

Meeting EU Market Requirements

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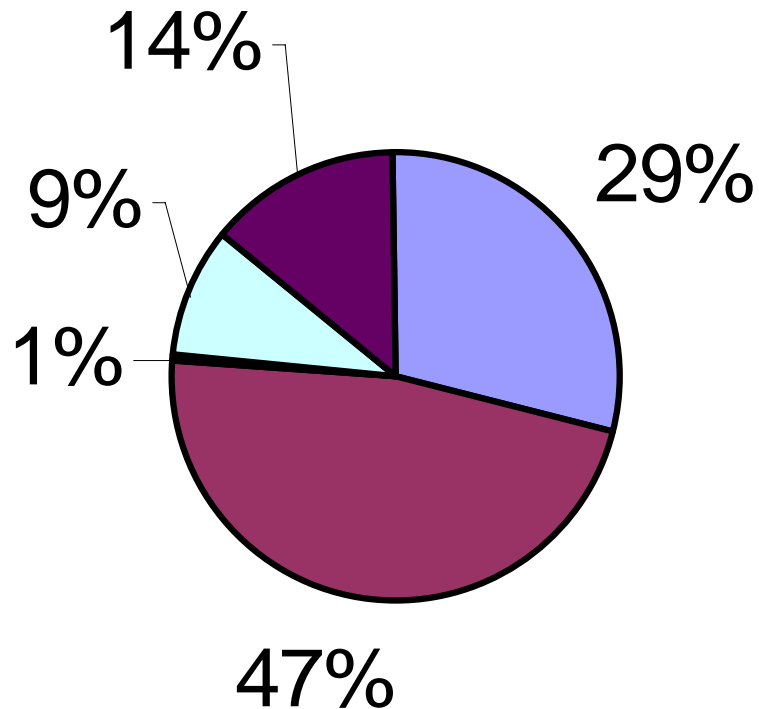
**By appointment to
Her Majesty the Queen
Wood Merchants
James Latham PLC
Hemel Hempstead
Established 1757**

Turnover £110 million (200m US\$)

