

## Whalen Code of Conduct

Whalen Furniture Mfg., Inc. (“Whalen”) is committed to socially responsible business practices where all products are produced under lawful, humane, and ethical conditions, while recognizing and respecting the cultural and legal differences within the country of manufacture. The following are the main standards of the Whalen Code of Conduct. More detailed information is available in the Factory Social Compliance Guidelines.

### Standards

#### **1. Supplier Cooperation & Auditing**

Whalen is committed to protecting worker rights and ensuring worker safety throughout its supply chain. Whalen expects all factories to comply with standards set forth within its Code of Conduct, and to work towards continuous improvement on issues that are found to be in violation of those standards.

Whalen partner factories will be audited by Whalen personnel, a Whalen contracted third-party auditing company, or by various auditing companies representing Whalen customers. Factories are expected to conduct their business with the highest standards of ethics and integrity, and are expected to be transparent to Whalen with regards to wages, overtime, and documentation during these audits.

#### **2. Compliance with local laws**

Whalen expects its factory partners to comply with the applicable local labor and environmental laws and regulations within the country where their factory / factories are located. If there is a difference between national, provincial, or city laws, the factory should verify which law takes precedence, advise Whalen of this precedence, and ensure that it is followed at the factory.

#### **3. Documentation**

Whalen expects that all documentation presented to verify compliance with our Code of Conduct or with local laws is true, accurate, and represents reality within the factory. This documentation must be made available upon request of Whalen or its customers' auditors.

#### **4. Zero Tolerance Violations**

Whalen considers certain situations at one of its partner or proposed partner-factories to be zero tolerance situations that are deemed unacceptable under any circumstance. If such circumstances are found at the factory, the factory must immediately rectify the violation within 48 hours or face disqualification as a Whalen partner factory.

- No Child Labor
  - No person shall be employed at an age younger than the minimum age established by law in the local country. Copies of adequate proof of age documents must be available for all employees based on time of hiring, including photo ID, month and year of birth, and date of hire.
  - If local law does not provide for a minimum age, workers must be at least fifteen (15) years of age to work at any facility providing product to Whalen. Any worker under eighteen (18) years of age is restricted from hazardous or night work.
  - If the local requirements allow for special working hours for Young Workers, then the factory must comply with the local regulations and limits related to working hours, wages, and time off.
- No Prison Labor

- Factories are restricted from using prison labor in any form, unless allowed by law, whether within the factory, or whether used by any sub-contractor who may supply goods or services to the factory.
- Factories shall not use slave labor or permit human trafficking at any time.
- No Forced / Indentured Labor
  - Factories are restricted from using forced labor in any form, whether within the factory, or whether used by any sub-contractor who may supply goods or services to the factory.
  - Overtime worked by factory workers, or by employees at sub-contractors, must be 100% voluntary on the part of those employees.
  - Factories are restricted from using workers that must furnish payment to the factory, or an external third party, in order to obtain work, or that are required to hand-over their passports so that they are restricted from leaving the facility or country.
  - No Physical abuse - Corporal punishment, or physical or verbal abuse of workers, will not be tolerated at any time.
- No Bribery
  - Whalen employees shall not solicit, nor accept any gratuities, tips, or bribes from any factory. If any form of a gratuity, tip, or bribe is solicited by a Whalen employee, the Whalen Director of Social Compliance is to be notified immediately.
  - Factory personnel are not to offer any form of gratuity, tip, or bribe to any Whalen employee, or any external third-party auditors who may come to inspect the factory. Should any auditor ask for, or demand any form of gratuity, tip, or bribe, the Whalen Director of Social Compliance is to be notified immediately.

## **5. Voluntary Labor**

All labor within the factory must be voluntary, including overtime work. Workers must be allowed to maintain control over their identity documents.

## **6. Hiring & Employment**

Factories must comply with all national, provincial, and local laws with regards to labor and employment within the country where their factory / factories are located. Factories must implement hiring practices that accurately verify workers' legal right to work in the country, and must spell out the terms and conditions of employments including, but not limited to, labor contracts, wages, benefits, and termination

## **7. Wages & Benefits**

Factories must compensate all workers with wages, overtime premiums, and benefits that meet or exceed national, provincial, or local laws. Wages must be at least legal minimum wage and the wage structure, including any deductions for benefits, insurance, or legal factory deductions, is to be clearly itemized in writing and provided to the employee at time of payment. Workers are to be paid at a minimum of once per month.

Factories will comply with all applicable laws regarding regular and overtime hours, and factory will ensure that the workers are paid the legally mandated overtime wage as specified by national, provincial, or local legal standards.

## **8. Employee Health & Safety / Housing**

Factories will comply with all national, provincial, and local laws related to health and safety of employees. Workers must be provided with a safe and healthy work

environment and, where applicable, safe and healthy residential facilities. On-site first aid personnel are to be available at all times, and employees are to be educated on the importance of workplace safety. Easily accessible emergency exits are required and must be clearly marked and free from obstruction. Fire extinguishers and / or fire hoses are to be located throughout the facility and maintained in good working order. Employees are to be provided with Personal Protective Equipment (PPE) applicable to their work activities at no cost.

