

ENHANCING OUR
BUILT ENVIRONMENT
FOR GENERATIONS



2021

SUSTAINABILITY REPORT

CHIEF EXECUTIVES' STATEMENT



Frank Hanna
Joint Chief Executive Officer



Peter Sharp
Joint Chief Executive Officer

GUARANTEEING HIGH-QUALITY PRODUCT STANDARDS WITH A LOW ECOLOGICAL FOOTPRINT

LEADING THE INDUSTRY

Michelmersh is the leading British manufacturer of premium bricks and pavers. Recognised for technical expertise, innovation, unrivalled customer service and a commitment to sustainability.

With over 500 acres of land, Michelmersh encourages the re-introduction of habitats and wildlife to its former quarry sites, to allow nature reserves, lakes and natural spaces to flourish. The Group's UK and European plants adhere to strict environmental codes of practice, with well-maintained clay resources which are stringently operated in cohesion with their surroundings.

Sustainability is key for Michelmersh as the Group strongly upholds its responsibility to nurture land and the environment around it. Through rolling investment programmes the Group's modernised plants are streamlined and automated, maximising efficiency and product output.

The Group's overarching principle is to act as a **responsible corporate citizen**. To achieve this Michelmersh ensures that health, safety and wellbeing is a priority, whilst endeavouring to improve communication and deliver KPIs.

Another key way to achieve this and encourage a healthy culture is to promote ethical behaviour and enforce Michelmersh's four core values:

Integrity, Respect, Innovation, Sustainability. As a Group, Michelmersh is always looking to promote and encourage a healthy and positive culture.

Sustainability, a core principle

The Group strives to be a well invested, long-term, sustainable and environmentally responsible business which has evolved from brands that enjoy rich heritages, becoming one of the most trusted names behind today's prestigious built environments.

Across Europe and the UK, Michelmersh is defining the UK's built environments and inspiring innovation, diversity and design for many generations to enjoy.

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EXECUTIVE SUMMARY

Michelmersh supports the UK Government pledge to achieve net zero by 2050, focusing investment and expertise to prioritise the de-carbonisation of the brick manufacturing process. Continuing to introduce a variety of fundamental environmental, social and governance measures, the Group endeavours to reach its goal of carbon neutral by 2050.

This report seeks to provide a deeply insightful framework for how the Michelmersh Group will succeed in leading the industry to a fairer, cleaner and more sustainable future, contributing significantly towards the long-term prospects, stakeholders and the wider society.

Creating a positive environmental, social and economic legacy for future generations is core to creating quality products that will enhance built environments, by contributing to and inspiring beautiful, durable and safe architecture for many generations to benefit from.

As Michelmersh strives to reduce its carbon emissions and environmental impact, it seeks to create biodiversity net gain, improve employee wellbeing and embrace technology innovation across the business, creating value to all of its stakeholders. However, the Group also recognises that due to climate change pressures, it is important it accelerates change in both its production and supply chain,

therefore in 2021 it took several steps to enhance the Group's focus on sustainability. Michelmersh established a 'Net Zero Steering Group' and a 'Sustainability Group' to report to the board and play an active role in analysing, executing and monitoring key performance indicators to enhance sustainability across the business.

Through the Group's sustainability strategy and enhanced reporting of performance, Michelmersh is confident in its ability to positively change and lead the construction industry. With progressive sustainable initiatives, the Group looks forward to revolutionising the view of modern production.

MARKET-LEADING PREMIUM BRANDS

SUSTAINABILITY IS ONE OF MICHELMERSH'S FOUR COMPANY CORE VALUES

I - INTEGRITY
R - RESPECT
I - INNOVATION
S - SUSTAINABILITY

Michelmersh strives to be a well-invested, long-term, sustainable and environmentally responsible business, dedicated to delivering quality products. The Group aims to provide optimum training, security and career progression for all of its employees, whilst acting as a responsible corporate citizen and keeping stakeholder value at the forefront of every decision.

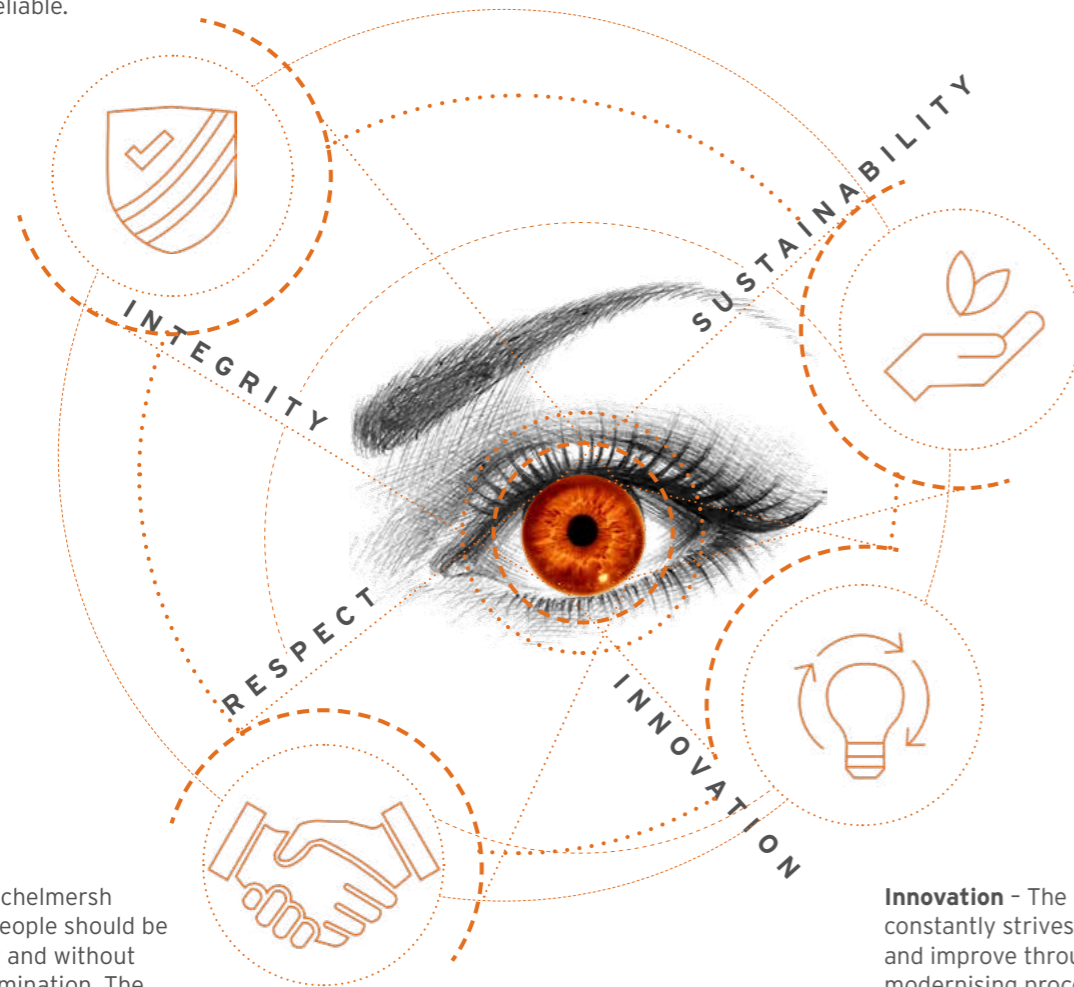
Michelmersh actively promotes and reinforces its four Core Company Values at the heart of its stakeholders.

Integrity - Retain strong moral principles, mirrored by Michelmersh's employees to act in an ethical manner in all areas of the business and uphold the qualities of being honest and reliable.

Sustainability - Awareness of Michelmersh's social and environmental responsibilities is key to our business, to protect the future for generations to come.

Respect - Michelmersh believes all people should be treated fairly and without fear of discrimination. The Group encourages a culture of consideration and value for each other through respect.

Innovation - The Group constantly strives to advance and improve processes, training staff, updating technology or equipment and always being forward thinking.



OUR BRANDS

The Michelmersh Group owns seven market-leading premium brands, Blockleys, Carlton, Charnwood, FLOREN.be, Freshfield Lane, Michelmersh and Hathern Terra Cotta.

These divisions operate within a fully integrated business, combining the production of premium, precision made bricks, pavers, special shaped bricks and bespoke Terra Cotta products.

Blockleys™



Blockleys produces extruded wirecut facing bricks, clay pavers, paving accessories and special shapes, offering its customers the ideal combination of aesthetically appealing clay products and unbeatable quality and volume production with products that boast outstanding durability, frost resistance and nil efflorescence properties.

Carlton™



With over 130 years' experience of making high-quality products, Carlton is a name that you can depend upon. Manufacturing durable products with distinct properties and attributes, Carlton offers a wide range of colours and a variety of textures, including rustic, dragwire, smooth and sandfaced clay facing bricks.

Charnwood™



Known as the UK's largest producer of traditionally handmade bricks and specials produced from its manufacturing base in Leicestershire. Combined with the highest durability characteristics, Charnwood's renowned products are tailored to exacting specifications and handcrafted to create a premium finish.

FLOREN.be™



With its automated production process as well as human craftsmanship, Floren.be has the flexibility to deliver a special touch to outstanding designs which delight acclaimed architects and designers across Europe, realising their concepts into architecture it is truly proud of.

Freshfield Lane™



Freshfield Lane produces a varied selection of clamp-fired stock facing bricks in a range of appealing colours, either with machine made or handmade textural finishes. Combining the latest technology with traditional manufacturing techniques, Freshfield Lane produces a full range of special shaped bricks and clay pavers to complement your project.

Hathern Terra Cotta™



The UK's leading manufacturer of traditional hand pressed architectural terra cotta & faience, whilst also specialising in supplying bespoke Architectural components offering unrivalled artistry and workmanship. Hathern believes that the manufacture of Architectural Terra Cotta is art, not engineering, and prides itself on preserving these precious skills, exceptional quality and attention to detail.

Michelmersh™



Manufacturing a traditional stock brick of real character, Michelmersh offers the highest quality bricks in a unique range of colours. Producing facings and special shaped bricks, Michelmersh prides itself on personal service, reflected in a flexible approach and represented in a multitude of award-winning projects.

INVESTING IN SUSTAINABILITY



Sustainability Group
Associate Directors of Michelmersh

Through rolling investment programmes, Michelmersh's modernised plants are streamlined and automated, maximising efficiency and product output.

RESPONSIBLE CORPORATE CITIZEN

Using modernised production methods that emphasise sustainable building solutions and adhere to the most stringent production requirements, Michelmersh guarantees high-quality product standards with a low ecological footprint.

The Michelmersh Group takes its obligation to act as a responsible corporate citizen very seriously. All company decisions consider the role and impacts of the Group as a custodian of our land with an overarching commitment to enhancing our environment for future generations.

The Michelmersh Sustainability Group was formed in 2020 with the aim of developing further governance and progression for the Group's sustainability roadmap. Proposing and evaluating key sustainability performance indicators by pursuing creative ideas that will add considerable sustainable value to the Group for the long term. The Committee represents cross departmental collaboration to disseminate goals, actions and

targets to all employees throughout the business. Educating our workforce on sustainability is at the forefront of the Committee's remit, to ensure that the value of our products through evaluating the cradle to grave role they play in the built environment is vital to making substantial cultural change across all areas of the Industry.

Sarah Le Gresley, Marketing Director comments, "One of the oldest known building materials, brick has been used in forms of shelter for thousands of years; versatile, timeless, durable and sustainable.

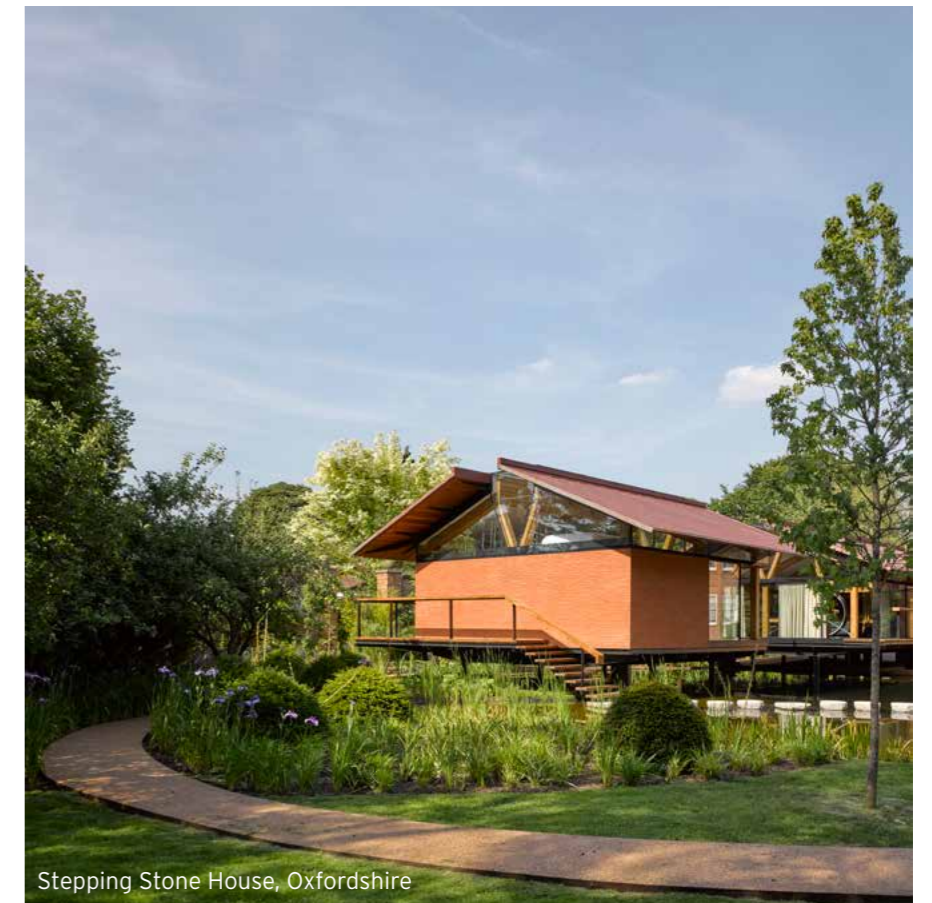
"The long tradition of brickmaking is an essential but perhaps under appreciated part of the fabric of our nation. This inherently tactile product has a multitude of aesthetic qualities; colour, tone, texture, finish and size, all of which add to the flexibility of brick. Ever-increasing in popularity for its credible fire-resistant properties, its sense of safety, solidity and security, today brick is additionally acclaimed for offering much sought after sustainable credentials. With impressive longevity and energy efficiency characteristics, brick continues to

shape our architectural environment. Michelmersh's knowledge, gained from years of brickmaking, coupled with ever-improving production techniques, equipment and technology have helped our humble brick evolve into so much more. Brick is also crucially the number one sustainable building product of choice, boasting long product life and strong environmental credentials."

Britain's Brick Specialists

Michelmersh is playing a crucial role in the renaissance of brick, as it enters a new decade with brands that have evolved to create some of the most popular products and prestigious projects in today's built environment. With materials sourced from its own clay pits, Michelmersh is providing local products for local communities.

Michelmersh is proud to make environmentally friendly, natural, durable, thermally-efficient products which will last for hundreds of years and can still be recycled. Britain's Brick Specialists inspire beautiful, comfortable, safe and sustainable architecture that will enhance our built environment for generations to come.



Stepping Stone House, Oxfordshire

SUSTAINABILITY ACHIEVEMENTS



Investment in new de-hacker and packaging line machinery in 2019 has **reduced** the amount **plastic packaging** on Carlton brick products by **42%**.



More than **60%** of the Group's products are made in factories using **recycled** and/or surface **rain water**.



Michelmersh's local products travel on average no more than 60 miles from factory to site.



All Group sites operate independently verified management systems.



500+ acres encouraging the re-introduction of habitats and wildlife to allow nature reserves to flourish.

The Group's substantial programme of continuous improvements saw an **investment** of almost **£3m** over the last 24 months of which **67%** directly resulted in **improvements in energy efficiency**.



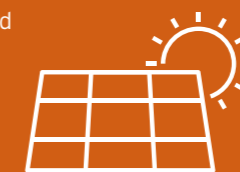
Over **85%** of the Group's raw materials are sourced within **2.5km** of our manufacturing plants.



The Group runs a fleet of **9 FORS certified** delivery lorries which are regularly renewed to ensure they meet all the **latest efficiency** and emissions requirements.



