



2022 ESG Report

latham
The Pool Company™

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About Latham Group



A Message from the President and CEO

Latham started as a family business over 65 years ago. Today, we're a leading global swimming pool brand. Our success has always been driven by a focus on high quality products and a passion for helping families create their dream backyards.

Quality and service define everything we do at Latham including our commitment to do the right thing for our people, our planet and our communities. Advancing our environmental, social and governance (ESG) strategy is a high priority for the Latham Board of Directors and senior management team. In 2022, we continued to embed ESG into our culture, processes and decision-making.

As a leading global manufacturer of inground swimming pools, we are focused on driving the industry towards a more sustainable future. To do that, we've set clear goals that we measure our progress against and report transparently to our stakeholders.

One of the things I love about working at Latham Pool Products is how passionate our people are about what they do. We all know that we're not just manufacturing and delivering swimming pools; we're helping families create spaces to be together, relax and entertain friends and family. For us it's about the moments and the memories our pools create. We have continued to make sure we are doing this in a sustainable and socially beneficial way.

I am proud of what our ESG program has achieved in 2022. In particular, we have made our work environment even safer for our employees as shown by the reduction of our Total Case Incident Rate (TCIR), lowered emissions levels in fiberglass production and curtailed the amount of waste and scrap we produce. Our commitment to sustainability is further shown by communication of key policies relating to our ESG program and our progress toward tracking our greenhouse gas (GHG) emissions. I want to thank the entire Latham team for their engagement, passion and commitment to our customers and communities.

Scott M. Rajeski



President and Chief Executive Officer, Latham Group, Inc.



“One of the things I love about working at Latham Pool Products is how passionate our people are about what they do.”

About Latham Group

Latham Group, Inc. (hereinafter referred to as “Latham”) is the largest designer and manufacturer of inground residential swimming pools in North America, Australia and New Zealand. We are an established provider with a proven history of quality and exceptional service. Since 1956, Latham’s family of products and brands has grown to bring together the best in fiberglass, vinyl liners, automatic safety covers, winter safety covers, and accessories.

Across our three product lines – Inground Pools, Pool Covers, and Pool Liners - our mission is to provide top-quality products, competitive lead times, and customer-centric service. We always aim to be ‘easy to do business with’ – which has helped Latham become a preferred swimming pool industry manufacturer.

Corporate Overview

Over
500k

pools installed to date

Approx.
2,000

employees

~15%

of pools installed in North America are a Latham Pool

67

years of experience

Approach to ESG

Quality is at the heart of everything we do. Whether manufacturing pools from premium materials or offering what we believe are the longest and strongest warranties in the industry – we want our customers to feel great about their decision to purchase one of our pools. But this focus on quality extends well beyond our products. It drives a working environment where we prioritize respect, integrity and doing the right thing so that our customers always benefit from amazing service.

Compliance and safety are extremely important to us. We operate responsibly as a member of the global business community. We also want to make a positive impact through the work we do and give back to the communities where we operate.

We've been hard at work progressing our approach to ESG as a business. Independent consultants assess our ESG performance, benchmark our efforts against others in the industry and support us in establishing a comprehensive ESG strategy. As we strive to attain best practices, we have referenced globally recognized reporting frameworks, including the Sustainability Accounting Standards Board (SASB).

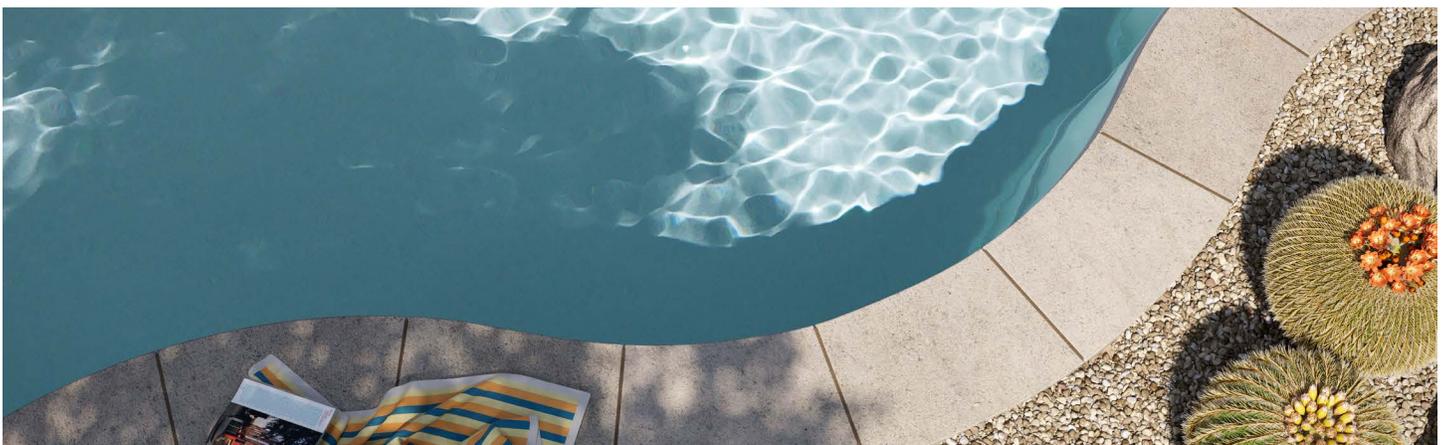
In 2021, we completed Latham's first materiality assessment, which identified the priority ESG topics and actions that are most relevant to our business and our stakeholders. The result was a materiality matrix that identifies the highest priority topics to help steer our ESG efforts going forward. This report addresses those high-priority topics. We will review these topics regularly as our

