



January 29, 2025

Dear Valued Supplier,

You are receiving this letter because you are a new Watts supplier. Watts is committed to complying fully with all applicable laws and adhering to Environmental, Social and Governance (ESG) standards. We expect that our suppliers and their subcontractors will share the same commitment to ethical business practices.

We expect you as our supplier to support the ESG principles outlined in the Watts Code of Business Conduct and the Watts Supplier Quality Manual, including support for our Global Conflict Minerals Policy, our Global Anti-Human Trafficking Policy, and compliance with our Anti-Corruption Policy. These principles are driven by our support for international efforts to respect human rights through compliance with applicable law, including the UK Modern Slavery Act, the California Transparency in Supply Chains Act of 2010, and the International Labour Organization (ILO)'s 1998 Declaration on Fundamental Principles and Rights at Work, as specified in local laws.

Attached with this letter you will find a copy of the Watts Supplier ESG Standards. Please review this document and the Watts Code of Business Conduct (available at: <https://investors.wattswater.com/governance/code-of-conduct/default.aspx>) carefully and confirm that your business practices conform to the standards set forth in each document.

Please have an authorized representative of your company sign and date this letter as your acknowledgement of and adherence to the Watts Code of Business Conduct and the Watts Supplier ESG Standards.

We look forward to continued partnership with you and your team.

Sincerely,

Watts Water Technologies, Inc.  
George D. Tilton  
Vice President, Global Strategic Sourcing

I acknowledge receipt of, and or conformance with the Watts Code of Business Conduct and Watts Supplier ESG Standards.

SUPPLIER NAME: \_\_\_\_\_

Signed By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Encl. Watts Supplier ESG Standards

## **Watts Water Technologies** **Supplier ESG Standards**

Watts is committed to protecting and sustaining the world's water supply through our diverse portfolio of water technologies and solutions. We are committed to operating our business ethically, responsibly and sustainably, and we expect our suppliers to share a commitment to our values through sustainable business practices.

We expect Watts suppliers to fully comply with applicable laws and to support internationally recognized environmental, social and corporate governance (ESG) standards. We also expect our suppliers to use their best efforts to implement these standards with their suppliers and subcontractors.

We particularly expect you as our supplier to support and embrace the following ESG Standards, which are reflected in the Watts Code of Business Conduct and the Watts Supplier Quality Manual. These ESG Standards are informed by internationally recognized ESG standards including the ten principles of the United Nations Global Compact initiative, the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization (ILO)'s 1998 Declaration on Fundamental Principles and Rights at Work.

### **Environment**

- You comply with all applicable environmental, health and safety regulations.
- You promote the safe and environmentally sound development, manufacturing, transport, use and disposal of your products.
- You ensure by using appropriate management systems that product quality and safety meet the applicable requirements.
- You protect your employees' and neighbors' life and health, as well as the general public at large against hazards inherent in your processes and products.
- You use resources efficiently, apply energy-efficient and environmentally friendly technologies and reduce waste, as well as emissions to air, water and soil.
- You minimize your negative impact on biodiversity, climate change and water scarcity.

### **Social**

- You respect human rights and strive to eliminate forced labor (including modern slavery and human trafficking) and child labor.
- You respect the principle of freedom of association and the right to collective bargaining in accordance with applicable laws.
- You treat your employees with respect and provide a workplace free of harassment or abuse of any kind, harsh and inhumane treatment, unlawful practices or discrimination.
- You have a process that enables your employees and other stakeholders to report concerns or potentially unlawful practices at the workplace.

- You comply with minimum wages and working hours in accordance with local laws, and ensure compensation of a living wage according to local living conditions.

### **Governance**

- You abide by all applicable national and international trade laws and regulations including but not limited to antitrust, trade controls, and sanction regimes.
- You consider business integrity as the basis of business relationships.
- You prohibit all types of bribery, corruption and money laundering.
- You forbid gifts to private or public officials that aim to influence business decisions or otherwise encourage them to act contrary to their obligations.
- You respect the privacy and confidential information of all your employees and business partners and protect data and intellectual property from misuse.
- You implement an appropriate compliance management system which facilitates compliance with applicable laws, regulations, and standards.

As part of our sustainable procurement practices, Watts is committed to preventing negative environmental and social impacts across our supply chain. We reserve the right to conduct audits or assessments to ensure your compliance with these Supplier ESG Standards and we will take appropriate steps regarding our relationship with you if there is a reason for concern. We reserve the right to discontinue our relationship with you if you fail to conform your practices to these Supplier ESG Standards.