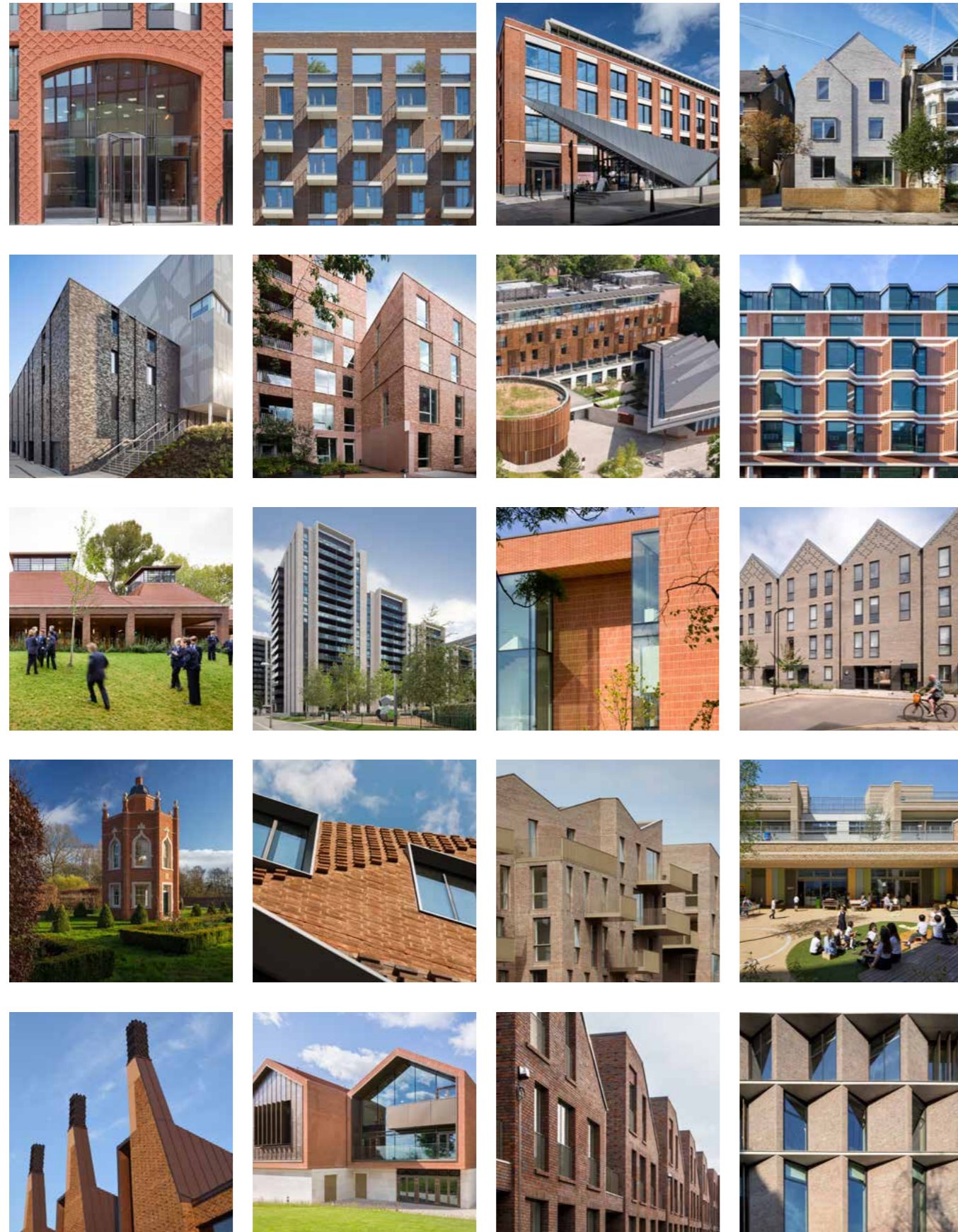
1152 solar panels installed producing **25%** of electricity for Floren.



Clay products have a life span of at least 150 years and can be reused and recycled.



AWARD-WINNING ARCHITECTURE



RIBA SUSTAINABILITY AWARD



A MARK OF EXCELLENCE

Michelmersh is honoured to have sponsored the Sustainability Award at the prestigious Royal Institute of British Architects (RIBA) Awards for the past three years.

Celebrating outstanding architecture for over 180 years, the RIBA Awards are highly regarded internationally as a mark of excellence, recognising exceptional architecture, architects, research and students.

The RIBA Sustainability Award acknowledges advancements in environmental design. It distinguishes the finest new buildings regionally that showcase designs and projects that have gone beyond statutory requirements and demonstrate the principles of sustainable architecture. Architects are asked to address the wider aspects of each project's sustainable features, describing efforts made to reduce embodied energy, improve social sustainability and implement long-term energy monitoring.

Michelmersh believes it is important for both designer and manufacturer to address sustainability at every level; including the entire lifecycle of the product, ecologically friendly material selection and low-energy production to distribution, use and after-use. It

is for this reason that this national sponsorship is perfectly suited to Michelmersh's ethos and reflects our commitment as a sustainable and environmentally responsible business.

Frank Hanna, Joint Chief Executive Officer of Michelmersh, commented: "These awards have championed architectural excellence for the past 50 years, so we are delighted to support, acknowledge and reward the regional and national winners. Sustainability remains an integral part of our product development, through modernised methods, the latest technologies and distinct designs, we aim to exceed the expectations of architects and retain our reputation for beautiful, durable, natural-looking clay products. We are thrilled to be involved in celebrating the best sustainable architecture across the UK with the RIBA."



100s OF PROJECTS USING MICHELMERSH PRODUCTS HAVE BEEN CERTIFIED HIGHLY SUSTAINABLE, BREEAM 'EXCELLENT' OR 'OUTSTANDING' RATING OVER THE PAST DECADE

MICHELMERSH
Britain's Brick Specialists

THINK
LONGER



DESIGN FOR 200 YEARS, NOT 20

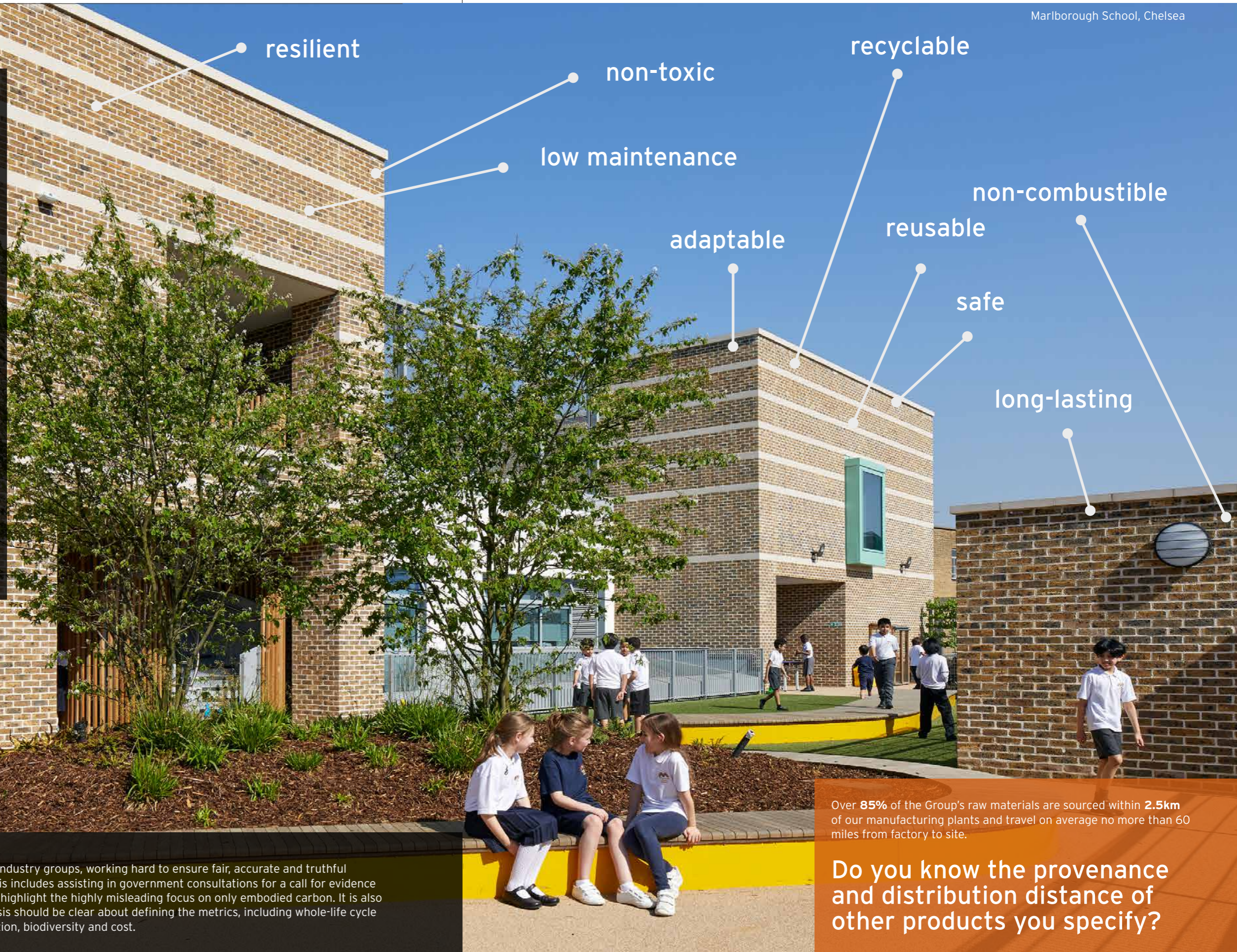
Marlborough School, Chelsea

CRADLE TO GRAVE

Embodied carbon analysis must look to include a minimum scope of analysing the building element of a wall through to its operational carbon; evaluating the lifecycle of all stages including: manufacture, transport to site, construction, maintenance, replacement, adaptation and end of life, including recycling and reuse. It must also take fully into account the longevity of products. For instance, timber has a design life of just 60 years whilst masonry will last at least 200+ years.

For construction product manufacturers, the most well-established assessment method is Environmental Product Declarations to BS EN 15804. But there are several issues with the scheme, including the lack of data beyond the factory gate emissions. It is currently only voluntary and represents a snapshot in time and the quality of data is highly questionable for imported raw materials of timber and steel. All the above means it is very challenging for architects and housebuilders to rely upon accurate data to make informed decisions on the carbon related to the specification of materials in their designs and in the many decades after their building is in use.

Michelmersh is involved with many construction industry groups, working hard to ensure fair, accurate and truthful information takes precedent over green wash. This includes assisting in government consultations for a call for evidence on the Sustainability of the Built Environment, to highlight the highly misleading focus on only embodied carbon. It is also important that any reuse or refurbishment analysis should be clear about defining the metrics, including whole-life cycle carbon, raw material consumption, waste generation, biodiversity and cost.



resilient

non-toxic

recyclable

low maintenance

non-combustible

adaptable

reusable

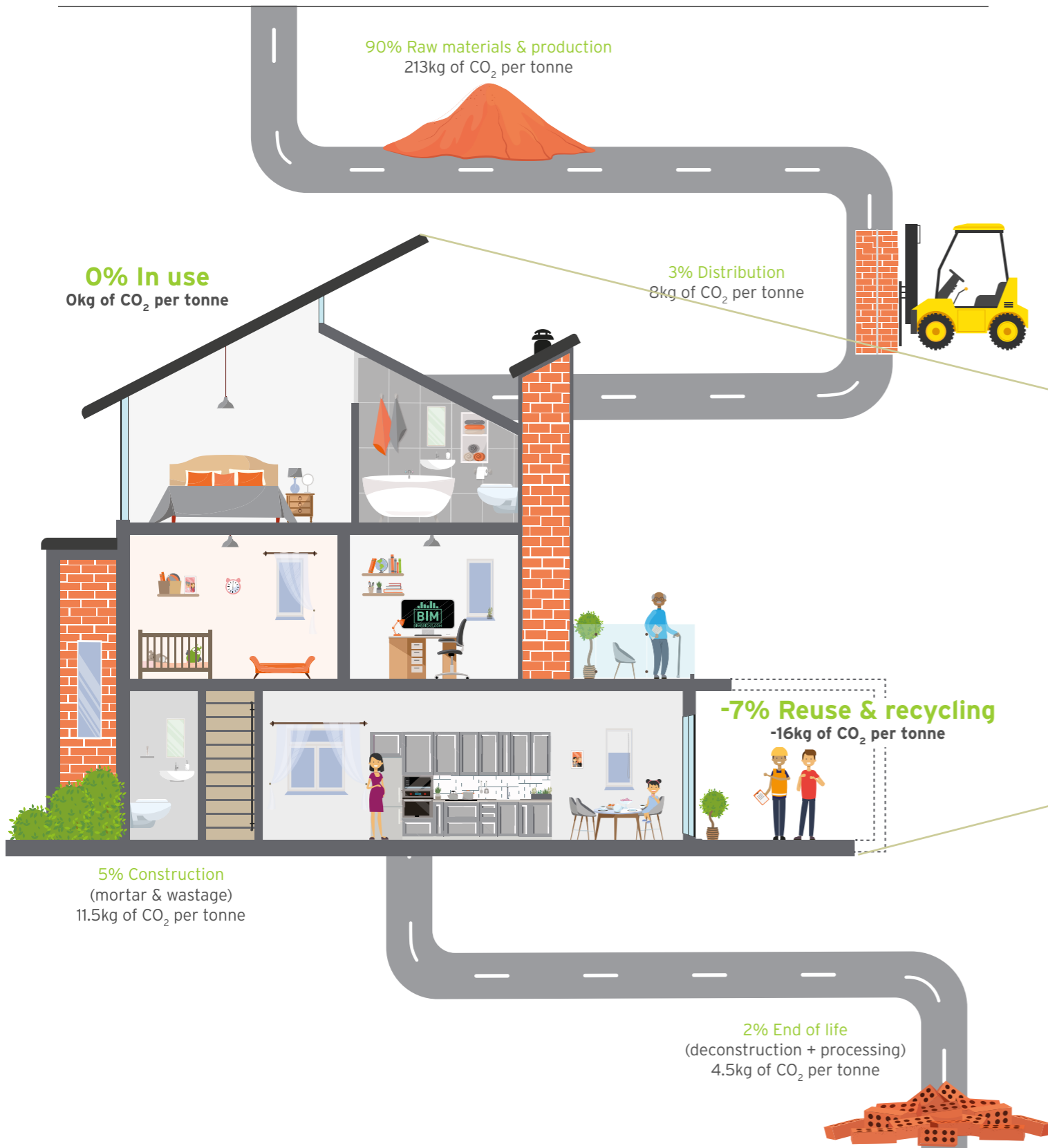
safe

long-lasting

Over **85%** of the Group's raw materials are sourced within **2.5km** of our manufacturing plants and travel on average no more than 60 miles from factory to site.

Do you know the provenance and distribution distance of other products you specify?

