

# Tandy Leather

# Supplier Code of Conduct

Tandy Leather is committed to ensuring that working conditions in Tandy's supply chain are safe, that workers are treated with respect and dignity, and that the manufacturing processes is environmentally responsible. Tandy's suppliers should commit to operate in full compliance with the laws, rules, and regulations of the countries in which they operate.

Tandy may visit (and/or have external monitors visit) Supplier facilities, with or without notice, to assess compliance with this Code. Violations of this Code may result in immediate termination as a Tandy Supplier and in legal action.

## **Labor and Human Rights**

Tandy suppliers must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community.

## **Anti-Discrimination**

Tandy suppliers shall not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, and termination. Suppliers shall not require a pregnancy test or discriminate against pregnant workers except where required by applicable laws or regulations or prudent for workplace safety. In addition, Suppliers shall not require workers or potential workers to undergo medical tests that could be used in a discriminatory way except where required by applicable laws or regulations or prudent for workplace safety.

## **Fair Treatment**

Tandy suppliers shall commit to a workplace free of harassment. Suppliers shall not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, verbal abuse, or unreasonable restrictions on entering or exiting company- provided facilities. Suppliers shall prohibit harassment and unlawful discrimination in the workplace.

## **Prevention of Involuntary Labor and Human Trafficking**

Tandy suppliers shall not traffic in persons or use any form of slave, forced, bonded, indentured, or prison labor. This includes the transportation, harboring, recruitment, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation. All work must be voluntary and workers shall be free to leave work or terminate their employment with reasonable notice. Workers must not be required to surrender any government-issued identification, passports, or

work permits as a condition of employment. Suppliers shall ensure that third-party agencies providing workers are compliant with the provisions of the laws of the sending and receiving countries, whichever is more stringent in its protection of workers. Suppliers shall ensure that contracts for both direct and contract workers clearly convey the conditions of employment in a language understood by the worker.

### **Prevention of Underage Labor**

Child labor is strictly prohibited. Suppliers shall not employ children. The minimum age for employment or work shall be 16 years of age, the minimum age for employment in that country, or the age for completing compulsory education in that country, whichever is higher. This Code does not prohibit participation in legitimate workplace apprenticeship programs that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

### **Juvenile Worker Protections**

Tandy suppliers may employ juveniles who are older than the applicable legal minimum age for employment but are younger than 18 years of age, provided they do not perform work likely to jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138.

### **Working Hours**

Except in emergency or unusual situations, a work week shall be restricted to 60 hours, including overtime, and workers shall take at least one day off every seven days. All overtime shall be voluntary. Under no circumstances shall work weeks exceed the maximum permitted under applicable laws and regulations.

### **Wages and Benefits**

Tandy suppliers shall pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. Suppliers shall not use deductions from wages as a disciplinary measure. Suppliers shall offer vacation time, leave periods, and holidays consistent with applicable laws and regulations. Suppliers shall pay workers in a timely manner and clearly convey the basis on which workers are being paid.

### **Freedom of Association**

Tandy suppliers must respect the right of workers to associate freely with, form, and join workers' organizations of their own choosing, seek representation, and bargain collectively, as permitted by and in accordance with applicable laws and regulations. Suppliers shall not discriminate with respect to employment based on union membership and, in particular, shall not make employment subject to the condition that the worker relinquish union membership or agree not to join a union; or cause the dismissal of or otherwise prejudice a worker by reason of union membership or participation in union activities outside working hours (or within working hours if the Supplier has consented to such activities or if required by applicable laws or regulations). Suppliers shall protect against acts of interference with the establishment, functioning, or administration of workers' organizations in accordance with applicable laws and regulations.

## **Health and Safety**

Tandy recognizes that integrating health and safety management practices into all aspects of business is essential to maintain high morale and produce quality products. Suppliers shall commit to creating safe working conditions and a healthy work environment for all of their workers.

### **Occupational Injury Prevention**

Tandy suppliers shall eliminate physical hazards where possible. Where physical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as physical guards, interlocks, and barriers. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers shall provide workers with appropriate personal protective equipment. Workers shall not be disciplined for raising safety concerns and shall have the right to refuse unsafe working conditions without fear of reprisal until management adequately addresses their concerns.

### **Prevention of Chemical Exposure**

Tandy suppliers shall identify, evaluate, and control worker exposure to hazardous chemical and physical agents. Suppliers must eliminate chemical hazards where possible. Where chemical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as closed systems and ventilation. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers shall provide workers with appropriate personal protective equipment.

