

Appendix B: Environmental and Ethical Policy

Lathams Ltd is one of the UK's largest independent trade distributors of timber, panels and decorative surfaces, supplying products to a broad range of trade customers, from contractors and merchants, through to designers and makers. It is considered that with best practices observed, timber and wood products are the ultimate sustainable and recyclable materials, requiring low energy consumption to process and being thermally efficient in use.

The company will ensure that the highest standards of environmental and ethical practice are adopted to ensure its activities, products and services are delivered in a responsible manner and any adverse impacts are mitigated wherever possible. To achieve this, a management system is operated that meets with the requirements of ISO 14001: this will be used as the basis to continually improve performance, protect the environment, prevent pollution, and ensure ethical integrity is maintained.

The following commitments will form the framework for the company's environmental and ethical objectives.

Legal compliance

The company is committed to conformance with the compliance obligations which relate to its environmental impacts and ethical practices, including meeting legislative requirements and industry codes of conduct.

Actively managing the percentage of products sourced from certified or legally verified sources

Lathams Ltd is committed to sourcing materials in compliance with EUTR 995/2010. James Latham's Due Diligence System (JLDDS) has been implemented and ONLY products with negligible status will be procured. Where possible, timber products will be purchased that are independently certified as coming from well-managed forests by organisations such as the Forest Stewardship Council® (FSC® FSC-C007658) or Programme for the Endorsement of Forest Certification (PEFC). The company has implemented and maintains third-party audited chain of custody systems in accordance with the FSC and PEFC standards to ensure that this material is not mixed with products of unknown origin. Where certified product is not available, third-party verified is sourced in high-risk areas where governance is weak. In addition, Lathams Ltd is signed up to The Timber Trades Federation (TTF) Responsible Purchasing Policy, which is the Environmental Code of Practice to all wood procurement activities, and it is third-party audited.

Supply chain transparency – Modern Slavery Act 2015

Lathams Ltd is dedicated to promoting ethical values and integrity in its business behaviour by implementing controls through ISO management and due diligence systems. The company is committed to taking all reasonable efforts to prevent human trafficking and slavery within our trading and operational purchase supply chains. The company's Modern Slavery Statement is updated on yearly basis and is available on our website www.lathamtimber.co.uk.

Promoting energy and resource efficiency considerations in purchasing decisions

When making investment decisions, the company will consider energy efficient options for lighting, heating and ventilation. Vehicle procurement considerations will include reduction of emissions and improved fuel efficiency.

Reducing waste

The company seeks to minimise the use of packaging material and to recycle discarded packaging material and paper where it is practical to do so. Where waste requires disposal, this will be undertaken in accordance with the legal duty of care.

Provision of safe and fair working conditions

Lathams Ltd is committed to providing a safe and fair environment in which to work, as delivered via implementation of the following policies (available separately upon request):

- Health and Safety Policy Statement
- Anti-Discrimination Policy
- Bribery Policy
- Harassment and Bullying Policy
- Pay Policy
- Whistleblowing Policy

Lathams Ltd is committed to the highest standards of openness, honesty and accountability. Where an individual discovers information that shows wrongdoing within the organisation, this information should be disclosed in confidence to the Company Secretary, David Dunmow (address: James Latham, Unit 2 Swallow Park, Finway Road, Hemel Hempstead, Hertfordshire HP2 7QU; tel: +44 1442 849100 or whistleblowing@lathams.co.uk).

Training and promotion of environmental and ethical issues

Staff will be provided with training so that they recognise the impacts associated with their activities and their role in managing these, as well as understanding the risks of modern slavery and human trafficking within supply chains and the business. It is expected from every employee to report any concerns and management is committed to acting upon these. The contents of this policy will be communicated to all employees and is available to interested parties, including the public, upon request.

Senior management, at a minimum, reviews the policy every year at the fourth quarter board meeting. Performance issues will be reviewed at every 3 months at the depot management meeting, and at Lathams Ltd board meetings.



Nick Latham, Chairman, James Latham plc