees.

## Wellbeing

Ensuring staff wellbeing both in and away from the workplace is important to us.

- Our Mental Health First Aiders and Staff Welfare schemes are tailored to offer support.
- We run a 24/7 employee support line. This is available to all staff in confidence and offers support and guidance on personal and professional welfare.
- Mental Health First Aiders are based at each of our locations with company-wide initiatives to promote wellbeing and healthy living are held throughout the year.
- We encourage staff to take time to focus on healthy living and lifestyle and a strong work/life balance.

The welfare of our staff is paramount to us, and this is demonstrated by the average length of service for an EH Smith colleague is over 11 years.

**10% of annual profits  
are shared equally  
between staff**



*Adam joined EH Smith in 2005 as a trainee. Having worked across several branches, he is now General Manager of our Cannock branch.*





## Our Communities

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The EH Smith Charitable Trust was established in 1944 and since that time has donated building materials and grants for local charitable initiatives. Assistance may come in the form of materials for a new community facility, a playground or a contribution towards a community enhancement scheme.

For 80 years, our Charitable Trust has been a way of distributing benefit to communities local to our operations. Today, 10% of EH Smith's annual profits are channelled into the Trust to support local charitable and not for profit projects.





## Giving

- Staff are encouraged to play an active role in helping identify community schemes and projects that may be eligible for support.
- In 2022, EH Smith staff raised more than £220,000 for Teenage Cancer Trust (our centenary fundraising partner), more than double our original target. This incredible result was achieved through the considerable collaboration, volunteering of time and energy of our colleagues, their families and friends.

**Our Charitable Trust has been helping local communities since 1944**



## Supporting Professional Development

- We are dedicated to supporting and sponsoring professional relationships with partner companies and institutions where we can.
- We believe that by helping to sustain and reinforce working relationships we can enable a better, more skilled and more sustainable working environment for all involved. Past and current partnerships include the Architects Benevolent Society, Constructing Excellence, the London Society and RIBA.
- Our Design Centre on St John Street in Clerkenwell opened in 2020 and has become a destination for events and activities that promote and nurture interest in the built environment and construction.
- We organise an annual programme of activity for Clerkenwell Design Week. We have also been involved with the London Festival of Architecture and happily offer our facility as a venue for organisations that share the same interest and enthusiasm for the built environment as we do.
- We have similar aspirations for our new Design Centre in our hometown of Birmingham, which will open in 2024/25.

## Food Vouchers

- In 2023, we launched a new initiative in response to the cost of living crisis. By partnering with communities local to our branches we are able to fund and distribute food vouchers for those most in need of support. By the end of the year we had distributed £500,000 through the scheme to over 2,500 local households.





A photograph of an EH Smith building. The building is constructed of red brick and features a large glass entrance. The roof is covered with solar panels. A blue callout box in the upper left corner contains the text: "We have an average EPC building rating of C62".

We have an average  
EPC building rating  
of C62

## Our Environment

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It is important for us to make real improvements to our energy efficiency and not just rely on carbon off-setting. Upgrades to our estate will lower our energy consumption and carbon footprint as well as having a beneficial effect for colleagues. For example, improved insulation, new lighting and more efficient heating systems also create more comfortable and pleasant working environments.

### Estate

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Based on EPCs (Energy Performance Certificates), the average rating for one of our branches or offices is C62. This compares with a national average of C64 for similar buildings.

- We intend to improve our overall average rating from C to B as part of our Estate Management Plan. This represents an average improvement of 20% across our estate.
- We have always advocated and benefited from the environmental and financial gains that solar provides. For example, we have a total of 265kWp of solar PV installed across our sites. The first use of solar on our estate was in 2012.
- As part of our Estate Management Plan we are aiming to install additional PV coverage with the aim of increasing our solar energy production by at least 30% by 2030.

**1.7GWh of solar energy has been generated across our estate since 2012 - that's enough to power 440,000 UK houses for a year, or brew 238 million mugs of builders tea!**



## Influencing

Addressing the challenges of climate change requires collective effort. Our procurement policies are designed to make sure that the products, goods, and services we buy, either for our day-to-day operations or on behalf of our customers, are from sources that match the values of our company.