ESG program evolves to ensure we stay focused on the things that matter most to our stakeholders. To achieve long-term success as a business, we realize we need to align our business strategy and prioritization with the expectations of our stockholders, our customers and other stakeholders.

Our materiality assessment was undertaken by an independent third party to ensure confidentiality and impartiality. The process consisted of a thorough review of leading ESG frameworks and rating agencies, the priorities of our top stockholders, as well as a series of in-depth panel interviews and online surveys with key functional leaders and members of the Executive Leadership Team at Latham.

The assessment results led us to conclude that the following topics are of highest importance and should inform our overall sustainability strategy and our relative prioritization of ESG matters at Latham. Topics include:

- Product Environmental Impact
- Supply Chain Management
- Quality and Safety
- Talent Acquisition & Development
- Health and Safety
- Business Ethics and Compliance



Environmental



Environmental Highlights

0

Wastewater produced in manufacturing

43%

of overall lighting is LED

Measured Scope 1 and Scope 2 GHG Emissions

Formalized Environmental Policy

Operational Sustainability

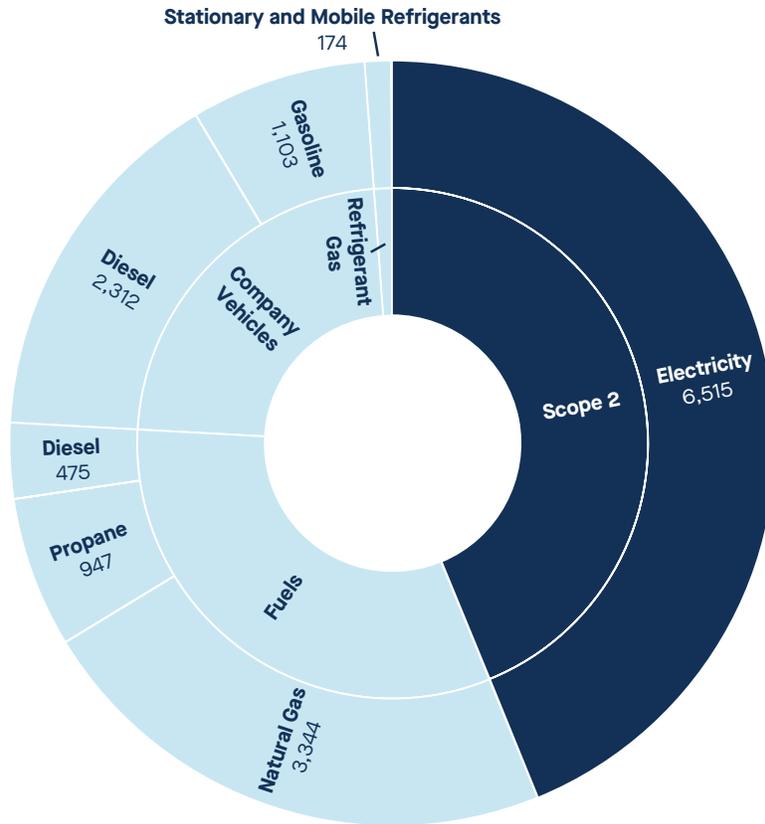
We are dedicated to enriching our customers' lives by helping them create personalized backyard spaces. This love of the outdoors also drives our ongoing efforts to limit the ecological impact of our operations. Each pool we produce means one less concrete pool is installed, but we don't stop there. Relative to other materials, such as concrete, the use of fiberglass is far more energy efficient, and as such, translates to lower emissions. In 2022, we continued to explore and implement innovative solutions to enhance our sustainability.

