

Supplier workplace code of conduct

At Welles, we strive to be ethical, honest and transparent in everything we do. Our design ethos is grounded in our founding principle, to “Live Welles”; an actionable mission to live in a world where:

- Our communities and fundamental human rights are safeguarded
- Our environment is protected

We apply these principles to every decision we make, in design and business practices, to help guide us in creating the most sustainable product we can.

At Welles, sustainability involves:

- Gearing our actions towards improving communities through good and safe work opportunities
- Sourcing materials and adopting processes which protect the environment

We partner with suppliers who share our vision and our values, providing them with a Code of Conduct which they must commit to before working with us. The purpose of the code of conduct is to implement a structure for compliance and accountability and outline our minimum requirements in respect to the welfare of everyone working in our supply chain, and the environments surrounding our manufacturing sites.

Our code of conduct is a living document that we update regularly to keep astride of emerging regulations and best practices. We use internationally recognized standards as our guiding principles including ILO Core Labor Standards Policy, Standard 100 Oeko Tex and the Universal Declaration of Human Rights. Suppliers shall allow Welles representatives to undertake, both announced and unannounced, onsite inspections to access existing supplier practices against the expectations for this code.

Suppliers must maintain all accurate documentation necessary for demonstrating compliance with the Code of Conduct at all times.

Welles commissions internationally accredited third-party testing facilities to conduct assessments and audits at new and existing facilities.

Supplier Code of Conduct:

Child Labor

No person under any circumstance shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. Any workers under the age of 18 must not be exposed to hazardous, toxic, unsafe materials or working conditions. Adequate protection against such hazards MUST be provided and documented through a QMS system. (ILO Conventions: 138, 182)

Forced Labor

Welles operates a zero tolerance approach against forced labor of any kind. Our suppliers are prohibited to use any involuntary or forced labor, whether indentured, bonded, prison or labor obtained through human trafficking. All workers should have control of their citizenship and travel documents at all times, and are guaranteed full freedom of movement. All undertaken labor should be contracted and written in their native language clearly outlining the employment relationship and terms. Suppliers are required to demonstrate monitoring and adequate vetting of any third-party assisting in the recruitment of employees to ensure no individual is compelled to work through force, deception, intimidation, coercion or as punishment for personally held views.

Suppliers are required to display local workers' rights laws in an appropriate and visible setting within their facility at all times. (ILO Conventions: 29, 105, 182)

Discrimination

Discrimination is not tolerated within the Welles' supply chain. Supplier may not discriminate against its employees during any stage of their employment relationship on any basis, including but not limited to, race, religion, gender, sexual orientation, color, national origin, age, physical or mental disability, medical condition, political opinion, union affiliation, social group, marital status, pregnancy or any other classification protected by local, national, and international law. (ILO Conventions: 100, 111)

Harassment, Abuse & Disciplinary Practices

Suppliers are required to treat all employees with respect and dignity. No employee shall be subject to physical, sexual, psychological or verbal harassment or abuse or to monetary fines as a disciplinary practice. (ILO Convention: 190)

Health and Safety

Employers must provide their employees with a safe workplace. Suppliers shall provide their employees with a safe and healthy working environment in order to prevent accidents and injury to health during the course of work. Welles requires all suppliers to be certified or undergo certification through ISO 45001 and ISO 9001 to ensure best practices and worker health and safety is prioritized and reported correctly. Suppliers must comply with all applicable laws of the countries in which they operate regarding work environment, sanitation and safety. (ILO Convention: 155)

Terms of Employment

Employers shall adopt and adhere to the rules and conditions of employment that respect workers and, at a minimum, safeguard their rights under national and international labor and social security laws and regulations. (ILO Convention: 198)

Wages & Benefits

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at

least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work to take appropriate actions that seek to progressively realize a level of compensation that does. (ILO Conventions: 25, 131)

Hours of Work

Suppliers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours or the maximum allowed by the law of the country of manufacture, whichever is less. Vendors must inform Welles if additional hours are required so that we may try to work together to reduce the frequency of excessive overtime. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime hours on a regular basis. (ILO Convention: 1)

Freedom of Association & Rights to Collective Bargaining

All suppliers' and vendors' employees must be free to join organizations of their own choosing. This includes the right to form and join trade unions and other worker organizations and participate in collective bargaining without fear of harassment, interference, or retaliation. Suppliers and vendors must develop effective, respectful, and transparent grievance mechanisms to resolve disputes, complaints and ensure effective communication between employees, employee representatives and management. (ILO Conventions: 87, 98, 135)

Subcontracting

Suppliers and vendors must not engage any subcontractor to perform any work for or on Welles products or components without prior written approval from Welles, and only after the minimum requirements set forth in this Code of Conduct have been adhered to by the subcontractor. This includes using unauthorized subcontractors as a solution for capacity challenges or to avoid excess overtime. If a subcontractor is approved by Welles representatives, the supplier or vendor is required to disclose in writing the physical locations of all facilities that contribute to the production or transit of Welles goods.

Environment

Suppliers must have policies and procedures in place to manage and minimize their environmental impacts. This includes resource consumption, as well as water use and air emissions, and mitigation of the release of chemicals and hazardous materials. Suppliers and vendors must comply with all applicable environmental laws and regulations where they do business and undertake initiatives to promote greater environmental responsibility.

All suppliers and vendors shall maintain written environmental policies and standards. Suppliers and vendors shall continuously monitor, and disclose their energy and natural resource usage, emissions, discharges, carbon footprint and disposal of wastes to Welles as requested.

No Conflict Labor

Welles' condemns and prohibits forced labor or human rights abuses of any kind within our supply chain and only sources materials and operates in manufacturing facilities that ensure fair and humane practices. To ensure safe and secure working conditions are upheld, we conduct both semi-announced and unannounced audits throughout our supply chain. We are continuously expanding our audit program to ensure that no products or raw materials originate from conflict regions. We consider forced labor a zero-tolerance violation of human rights, and any finding or indication related to the subject will result in the immediate termination of the business relationship. If goods are found to be made with forced labor, Welles will not re-export goods to alternative markets.

The environment

We take the environmental impact of our operations very seriously, and work hard to minimize our impacts as far as possible. As a bare minimum, we expect all suppliers to comply with local and national environmental legislation. We also set targets and commitments on our key environmental impacts. Suppliers must support us to achieve those targets by tracking their energy consumption and completing an Impact Tracker on an annual basis. All hazardous and non-hazardous chemical emissions must be tracked throughout the supply chain. How chemicals are disposed of must be documented and reports must be available for inspection.