#### **9. Freedom of Association / Collective Bargaining**

Factories must respect the right of workers to choose whether to lawfully and peacefully form or join trade unions of their choosing, and to bargain collectively.

#### **10. Environmental Safety**

Factories must comply with all national, provincial, and local laws with regard to the environment and the disposal of residential or industrial waste. Factory shall obtain and maintain all necessary certifications to ensure that they are in compliance with these laws. All hazardous materials and chemicals are to be disposed of in environmentally friendly ways.

#### **11. Whalen Audit Process**

Factories will undergo internal Whalen audits, or Whalen customer audits, generally at a time mutually agreed on between the auditing company and the Factory. An audit report will be generated by the auditing company within two weeks of the audit. This report will list any violations to the Whalen or Customer Code of Conduct standard.

The Whalen Social Compliance team will then work with the factory to create a Corrective Action Plan for all violations, and will work with the factory to define steps necessary to correct the violation, identify the individual responsible in the factory to resolve the violation, and to provide a target date when the violation will be resolved. Whalen partner factories are expected to implement these corrective actions within the anticipated time frame and Whalen looks to the factory to continually improve from one audit to the next.

#### **12. Communication**

For specific items of concern related to the above sections, factories should refer to the complete Factory Social Compliance Guideline document that is provided to each factory when they start business with Whalen. Failure to understand national, provincial, or city laws, the standards set forth in the Whalen Code of Conduct, or the Factory Social Compliance Guideline, is not an excuse for violating any of these regulations or standards. If the factory has any questions, they should immediately discuss these questions with the Whalen Social Compliance team, who will work with the factory until the factory understands the laws and standards.

This document is available in English, Chinese, and Vietnamese. At any time, the factory may request additional information or guidance by contacting the Global Compliance department at [socialcompliance@whalenfurniture.com](mailto:socialcompliance@whalenfurniture.com).



## Transparency in Whalen's Supply Chain

Whalen Furniture Manufacturing, Inc. is committed to designing, developing, manufacturing, and selling quality products that are produced under ethical conditions that protect worker rights and safety. The Whalen Code of Conduct defines requirements that partner factories must meet, and these requirements ensure that worker rights, safety, and security are maintained. Our Global Compliance program is an extensive program of internal, third-party, and customer-driven audits and training programs at our partner factories that ensure that product and social compliance issues are reviewed and addressed throughout our supply chain.

Whalen fully complies with the California Transparency in Supply Chains Act (SB657), which seeks to eradicate slavery and human trafficking in the supply chain. The requirements of this Act cover the five major areas identified below:

### **VERIFICATION**

Whalen conducts internal and independent third-party risk assessments of our factories to identify risks related to human trafficking, slavery, and other labor issues, such as child and migrant labor. This verification also involves audits of Whalen partner factories. Whalen auditors are constantly on-site at factory locations to review compliance status and to address any product or social compliance issues that may exist.

### **AUDITING**

Whalen conducts announced and unannounced internal audits at all of its partner factories to ensure that the factory does not violate any areas of the Whalen Code of Conduct, including the risk of human trafficking and slavery. In addition, Whalen contracts an independent third-party auditing firm to conduct quarterly audits at Whalen's top partner factories. Lastly, ongoing third-party audits are conducted by Whalen's major Customers, such as Wal-Mart, Costco, Lowe's, Target, Best Buy, etc., for every product that ships from a Whalen partner factory.

### **CERTIFICATION**

Direct suppliers to Whalen are required to certify that the materials incorporated into our products comply with the local laws on slavery and human trafficking. In addition, Whalen suppliers certify that the manufacturing process at their facility, and their sub-supplier's facilities, does not involve any form of slavery or human trafficking.

### **INTERNAL ACCOUNTABILITY**

All Whalen employees and contractors throughout the supply chain are held accountable to Whalen's standards on slavery and human trafficking. Employees, Vendors, and Contractors are required to report any incident to the Whalen Global Compliance team.

In addition, the Whalen Global Compliance team works with partner factories on the development and execution of Corrective Action Plans (CAPs) to address any violations to the Whalen Code of Conduct.

## **TRAINING**

The Whalen Global Compliance team is responsible for training all company employees regarding mitigating the risk of slavery and human trafficking throughout our supply chain. Training materials are provided to Whalen employees and Vendors in multiple countries and languages, including English, Spanish, Chinese, Bhasa Malay, and Vietnamese. Whalen conducts annual Vendor Seminars with its partner factories to review product and social compliance issues, including issues related to slavery, human trafficking, child labor, prison labor, and other compliance issues.

For additional information regarding Whalen's Global Compliance program, please feel free to email [socialcompliance@whalenfurniture.com](mailto:socialcompliance@whalenfurniture.com).