LIFECYCLE ASSESSMENT

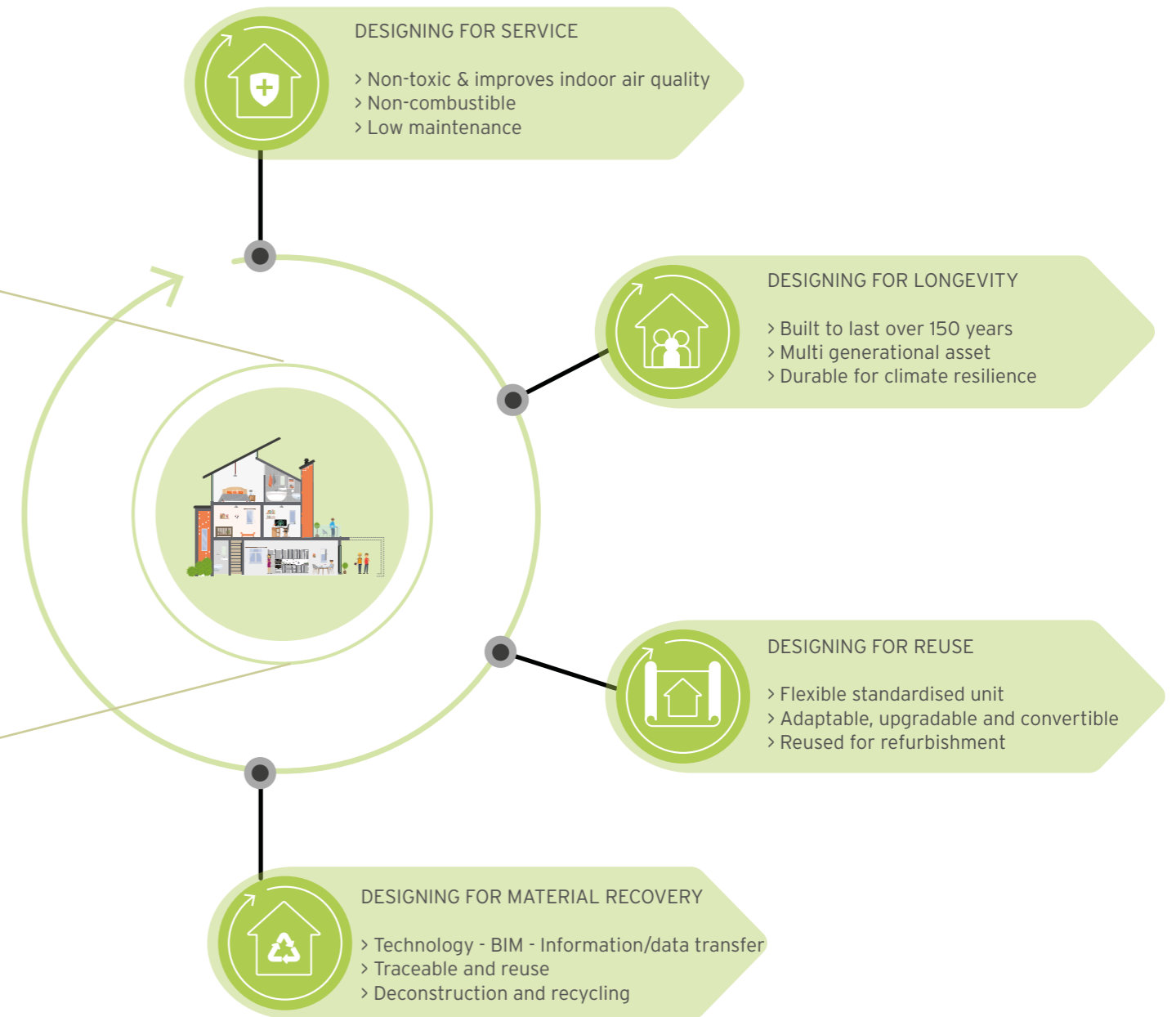


PRODUCT LIFECYCLE CARBON EMISSIONS

28kg of CO₂ per installed M²
Based on half brick thick cavity wall. 220.973kg of CO₂ per tonne
Module A1-D

CIRCULAR ECONOMY FOR THE BUILT ENVIRONMENT

Designing with brick means designing for Longevity, Service, Adaptability & Reuse



As we look around at the UK vernacular, we see many examples of brick applications proudly standing after hundreds of years. We know that our products are natural, thermally efficient, durable and can be recycled, boasting huge longevity with a minimal environmental footprint. When we add this in context it is clear that the overall carbon emissions spread through every year of the brick's service life is extremely low. With a lifecycle at least two and half times that of environmental product declarations (60 years), with zero in-use emissions due to no maintenance, brick is the most sustainable, long-term choice.

As Britain's Brick Specialists, we will continue to inspire beautiful, comfortable, safe and sustainable architecture that will enhance and shape our built environment to be enjoyed by many generations to come.

HIGH-QUALITY CREDENTIALS

The Brickmakers Quality Charter (BQC) is a new quality mark accreditation scheme by the Brick Development Association. It promotes responsible sourcing of clay bricks and provides the supply chain with assurances of high-quality product, manufacturing and ethical standards.

FIRST THREE-STAR MANUFACTURER
Michelmersh is dedicated to ensuring the highest standards of manufacturing and is extremely proud to have received certificate number one after a prompt submission with corresponding certifications, satisfying all eight critical assessment points (CAPs). The Group is therefore the first manufacturer to have been awarded the highest three-star compliance.

Registration to the BQC is open to any clay brick manufacturer, with applicants required to demonstrate compliance with, and adherence to, a range of eight internationally recognised CAPs, including Responsible Sourcing Systems (BES 6001), Environmental Management Systems (ISO 14001) and modern anti-slavery policy and procedures. Clay brick manufacturers who achieve the required standards will be awarded one, two or three-star recognition - a gradient system based on the number of CAPs they are compliant with.

The BQC Assessment & Audit Panel comprises experts in brickmaking and credentialing systems, including Sarah Le Gresley, Marketing Director for the Michelmersh Group, who is also the Chair of the Brick Development Association's Promotional Working Party.

PROVENANCE AND TECHNICAL INTEGRITY

Peter Sharp, Joint Chief Executive Officer at Michelmersh, comments: "The integrity of finished brick façades is of utmost importance to us, which is why we feel the Brickmakers Quality Charter is instrumental in identifying the provenance of products and corresponding manufacturing standards. It gives designers, contractors, end users and clients confidence that the products they specify are manufactured to the highest standards and ethics. With an increase in imported bricks showing insufficient origin information, and crucially, a lack of technical data relating to performance, the BQC gives ethical businesses, such as ourselves, the assurance that to hold a BQC credential is regarded as a recognisable stamp of a responsible brickmaker, creating a high-quality minimum standard across the industry."

STAMPING OUT MODERN SLAVERY

The BQC is a critical step forward for the construction industry, stamping out issues such as modern slavery, ensuring health and safety is paramount to production processes, and, above all, giving certainty to merchants and customers that products made by a BQC manufacturer meet the standards for quality and performance. With clay brick proven to last for centuries, it is vital that consistency of quality continues, adding value to the built environment for generations to come.



OPERATING DURING THE PANDEMIC



COVID-19
safety measures

Working with the latest technology and innovative resources, Michelmersh has invested in creating a safe and secure working environment for its employees. Complying with COVID-19 guidance, the health, wellbeing and welfare of staff and stakeholders is paramount.

COVID-SAFE ENVIRONMENT
During the pandemic, Michelmersh has taken extra care and precautions to promote a safe workplace status. Actions that have been taken in response to the virus outbreak included a total Health and Safety review at all sites, new policy and procedures with regards to shift pattern changes and encompassing social distancing. Through our visitor management system we have maintained high transparency of traffic from personnel or services. Regular anti-body testing is carried out, as well as three electrostatic spray-downs of all equipment across every site each week.

Working hard to ensure our employees are coping with the pandemic, the Group has enhanced welfare units, provided ongoing monitoring of employees in vulnerable groups, and is constantly encouraging mental health and wellbeing initiatives.

In addition, Michelmersh has developed a COVID-19 safety reporting portal, extended PPE expenditure and established measured and progressive office return processes. Our area sales managers follow a safe visit policy, where possible flexible working has been offered to employees as well as additional financial support for affected staff.

The image above shows previous electrostatic spray-down process. New precautions now include an upgrade to Touchpoint™ Shield applications (giving proven continuous surface protection for safest places) across all areas of all UK sites.



SINCE BEING AWARDED THREE STARS, MICHELMERSH HAS HOSTED AN ONLINE BQC EVENT FOR BRICK MERCHANTS AND DISTRIBUTORS, DISCUSSING WHAT THE BQC IS AND WHY IT'S AN IMPORTANT INITIATIVE

JOURNEY TO NET ZERO

THE MICHELMERSH GROUP, EMBRACES THE JOURNEY TO BECOME CARBON NEUTRAL

NET ZERO STEERING GROUP

In 2020, Michelmersh established a Net Zero Steering Group to evaluate long-term strategic and investment-based carbon reduction initiatives. Undertaking feasibility studies and collaborating on research to evolve and evaluate a wide variety of carbon reduction ideas including; on site renewables, biomass, heat distribution, hydrogen and many other options. Consisting of Production, Technical, Marketing and Finance Directors, the Group reviews the risks and opportunities for all stakeholders of the business.

TOWARDS A NET ZERO CARBON FUTURE

Michelmersh is actively engaged in the ceramic sector low carbon working group, formed as part of

the British Ceramic Confederation (BCC) with technical representatives from across heavy clay and other ceramics sectors. It also sits on the Sustainability Working Party of the Brick Development Association (BDA). Both of the Groups' aims are to identify and investigate potential technological pathways to reducing and eliminating carbon emissions from the ceramic manufacturing process.

With the Group on its journey to becoming carbon neutral, Michelmersh is committed to supporting the Government's net zero targets by 2050 and is proactively seeking, researching and initiating projects that assist its sustainability goals.



**Certified under
BES 6001
Responsible
Sourcing Standard,
the Michelmersh
Group has been
upgraded to 'very
good' rating.**



**The Group has
invested over
£7.7m since 2016
on efficiency and
sustainability
related
improvements.**

UN's SUSTAINABLE DEVELOPMENT GOALS

TOGETHER WE CAN RESHAPE THE FUTURE



NATIONS UNITED

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. These 17 goals are solutions to the world's most significant sustainability issues.

On the 75th anniversary of the United Nations and the 5th anniversary of the adoption of the Sustainable Development Goals - in the midst of a pandemic radically transforming our economies and societies, Michelmersh realises the importance of these goals and has set progressive targets against 13 relative aims for positive change to reshape our future.



GOOD HEALTH AND WELLBEING

Ensuring healthy lives and promoting the wellbeing for all at all ages is essential to sustainable development.



DECENT WORK AND ECONOMIC GROWTH

Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.



INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Investments in infrastructure are crucial to achieving sustainable development.



REDUCED INEQUALITIES

To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalised populations.



SUSTAINABLE CITIES AND COMMUNITIES

There needs to be a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more.

A BLUEPRINT TO ACHIEVE A BETTER AND MORE SUSTAINABLE FUTURE FOR ALL



QUALITY EDUCATION

Obtaining a quality education is the foundation to improving people's lives and sustainable development.



GENDER EQUALITY

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.



CLEAN WATER AND SANITATION

Clean, accessible water for all is an essential part of the world we want to live in.



AFFORDABLE AND CLEAN ENERGY

Energy is central to nearly every major challenge and opportunity.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Production and Consumption.



CLIMATE ACTION

Climate change is a global challenge that affects everyone, everywhere.



LIFE ON LAND

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.



PEACE, JUSTICE AND STRONG INSTITUTIONS

Access to justice for all, and building effective, accountable institutions at all levels.

ROADMAP KPIs 2030

FUNDRAISING
10% year on year increase of charitable financial donations.

CONTINUE TO PROVIDE LOCAL PRODUCTS TO LOCAL COMMUNITIES

Michelmersh continues to develop products in line with the needs of local communities and in collaboration with house builders to ensure a legacy for our future housing stock and built environment. Creating fully integrated community surroundings and quality safe construction.

SUPPLIERS
100% of material suppliers/contractors signed up to the Michelmersh Supplier Charter.

MENTAL HEALTH AWARENESS

As COVID-19 continues to evolve, Michelmersh recognises the challenges and changes experienced by all employees, both in work and home environments. Ensuring that all managers are trained to be Mental Health First Aiders, the Group has also introduced initiatives such as Mental Health Awareness Week to support all employees.

MENTAL HEALTH
100% senior managers to be trained in Mental Health Awareness (IACT Trainers).

Targets also include:
ZERO internal environmental incidents.
ZERO environmental complaints.
CONTINUED COMMITMENT to sustainable land use, restoration and biodiversity action plans.

ENERGY
15% energy reduction per kWh/tonne (gas and electric).
10% reduction by 2025.

IMPROVE ENERGY EFFICIENCY BY INVESTING IN NEW EQUIPMENT AND PROCESS CONTROL

Michelmersh's continuous programme of investment shows a bold commitment to efficiency improvements, ensuring the lowest ecological footprint for our products. The Group evaluates production equipment and process improvements with sustainability KPIs at its core.

CARBON
5% carbon reduction of kg CO₂ per tonne, excluding distribution, without reduction in production output.

REDUCE WASTE IN EVERY SECTOR OF THE PRODUCTION PROCESS

Every effort to reduce waste from general to production processes will form the basis of Michelmersh reaching the target of zero waste to landfill.

WASTE
ZERO waste to landfill (exc. hazardous waste) by 2025.

A STRONG COMMITMENT TO SUSTAINABILITY AND EFFICIENCY IMPROVEMENTS



PLEDGE 100. IN 2020 MICHELMERSH DONATED 100,000 BRICKS TO BRICKLAYING COURSES ACROSS THE UK TO SUPPORT EDUCATION

Supporting industry education and training remains a core policy of the Group, which has continued to increase the supply of free products, resources, CPDs, factory visits and seminars to the next generation of bricklayers.

TRAINING
60hrs training per employee, 200% increase in training.



ACHIEVE ZERO WORKPLACE ACCIDENTS

Michelmersh endeavours to achieve zero workplace accidents. The group implemented a Zero Accident vision, an important strategy for preventing workplace accidents and promoting proactive reporting to increase occupational health and safety.

ZERO HARM
50% Increase in proactive reporting to promote zero harm to employees.

PLEDGE
5% year on year increase of products donated to educational or vocational courses.



CONTINUE TO LEAD THE INDUSTRY IN REDUCTION OF PLASTIC

Following a rigorous assessment of Michelmersh's plastic usage, the Group will endeavour to continuously reduce, eliminate or recycle.

PLASTIC & WOOD
7% reduction in all plastic use of kg per saleable tonne.
70% reduction of virgin wood (re-sourced from second hand) pallets.



INCREASE THE AMOUNT OF RECOVERED WATER THROUGH RAIN WATER HARVESTING MEASURES

Encouraging the provision of water efficient solutions.

FLEET
100% of forklift fleet to be electric and 100% car fleet to be hybrid/electric by 2025.

WATER
5% reduction in potable mains water use of m³ per tonne of production.

2016 BASELINE

BY **2030**

DE-CARBONISATION

Material Store, London

 **18.7%**

Group reduction in CO₂ per tonne of production from 2016 baseline.

ENERGY AND CARBON REPORTING

(2021 DATA)

Group Energy Use: **233,009,060 kWh**

Associated Greenhouse Gas emissions: **61,106 tCO₂**

Group Intensity Ratio: **221.0 kg CO₂/tonne fired product**

METHODOLOGY

Figures are based on all Scope 1 & Scope 2 activities including transport. In line with recommended good practice Scope 3 transmission & distribution, losses have been included in electricity figures.

Activity data is determined using regulatory approved Emission Trading Scheme methodologies. Calorific values and emissions factors used are those published in relevant national inventories for the reporting year. Fired product tonnage counts only saleable masonry product and does not include any fired production waste, which is sold as an aggregate substitute.

The intensity ratio is chosen to reflect our principal environmental impact and aligns with the Group's wider sustainability performance indicators.

 **5%**

Carbon reduction of kg CO₂ per tonne, excluding distribution, without reduction in production output.

COMMITMENT TO REDUCTION

Michelmersh is committed to the reduction of energy consumption and emissions throughout our operations, and will continue to invest in more efficient equipment and lower emission processes.

2020 is the first year Michelmersh has been obliged to report under the streamlined energy & carbon reporting requirements and as such has no reported figures from the previous year for comparison. Whilst the company has performed well despite the challenges of a global pandemic, 2020 could not be regarded as a typical year in energy profile terms, particularly in relation to company car fleet.

Floren.be in Belgium is included in all Michelmersh SECR reporting data for transparency of the Group performance as a whole. Michelmersh believes that every works shares a collective responsibility in meeting its energy and carbon performance targets and we are consistently reviewing our data capture process, equipment and drivers to constantly improve reporting for all KPIs.

With climate change high on the societal and political agenda, and the UK taking the opportunity to be the first major economy to commit to 'net zero' carbon emissions by 2050, the next three decades will see profound changes as the industry continues its de-carbonisation journey.

Ceramic manufacturing is by virtue an energy-intensive manufacturing process requiring high-temperatures to generate desired product characteristics. Affected by energy, climate and environmental legislation, Michelmersh will keep abreast of the evolving economic and legislative drivers as the UK transitions to net zero. Wider roll-out of more energy- and resource-efficient production, alternative new technologies or fuels (such as hydrogen, biomass), whilst also addressing process emissions (from clays) are all considered, in addition to offsetting schemes towards Michelmersh's roadmap.

Integral to transition for the industry will be collaboration with the UK Government and other stakeholders, as well as the availability of financial support for development and implementation of these technologies. Energy / de-carbonisation is a key consideration in the long-term business investment decision-making for the Group.

ELECTRICITY FROM RENEWABLES

Sustainability has long been a part of Michelmersh's identity. As Britain's Brick Specialists, Michelmersh continuously invests in improving the efficiency of our production plants, from the insulation of kilns and dryers to the installation of a state-of-the-art steering program for dryers, in order to avoid energy loss and optimise drying curves.

Energy saving measures extend to Florenbe's 2,500m² of solar panels installed in early 2018 to deliver an important part of the factory's electricity consumption using solar energy.