This year, we have continued to build on the momentum of optimizing our processes, reducing waste, and swapping out harmful chemicals. Each of our manufacturing plants has clear KPIs linked to the measurement of our sustainability performance and compliance. These KPIs are an important part of our manufacturing supervisors' review and performance bonus processes – helping to galvanize and support the passion of our teams.

Measuring and managing greenhouse gas (GHG) emissions

We have established our GHG emissions baseline – a substantial undertaking by our team that represents an important first step in our journey towards measuring our total emissions. Going forward this will give us a clearer understanding of our emissions levels, sources and trends, and serve as a benchmark against our progress over time. With this information, we can set realistic, achievable and data-based targets, goals, and priority actions. Establishing our GHG baseline will also help us to report our progress with more accuracy, showing our stakeholders and regulators that we are backing up our words with actions and we are committed to full compliance with regulations.

In accordance with the internationally recognized GHG Protocol, we accounted for our global Scope 1 and 2 GHG Emissions. In 2022, our Scope 1 and 2 emissions totaled 14,872 metric tons of CO₂ equivalent (MTCO₂ e).



CATEGORY	ACCOUNTING METRIC (MTCO ₂ e)	CATEGORY %
Total Scope 1	8,357	56.2%
Fuels	4,768	32.1%
Natural Gas	3,344	22.5%
Diesel	475	3.3%
Propane	947	6.4%
Refrigerant Gas - Stationary	167	1.1%
Refrigerant Gas - Mobile	7	0.0%
Company Vehicles	3,415	22.9%
Diesel	2,312	15.5%
Gasoline	1,103	7.4%
Total Scope 2 (Location-Based)	6,515	43.8%
Electricity	6,515	43.8%
Total Scope 1 & 2	14,872	

Latham Pool has used a third-party Enterprise Carbon Management Platform to independently calculate its Greenhouse Gas (GHG) emissions in accordance with the principles of the Greenhouse Gas Protocol. The GHG emissions have been assessed following the ISO-14064:2018 standard and have used the 2022 emission conversion factors published by the Environmental Protection Agency (EPA), the Department for Business, Energy & Industrial Strategy (BEIS), International Energy Agency (IEA), and other respective Government bodies. The reporting year shown is from January 1, 2022 to December 31, 2022, and considers all assets under Latham's operational control.

Actual activity data has been collected from all entities within the organizational boundary by Latham. This data has been summarized, reviewed and assessed by our third-party Carbon Management Platform for its completeness and accuracy. The activity data is multiplied by an appropriate emission factor to calculate the Scope 1 and 2 emissions for Latham Pool. The location-based approach is used to calculate Scope 2 emissions. Where estimations have been made, this is highlighted in the individual data tables. Less than 1% of emissions are from estimated data.

Modernizing production

Our new fiberglass pool manufacturing plant in Kingston, Ontario represents the result of years of experience, operational excellence, and our unrelenting focus on quality. With state-of-the-art health and safety features, the plant lays down a blueprint for us in terms of bringing new facilities online in the future and continuing to upgrade our existing infrastructure. In addition to market-leading dust collection systems that protect our employees, the new facility features modern delivery systems and a programmable logic system (PLC) that help us to further monitor and reduce volatile organic compound (VOC) emissions. The insight provided by these systems will help us to continue improving safety at our facilities and identify low VOC alternatives we can use in our processes.

Energy, water and waste management

We continued to make progress towards our goal of being more efficient with our energy usage this year. We have installed LED lighting across 43% of our lighting. There is no industrial wastewater produced by our operations. And we are actively exploring ways to reduce waste in our sanitary and fire suppression systems. Through our comprehensive Waste Minimization and Management Plan, we are measuring and tracking any hazardous waste we produce and implementing steps to reduce it as well as identifying ways we can increase our recycling and reuse activities. For more details on the progress made this year, please see the Product Sustainability section.

Environmental management

This year, we finalized Latham's first formal [Environmental Policy](#). The policy sets out our approach to environmental management, and what we expect from stakeholders, as well as establishes clear objectives and methods for monitoring progress. This will be linked to the specialized software we already use to track compliance with environmental regulations, manage data and coordinate our environmental permits. We always strive to maintain full compliance with all relevant environmental regulations.

Product Sustainability

Sustainability is embedded in our commitment to quality. By manufacturing products that stand the test of time, we not only contribute to years of great experiences – but also reduce our overall environmental impact.

For example, our fiberglass pools are sold with a limited lifetime warranty and do not need the costly and resource-intensive resurfacing that concrete pools require. The non-porous surface of fiberglass also requires around 70% less chemicals to operate

than a concrete pool. Taken together, these factors create pools that have a long-term positive impact on our customers with a minimal adverse impact on the environment.