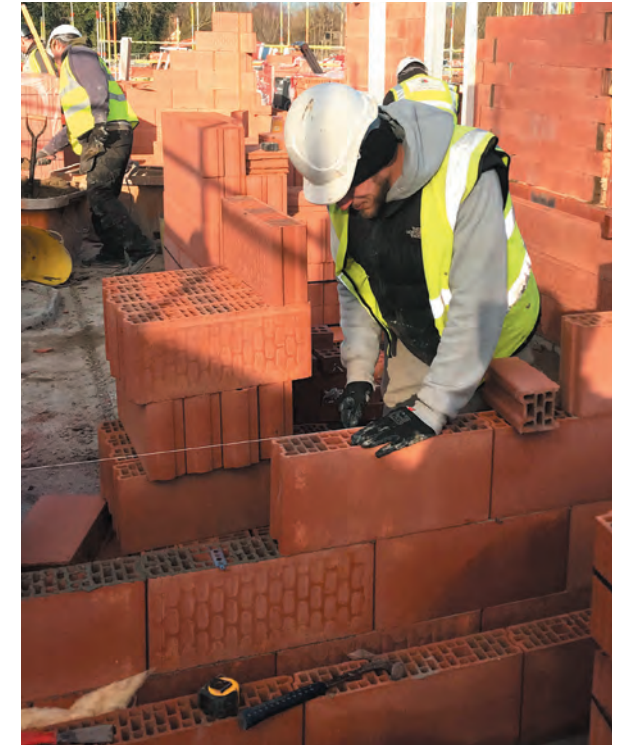
- We place a strong emphasis on environmental and ethically conscious procurement, so we prioritise partners who demonstrate responsible environmental practices, ethical sourcing, and a commitment to reducing their own carbon emissions.
- We aim to create a sustainable and resilient supply chain that aligns with our environmental objectives. For example, in 2018 we made the decision to only stock FSC® (Forest Stewardship Council) registered plywood products in our branches. As a result, our entire range of products comes from managed forests and producers and our highest grade plywood is accredited by The Rainforest Alliance.
- Our commitment to the Brickmakers' Quality Charter ensures that our customers can have confidence in the provenance of the bricks we sell and the conditions in which the bricks are made.

**By sharing knowledge, best practices and innovative ideas, we strive to inspire and encourage others in our industry to adopt sustainable approaches.**

We will continue to dedicate resources to raise awareness and develop the technical skills of staff to encourage a culture of sustainability consciousness.

As a prominent player in the construction industry, we understand our responsibility to lead by example and drive positive change within our sector. We are actively involved in industry associations and forums, collaborating with peers, experts, and stakeholders to advance sustainable practices.

Sustainability is firmly ingrained in EH Smith's corporate governance. Our Board of Directors ensures accountability throughout the company.



**Since 2018, we have only stocked FSC® registered timber products**

## Our Commitments

**We will improve the energy efficiency of our built environment by 20% to achieve the average rating of B50 or better by 2030**

**We commit to further increase our PV coverage by at least 30% by 2030**



**We have been collecting and reusing pallets for over 25 years, salvaging nearly 700,000 in the last decade alone**



## Waste

We have waste disposal measures in place that give us a much clearer picture of how we handle and remove waste from all our sites to ensure that as much as possible is re-used or recycled.

- In 2023, our waste partner removed 698t of waste from our branches and offices, of this 692t (99%) was recycled. See tables on the right.
- Our own processes managed to sort 70% of this onsite ready for collection with the remainder being sorted by our waste partner.
- We have a strong awareness of the importance of disposing of waste materials responsibly and are keen to reuse materials where we can. For example, our delivery drivers are incentivised to bring back wooden pallets from building sites for us to use again. This small but important measure means that we are lowering our use of pallets made from virgin material and helping our customers by taking away items that they would ordinarily incur costs for disposal.

## What happens to our waste

### Onsite Recovery

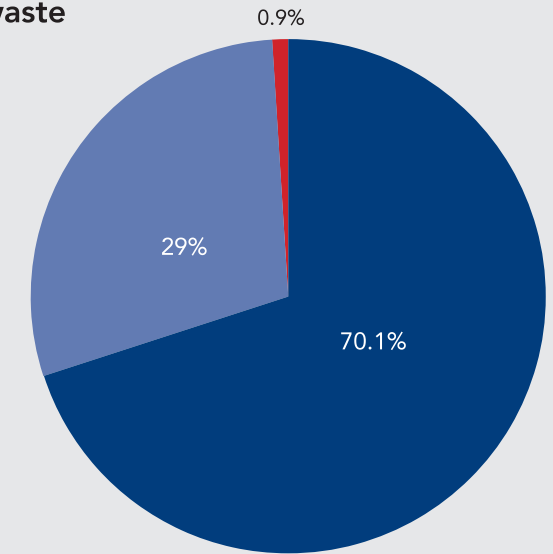
Waste materials that can be segregated at our branches and offices and recycled