From October 2022 Michelmersh will transition to only using electricity supplied by green suppliers and renewable sources. Using energy created by solar farms, wind turbines and other renewable sources is an important contributor to our eco credentials. Michelmersh intends to have shifted all its factories to this system by October 2023.

Dedication to renewable energy sources will continue through the conversion of all fleet vehicles and HGVs to electric and alternative power sources. Michelmersh aims to have completed this project by 2030.

ELECTRIC FORKLIFTS

Michelmersh is embracing the opportunity to trial electric forklifts across its sites. Our first vehicles will be commissioned in 2022.

 **100%**
of forklift fleet to be electric by 2025.



15%

energy reduction per kWh/tonne (gas and electric).

10%

reduction by 2025

100%

of car fleet to be hybrid/electric by 2025

DESIGN FOR 200 YEARS, NOT 20

THINK LONGER

mbhplc.co.uk/think-longer



Durable products with extensive longevity such as clay brick, will prolong the expected life of a building resulting in a lower carbon footprint for every year of use.

PACKAGING REDUCTION COMMITMENT

TOGETHER WE CAN ELIMINATE NON-ESSENTIAL SINGLE-USE PLASTICS

POSITIVE CHANGE

To support the ambitions of the United Nations' Sustainable Development Goals and further the industry's commitment to positive change, Michelmersh has asked customers and end users to join them in its role as a responsible corporate citizen, to make a substantial difference and eliminate non-essential single-use plastics from the construction industry.

Since the beginning of 2021, Michelmersh made a firm commitment in reducing the use of stretch-hoods and shrink-wrapping plastic from its product offering, where non-essential for product protection, safe storage and transport. The Group hopes that its customers and suppliers will join them on this journey to work in partnership. Reducing the use of plastic will mean a direct reduction in environmental impact whilst significantly reducing waste on site, with the addition of meeting customers' or clients' expectations.

Therefore, when confirming new orders which specify product types that do not require the use of a film wrapping, non-essential use of single-use plastic will no longer be offered. Where it is considered necessary to provide further product pack

protection, Michelmersh's UK sites are using thinner film, reducing the total weight of plastic employed. Its edge strips are also produced from 100% recycled plastic.

Michelmersh hopes that peers and partners will support the Group with this initiative to reduce preventable plastic use, which will reduce carbon emissions and help to create a positive culture shift in corporate responsibility for the construction industry.

"Collectively we can make a substantial difference and eradicate single-use plastics from our industry."

Michelmersh is dedicated to reducing all single-use plastics in a bid to contribute to its goal of a 7% reduction by 2030.

Michelmersh hopes that peers and partners will support the Group with its initiative to reduce preventable plastic use and urges the industry to consider the amount of single-use plastic that is currently in use. Through reducing carbon emissions comes a positive culture step forward, not only corporate responsibility, but for the construction industry as a whole.

MADE IN THE UK USING SUSTAINABLY SOURCED MATERIALS

Michelmersh continues to improve efficiencies and responsible sourcing in our materials, processes, and services throughout the business. As a Group, we have also eliminated all plastic from samples, using cardboard made from recycled content that is responsibly sourced, locally, and encourage customers to recycle contents at the end of use.

From sample boxes to packing tape, Michelmersh has eliminated any plastic used for sample boxes, and has always opted for a sustainably sourced cardboard box. Recently, we have switched to an improved FSC-approved 70%+ recycled content brown box printed with a water-based ink.



7%

reduction in all plastic use of kg per saleable tonne.

MACHINERY IMPROVEMENTS

The Group's investment in a new de-hacker and packaging line machine in 2019 reduced the amount of plastic packaging on our Carlton brick products by 42%.

ALTERNATIVES TO PLASTIC

Michelmersh is currently working with STEAMhouse, Birmingham City University, the University of Warwick and the Building Alliance through a collaborative industry research project to develop a plan to eliminate plastic use, identify more innovative approaches to the manufacture, use and management of plastic packaging for the construction industry, and to also look for alternatives to plastic.

Despite the UK plastics PACT annual report for 2019 and 2020 indicating improvements in the recycling and eliminating of problematic plastics, the construction industry accounts for approximately a quarter of the total

volume used every year. The current statistics indicate that 40% of the total plastic waste produced in the UK construction industry per year goes to landfill. Much of the single-life plastics in construction is proportionally used for building product packaging and accounts for 25% of packaging waste in the industry. This makes a total of 50,000 tonnes of plastic waste per year, with only 2-4% of plastic packaging used in UK construction currently recycled.

This is why Michelmersh is delighted to be involved with this project which is targeting solutions in management, materials, design and system innovation.



WASTE & RECYCLED MATERIALS



70%

reduction of virgin wood (re-sourced from second hand) pallets.

CONTINUOUSLY IMPROVING ACCURACY OF DATA

Embracing the ability to react pro-actively, Works Managers from each plant have instigated further investigative meter installations at specific locations to better understand, evaluate and take measures to improve on the volumes of potable water usage of varying activities.

Results have already instigated the implementation of timed or motion sensor faucets and fixtures to ensure no wastage of water occurs and to promote our positive culture for sustainable improvements across the Group sites to all employee facilities.

SMALL CHANGES ACROSS THE BUSINESS MAKE A BIG IMPACT

The Group is removing plastic drinking cups across sites, replacing drinks dispensers with fully recyclable paper Eco Cups. Klix Eco Cup is the first not to use Polyethylene (PE) lining.

Our Hathern Terra Cotta brand which manufactures traditional hand pressed architectural terra cotta & faience, currently uses polystyrene as a packaging material to help prevent damage when transporting high value items. As an additional positive step for Michelmersh, we are currently trialling a sustainable alternative, consisting of honeycomb or air-filled paper items.



0%

of waste to landfill (exc. hazardous waste) by 2025.

CIRCULAR BY DESIGN

By choosing materials that are easy to recycle and last a long time, we can create alternatives that remove waste from the environment and are able to be reused again and again. This helps remove waste that's already been created and stops it from being used in landfill in its later life.



Water is a scarce resource, a commodity which requires protection to ensure its sustainable long-term use.

Michelmersh is conscious about our consumption of such a precious commodity and has therefore pledged a target to reduce potable water use across the group by 5%, whilst researching and implementing recycled water applications for all of our sites.

Water is required in the brickmaking process to shape the clay before the bricks are dried and fired.

The brick industry both in Belgium and the UK have embraced recent European and International recommendations to reduce potable water use in order to lessen sector dependence on global drinking water supplies and use water more efficiently.

WATER



5%

reduction in potable mains water use of m³ per tonne of production.

RECYCLED WATER

More than 60% of the Group's products are made in factories using recycled and/or surface rain water.

Floren.be has made the necessary investments by installing a 473 cubic metre rainwater tank which covers all the water needs of its production processes. The plant also has a zero discharge status of waste water.

PRODUCT & DIGITAL INNOVATION

LEADING A DIGITAL TRANSFORMATION FOR MANUFACTURERS

INVESTING IN THE RIGHT DIGITAL STRATEGY

Investing in the right digital strategy can improve efficiency and productivity to deploy automated, cloud-based solutions to streamline processes, simplify performance monitoring, supply data rich information and embrace a fast, coordinated customer journey and experience. The Group remains at the forefront of industry innovation and was the first clay product manufacturer in the UK to offer intuitive Building Information Modelling files, hosted on its dedicated platform bimbricks.com over a decade ago.

In 2021 the Group integrated and upgraded several digital innovations and technologies, including but not limited to; the launch of the sales, marketing, cases and community clouds of Salesforce CRM, the launch of its BIM V4 update and its new Façade Designer application.

Michelmersh has always placed competency at the forefront of our offering, elevating the importance of understanding the customer experience and specific use cases. Integrity and trust of data is earned through strict version control and monitoring processes. The Group believes that being ahead of the curve is important, to influence peers to offer better quality information, files, data and experience. Inspiring and encouraging creativity through a unique/bespoke customer experience whilst using the most advanced and innovative technology.



RE-EMERGING BRICK RENAISSANCE

150,000

UK homes built during 2019 from clay bricks.

84%

of new homes are built with clay bricks.

1.9bn

clay bricks manufactured in the UK in 2019.

150y

minimum life expectancy for clay bricks.

Research from Leeds Metropolitan University has demonstrated that traditional brick structures can have a life span of 500 years or more, and well constructed brickwork can be expected to last many decades before even minor maintenance is required.

The research, 'Whole life performance of clay masonry brickwork' by Adrian Bown¹, focused on 860 traditional low-rise residential housing and smaller commercial brick-built properties. It found that: 'under the right circumstances clay bricks have the potential to remain serviceable for up to 650 years. This is approximately the time at which clay brickwork was first introduced to the UK from the continent.'

Clay brick boasts fantastic longevity characteristics with a typical lifecycle of over 150 years. With versatility and adaptability at its core, it is a product that will benefit many generations during its operational life, whilst being recyclable to reuse at the end of the building life.

Due to the product's resilience, non-toxic materials, high thermal performance, non-combustible and durable characteristics, it is clear to see why the market for brick continues to grow in the UK. Its aesthetic and textural qualities adds to the reason why we see a continuous stream of award-winning architecture specifying clay brick as the façade material of choice.

Brick continues to be one of the most cost-effective building materials on the market. As promoted by the Building Alliance; for every £1 invested in the masonry industry, a further £2.84 is generated back into the economy. For many of these reasons the sector is experiencing the re-emergence of a brick renaissance and due to all four pillars of sustainability in balance, it is clear to see why specifiers continue to value clay brick products and the skills showcased by bricklayers in preserving this valued archetype for both the past and the future.

THE FOUR PILLARS OF SUSTAINABILITY

SOCIAL

HUMAN

ECONOMIC

ENVIRONMENTAL

MATERIAL COST COMPARISON²

BRICK £60/m²

RENDER £70/m²

TIMBER WEATHERBOARD £75/m²

STONWORK £170/m²

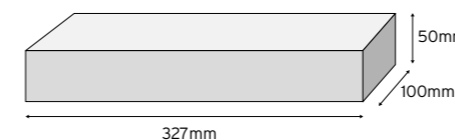
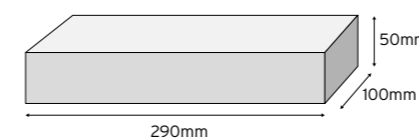
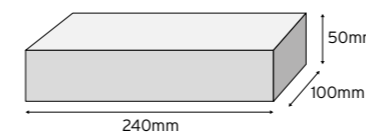
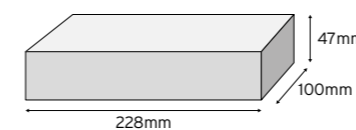
CURTAIN WALLING £470/m²

i-line™

The standard UK brick has a face size of 215mm x 65mm. In recent years bricks have been made in linear lengths up to 440mm and as thin as 40mm. Larger bricks are also now produced in dedicated factories in the UK with a face size of 490mm x 225mm. Designers are thus able to give a brick faced building a different appearance. The larger units and linear bricks provide a completely distinctive and modern design combined with the durability and cost advantages of brickwork.

Michelmersh developed i-line over a decade ago as a reflection of specifiers' and architects' demands for a British product to fulfil the vision of modern, striking, contemporary design. Handmade to offer an elongated elegance, i-line products can define new builds, harmonise with older brickwork to bring a modern vision to renovations and be as individual as every building deserves.

SIZE GUIDE:



ALTERNATIVE SIZES

Based in Brecht, Belgium, Floren.be has successfully undertaken a programme of strategic sustainable investment and has modernised its production methods in order to grow into a highly reputable, innovative brand recognised by designers and house builders throughout Europe and the UK. Floren's commitment to sustainability is reflected in its mission to produce high-quality products with an extended lifecycle, and to use production methods with a low environmental impact. Produced at its 120-acre site, Floren.be offers a broad spectrum of bricks, consisting of 70 different colours in 8 different sizes with an array of finishes and textures.

These varying sizes, such as the Mulot size, offers a product which uses less raw material volume and further efficiencies in both the firing and distribution with a positive impact and a low carbon footprint. With thinner cladding options, it allows for a larger cavity within the same footprint of the building, increasing the size of insulation and therefore the thermal performance of the envelope.



Source:

¹ 'Whole Life Performance of Clay Masonry Brickwork' by Adrian Bown of Leeds Metropolitan University

² 'The Cost of Comparative Cladding Materials' by the RICS Building Cost Information Service (BCIS) in December 2007.

OFF-SITE CONSTRUCTION

Charnwood's Dovetail Facing Bricks manufactured specifically for the precast market offer a high-quality, cost-effective solution to offsite construction.

Handmade to bespoke specification in an extensive array of sizes including metric, imperial and linear i-line dimensions, Dovetail Facing Bricks are available in a comprehensive range of Charnwood colours, including reds, browns, greys and yellows.

Charnwood offers an environmentally sustainable solution, manufactured in the UK and competitively priced. Ready to be cut down the middle, producing two slips from one brick, the dovetail shaped frog provides a keyed surface for both stretcher and header slips. Handmade specials can also be manufactured to match our Dovetail Facing Bricks thus eliminating the need to use cut and bonded specials.



BENEFITS OF BRICK SLIPS FLEXIBILITY, SPEED OF CONSTRUCTION AND SAFETY

Michelmersh produces a variety of clay products to accommodate for off-site manufacturing and pre-cast products whilst also elevating our offering of modern methods of construction.

Brick slips, whilst relatively new, boast sustainable and low-cost attributes to traditional brickwork that are both flexible in design and offer speed in construction. This lightweight panelised system couples the imitation of traditional brickwork aesthetics with non-weather-dependent construction using a fraction of the time and reduced labour.

Due to the panel design and manufacturing processes occurring off-site in a factory-controlled environment, it further decreases the risk of injury from dangerous heights which also equates to less material damages and cheaper labour costs.

A brick slip cladding system is made from standard brick facing units which are cut and mechanically fixed into stainless steel carriers. Constructed off-site they are often craned in and fitted to the building infrastructure, easing the congestion of construction in busy areas or sites located in cities.

Brick slips are suitable to use throughout a variety of architectural styles. They can be used in specific locations, such as fenestration, or across a whole brick façade, providing flexibility and practical design options. It enables comprehensive designs to blend seamlessly into traditional brickwork, resulting in lower costs for complex urban projects. This form of construction is popular with inner city and fast programme builds due to the efficiency and speed of installation. It also allows for the contractor to undertake full quality assurance checks before the robust structure is installed.



Michelmersh's premium clay products are offered in a wide range of colours and finishes to provide real character and authenticity for the ACS Façades' CERTUS A1 fire rated system, certified by the Fire Protection Association.

The CERTUS system boasts five times faster construction than alternative 'Kit Systems', delivering greater project and programme certainty with reduced risk of defects and poor workmanship.

With a combination of brick cutting and carrier designs, various bond patterns and brick features are available including stretcher bond, soldier bond, stack bond, English bond, Flemish bond, saw tooth bond all with the choice of stepped or projected headers & stretchers. The standard modules include facing, corner, reveal and soffit panels.

Due to the extensive range of brick types, colour, finishes and bonds, the CERTUS system coupled with Michelmersh products offer architects an appealing, durable and lightweight solution.



Fruit and Wool Exchange, London

RECYCLED CONTENT

Michelmersh supports and encourages the demand to recycle and reuse materials at all stages of production, driving the Group's focus for products featuring a high recycled content.

MATERIALS YOU CAN RELY ON

Michelmersh recycles all "waste" from production processes. All products which don't pass inspection are either ground down and the material is recycled back into the clay prep for future production or is re-used on site.

PORCELAIN WHITE SMOOTH

Blockleys is renowned for manufacturing products that boast

exceptional performance and durability. Made from recycled sanitaryware, (porcelain toilets, sinks and baths) crushed into fine clay, re-processed and reformed into bricks, the Porcelain White Smooth is a sustainable, non-toxic, non-combustible brick utilising an impressive 44% recycled content.

BUILDING A SUSTAINABLE FUTURE

Michelmersh is proud that 85% of the Group's raw materials are sourced within 2.5km of our manufacturing plants. Our clay is transported from adjacent clay quarries and travels on average no more than 60 miles from factory to site. In comparison to many other building materials, clay bricks are

a sustainable solution to providing local products for local markets. Leading the industry with high-quality, environmentally friendly, natural, durable, thermally-efficient products which will last for hundreds of years that can still be recycled, Michelmersh continues to drive the industry through dedicating research and resources into developing high-recycled content premium products.

By maintaining high-quality premium standards, aesthetics and technical properties, Michelmersh is proud to be leading the brick industry towards a more sustainable future.