This year, we continued to optimize our product design, manufacturing and material use to enhance the sustainability of our products as shown in the following examples.

By consistently using safety covers, the environmental impact of our pools can be reduced in the following ways:

- ~90% reduction in water evaporation
- ~70% reduction in pool heating costs
- ~70% fewer chemicals needed
- ~60% reduction in electricity costs

Digitizing paper-based systems

We have completed the implementation of Technology for Manufacturers (TFM) systems across all our fiberglass facilities. This precision monitoring system for optimized material usage of resins in the manufacturing process replaces the paper-based approach that still dominates our industry. Having more visibility over our processes has led to immediate benefits, such as more uniform product quality and consistency.

Other impacts include a substantial reduction in paper waste, optimized material usage, and cost efficiency. Importantly, TFM also enables us to actively record our emissions to gain a much clearer insight into our impact and potential ways to reduce it further.

Reducing the environmental impact of our material use

This year, we had considerable success in identifying and beginning to introduce alternative materials into our manufacturing processes. These alternative materials not only make our products more sustainable but also contribute to a safer working environment. In particular, we focused on materials that have low levels of Hazardous Air Pollutants (low-HAP) or Volatile Organic Compounds (low-VOC) as these reduce the level of emissions we produce. This year, all our fiberglass plants have been approved for the use of a new, lower emissions tooling gel.

Other key achievements this year were:

- Eliminating around **47,000 corrugated boxes** and **29,000 polyethylene bags** used to deliver safety covers per year
- Reducing scrap from our autocover production by about **60,000 lbs.**
- A redesign of our steel step production process, which reduced scrap that would otherwise go to landfill by around **200,000 lbs.** as well as scrap that goes to recycling markets by about **350,000 lbs.**
- Cutting material use in steel step production by about **700,000 lbs.**
- Improving our pigment mixing process during fiberglass production cut the amount of pigment used in our processes by about **120,000 lbs.**

Reducing waste

Minimizing the waste we produce in our production facilities remains one of our core goals. Over the past 12 months, we have introduced a range of measures to reduce waste. The introduction of more standardized cutting processes across our production lines, for example, is reducing material waste significantly.

Additionally, we completed our project to introduce rolled coping to reduce waste as well as the amount of dust created during installation. In the past, we would use a grinder to cut off the excess material around the edge. Our new rolled coping process lays the edging over while the pool is curing. This prevents dust from being generated and reduces the waste of excess material going into landfills. These initiatives have taken place alongside our longer-term projects to better understand the waste we produce and identify targeted measures to continue bringing that level down.

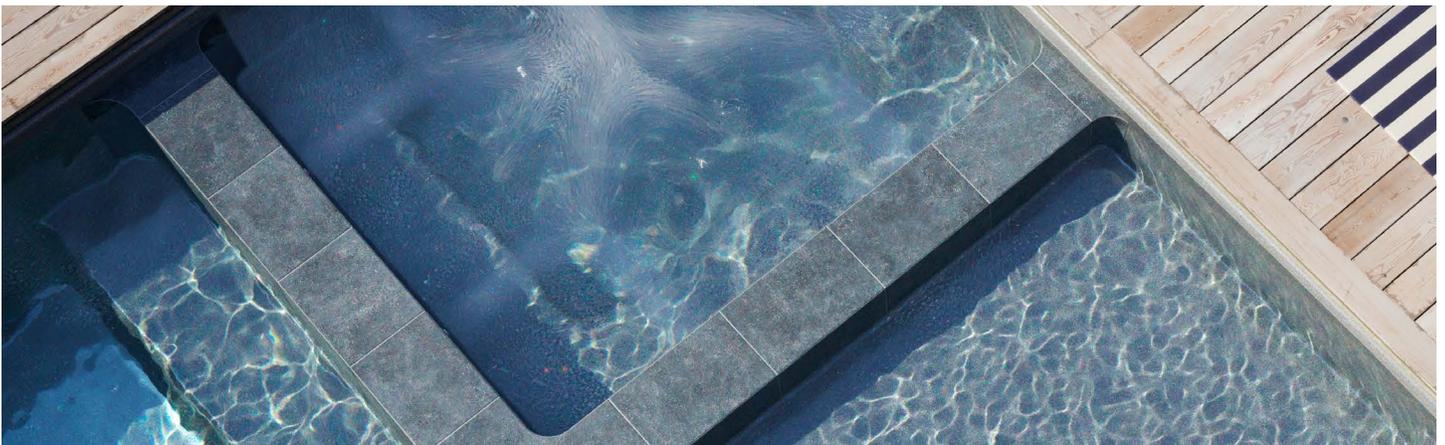
In our automatic cover production plants, we have modified our production processes to improve material yield on our fabric lines leading to a significant reduction in our scrap rate.