### Offsite Recovery

Waste materials that are taken away from our branches and offices for segregation and recycling

### Residual Waste

Waste materials that cannot be recycled



Type of waste	Tonnes	Percentage
Brick Hardcore	362.75	52%
Mixed Construction & Demolition	180.28	26%
Wood	39.90	6%
Construction and Demolition Wood	31.69	4.5%
Soil, Stones and Dredging Spoil	28.41	4%
Mixed Industrial and Commercial	24.02	3%
Plasterboard	13.76	2%
Light Construction and Demolition Waste	7.28	1%
Mixed Construction & Demolition	4.68	0.7%
Mixed Recycling	3.34	0.5%
Mixed Industrial and Commercial	1.53	0.2%
Grade B wood sawdust and shavings	1.12	0.1%
<b>TOTAL</b>	<b>698.76</b>	<b>100%</b>



**Currently 90% of our company car fleet are electric or hybrid**

**Our entire fleet of delivery vehicles meets with Euro 6 emission standards**



**We have been ISO14001 certified since 2009**

## Fleet

Operationally, the largest contributor to our carbon footprint is our fleet of vehicles. As our business continues to grow our aim will be to improve the efficiency of our deliveries to help minimise the number of miles driven and therefore the amount of vehicle related emissions.

- We are investigating more efficient transport models for distribution of our materials, including alternative fuels for our delivery fleet.
- As the innovation curve steepens in the area of HGV technology, we will be making the transition away from diesel for our outbound vehicles and forklift trucks.
- We are working towards having 30% of our fleet of over 100 forklift trucks powered by electric by 2025.
- We are members of the Construction Logistics and Community Safety (CLOCS) standard and the Fleet Operators Recognition Scheme (FORS) which promote the highest levels of vehicle safety, waste management and fuel efficiency.

Along with our commercial vehicles, we also have a fleet of company cars.

- In the last three years our use of traditional combustion engine vehicles has reduced from 70% to less than 10% of our fleet.
- By encouraging colleagues to use low and zero emission cars we aim to reduce our consumption of fossil fuels by 20% over the current cycle as more colleagues make the switch away from internal combustion engine technology.
- Of our current fleet of vehicles, more than 95% are in the most efficient CO2 categories (A, B and C, i.e. 125g/km or less) with 32% being in category A (under 100g/km).
- As with many businesses since the Covid-19 pandemic, we have adapted to new ways of working which have had a positive impact on the number of business miles travelled by our staff.



## Our Commitments

**30%**  
of the EH Smith forklift fleet will be electric by 2025

**100%**  
of the company car fleet will be electric / hybrid by the end of 2027



## Next Steps

Sustainability and social responsibility are firmly ingrained in EH Smith's corporate governance and our philosophy.

Our Board of Directors ensures accountability throughout the company. Transparent communication with all stakeholders is fundamental to this commitment.

Many areas of our business have already undergone reviews and improvements to reduce their climate impact. However, along with our fellow builders' merchants and partners in the construction industry, we recognise that there is still much more we can do. Using this report as a platform from which to build, we will monitor our progress and develop targets for positive change.

EH Smith is committed to working towards a cleaner, healthier planet on a meaningful timescale. In 2025 we will publish our pathway to being a carbon neutral company by 2035. This robust science based approach will underpin our environmental ambition.

*Our  
Commitments*



# WE WILL...

- » **Become carbon neutral by 2035 (Scope 1 & 2)**
- » **Influence Scope 3 emissions across our supply chain**
- » **Put safety first across our business**
- » **Develop our staff to meet their full potential**
- » **Continue to support staff welfare**
- » **Sustain an inclusive and accepting workplace**
- » **Help local communities through our Charitable Trust**
- » **Promote industry best practice**
- » **Improve the energy efficiency of our estate**
- » **Ensure our procurement is environmentally responsible**
- » **Invest in a more sustainable fleet of vehicles**
- » **Continue our focus on waste reduction and recycling**



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**Our aim is to become  
carbon neutral in our  
operations by 2035**  
John Parker, EH Smith Chairman







**EH Smith (Builders Merchants) Ltd**  
Westhaven House, Arleston Way, Solihull B90 4LH  
0121 706 6100  
ehsmith.co.uk