SUPPLIER CHARTER

MICHELMERSH SUPPLIER CHARTER

Michelmersh has ambitious science-based targets to reduce its carbon emissions and work towards its net zero target. The Group's clients and the UK Government increasingly have the same stretching targets and ambitions. To achieve these, we need the support and engagement of our supply chain, working to the same goal. Michelmersh will therefore be launching the 'Michelmersh Supplier Charter' in 2022, to encourage its suppliers to submit data on their fuel usage, power consumption and carbon emission which will be used to ascertain further accuracy of our Scope 3 emissions.

Furthermore, the Supply Chain School provides high-quality and industry backed training and other learning support on climate change, carbon and data reporting to help our employees and stakeholders contribute to reducing their carbon emissions, whilst also offering their carbon reporting tools all free of charge.

It is Michelmersh's desire to work with suppliers in achieving the highest possible standards of sustainability and business ethics including legal requirements and accreditation. Michelmersh expects valued suppliers to comply with all applicable health and safety, environmental and anti-corruption legislation including use of best practice to maintain and improve standards. This will also include equal opportunities in recruitment, freedom of association, respect & protection of human rights, anti-modern slavery and prohibition of child labour.



100%

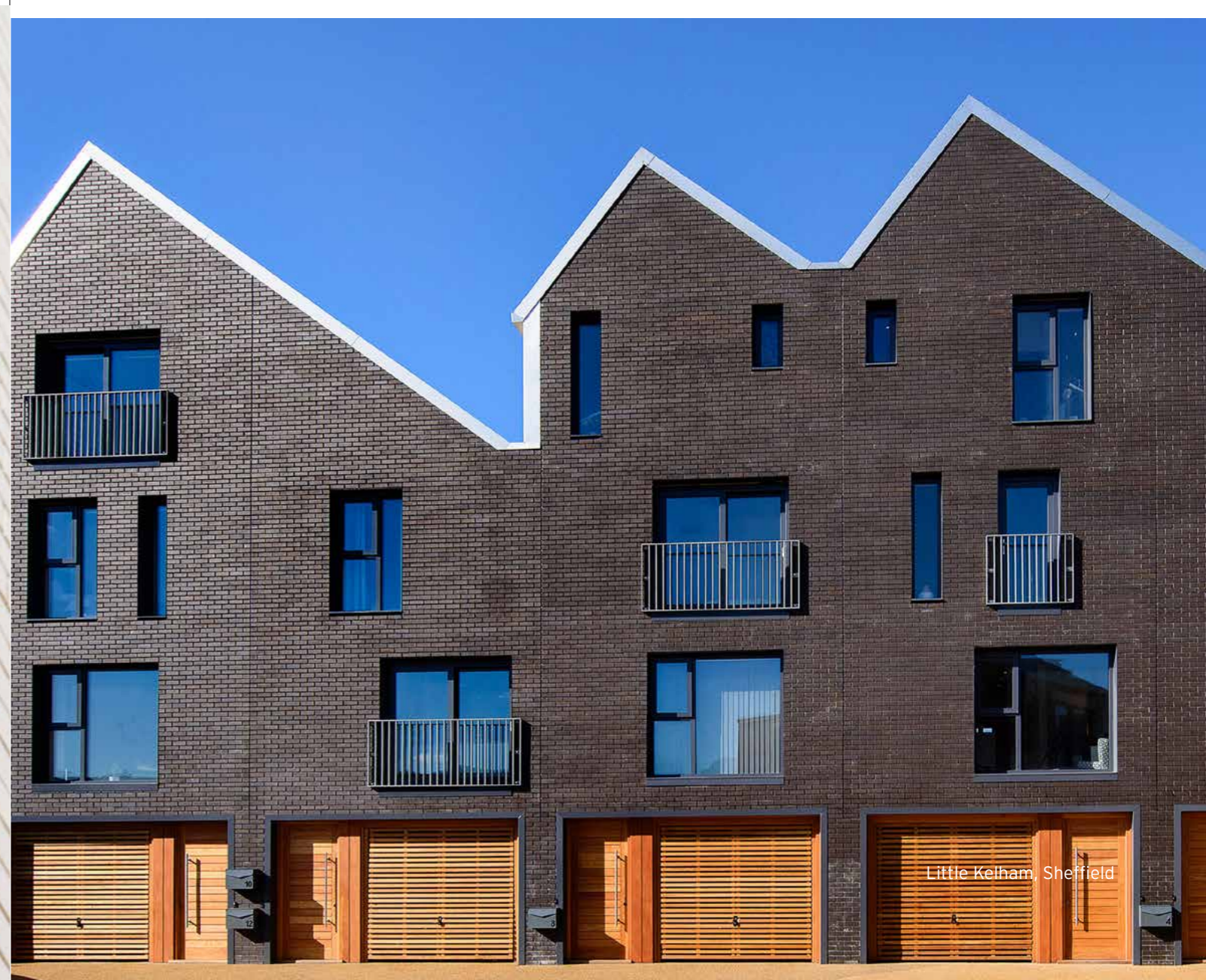
of material suppliers/contractors signed up to the Michelmersh Supplier Charter.



REDUCING RAW MATERIALS

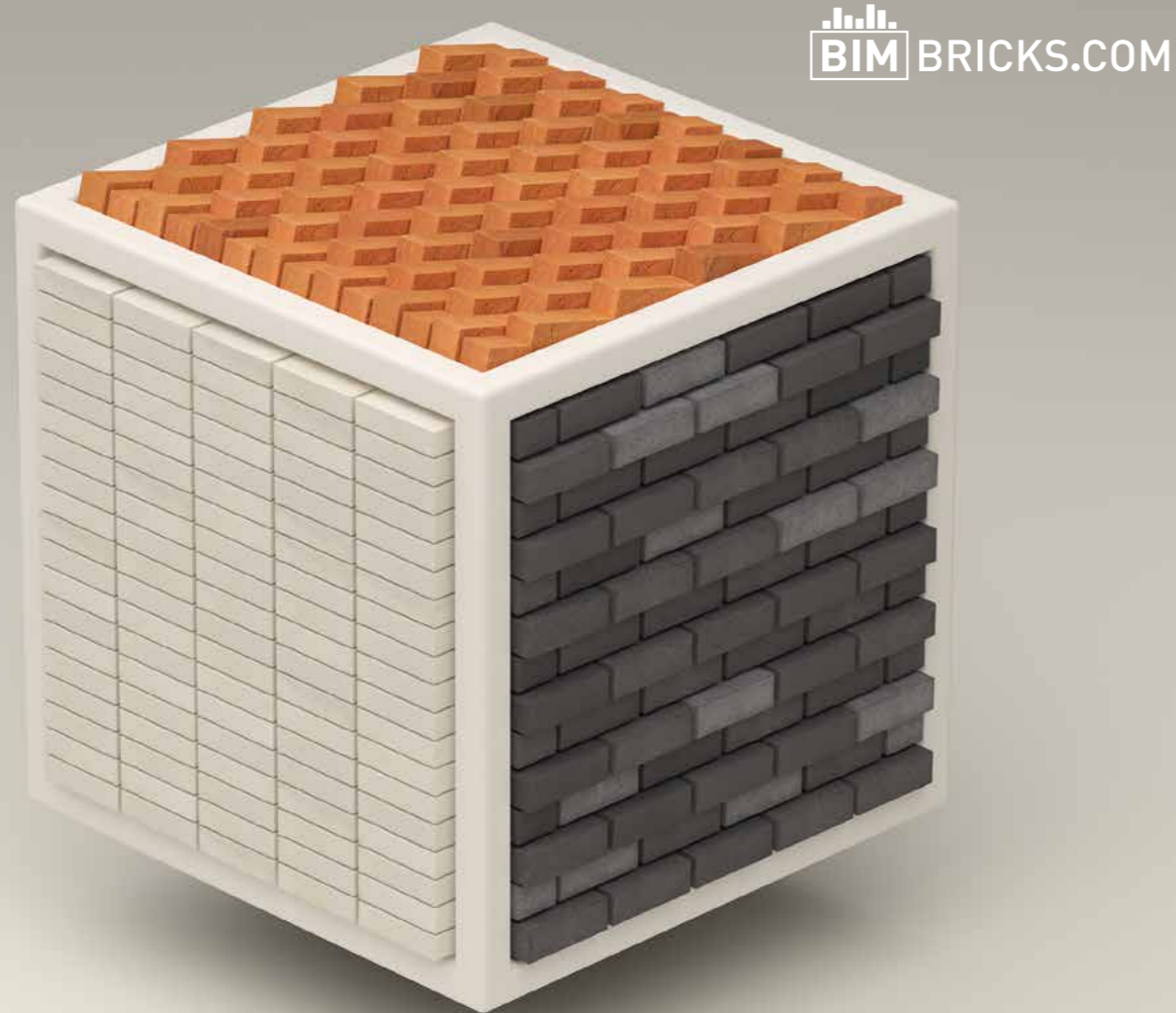
Through dematerialisation we can realise a reduction of energy use in manufacturing, preserving natural resources by reducing the raw material content. By using waste streams from industry, we are replacing raw materials with more sustainable alternatives or secondary aggregates which present lighter weight products whilst retaining structural performance and durability.

MADE FROM
44%
RECYCLED CONTENT



Little Kelham, Sheffield

A DECADE OF THE MOST ADVANCED BIM FILES



Available in multiple file types:
ArchiCAD, Bentley, DWG, IFC, Revit, Vectorworks & 3DS Max

Responding rapidly to the Government's Construction Strategy published in May 2011, Michelmersh created its first range of clay product files and was the first brick manufacturer to introduce Building Information Modelling (BIM) files in the UK.

A decade on and Michelmersh is now delighted to release BIM Version 4 (V4), its most advanced files yet. Michelmersh is the only manufacturer to include Revit 2021 files to take advantage of the newest release

capabilities, including its advanced rendering features, enabling customers to download the highest resolution brick walls on the market.

BIM V4 is also offered in a 2018 Revit version to ensure designers and contractors using previous releases of the software can also continue to benefit from Michelmersh's BIM files. Michelmersh is also the first manufacturer to provide files in seven different formats to grant true interoperability amongst the BIM world. Michelmersh remains at the

forefront of industry innovation and sustainability, continuing to lead the way in offering intuitive, informative and supportive product data through the most up-to-date construction technology procedures. BIM advances sustainability using data generated during design and build over the whole project lifecycle, enabling faster, safer, less wasteful construction with a more cost-effective and sustainable operation and maintenance programme and onto the eventual decommissioning of architectural landscapes.

INSPIRING CREATIVITY - FAÇADE DESIGNER

The Façade Designer is a fully customisable application tool featured on the Group's main website to give designers, architects and clients the ability to create their own multiple brick blended façade, choosing from the full core range. The Designer aims to inspire creativity, giving users the freedom to firstly choose brick types through colour, texture or size, proceeding onto a mortar colour, and lastly, selecting a bond to evolve the façade to their desired specification.

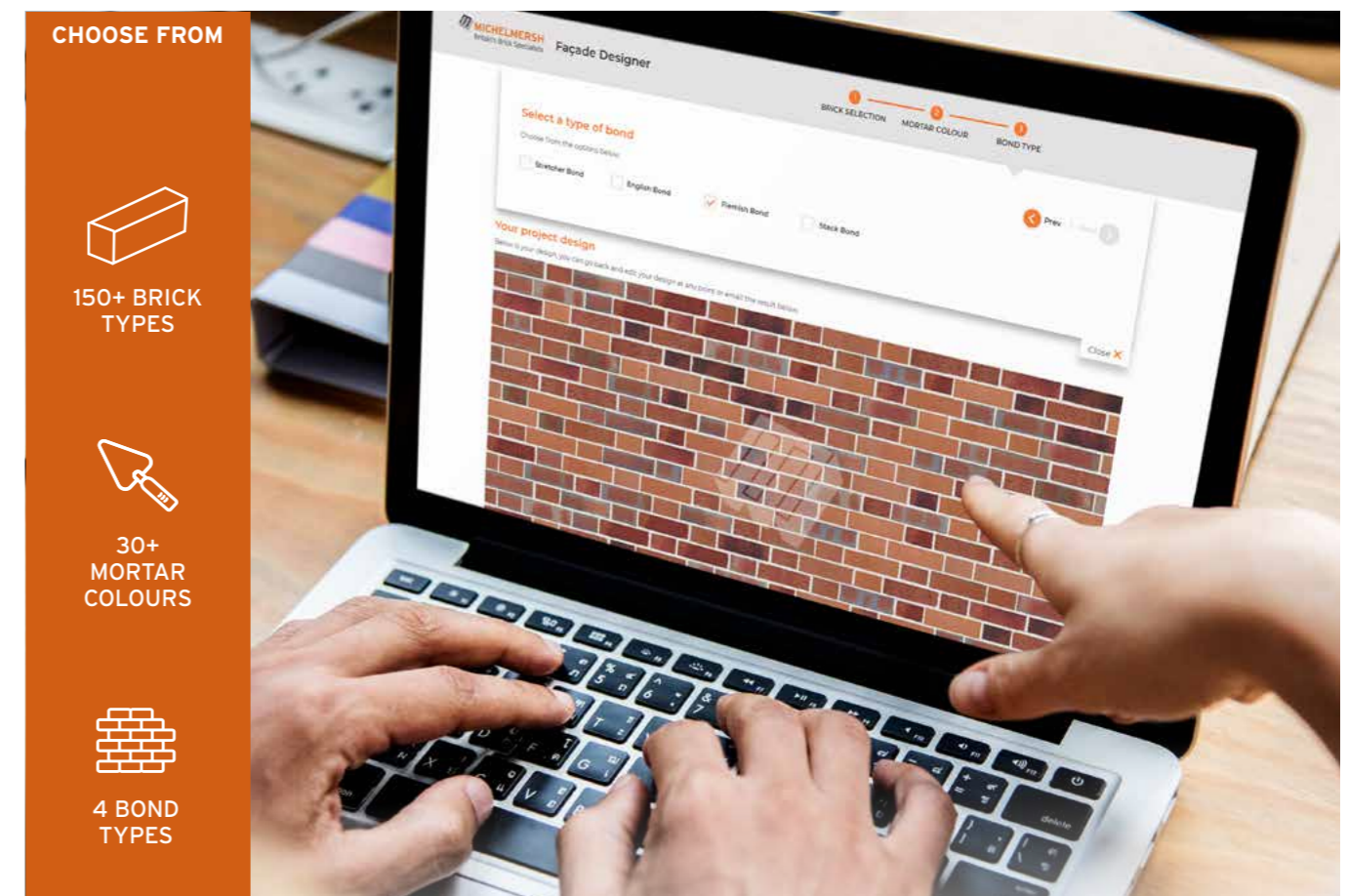
With a few simple clicks, creators can select their preference from the Group's current portfolio, ranging from Blockleys' wirecuts or Carlton's dragwires to Charnwood's i-line and Michelmersh's Hampshire Stocks plus many more. Users can choose up to an impressive ten bricks at a time, and once selected, will be given the option to tweak the percentage of

each brick type, tailoring the blends to match exact requirements. Further customisations include choosing from over 20 different mortar colours (including the popular CPI Euromix pallet of colours) or the ability to instantaneously flip from stretcher bond to stack bond with further options including Flemish or English bond, creating a bespoke and unique design every single time.

Full control over the Façade Designer stages provides users with a quick and simple tool to reach impressive results and with the flexibility to alter until it's perfect. Whether it's selecting a different mortar colour to complement the brick's warm overtones, creating depth with a rugged texture, or combining traditional creams and buffs to contemporary greys - Michelmersh's Façade Designer is the place where creativity has no limits.

This new flexible feature gives users the chance to be adventurous with their design blending concepts. Michelmersh believes creativity within architecture is paramount, offering an interactive, innovative tool to showcase its high-quality, sustainable products. Built with high resolution product images, giving the final design a realistic, life-like result. The 'mix and match' style offered by the online platform means that project designs can be endlessly interchanged, making the digital brick façade adaptable and creative.

Once the design is complete, users are given the option to download their final façade design as a high-quality resolution image in multiple formats, and will also be sent the product recipe with relevant product page links, giving the chance to further download our BIM files or other technical data sheets.



INNOVATION - A CORE PRINCIPLE

Michelmersh is continuously investing in our online proposition and IT infrastructure, embracing digital innovation. Working with suppliers and expert partners to extend our systems, offering further opportunities with a wider breadth of solutions to increase engagement with our customers.

Investing in the right digital strategy has improved efficiency and productivity to deploy automated, cloud-based solutions. This has streamlined administration processes, simplified performance monitoring, improved data analysis and reporting functionality whilst offering a fast, coordinated customer journey and experience.

Hobhouse Court, London



LEADING DIGITAL TRANSFORMATION FOR MANUFACTURERS

Innovation is one of the four company core principles alongside respect, integrity and sustainability.