Our waste reduction efforts also translate directly into the quality of our products. We have implemented better quality management and documentation processes, including:

- **Fabrication Quality Plan** – There is now standard inspection documentation at every step of the manufacturing process to track pools. Pictures are taken and quality is documented to catch defects early and stop the production process before more material is added.
- **Standard Operating Procedures** – Standards / Print Packages have been developed across our fiberglass plants to reduce wasted material during the production process. These standardize the cutting of materials and use of resin to ensure all of our pools are manufactured in the same way at each of our production facilities.

Optimizing our manufacturing processes

By routinely reviewing our processes, procedures and equipment, we have been able to identify and invest in a range of measures to further increase our efficiency and reduce our impact. The introduction of advanced Regenerative Thermal Oxidizer (RTO) systems is designed to remove Volatile Organic Compound (VOC) emissions in our California and West Virginia plants. RTOs work by using heat to oxidize the VOCs into harmless gases, such as carbon dioxide and water vapor. Vacuum systems have also been installed for dust collection while cutting the fiberglass mat for pools. Another vacuum system also pulls in dust generated while sanding molds before production.



Social



Social Highlights

25,000+

hours of health and safety training completed

50%

of Latham's workforce is underrepresented minorities

6%

drop in Lost-Time Incident Rate (LTIR)

5%

drop in Total Case Incident Rate (TCIR)

Recruitment and Retention

Our ability to provide market-leading service and high-quality products depends on our workforce of approximately 2,000 people in nearly 30 locations. We ensure that our people are competitively compensated and rewarded for their hard work and that we provide opportunities for them to grow and develop over their time with Latham and have fulfilling careers.

In addition to competitive employee wages, we provide rewards such as incentive plans, bonus plans and achievement awards. These incentives underpin the high-performance, high-accountability culture that is an important part of our ongoing success as well as our ability to drive our ESG strategy.

Recognizing that our employees' well-being is critical, this year, we expanded our emotional health program so employees and their family members have access to additional mental health services. As our non-manufacturing staff migrated back into the office, we implemented a flexible, hybrid approach.

“Latham Pool is going in a great direction. Not only does Latham understand and value the needs of its customers, they also understand and value their employees.”

-Latham employee feedback from Engagement Survey

Over the last three years, we have implemented a new applicant tracking system to standardize and digitize our recruitment processes to ensure a more uniform and fair approach for all applicants. We have also engaged with specialist recruitment companies to make sure that we are maintaining a healthy pipeline of diverse candidates with the right skills and experience.

Increasing our retention has continued to be a focus over the last 12 months. We have prioritized career development among our team members and provide opportunities for our people to participate in different areas of the business to enhance their skills and insights. We have also reviewed and increased our compensation offering for our hourly manufacturing workforce. These efforts have contributed to a year-over-year reduction in voluntary turnover of 22% and a sustained average length of service of 6.5 years.

Engagement

Employee engagement is one of the big ESG success stories of the year for Latham. Through our continued focus and based on a comprehensive plan to address employee feedback, we have achieved the best engagement scores that we've ever had as a business. Following a record employee engagement survey response rate of 66% and engagement increasing to 58%, we were able to identify the top three areas of success and our top three priority areas for improvement – both for each department/plant and the company more broadly. Latham People Leaders are expected to review the results and work on action plans based on the three areas of opportunity. These action plans are uploaded to the Engagement Survey dashboard to track progress. People Leaders are required to log actions taken and progress made. Company-wide, employees rated their relationship with their manager most favorably in terms of caring about their concerns, helping them to learn and grow, and feeling genuinely appreciated.

Training and development

Our strong focus on training over the last few years has been a crucial factor in our increased engagement scores and reduced turnover in 2023. In addition to mandatory annual training on compliance topics, we also have monthly sessions relating to EHS and employee development. This structure allows us to be more creative and tailored with the training we offer different teams. We offer ad hoc topics, such as Microsoft Office training based on the feedback we receive from our engagement surveys.

“I enjoy my job because I am given learning and growing opportunities and my supervisor and co-workers make work fun and welcoming.”

-Latham employee feedback from Engagement Survey

Our Leadership Academy training program also continues to be highly popular with our people leaders. The graduates attended 70 hours of training each (12 hours virtual and 58 hours live or in-person). We aim to continue delivering Leadership Academy programming in 2023 and 2024, providing valuable insights and experience on different aspects of leadership skills and challenges. Our focus on our manufacturing middle managers in 2023 will continue with the Positive Relationships training program and with senior leadership training on Change and Conflict Management.

