

## Social and Environmental Management System (S&EMS)

Revision Date:	06/29/2015
Version Number:	1.0
Effective Date:	06/29/2015
Document Owner:	Jeb Evans
Approved By:	Executive Leadership

### Revision Notes:

- [Version 1.0](#) – Initial Release

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## Social and Environmental Health and Safety (S&EMS)

### 1.0 Policy Statement:

Welltok is committed to operating in a legal, ethical and environmentally responsible manner in all aspects of our business. As it relates to labor this means that, in conjunction with Insperity, our Professional Employer Organization (PEO), we design and operate labor management systems that are compliant with all applicable labor laws within the countries in which we operate. The scope includes but is not limited to; work hours, FLSA status, overtime compensation, Equal Employment Opportunities, ethics and risk reporting, and scheduled time off.

Welltok understands that as a good corporate citizen it is incumbent upon us to act in an environmentally conscious and responsible manner. We will endeavor to understand our impact on the environment, undertake efforts to reduce negative impacts and strive to continuously make improvements in this area. Further, we will make relevant details of our environmental program available for public review including any fines or penalties that may be levied against the Company.

### 2.0 Compliance Plan:

Welltok will perform an annual audit on all aspects of the management system that addresses labor, ethics and environmental impact to ensure that they are adequate, meet all legal requirements and are being complied with. The audit will include assessing employee understanding and feedback on relevant aspects of the program.

The audit team will represent HR, Facilities, Accounting, Administration and other disciplines as appropriate. The audit committee will present their results to the Executive Leadership Team along with any findings and recommendations, including environmental targets for the coming audit period. A summarized version of the results will be posted to the Company's website.

Senior Company Executives and Representatives responsible for this program are:  
CAO, CISCO, CFO, CPO, VP Procurement and Real Estate

### 2.1 Regulatory and Contractual Compliance:

Welltok has relationships with, and subscribes to legal update services provided by numerous law firm and industry sources that review and proactively provide updates on new legislation that may require action on Welltok's part, in order to maintain legal and regulatory compliance. Welltok's legal department currently comprised of two attorneys and a paralegal, review and implement new or revised regulatory requirements. Internal documentation is created and/or updated as necessary to maintain compliance and conformity with changing regulatory requirements. Law firms who provide frequent legal update materials include Morgan, Lewis & Backius LLP, Gibson, Dunn & Crutcher, Latham & Watkins and others. These updates are reviewed and maintained by Welltok's Legal Department.

Welltok's Customer Success team reviews all contracts to identify any contractual requirements, including social and environmental aspects. The Customer Success team communicates identified requirements to the appropriate resources, including; Legal, Information Technology, Facilities, and Human Resources, to ensure that Welltok adheres to all contractual requirements.

### **3.0 Environmental Aspects:**

As a socially and environmentally responsible business Welltok factors environmental impacts into our decisions. The areas where we have the greatest impact on the environment are energy consumption, greenhouse gas emissions and solid waste generation. In conjunction with our landlords we have established baseline data and for these aspects and specific goals intended to help us control and minimize our impact on the environment. These metrics are reviewed by Welltok's ELT annually and adjusted as appropriate.

Relevant information on our environmental goals, results related to the attainment of those goals and any regulatory fines or penalties are made available publicly on our corporate webpage at: [www.Welltok.com/corporateresponsibility](http://www.Welltok.com/corporateresponsibility) The current benchmark and goals can be found in the Goals section of this document.

#### **3.1 Environmental Goals:**

Environmental goals are provided in Addendum 1, attached below.

#### **3.2 Public Disclosure:**

Welltok publicly discloses our current environmental aspects goals and our progress against those goals, as well as any penalties or fines for environmental infractions that have been levied against the Company. This information is publicly disclosed on our company website: [www.Welltok.com/corporateresponsibility](http://www.Welltok.com/corporateresponsibility)

### **4.0 Employee Training:**

Employees are trained on our S&EMS processes as part of new hire orientation. They receive training in all EICC elements of our Social Management System through our Employee Handbook and New Employee Training classes. There are additional classes on Health & Safety and our EMS as required by specific job requirements.

Employees with audit or oversight responsibilities are required to read and acknowledge that they are familiar with this Policy document and understand how it relates to their assigned area of responsibility.