Michelmersh has long been a leader in the brick manufacturing sector for embracing new technologies to improve either internal processes or external customer experience. This is why the Group decided to embark on a substantial programme of investment into the next level up on the CRM stage; implementing Salesforce in 2021.

Enhancing the customer journey, experience and communication via this digital platform has improved long-term interaction with valued customers, whilst giving sales managers elaborate and enhanced real time data. It has empowered Michelmersh's staff to better serve their customers and drive increased revenue.

Whilst also underpinning operational efficiencies and increased productivity, there are many adjacent sustainability benefits pertaining to reduced emissions by using the software. This has enabled the Area Sales Managers to efficiently work from home and reduce the frequency of customer visits whilst also utilising optimised route planning for face-to-face customer engagement meetings.

PRIVATE CLOUD INFRASTRUCTURE UPGRADE

By improving the performance, capacity and availability of key IT services, Hewlett Packard have recorded a 40% reduction in power consumption

by using new more energy efficient technologies.

PRODUCT INFORMATION MANAGEMENT

With further efforts in driving operational efficiencies, it has been a focus on the IT department to ensure all relevant product information is easy to find and simple to use. With a comprehensive PIM database, Michelmersh is reacting proactively towards the soon to be implemented Code for Construction Products. In turn this has provided new opportunities to share information and resources with key customers.

EMPLOYEE DIGITAL EXPERIENCE

Delivering IT services that facilitate flexible working, the employee's digital experience has been further enhanced by adapting IT services and capabilities to serve the "new normal". Empowering employees with the required tools and services to succeed and perform at the highest level.

COLLABORATION PLATFORM

Supporting team working, collaboration, distribution of information and sharing of knowledge has been a major driver to cohesive IT improvements across the Group. A specific sustainability benefit outlined by Robin Cox, Michelmersh's IT Manager commented: "There is a direct reduction in the utilisation of resources via the consolidation of information into a 'single version of the truth' that is stored digitally."



Michelmersh is proud to be associated with NBS Source and NBS Chorus, allowing architects to find products, download BIM files or brochures, view product certifications and include product data into their specification sheets on the NBS site.

With an extensive and highly detailed portfolio of over 150 core products, architects or contractors can select which Michelmersh clay bricks or pavers they would like to feature in their project, with the added confidence and assurance of up-to-date and accurate information at the simple click of a button.

Barbour ABI

Continuing our proactive online presence and product innovation, Michelmersh can also be found on Barbour ABI, a provider of construction intelligence and lead generation services within the construction industry. With updated product information for architects and builders to access, Michelmersh can retrieve exclusive data, project information and the most stringent, up-to-date BIM files, news articles, case-studies and company information.

RELIABLE PRODUCT SPECIFICATION

Michelmersh is continuously striving to be the most advanced, innovative and responsive brick manufacturer, providing a specialist service to our clients and architects. With access to hundreds of BIM files, product information and industry-specific platforms, choosing and buying premium products from the Michelmersh Group has never been simpler.

Digital information with easy usability, has improved the customer journey, an important and ongoing commitment to Michelmersh. Working with external partners and specialists to make this process easier and quicker for our customers is just one of the ways the Group has transformed its online presence over recent years. Investing in technology to enhance and promote Michelmersh's products whilst making efficiencies at every stage of the process has meant that architects, distributors, merchants and housebuilders can rest assured they will receive a simple yet effective service when specifying Michelmersh.

STRATEGIC PRIORITIES

MICHELMERSH STRONGLY UPHOLDS ITS RESPONSIBILITIES TO NURTURE OUR LAND AND THE ENVIRONMENT AROUND US

INVESTING IN PEOPLE

The Group aims to provide training, security and career progression for all of its employees, whilst acting as a responsible corporate citizen and keeping stakeholder value at the forefront of every decision.

All employees have a part to play in the Group's management systems and are encouraged to inspire apprentices or bring forward ideas that will contribute to the continual improvement of both products and processes.

INVESTING IN CULTURE AND COMMUNITY

Michelmersh is strongly committed to supporting local communities through fundraising and donations. The Group continues to contribute

financially and through generous product donations. Michelmersh leads the industry in encouraging its fellow manufacturers to support those less fortunate in society and to boost educational support for the youth that will form future skilled workforces.

INVESTING IN OUR ENVIRONMENT

The company is committed to the protection of the environment, biodiversity, ecosystems, and minimisation of pollution. By adopting high standards of sustainable procurement and energy planning, the Group aims to minimise waste and ensure efficient use of energy, resources, water and raw materials. Where practical, the use of local materials and suppliers is encouraged.



Langley Square, Kent



INVESTING IN CULTURE AND COMMUNITY

Read more on page 43



INVESTING IN OUR PEOPLE

Read more on page 46



INVESTING IN OUR ENVIRONMENT

Read more on page 57

STRATEGIC PRIORITIES -



100,000 BRICKS FOR BRICKLAYERS

'Skill shortage' is a term that has appeared regularly in the headlines over the past few years. The construction industry faces a shortage of skilled labour across all sectors and is constantly challenged with initiatives to encourage young people and those re-training to embark on careers within the industry.

Supporting industry education and training remains a core policy of the Michelmersh Group, which has continued to increase the supply of free products, resources, CPD presentations, factory visits and seminars to various colleges around the UK. As part of Michelmersh's Pledge 100 initiative, the Group has donated 100,000 bricks every year to bricklaying courses across the UK. Greatly received by a variety of schools, colleges and universities over the years, Michelmersh is proud to contribute materials for education and skill development.

As a result of the Pledge 100, heads of school construction and architectural departments have been contacting Michelmersh throughout the year for support. The good news is that there is increasing demand for brickwork courses from both apprentices and full-time learners, whilst colleges are simultaneously faced with restricted budgets. Michelmersh aims to give students the best learning experience possible, requiring the highest quality premium products, the most up-to-date equipment, tools and educational materials towards their curriculum schedule.

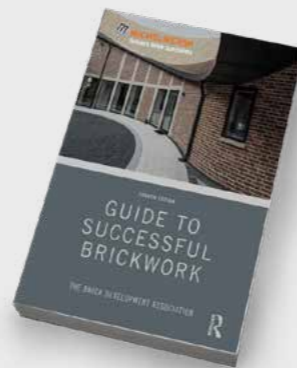
It is imperative construction students train using high-quality, premium products to reflect the materials that they will be using in their future bricklaying careers. The students of today will become the next generation of skilled bricklayers, so for Michelmersh it is vital that the industry makes a real effort to support education and students at every level.

 **5%**

year on year increase of products donated to educational or vocational courses.

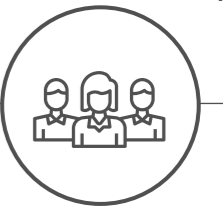
SUPPORTING OUR FUTURE GENERATION OF SKILLED BRICKLAYERS

Michelmersh has given away hundreds of copies of the Guide to Successful Brickwork. NVQ Level 1-3 bricklaying students across the country have benefited from free learning materials which have contributed to their curriculum learning resources.



MICHELMERSH PROUD SPONSOR OF THE WORLDSKILLS BRICKLAYING CANDIDATES IS NOW ALSO SOLE BRICK SPONSOR OF THE SKILLBUILD NATIONAL FINALS 2021

INVESTING IN CULTURE AND COMMUNITY



CONTINUED PROFESSIONAL DEVELOPMENT

Working towards an inclusive and more digitally interactive culture, Michelmersh has adapted its CPD events to online webinars, making the information accessible for a wider audience.

'Right Brick, First Time' was updated in early 2021, re-approved by RIBA as a core curriculum CPD. Michelmersh continues to promote its CPD to architectural practices and students. A great opportunity to learn more about specifying brick sustainability, considering fire safety, carbon emissions, longevity of materials and so much more.

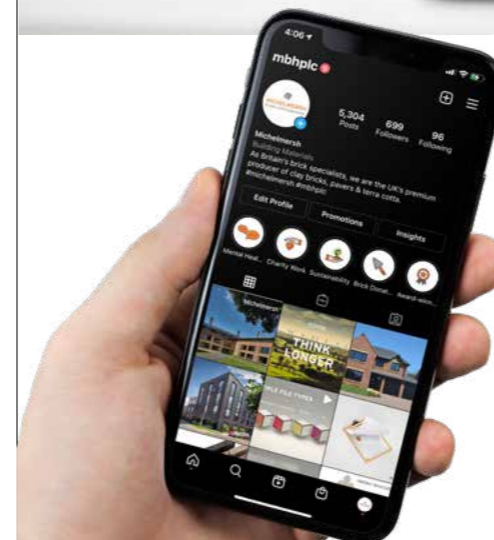


AN INTERACTIVE, ONLINE PROPOSITION

Michelmersh prides itself on responding rapidly to our customer, stakeholder or student requests via social media platforms to support local community initiatives. Whether it's providing product donations to DIY SOS, local museums, schools and community facilities, Michelmersh has always contributed to a wide breadth of local initiatives.

The Group also contributes consistently to local teams for children's sports, enabling further opportunities for our youth to thrive and encourage play.

It is important for Britain's Brick Specialist to have an increasing presence throughout the most popular online channels, evolving our online proposition whilst showing a proactive role in supporting learning, education, sustainability and social value.



STRATEGIC PRIORITIES -

FUNDRAISING FOR CHARITY

Each year, Michelmersh continues to raise its dedicated spend for charities, reaching and extending the KPI for increasing charity donations by 10% year on year. The company has always supported employee-led charitable events or initiatives, whilst endeavouring to help local communities where possible.

Sustainability is one of four company core values encompassing our ESG & CSR corporate responsibilities, however, this intent to help those less fortunate goes much deeper for Michelmersh. Often the Group describes its support and donations as being ingrained in our company culture.



10%
year on year increase of charitable financial donations.

Charity support can be personal to many, and Michelmersh recognises the importance of this. That's why employees are given a variety of charitable opportunities, as well as nominations to put forward charity suggestions, including an incentive to award charities through proactive GSC reporting. Furthermore, if employees take part in any charity-led events or sports events, Michelmersh will support the initiative with donation matching.

PROUDLY SUPPORTING

At the beginning of each year, the Group opens nominations for colleagues to put forward a charity of their choosing. Once nominations have been collected, depending on popularity, the charity selection will be shortlisted and announced to employees. This year, Michelmersh is proud to be supporting Mind and the Trussell Trust charities with a generous donation.



130+
employee-led charitable initiatives in the last 5 years.



400,000
products donated to architectural and construction students since 2016.



HOME SCHOOLING

During the pandemic, Michelmersh has continued to support local businesses and communities through various initiatives; supplying free hand sanitiser products, collaborating with local small businesses to promote safe working principles and providing educational resources to families who are home educating.

INVESTING IN CULTURE AND COMMUNITY



CHAILEY PPE

Michelmersh's PPE is embroidered by CHEC, a printing and embroidery company dedicated to employing young, physically disabled people. They are located close to our Freshfield Lane plant. Supporting a local business and helping out the community is important to the Group.

PAYROLL GIVING

Payroll Giving is a safe and secure way for employees to donate to charities straight from their pay before tax, meaning it costs less to give more. 100% of the donations go to the chosen charity as all admin fees are paid. Donations can be given to any UK charity and even multiple charities through a single donation. Payroll Giving is open to all employees and is a great initiative for both monthly or one-off donations.

SAVE THE CHILDREN

Save the Children is an initiative that enables employees to contribute between 5p and 50p per week or more. Without obligation to commit, the 'Pennies a Week' initiative means that a small payroll contribution can make a difference. The scheme's donations provide essentials for children in need, such as nutrition, healthcare and more.



MICHELMERSH MAIN CHARITIES, 2021:



King Edward's Road, Hackney

STRATEGIC PRIORITIES -

5.5%

of UK workforce currently engaged in apprenticeships.

The Group aims to provide training, security and career progression for all of its employees, whilst acting as a responsible corporate citizen and keeping stakeholder value at the forefront of every decision.

The Board and senior managers set and monitor performance and improvement targets for all departments, while providing the guidance, resources, information and training necessary for employees to succeed in delivering the Group's objectives.

All employees have a part to play in Michelmersh's management systems and are encouraged to bring forward ideas that will contribute to the continual improvement of products and processes. Michelmersh also expects contractors and suppliers to have due regard to the principles and objectives of its policies.



INVESTING IN OUR PEOPLE



TRAINING & OPPORTUNITIES

Michelmersh is fully committed to ensuring that all employees have the relevant knowledge, skills and expertise to perform their work to consistently high standards and to achieve their full potential. Michelmersh recognises that the training and development of its employees is fundamental to the improvement of our operational performance and the achievement of company strategy and goals. Michelmersh Brick will therefore, strive to make training and development an integral part of its operations and to follow a continuous process of appraisal, training and development.

From Paul Durrant completing his Association of Lorry Loader Manufacturers and Importers Certification (left), to Billy Blackshaw undertaking his engineer apprenticeship at Charnwood.

HEALTH & SAFETY

All employees will be given adequate health and safety training, including information on emergency procedures, before they start work. The need for health and safety training will be reassessed on a regular basis and in particular when there has been a change in operating procedures. Retraining and/or refresher training will be provided whenever necessary.

APPRENTICESHIPS

The company uses the apprenticeship levy in many different ways to support employees across the Group. At Michelmersh we have utilised the levy to support both maintenance personnel as well as in trainee management positions across the business.



Mike Sacree
Production Manager

Team Leader Supervisor Apprenticeship - 1 year.

"This course has already helped me grow into my role here at Michelmersh, teaching me how to deal with specific situations relating to management. I feel strong progression towards my future goals within the company. As well as continuing to meet and exceed current targets and standards. This course teaches the first line managers role, the operational/project responsibilities for managing a team to deliver a clearly defined outcome."

APPRENTICESHIPS



Billy Blackshaw
Charnwood Electrical & Mechanical Engineer

EAL Level 3 NVQ Extended Diploma in Engineering Maintenance - 4 years

"I have thoroughly enjoyed my five and a half years at Michelmersh and continue to do so. I've had numerous training opportunities which has allowed me to extend my skill set even further. In the future I would like to see myself in some sort of management role within the company and hopefully I can draw on Alan Spencer's experience (Northern Engineering Manager) who has supported me throughout my journey."



Bronwyn Messenger
Payroll Administrator

Distinction - Level 3 Payroll Administrator Apprenticeship

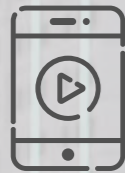
Bronwyn's assessor commented "It is clear that the apprentice is a valued member of the team and the apprenticeship journey has inspired and enthused her. She will certainly be an asset to her employer and will be to the profession for years to come. Much credit was paid to the support from her employer and Apprenticeship Training Provider. I am so pleased that she has completed this apprenticeship and with flying colours."

STRATEGIC PRIORITIES -

INVESTING IN OUR PEOPLE



Introduction of an Employee Assistance Programme (EAP) for all staff



Digital wellbeing newsletters to all employees and implementation of wellbeing/support notice boards



Substantial annual budget for charity and charitable/ community events



All senior managers to be trained in Mental Health First Aid (IACT Trainers)



POSITIVE WORKING CULTURE

OPPORTUNITIES TO LEARN

Michelmersh promotes a positive and efficient work culture, providing training and learning opportunities to enable employees to fulfil their potential. Seeking to constantly evolve and adapt to new ways of agile working, the Group has implemented a working structure for all employees. This includes ensuring there is an inclusive culture and promoting career progression throughout.

NEBOSH general certificates, apprenticeships, constant refresher training, clay technology degrees, fire marshal courses, toolbox talks, Supply Chain Sustainability School training, cyber security awareness and GDPR refresher support are a few examples of the widescale support Michelmersh provides to ensure that all our employees can access the tools and experiences to enable them to perform their individual roles to the highest of standards.

STRATEGIC PRIORITIES -



WORKING FROM HOME

Despite the inherent challenges of employees working across various sites, the importance of teamwork and communication remains a top priority for the business to ensure a harmonious and supportive workplace culture.