Our learning management system (LMS) remains an important development and administrative resource for our people. We continuously develop and add content to make the offerings more robust, tracking more efficient and usage trends more reportable and actionable.

Diversity and Inclusion

Diversity, equity, inclusion and belonging (DEIB) are integral parts of our high-performance culture. Today, 50% of our workforce is comprised of underrepresented minorities, and we celebrate the range of experiences, backgrounds, and skillsets brought to the table. Our evolving diversity, equity and inclusion (DEI) efforts are having positive impacts across our business.

This year, we spent more focused time developing our long-term DEI strategy with our internal committee, which will allow us to continue our approach and to engage all levels of the business over the next 12 months. Once expanded, the committee will build on the great work being carried out by our teams – particularly regarding recruitment, compensation, benefits, development, training and internal mobility. By adding these responsibilities to a specific committee, we will be better able to continue the positive progress we have made in this area while expanding our community engagement efforts.

“Inclusion is a strong value at Latham. In project meetings, people from different departments regularly work together.”

-Latham employee feedback from Engagement Survey

Our DEI highlights

- 63% of new hires in the last 12 months are minorities (all genders); 29% of new hires are female
- Promotions in the last 12 months – 36% female & 27% minority (all genders)
- Increased the percentage of females in exempt positions by 1% to 26%

Health and Safety

Making sure our people feel protected and that risks are being effectively identified and managed is a crucial part of our daily operations. As an integral part of our comprehensive and robust employee health and safety program, we provide regular training and competency development to promote compliance with all relevant health and safety procedures and regulations.

Our environmental, health and safety (EHS) team is responsible for managing, auditing and executing unified, company-wide safety and compliance programs, as well as working directly with site leadership and associates on safety awareness, reports and preventative measures. In 2022, we made significant progress in reducing our TCIR by 6% and reducing our LTIR by 5%.

Several safety initiatives contributed to these excellent results:

Training

We continued to invest in and prioritize EHS training this year. Our EHS training is a mandatory requirement for all staff working in our facilities and an essential part of our onboarding process for new hires. In the past year, we have executed over 25,000 hours of health and safety training.

Ergonomics

We introduced several initiatives related to ergonomics over the last 12 months, helping to reduce workplace risks across our footprint. Our people can now download a new ergonomic self-assessment app onto their smart devices to perform quick assessments of their working environments. Our new fiberglass manufacturing plant in Kingston, Ontario has an enhanced boom structure for better fall protection – something we intend to replicate in our other fiberglass facilities. Our Fiberglass division also engaged a third party to assess EHS risk in our facilities. We expect to take additional health and safety actions based on certain recommendations coming out of that third-party review.

SawStop

This year, we implemented a SawStop system across our fiberglass facilities. The system ensures that if a member of our team is using a table saw and the system senses human contact, the saw is stopped and retracted within milliseconds.

Telehealth

Our partnership with a leading North American telehealth provider means that in the event of an incident, we can get our employees the most appropriate care as quickly as possible.

In addition to the above actions, we have continued to make progress on our material replacement program. We are also in the process of identifying and introducing safer alternatives to some of the buffing compounds and resins we have used in the past. Reducing the use of other chemical emissions produced by our manufacturing activities as well as the flammability of the chemicals we use is helping to significantly improve the safety in our business locations.

We are always challenging ourselves to be better. In that spirit, we have voluntarily engaged government agencies like OSHA in the US and CCOHS in Canada to visit our sites and suggest ways we can continue to improve our EHS performance. We have actioned any points raised and will look to leverage those actions across the entire business.

Supply Chain Management

We, and by extension our customers, rely on the robust and sustainable functioning of our supply chain. To maintain a sustainable supply chain, we work closely with our suppliers to communicate our values and explore ways that we can address common challenges in a constructive way. Proof that our approach works can be seen in the long-term, stable relationships we have built with most of our core suppliers. ESG is an example of an area where increased communication and collaboration yield better results for everyone.

Every company we work with is required to comply with our Code of Conduct and required to clear our EHS screening process. We recently finalized a new [Supplier Code of Conduct](#) that evolves our existing approach further. This is part of our ongoing project to implement a more formalized supplier monitoring program with standardized processes for onboarding new suppliers and regular compliance reviews for existing ones.

This Supplier Code covers topics such as:

- Environmental, Health and Safety
- Conflict Minerals
- Human Rights
- Ethics and Compliance
- Bribery and Corruption

This year also marked the start of our conflict minerals reporting process – beginning with the creation of our first [Conflict Mineral Policy](#). The process involved the identification of suppliers that could potentially use conflict minerals and the distribution of surveys to such suppliers seeking more detailed information. The process and initial results were reported in our first conflict minerals report to the Securities and Exchange Commission (SEC). This is an evolving process for Latham and over the coming years we will gather more information, engage with suppliers and continue to progress our approach.