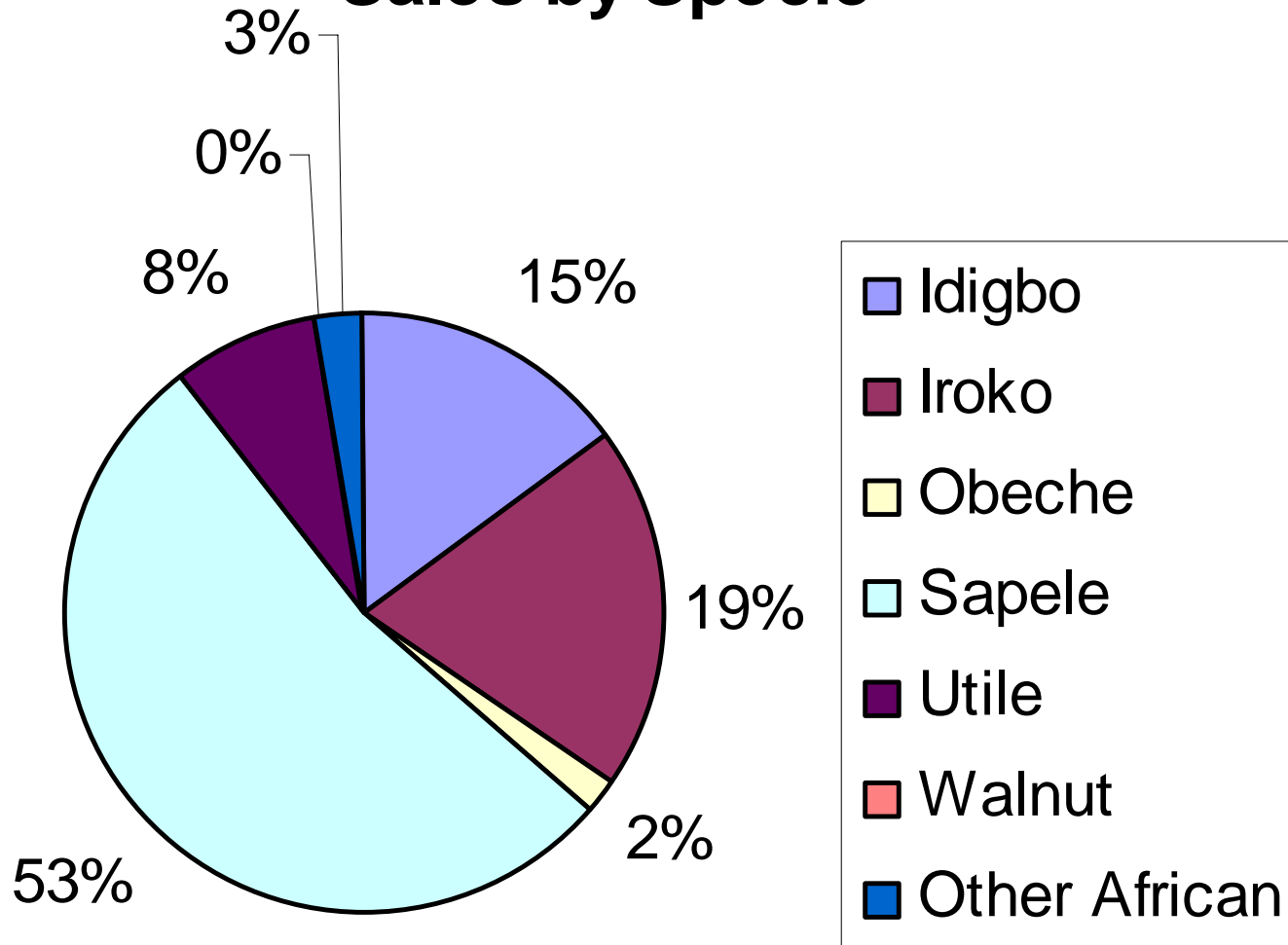
- Hardwood £18m
- Wood based panels £66m
- Flooring £3m
- Softwood £3m
- Ceilings and partitions £20m



2004-05 Hardwood sales



Sales by Specie



Impetus for Sustainability

- NGOs



Home Office Site

Scottish Art Gallery - Glasgow





New Wembley

Impetus for Sustainability

- NGOs
- Government

Timber Procurement Policy

- Minimum specification requirement – legally logged and traded. Contractor to provide evidence prior to delivery
- Variant specification for Sustainable timber – preferred choice of Govt.
- Is premium affordable and best value for money. Department annual reports.

Definitions

- Legal – right to use forest, met national laws and paid tax
- Sustainable – forest management plan to ISO/IEC Guide 59 code of good practice
- Proof – 3rd party certification and COC

Impetus for Sustainability

- NGOs
- Government
- Major customers
 - Suppliers to concerned retailers
 - Merchants

Customers

Joinery manufactures	20%
Timber/Builders merchants	18%
Other Importers	7%
Furniture manufacturers	7%
Shopfitters	5%
Laminators/fabricators	3%
Office furniture	3%
Builders and contractors	3%
Kitchen manufacturers	3%
Other	31%

James Latham's response to environmental concerns

- FSC material offered across product range
- Chain of custody for FSC and PEFC
- Sign up to TTF Responsible Purchasing Policy
- Target improved sales certified sustainable/legal material



Responsible Purchasing Policy

- Company commitments
- Communicated to staff and suppliers
- Survey suppliers
- Assess suppliers – high/medium/low
- Measure volume by category
- Target JL for improving supplier profile
- Seek improvements from suppliers
- Process subject to external audit

Where do we stand?

cm3	Timber	Panels
FSC/PEFC	10%	60%
Medium Risk	65%	10%
High Risk	25%	30%

Certification – adding value or cost?

- Clearly adds cost but premium available on tropical material
- Requirement to promote timber as the only sustainable building material
- Taking cheap illegal material out of supply chain increases price levels.
- Other species and value added products

