

		<b>Corporate Policy and Practice</b>	
		<b>SUBJECT: Global Anti-Human Trafficking Policy</b>	<b>APPROVAL:</b>
<b>NUMBER:</b>	<b>ISSUED:</b> December 12, 2018	<b>LATEST REVISION:</b>	<b>PAGE:</b> 1 of 3

## I. Purpose

This policy sets forth the approach of Watts Water Technologies, Inc. and its subsidiaries (collectively, “Watts”) to combatting human trafficking. It also serves to document how Watts complies with the requirements of the Federal Acquisition Regulations (“FAR”).

Under the FAR, the United States Government requires that its contractors take certain precautions in order to ensure that the Government’s activities around the world do not promote in any way the use of force, fraud, or coercion for the purpose of obtaining labor. E.O. 13627; FAR 22.1700, 52.222-50. This policy is consistent with [Watts’s Code of Business Conduct & Ethics](#) and the principles set forth in [Watts’ Supplier Quality Manual](#). This policy also aligns Watts’ business practices with its core values.

## II. Policy

Watts has a zero-tolerance policy for human trafficking or forced labor in its own operations, or in the operations of those entities with which it does business. As required by law, and pursuant to Watts’ business policies, Watts, its employees, and agents, as well as suppliers shall not:

- A. Engage in the trafficking in persons, defined as using force, fraud, or coercion for the purpose of obtaining labor. This includes, but is not limited to, labor relating to the sex trade;
- B. Procure commercial sex acts, meaning any sex acts on account of which anything of value is given to or received by any person, during the performance period of the contract;
- C. Use forced labor in the performance of any contract;
- D. Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee’s identity or immigration documents, such as passports or drivers’ licenses, regardless of issuing authority;
- E. Use misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant cost to be charged to the employee, and, if applicable, the hazardous nature of the work;
- F. Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- G. Charge employees recruitment fees;

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<b>NUMBER:</b>	<b>ISSUED:</b> December 12, 2018	<b>LATEST REVISION:</b>	<b>PAGE:</b> 2 of 3

H. Fail to provide return transportation or pay for the cost of return transportation upon the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working on a U.S. Government contract or subcontract (some limited exceptions apply);

I. Where housing is provided, provide or arrange housing that fails to meet the host country housing and safety standards; or

J. If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing in a language the employee understands.

Failure to comply with these prohibitions may, in the case of employees, result in discipline up to and including termination of employment or, in the case of agents, contractors or suppliers, the immediate termination of the relationship with Watts.

Where applicable, Watts will notify the appropriate authorities, including, but not limited to the contracting officer and the appropriate agency Inspector General of any credible information regarding violations of this policy by an employee, supplier, supplier's employee, or agent relating to a Government contract.

### **III. Compliance by Suppliers on Certain Government Contracts**

Watts will take measures to ensure that suppliers comply with the Watts' anti-trafficking policy, as well as applicable laws and regulations. As such, Watts imposes the following requirements on suppliers:

- A. All Watts suppliers shall be deemed covered by the regulation.
- B. Watts' suppliers must certify that they have an Anti-Trafficking Policy and Compliance Plan to prevent any prohibited activities identified at FAR 52.222-50(b) and to monitor, detect, and terminate any agent, subcontract, or subcontractor employee engaged in prohibited activities.
- C. Watts' suppliers must certify that, after conducting due diligence, to the best of their knowledge neither the supplier nor its agents is engaged in any trafficking-related activities and the supplier has taken action to remedy and report any such trafficking-related activities.
- D. Each supplier must agree in its contract with Watts to cooperate fully with enforcement agencies conducting audits and investigations regarding human trafficking.
- E. Suppliers must agree in their contracts with Watts to ongoing monitoring for trafficking-related activities, including random audits by Watts or its agents.

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Watts or its agents will investigate and report any suspected trafficking-related activities.

- F. Watts will take appropriate action to remedy any suspected violations of the United States’ and/or this anti-trafficking policy. These remedial actions will include correcting the violation, putting preventative measures in place to prevent repeat violations, contract suspension, and/or contract termination, depending on the nature and severity of the violation.

**IV. Additional Information**

Additional information about human trafficking is available from the Department of State’s Office to Monitor and Combat Trafficking in Persons, <http://www.state.gov/j/tip>. For more information about your responsibilities under this Policy, please contact the Watts Legal Department.

**V. Reporting Process**

Credible information regarding a potential violation of this Policy, whether discovered by Watts, its employees and agents, or suppliers, and their employees and agents, should be promptly reported to your supervisor or someone up the chain of command, or to the Watts Human Resources Department or Legal Department.

You may also report concerns confidentially through the Watts Hotline by calling 877-792-8878 or by using the Hotline’s website [www.wattswater.ethicspoint.com](http://www.wattswater.ethicspoint.com). The [Code of Business Conduct](#) contains additional details and resources regarding how to report violations and suspected violations. In addition, potential violations may be reported to the Global Human Trafficking Hotline at 1-844-888-FREE or by email at [help@befree.org](mailto:help@befree.org).

Watts’ policy and federal law prohibit retaliation against those who make reports of misconduct and prohibit interfering with employees’ cooperation with Government authorities investigating allegations of prohibited activity.

Should you have any questions or concerns regarding this Policy, please contact the Watts Legal Department.