Governance



Governance Highlights

98%

Compliance training completion rate

5,000

Hours of mandatory compliance training completed in 2022

ESG Execution and Oversight

Our approach to operating sustainably has at its foundation a robust governance structure.

Our ESG oversight structure aims to ensure that every level of our business is aligned with our ESG strategy and that risks and opportunities are managed effectively. Our ongoing ESG strategy is developed by our leadership team, executed by our newly formed ESG working group, and overseen by the Nominating and Corporate Governance Committee (NCGC) of our Board of Directors.

In 2023, we broadened and formalized participation in our ESG program by forming an ESG working group composed of leaders from each of our key functional areas and lines of business. The ESG working group develops and reports on ESG performance metrics and recommends strategies to the senior management team. The management team in turn reports to the NCGC on a quarterly basis. Our ESG performance metrics include environmental, health and safety, diversity, equity and inclusion, sustainable products and supply chain and corporate governance measures.

Board Composition

Led by the Nominating and Corporate Governance Committee, our Board of Directors continuously evaluates its composition, diversity and mix of skills and experience. Our Board seeks to ensure that it includes directors with diverse attributes and backgrounds, as well as critical qualifications, skills and experience relevant to the Company's business and strategy. Last year, we committed

to reaching the Nasdaq Board of Directors diversity goal within the suggested three-year timeframe. This year, we took some significant steps towards achieving that diversity goal.

Over the last 12 months, we have further diversified the Latham Board of Directors with the appointment of two new members of the Board, including one diverse member. Our new directors bring new skills and experience to the boardroom, helping to enhance our high-level decision-making across the business. We continue to closely monitor our Board governance practices and adapt them where necessary.

Business Ethics and Compliance

We require our people to comply with the highest standards of professional and ethical conduct. To ensure that those standards are well understood and embedded in our culture, effective training on our Code of Conduct and Business Ethics is an annual requirement for all employees. For 2022, we had 98% completion of our mandatory compliance training programs. We have also simplified the process for any of our stakeholders to report concerns under our Code or to seek guidance through our 24/7 whistleblower hotline.

All employees are trained in our Code of Conduct and Business Ethics as part of the onboarding process and then are required to complete the training annually. This mandatory training covers topics such as conflicts of interest, bribery, insider trading, regulatory compliance, anti-discrimination, and prevention of



harassment. This year, we were excited to introduce Latham-led live training for certain key groups. Previously, this training was purely electronic and delivered by an external vendor. In 2023, we provided live training sessions for our team members.

Our global whistleblower hotline is available 24 hours a day in several languages. We have posted details of the program on both our commercial and investor websites. We want all our stakeholders to be able to assist us in being an ethical and transparent company. Reports can be made anonymously, and our reporting channels are highlighted in our [Code of Conduct and Business Ethics](#), shared on our company intranet and posted in every plant and office areas. We investigate any report promptly and log all investigations and subsequent remedial actions on a central system. The Audit Committee of our Board is updated quarterly on ethics matters.

[Policies and Statements](#)

We strengthened our governance efforts and wider ESG strategy through the introduction of a range of new policies. These outline the standards that we expect from our people and other stakeholders – as well as the standards they can expect from Latham.

Among the new policies introduced this year are:

- [Anti-Bribery & Anti-Corruption](#)
- [Conflict Minerals](#)

- [Environmental](#)
- [Human Rights](#)
- [Supplier Code of Conduct](#)

As our ESG strategy and performance continues to mature in the coming years, we will look to communicate more compliance policies where it is appropriate to do so.

[Laying the foundation for the next 65 years](#)

Investing in a pool is a big decision. We want to help people create the backyard of their dreams, so it is essential that they feel confident in choosing Latham. There are several factors that support our reputation as the provider of choice in our markets.

First, there is the quality and range of our products. Secondly, our focus is on providing the best customer experience possible. And increasingly, our customers, people and stakeholders want to know we are having a positive impact. That's why ESG is a top priority for Latham moving forward.

This report is a demonstration of our commitment as well as the progress we have been able to make in a relatively short space of time. In the coming years, we will continue to grow our capabilities and expertise in the ESG space.