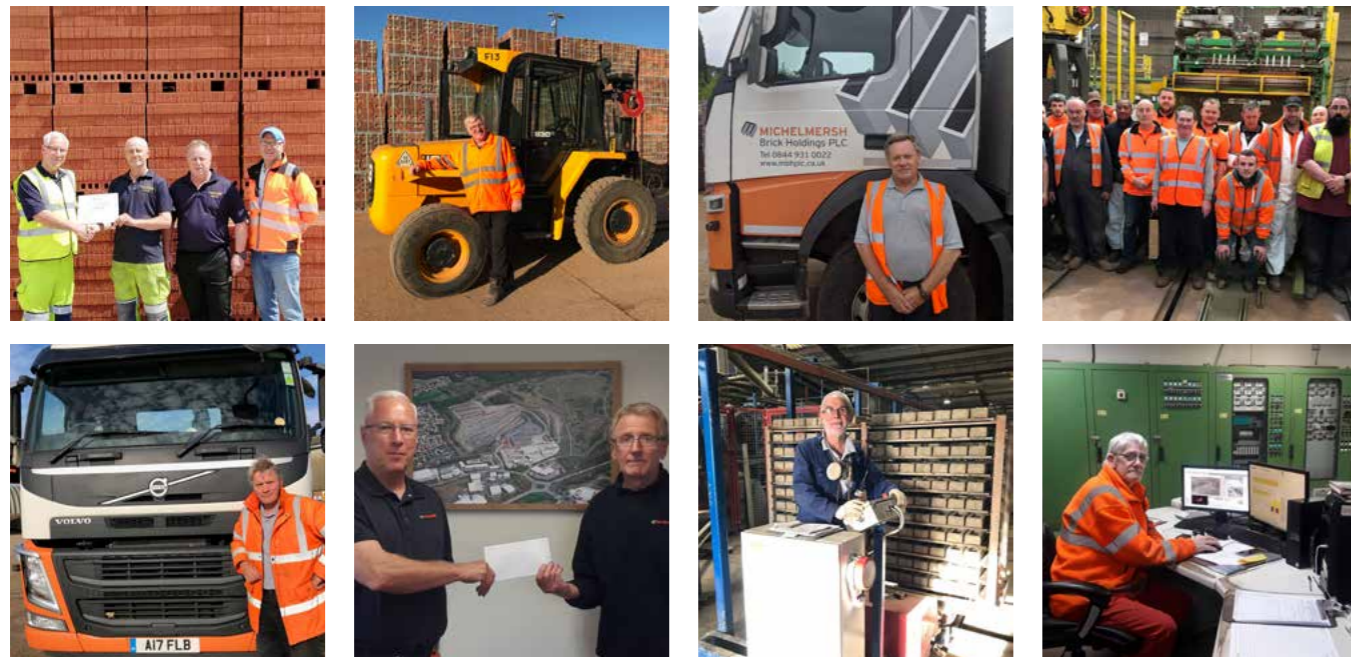
Through the Group's investment in resources and IT systems, employees, whether on site or based remotely, have been able to work seamlessly throughout the pandemic experience. All staff working from home have been fully equipped with high-performing

laptops, screens and home office equipment. Through a home office survey, we also carefully assessed all aspects of everyone's home office set-up and provided any additional equipment required to improve comfort or performance.

Through the past 18 months, Michelmersh has pivoted to adopt different ways of working. These have included hosting online meetings and conferences using Microsoft 365 applications. Furthermore, meetings, events and conferences have also

continued with technology allowing staff to interact with clients, architects, and other stakeholders from around the UK.

Recognising the importance of maintaining visible lines of communication with employees working across diverse locations, the company commits to sending quarterly digital wellbeing newsletters, regular business updates, and news about employee-led charitable events and donation promotions to all staff.



YEARS OF SERVICE

Michelmersh values our employees, offering support, rewards and recognition for hard work, loyalty and dedication, and is proud to award many employees with 'years of service' milestones. Some of Michelmersh's employees have celebrated 40, 45 and 50 years of service and the company publicly thanks all those who every day make a significant contribution to the Group's continued success.



INVESTING IN OUR PEOPLE

UK'S LEADING SUPPLY ENGAGEMENT SUSTAINABILITY TOOL



Michelmersh is proud to be the first brick manufacturer to partner with the Supply Chain Sustainability School (SCSS) in its commitment to lead the industry into an innovative, sustainable future.

The SCSS is a collaboration of major UK contractors, suppliers and clients who share a mutual interest in building skills, providing free training to aid the wider industry of suppliers and sub-contractors to become more sustainable.

The school is the first of its kind in the country, offering a free membership (paid for by partners) which gives access to thousands of learning resources and CPD-accredited content. Such resources cover a wealth of topics, such as waste and carbon, fairness, inclusion and respect, the Modern Slavery Act, biodiversity and many more sustainability issues.

The SCSS provides a smart self-assessment and action-planning tool which is split into five main topics: sustainability, management, offsite, BIM and lean construction. Under each of these fundamental elements sit a network of sub-topics such as waste and resource efficiency, innovation and design for manufacture and assembly. This approach provides a wealth of educational material to support suppliers as they embark on their sustainable journey, developing an action plan tailored to their current level of competence whilst highlighting the significant sustainable impacts in their trade. These action plans are then reassessed and updated to invoke a process of continuous improvement. Michelmersh continues to strive for a sustainable future and is looking forward to embarking on a greener future working with the SCSS.

GOLD



Student Accommodation, Bournemouth

STRATEGIC PRIORITIES -

HEALTH & SAFETY

As a company, Michelmersh takes its health and safety responsibilities seriously. As part of the Group's ongoing commitment to the highest standards, it has introduced a system that allows all employees to report potential hazards, incidents, or operational concerns.

The Group believes that by empowering our employees to report any issues using a quick and easy system, problems are more likely to be highlighted early and corrective actions taken without delay. The system relies on the proactive involvement and interest of all employees to assist in

maintaining strong health and safety standards within workplace activities. This provides a method of communication for all hazards, unsafe conditions, and practices.

It can be difficult to get staff to report concerns or incidents, but Michelmersh is looking to create and build a culture that encourages reporting to prevent issues occurring or to rectify situations when they arise.

HELP US KEEP YOU SAFE

Since 2016, the Group has had a total of 894 General Safety Concerns (GSCs) (near misses) reported, a number which it is constantly looking to improve.

Increased reporting of GSCs means more opportunities for the Group to investigate and instigate preventative measures to better protect staff members.

A prime example of the newly introduced ethos to drive improvement has been the design and use of an instant 'reporting' app for all employees. It is the Group's belief that by reinforcing a positive safety culture, it allows employees to feel comfortable reporting concerns and to be confident that the open reporting process will result in tangible action by the company.

INVESTING IN OUR PEOPLE



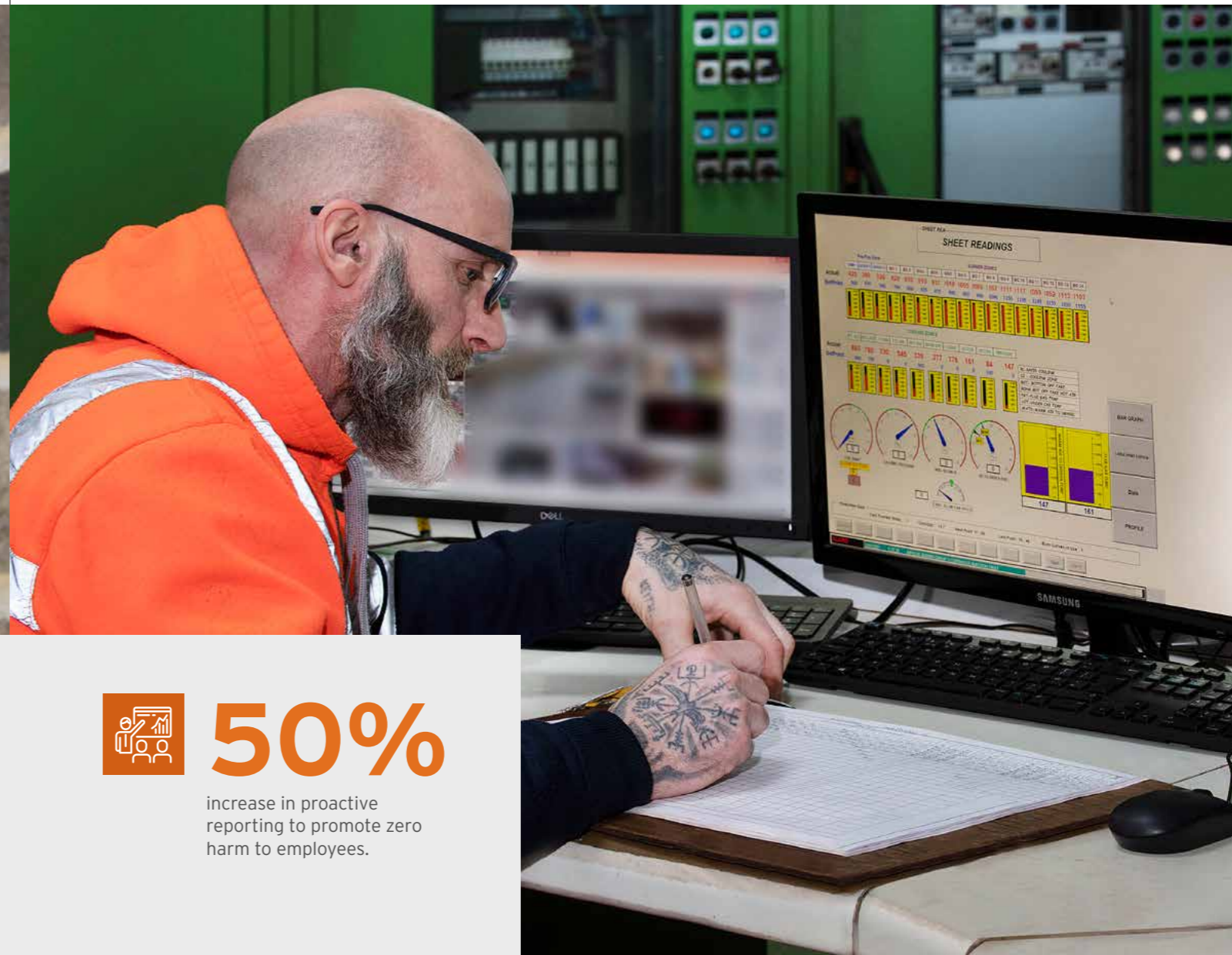
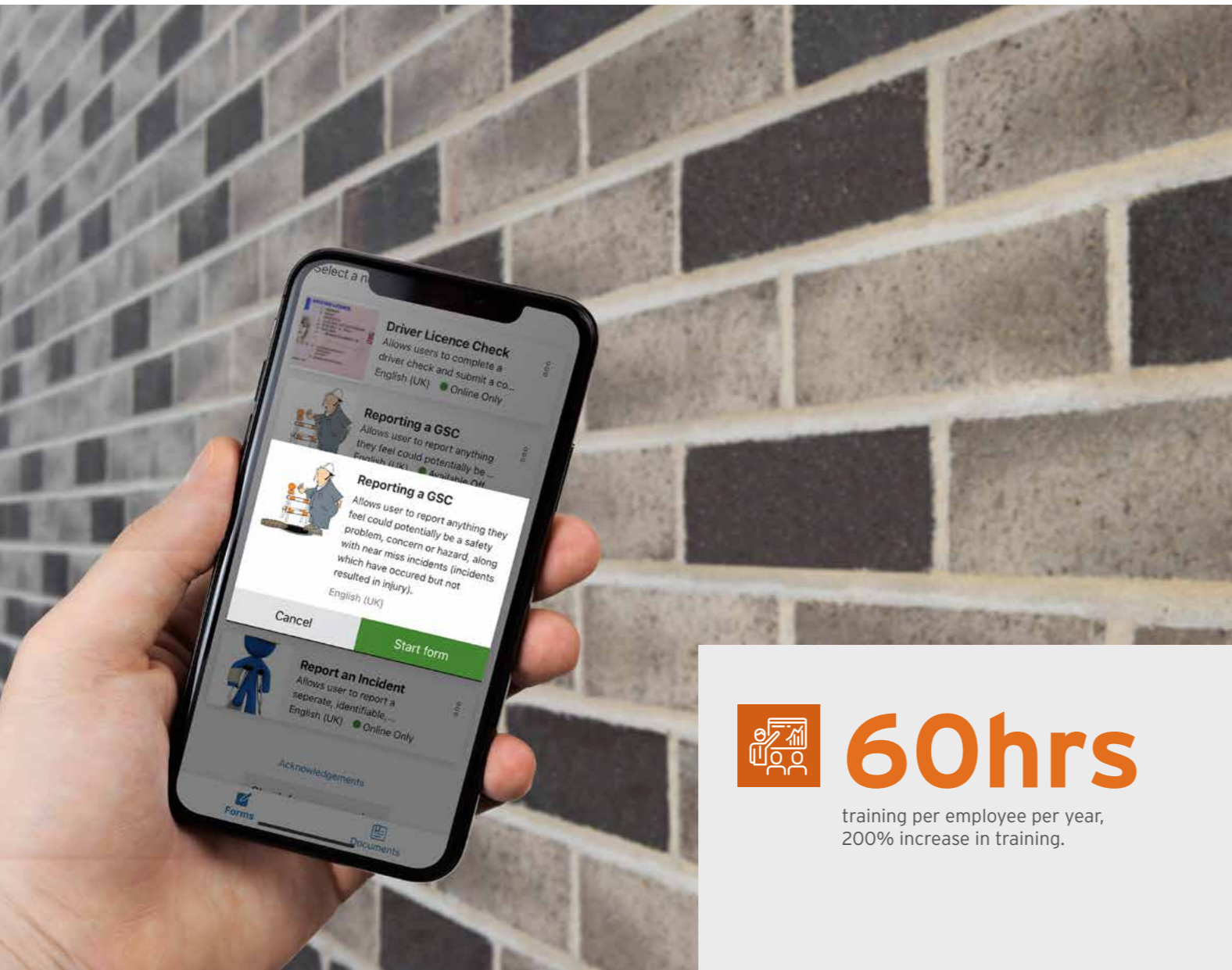
AMY HARRIS, HEALTH & SAFETY DIRECTOR COMMENTS:

"Michelmersh is an organisation that is serious about improving employee safety, reducing workplace risk, and creating better, safer working conditions. As such, we look forward to joining the ISO 45001 family of organisations that recognise that the framework provided by the standard increases safety, reduces workplace risk and enhances health and wellbeing at work, enabling an organisation to proactively improve its OH&S performance."

"Whilst Michelmersh already has in place robust and effective OH&S systems - evidenced by the company attaining a ROSPA Level 5 Diamond award in 2019 - we recognise that ISO 45001 will assist us internationally with our continual improvement objectives to meet ever-changing context and growth. We believe that ISO 45001 will aid us further in managing our OH&S risks and improve our OH&S performance."

BRITISH CERAMIC CONFEDERATION PLEDGE

The Pledge awards recognise the people and initiatives that drive health and safety improvement in the ceramics sector, and aim to acknowledge individuals' efforts as well as celebrating and sharing company best practice. Michelmersh has only applied for Pledge awards for work/improvements the Group believes goes over and above its standard legal requirements, resulting in high levels of industry recognition.



60hrs

training per employee per year, 200% increase in training.



50%

increase in proactive reporting to promote zero harm to employees.

STRATEGIC PRIORITIES -

MENTAL HEALTH SUPPORT

The importance of employee mental and physical wellbeing is a top priority for the business.

The Group works diligently to ensure that all employees feel heard, and we actively encourage staff to utilise the Employee Assistance Programme (EAP). It is a scheme by Health Assured which offers a variety of support such as a confidential 24-hour helpline, webinars, nutritional and fitness advice, financial wellbeing, health checks, budgeting information and in-app health help.

Support also covers family issues, medical information, addiction, stress and anxiety, domestic abuse, legal information, and childcare support. Michelmersh understands the potential impact when employees are not supported, with poor mental and physical wellbeing affecting individuals, managers,

directors, investors, and shareholders. Mental Health First Aid England released updated statistics in October 2020 looking at mental ill health in the workplace. It states that one in six workers will experience depression, anxiety or problems relating to stress at any one time and that it costs businesses £1,300 per employee where mental health needs are unsupported.

A report by Benenden Health in December 2020 found that support surrounding mental health is a priority for employees. Their research found that almost half (42 per cent) of UK businesses report seeing an employee leave due to their mental wellbeing.

Furthermore, the research demonstrated that only half of employers actively ask their staff what wellbeing support they would like the company to implement, which is suggesting a lack of efficient

communication regarding mental health between employers and their employees. As a company, Michelmersh believes it is our responsibility to create the right culture within the business that builds on core values and ethics. It is because of this vision and determination to support staff that the Group feels it is essential to focus on producing a Wellbeing strategy for the business.

This will be considered as a long-term commitment and as a document will be flexible and shape and adapt to outcomes and feedback. The involvement of Michelmersh's employees and listening to their concerns and needs is imperative to the success of the Wellbeing strategy. Doing so will give employees a voice and a stake in the collective efforts to promote an inclusive and supportive working environment.