## 5.0 Self-Assessments and Audits:

Welltok has established a committee that meets on an annual basis each June to review the self-assessment process for evaluating compliance for EMS goals. This committee reviews the progress of reduction initiatives against the EMS goals and ensures that Welltok is compliant with all Social Responsibility requirements listed in Requirement 1. The committee discusses any need for redirection, etc. Membership is comprised of:

- Senior Management Representative
- Human Resources
- Facilities
- Security and Compliance
- Customer Success

## 6.0 Supplier Notification:

On an annual basis, Welltok's Procurement Department will review its' supply base to identify any subcontractors or suppliers that provide goods and/or services that are material to the product that Welltok supplies to IBM and other customers as applicable. Welltok will cascade the elements of this Policy to all identified suppliers and monitor their compliance.

## 7.0 References:

### 7.1 Internal:

- Welltok Employee Handbook
- On-line Insperity training
- Intacct (time-keeping)
- Welltok Code of Business Conduct and Ethics

### 7.2 External:

- Electronic Industry Citizenship Coalition Code of Conduct (EICC)
- IBM Social and Environmental Management System Questionnaire (S&EMS)

## **Addendum 1:**

### **2015-2016 Environmental Aspects**

NOTE: Welltok does not own or operate its' current facilities. We cooperate with the landlord/s to operate in an environmentally conscious manner and to meet established goals

#### **Energy Consumption**

Electric – In conjunction with our Denver landlord our goal for energy reduction is 50% by 2030 versus a baseline established in 2003. The building currently has an energy use intensity of 56.1kBtu/sf, representing a 37% improvement versus the baseline.

#### **Scope 1 greenhouse gas emissions**

Welltok does not directly emit greenhouse gases as a part of its' operations

#### **Scope 2 greenhouse gas emissions**

Current GHG emissions for the Denver building are estimated to be 1,774.3 metric tons of CO<sub>2</sub>. This is a 37% reduction versus the established baseline. The building consists of 119,055 rsf. Of this Welltok occupies 2 suites that consist of a total of 15,155 rsf. This is approximately 12.7% of the total rsf. Therefore Welltok's portion of the total GHG for the building are approximately 225.3 metric tons of CO<sub>2</sub>.

#### **Waste management and/or Recycling**

##### **Paper Recycling Metrics, Jan 2015 – Jun 2015**

Volume: 0.527 short US tons

Environmental Impact equivalents:

- CO<sub>2</sub> emissions reduced 63 lbs.
- 9 trees preserved
- 1,191,020 kWh of energy saved
- 14,446 gallons of water conserved
- 2.6 Yds<sup>3</sup> of landfill space conserved

**Non-Paper Recycling Volume** – 39% of solid waste was diverted in 2014. With the introduction of a battery-recycling program this year we are scheduled to hit 50% in 2015.

**Addendum 2:**

## Self-Assessment and Compliance Questionnaire

Annually, the following assessment will be completed by the responsible organizations and reviewed S&EMS compliance committee.

<b>Compliance Period:</b>	<b>June 2015 – June 2016</b>		
<b>Respondent</b>	<b>Goal</b>	<b>Actual</b>	<b>Commentary</b>
Legal	100% Compliance with regulatory and contractual obligations		
HCM	Company's labor policies are up to date and communicated to employees. Including but is not limited to: work hours, exempt or non-exempt FLSA status, overtime compensation, Equal Employment Opportunities, ethics and risk reporting, and scheduled days off		
HCM	Company's environmental goals and policies are communicated to employees.		
HCM	Training is provided to employees who have responsibilities related to the implementation and oversight of the Company's environmental goals and policies.		
Facilities	Relevant information on our environmental goals, results related to the attainment of those goals and any regulatory fines or penalties are made available publically on our corporate webpage.		
Facilities	Reduce electricity consumption by 2% per capita year-over-year: Include spreadsheet that reports by primary office locations separately.		
Facilities	Reduce Scope 2 greenhouse gas emissions by 2% per capita year-over year: Include spreadsheet that reports by primary office locations separately.		
Facilities	Decrease amount of waste going to landfill by 2 tons from prior year: Include spreadsheet that reports by primary office locations separately.		
Procurement	Annually Welltok's Procurement Department will review its' supply base to identify any suppliers that provide goods and/or services that are material to the product that Welltok supplies to IBM and other customers as applicable. Welltok will cascade the elements of this Policy to all identified suppliers and monitor their compliance.		