SASB Index

This Sustainability Accounting Standards Board (SASB) Index reflects where certain data and information is available regarding material issues for Latham Group. The following set of topics and metrics are based on an assessment of what we deemed to be our most relevant issues from two industries – Building Products & Furnishings and Toys & Sporting Goods. Due to the nature of our business, we determined that a hybrid approach – cross-referencing these two SASB industry standards – was the most appropriate approach for our company. The data covered in this SASB Index covers Latham’s most recently completed fiscal year ending December 31, 2022.

SASB CODE	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	DISCLOSURE
Chemical & Safety Hazards of Products				
CG-TS-250a.1	Number of (1) recalls and (2) total units recalled	Quantitative	Number	(1) None (2) None
CG-TS-250a.2	Number of Letters of Advice (LOA) received	Quantitative	Number	None
CG-TS-250a.3	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting currency	Latham has had no monetary losses as a result of legal proceedings associated with product safety.
CG-TS-250a.4	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	Latham has a chemical approval process for any new chemicals that are brought into our facilities. When a new chemical is desired the requesting party must first submit a safety data sheet (SDS) through Latham's online chemical management system. That system sends a notification to the Environmental, Health and Safety (EHS) Director and the Environmental Compliance Manager who then reviews the SDS for hazards to human health and to the environment. The chemical may not be purchased until approved by the EHS Director and the Environmental Compliance Manager. This allows us to train individuals who will be exposed to the new chemical, arrange Industrial Hygiene monitoring if it is warranted, characterize waste if it will be generated, etc. In addition, we have training and standard operating procedures for proper handling of chemicals.
Energy Management in Manufacturing				
CG-BF-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	(1) Total Energy Consumed: 221,107 GJ Energy Consumed, Facilities: 173,666 GJ Energy Consumed, Mobile: 47,441 GJ (2) 37.4% overall; 47.7% excluding mobile (3) 0.1%
Management of Chemicals in Products				
CG-BF-250a.1	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	See response to metric CG-TS-250a.4 above.
CG-BF-250a.2	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Quantitative	Percentage (%) by revenue	Resins and Gelcoats in Fiberglass Division are compliant with National Emission Standards for Hazardous Air Pollutants (NESHAP) in 40 CFR Part 63 Subpart WWWW with a 9% safety margin across the Division. The Engineering group has an ongoing process to trial alternative materials with lower Volatile Organic Compounds and Hazardous Air Pollutants in an ongoing effort to decrease our environmental footprint.
Product Lifecycle Environmental Impacts				
CG-BF-410a.1	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	Discussion and Analysis	n/a	See “Operational Sustainability” and “Product Sustainability” section in report pages 8-11.

CG-BF-410a.2	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	Quantitative	Metric tons (t), Percentage (%) by weight	(1) 947 lbs. Universal Waste Recycled 6,731,490 lbs. Scrap Vinyl sent back to manufacturer 347,063 lbs. plastic pellets reground & reused 3,139,008 lbs. steel recycled (2) 100% of the regrind used by Latham is reused in our production process. The remaining product materials are sent back to the manufacturer or to a recycling facility. Currently, Latham does not track the % of recovered materials that are recycled.
Wood Supply Chain Management				
CG-BF-430a.1	(1) Total weight of wood fiber materials purchased, (2) percentage from third-party certified forestlands, (3) percentage by standard, and (4) percentage certified to other wood fiber standards, (5) percentage by standard	Quantitative	Metric tons (t), Percentage (%) by weight	Wood usage is not tracked by Latham due to it not being material to our business.
Activity Metrics				
CG-TS-000.A	Annual production	Quantitative	Number of units	Latham views "annual production" to not be a meaningful metric given the diversified range of products manufactured and various production units associated with them.
CG-TS-000.B	Number of manufacturing facilities, percentage outsourced	Quantitative	Number, Percentage (%)	There are 21 manufacturing facilities, with 0% outsourced production.
CG-BF-000.B	Area of manufacturing facilities	Quantitative	Square meters (m ²)	146,572 square meters

Scope

Unless otherwise stated, all performance reporting covers our fiscal year 2022, from January 1 to December 31, 2022, and includes data for Latham Group, Inc. Narrative content may cover material through October 2023.

Forward-Looking Statements

Certain statements in this report constitute forward-looking statements under federal securities laws. These forward-looking statements reflect our views with respect to future events as of the date of this report or otherwise specified herein, including statements regarding our future environmental, social and governance performance, objectives, measures and strategies. Actual events and results may differ materially from those contemplated by such forward-looking statements due to risks and other factors that are set forth in our Annual Report on Form 10-K and subsequent reports filed or furnished with the SEC, as well as our earnings release issued as of the date of this presentation. Our forward-looking statements further do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures or investments we may undertake. We expressly disclaim any obligation to update any forward-looking statements, except as required by applicable law.