MICHELMERSH MENTAL HEALTH AWARENESS CAMPAIGN



Source: Benenden Health's report 'The Elephant That Never Left the Room: Why stigma is still preventing employees from telling their boss the truth about their mental wellbeing in the workplace.'

INVESTING IN OUR PEOPLE



Bellefields Road, London

LEARNING & DEVELOPMENT

Over the next three years the Michelmersh Group will be looking to increase learning and development initiatives and increase the support and development of their staff through focused learning and development plans. Michelmersh will continuously review how they communicate with staff, looking at further ways in which staff can have a voice and feel engaged with the Company.

CO-DESIGN & ENGAGEMENT

Michelmersh is the proud sponsor of the RIBA CPD: "An inclusive approach to co-design and engagement". The webinar examines what the 2020 Planning White Paper calls "genuine engagement" in the post-Covid era.

With evidence showing that years of democratic deficit has eroded trust in the planning and design processes, there is a real challenge to reverse concerns among all stakeholders. Focusing on professionals as people, this webinar uses creative interaction and scenario-setting to help participants practice the skills and attitudes that can increase social value, long-term pride in place, a sense of belonging, improved bottom line and urban equality.

 **100%**

senior managers to be trained in Mental Health Awareness (IACT Trainers) by the end of 2021.

WOMEN IN CONSTRUCTION

Whilst construction is a male-dominated industry, intensive efforts to tackle and mitigate gender differences are underway to create equality and change across both genders. Michelmersh is proud to be a part of this vital process. Since 2020, the company's female director board has grown by 33% and the Group is dedicated to taking further positive steps to support gender equality across our businesses.



STRATEGIC PRIORITIES -

With over 500 acres of land, Michelmersh encourages the re-introduction of habitats and wildlife to its former quarry sites, to allow nature reserves, lakes and natural spaces to flourish. All UK and European plants adhere to strict environmental codes of practice with well-maintained clay resources which are stringently operated in cohesion with their surroundings.

Sustainability is key for Michelmersh as it strongly upholds company responsibility to nurture the land and environment around us.

All clay products are made from 100% natural resources, enabling them to be reused and recycled, enhancing circularity within the construction sector. Furthermore, over 95% of Michelmersh's raw clay materials are sourced from clay pits within 2.5km of its factories. Michelmersh is proud to make local products for local markets which should be favoured over imported products. The Group's UK made products travel on average no more than 60 miles from factory to site.

RECLAIMING LAND RESPONSIBLY
Michelmersh are landowners and are therefore able to help offset the impact of quarrying on its sites and work considerably during the extraction of clay and also extraction to increase biodiversity through its quarry restoration projects. Across the sector, many projects are in place to gain a fuller understanding of restoration projects and to try and quantify the positive impact such projects can have on the local area's fauna and flora. In

the future, these projects will work to estimate how much more can be done with nature regeneration projects.

Once the clay pits have reached the end of their clay extraction, Michelmersh extends the land's lifecycle responsibly by reclaiming the land into biodiverse environments such as fresh water lakes and woodlands, or alternatively to responsible housing developers to produce community conscious residential developments.

NATURE RESERVE

The Floren.be site based in Brecht, Belgium has always had a strong focus on natural restoration and has transformed vast areas of its land into fishing lakes and reserves. Floren.be has transferred 19 hectares of land into recognised nature reserves and then passed this on to the Nature and Forest Department of the Flemish Government.

Making an important contribution to the creation of a better environment, old clay pits next to the factory are protected by a strip of nature buffer between the factory and the reserve, which will become the habitat of indigenous amphibians such as the crested newt and the moor frog.

Alongside the Group's target for net zero by 2050, Michelmersh will continuously invest heavily in environmental activities across all its sites. Improving its presence and supporting local community activities whilst offering educational and environmental benefits with its resources, land assets and people is a goal that the Group aims to continuously strive for.



The Group contains three Geological Sites of Special Scientific Interest, managed intensively according to regulations.



Archaeological investigations were carried out by John Moore Heritage Services in 2015 at the Michelmersh site, revealing the land was used by inhabitants from the Mesolithic through to the Roman period. The items found were recorded and granted permission to be transferred to the Hampshire Cultural Trust where they will be used in education and training. The area has now been worked and restored back to pasture as per the planning permission.



Charnwood and Michelmersh sites are currently undergoing substantial arboriculture, tree planting and landscape restoration schemes. A five year plan is underway, including surface water management lagoons and a vast array of advance feathered tree planting using native species.

BY ADOPTING SUSTAINABLE RESOURCE AND ENERGY PLANNING, WE AIM TO MINIMISE WASTE AND ENSURE EFFICIENT USE OF ENERGY, RESOURCES, WATER AND RAW MATERIALS.

INVESTING IN OUR ENVIRONMENT



TARGET:
ZERO
INTERNAL ENVIRONMENTAL INCIDENTS & ENVIRONMENTAL COMPLAINTS

Mature mixed woodland with stream and wetlands, Freshfield Lane, Sussex.

STRATEGIC PRIORITIES -

DE-CARBONISATION

The UK is the first major economy to commit to 'net zero' carbon emissions by 2050, and the next three decades will see profound changes as the industry continues its decarbonisation journey. As an energy-intensive manufacturing process, much energy, climate and environmental legislation affects ceramic manufacturers, and as the UK transitions further to net zero, the sector is likely to face a range of changing economic and legislative drivers.

To hit the set targets, improved energy efficient production, alternative technologies, greener fuels and process emission reduction will be pivotal, as well as other offsetting schemes.

Integral to transition for the industry will be collaboration with the UK Government and other stakeholders, as well as the availability of financial support for development and implementation of sustainable technology solutions. Energy use and decarbonisation are key considerations in the long-term business investment decision-making for all businesses including Michelmersh.

BIODIVERSITY

The extraction of clay is subject to a wide range of planning conditions and environmental permitting controls, including ongoing land management and quarry restoration. Most clay brick manufacturers including Michelmersh are landowners, and can help offset the impact of quarrying at their sites and contribute positively to biodiversity, during extraction and after in quarry restoration, through diverse and extensive biodiversity improvements. Work is ongoing across the sector to further understand and quantify the contribution the Group can collectively make to biodiversity and natural capital and how this can be further enhanced.

SITE RESTORATION

There are many different possibilities for the after use of mineral sites. These include the creation of new habitats and biodiversity, use for agriculture, forestry, recreational activities, waste management and the built environment.

Clay pits are often suitable for taking non-hazardous waste because clay has a low permeability, meaning that pollutants cannot pass through the rock to the ground water. The benefit of landfill as a restoration option is that the ground level and landform can be returned to pre-extraction conditions. Inert waste, including soils and clays arising from excavating groundworks and tunnelling, can also be readily considered following clay extraction.



Student Accommodation, Bournemouth



CONTINUED COMMITMENT to sustainable land use, restoration and biodiversity action plans.



ZERO

environmental complaints.



ZERO

internal environmental incidents.

INVESTING IN OUR ENVIRONMENT



STRATEGIC PRIORITIES -

ENVIRONMENT REGENERATION

Michelmersh's 500 acres of land is an important asset to the business and is an opportunity to improve its local areas for future generations. Once it has exhausted a quarry's safe limit to harvest clay, Michelmersh allows these areas to regenerate into areas of exemplar biodiversity.

After their use, each site is evaluated for its ability to achieve an increase in habitat creation and restoration, with the secondary goals of increasing biodiversity and engaging various local communities.

Once a site has been evaluated, carefully designed plans are draughted which are actioned with the help of experts in sustainable land management to make sure that the quarry is rejuvenated into areas dedicated to educating and inspiring local communities.

Clay quarries offer key features that allow for Group regeneration goals to be achieved in relatively short time frames. Access to freshwater and clay substrate allow for the creation of ponds and wetlands. Nearby green land allows for the introduction of native flora via wind blow and seed dispersal, which is perfect for the reintroduction of insects and therefore, small mammals. Varying degrees of existing woodland give a solid base from which to continue to grow trees, which in turn leads to soil improvement and for more plants to grow.

SUSTAINABLE & STUNNING

Michelmersh's corporate assets are also useful in the regeneration efforts; with plant machinery we can landscape zones to create beneficial and favourable terrain. Michelmersh's dedication to the education of future generations allows for expansion of its

network and to teach more students about positive land management and how to care for the environment. A final, vital asset in these projects as well is employees, with enthusiasm and encouraged feedback to double down on efforts, guaranteeing that the areas in which they work are sustainable and stunning for years to come.



1. PLANNING

▶ **BY WORKING WITH EXPERTS, WE ALLOW FOR INFORMED DECISIONS ON HOW BEST TO REGENERATE OUR LAND.**

An easy solution is simply allowing nature to reclaim exhausted land, but through careful husbandry, we can improve the area to a far greater extent.

2. POND CONSTRUCTION

▶ **THE MOST SIGNIFICANT FEATURE FOR INCREASED BIODIVERSITY IS FRESHWATER.**

Our quarries make for excellent ponds and wetlands. The construction of these allow for increased biodiversity and helps keep the environment lush. As seen in the nature reserve and reservoirs created above at Floren.be

INVESTING IN OUR ENVIRONMENT



3. GROUND REGENERATION



▶ **PREVIOUS QUARRY SITES OFFER A LOT OF POTENTIAL FOR VARIED TERRAIN.**

Bare ground is the basis for natural colonisation and the introduction of flora and fauna. Retaining the cliffs, dips and hollows of the landscape helps create habitats and pools for a variety of species.

4. NATURAL COLONISATION

▶ **NATURAL COLONISATION PRODUCES SPECIES-RICH HABITATS THAT MATCH THE LOCAL AREA.**

By planting local seed it will break down nutrient-poor soil and produce a diverse range of flora. This is vital for the introduction of plant-eating invertebrates and pollen feeding species. Colonisation also leads the way for small mammals, such as rabbits, to populate the area.



5. LOCAL ENGAGEMENT

▶ **EDUCATING AND ENRICHING LOCAL COMMUNITIES.**

By introducing nearby residents to the area, the Group can engage them in projects such as habitat building, guided walks through the area and more. Activities like beekeeping or treeplanting help stimulate the area whilst recording data helps visualise the environmental impact we make. Above is a coppice and tree plantation at Freshfield Lane.



ACHIEVING NET ZERO BY 2050

SUSTAINABILITY IS A COMPANY CORE VALUE

INVESTING IN PROCESS AND SUSTAINABILITY, IS INVESTING FOR THE FUTURE.

Michelmersh is committed to playing its part in the move to a lower carbon economy and helping the Government to achieve its carbon targets by 2050.

Creating a positive environmental, social, and economic legacy for future generations is core to creating quality products that will enhance built environment, making beautiful, durable and safe architecture for many generations to benefit from.

As the Group strives to reduce its carbon emissions and environmental impact, we seek to create biodiversity

net gain, improve employee wellbeing and embrace technology innovation across the business, creating value to all of its stakeholders.

There are a wide variety of potential projects we propose to embrace, highlighted on the road map below to achieving negative emissions. These will include a wider roll-out of more energy- and resource-efficient production, alternative new technologies or fuels such as but not limited to hydrogen or biomass, more electrification through renewables, and carbon capture, usage and storage. From the first approach of reduction, to pursuing alternatives, we will only look to offset any emissions at the end of this analysis, focusing diligently on

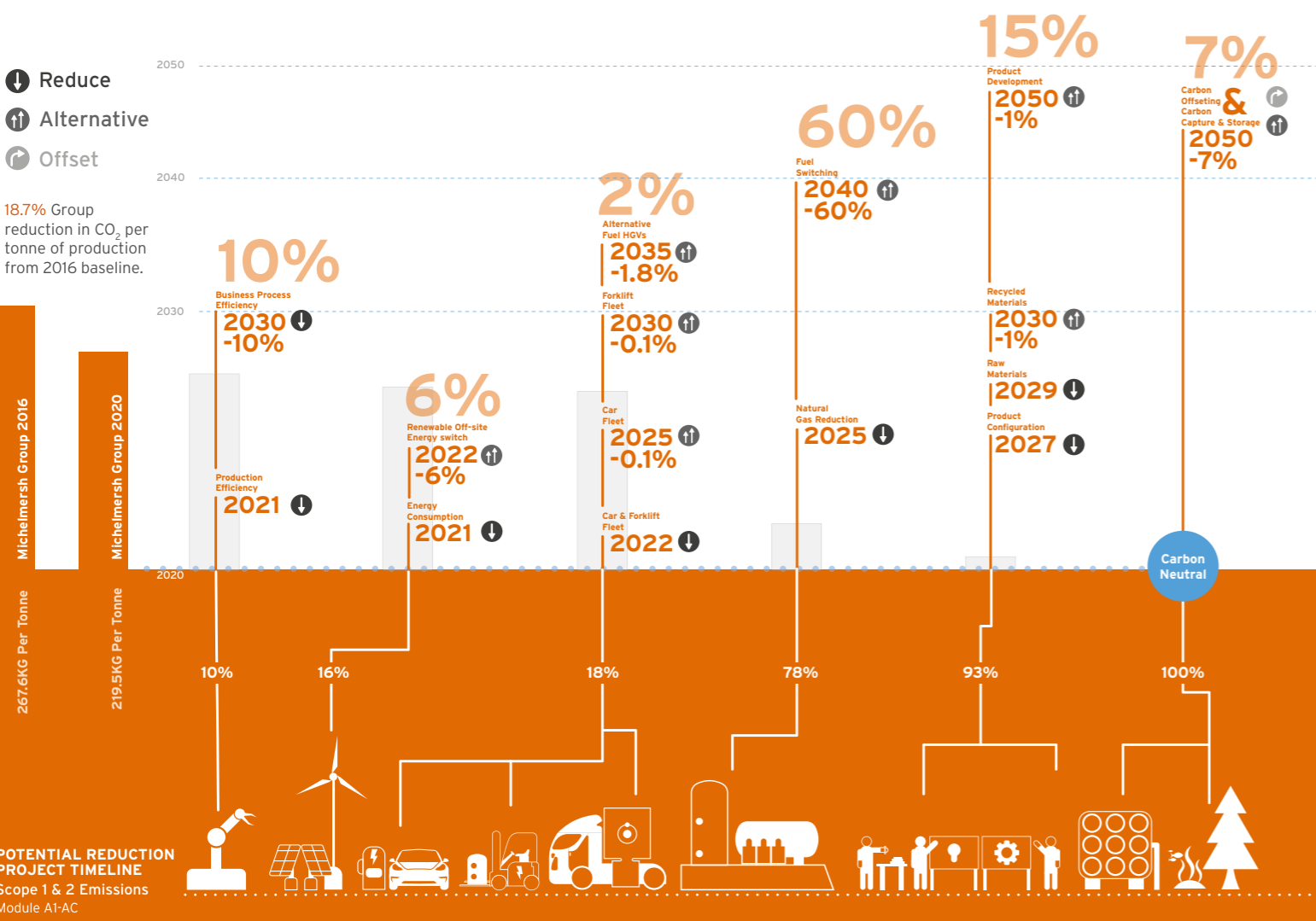
transforming the trajectory of our 'in control' emissions first and foremost.

As a Company, Michelmersh is always looking to promote and encourage a healthy, positive and sustainable culture both collectively and as individuals.

Integral to transition for the industry will be collaboration with Government and other stakeholders, as well as the availability of financial support for development and implementation of these technologies. Energy decarbonisation is therefore a key consideration in the long-term business investment decision-making for Michelmersh.



1. Blockleys
2. Carlton
3. Charnwood
4. Floren.be
5. Freshfield Lane
6. Michelmersh



A STRONG COMMITMENT TO SUSTAINABILITY

Michelmersh is already recognised for technical expertise, award-winning product innovation, long-standing heritage, and a strong customer focused service ethos. The Group is building on these virtues by investing heavily in innovative and energy-efficient avenues which evolves the sustainable future of our business, our employees, and our customers.

Our enshrined values of integrity, respect, innovation, and sustainability demand that we do so.

Significant steps have already been taken to underpin the Group's commitment to ESG, with future investment programmes driving further efficiency and process transformation across all business activities.

This report aims to highlight the progressive projects Michelmersh is committed to, and how such improvements are being achieved on a day-to-day basis. With the active participation of our dedicated and skilled workforce, we intend to push further and harder as befits our position as an influential industry manufacturer that leads by example.

Blockleys™ Carlton™ Charnwood™ FLOREN.be™ Freshfield Lane™ Hathern Terra Cotta™ Michelmersh™

www.mbhplc.co.uk

POTENTIAL REDUCTION PROJECT TIMELINE
Scope 1 & 2 Emissions
Module A1-AC



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Holdings PLC**
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