### **Emergency Prevention, Preparedness, and Response**

Tandy suppliers shall anticipate, identify, and assess emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans. Suppliers shall incorporate C-TPAT security criteria into their business processes as described in the U.S. Customs C-TPAT section of this code.

### **Occupational Safety Procedures and Systems**

Tandy suppliers shall establish procedures and systems to manage, track, and report occupational injury and illness. Such procedures and systems shall encourage worker reporting, classify and record injury and illness cases, investigate cases and implement corrective actions to eliminate their causes, provide necessary medical treatment, and facilitate the workers' return to work.

### **Ergonomics**

Tandy suppliers shall identify, evaluate, and control worker exposure to physically demanding tasks, including manual material handling, heavy lifting, prolonged standing, and highly repetitive or forceful assembly tasks.

### **Dormitory and Dining**

Tandy suppliers shall provide workers with clean toilet facilities, access to potable water, and

sanitary food preparation and storage facilities. Worker dormitories provided by the Supplier or a third-party agency shall be clean and safe and provide adequate emergency egress, adequate heat and ventilation, reasonable personal space, and reasonable entry and exit privileges.

### **Health and Safety Communication**

In order to insure a safe work environment, Suppliers shall provide workers with appropriate workplace health and safety information and training, including written health and safety information and warnings, in the primary language of the workers. Suppliers shall post, in the primary language of its workers, Material Safety Data Sheets for any hazardous or toxic substances used in the workplace, and properly train workers who will come into contact with such substances in the workplace.

### **Environmental Impact**

Tandy suppliers shall commit to reducing the environmental impact of their designs, manufacturing processes, and waste emissions.

### **Hazardous Substance Management and Restrictions**

Tandy suppliers shall ensure safe handling, movement, storage, recycling, reuse, and disposal, of all Hazardous Substances. Suppliers shall identify and manage substances that pose a hazard if released to the environment and comply with applicable labeling laws and regulations for recycling and disposal.

### **Solid Waste Management**

Tandy suppliers shall manage and dispose of non-hazardous solid waste generated from operations as required by applicable laws and regulations.

### **Wastewater Management**

Tandy suppliers shall monitor, control, and treat wastewater generated from operations before discharge as required by applicable laws and regulations.

### **Air Quality Management**

Tandy suppliers shall characterize, monitor, control, and treat air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations, as required by applicable laws and regulations, before discharge.

### **Environmental Permits**

Tandy suppliers must obtain, maintain, and keep current all required environmental permits and registrations and follow the operational and reporting requirements of such permits.

### **Ethics**

Tandy suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, and customers.

## **Business Integrity**

Corruption, extortion, and embezzlement, in any form, are strictly prohibited. Suppliers shall not violate the Foreign Corrupt Practices Act (FCPA), any international anti-corruption conventions, and applicable anti-corruption laws and regulations of the countries in which they operate, and shall not engage in corruption, extortion, or embezzlement in any form. Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage. Suppliers must uphold fair business standards in all aspects of their business.

## **Protection of Intellectual Property**

Tandy suppliers must respect all of Tandy's intellectual property rights and safeguard customer information.

## **Tandy Leather's CPSC Safety Testing**

Tandy Leather offers a wide range of products in its line. Our customers use materials and components for many uses. It is our responsibility to provide the very best and safest products to all of our customers. The Consumer Product Safety Commission requires that many types of products be tested for lead content in metals and phthalates in plastics and California requires Prop 65 testing on products also. We post all results on our safety site for our customers. This testing responsibility is that of the manufacture and we require you do so.

Testing must be done by an outside third party testing facility that is certified by the CPSC. There are laboratories all over the world that are aware of the testing methods needed. There are four tests required. Not all products require all four tests. All tests must be done in accordance to the CPSC test numbers. All tests must contain our stock numbers on them.

Testing of all products must be done at least once a year and updated testing results forwarded to Tandy Leather.

## **The Broker-Known Importer Program**

The Broker-Known Importer Program (BKIP) is an initiative led by the National Customs Brokers and Forwarders Association of America, Inc. (NCBFAA), and is supported by U.S. Customs and Border Protection (CBP). Through BKIP, licensed customs brokers would alert CBP that the importer on an entry is known to the customs broker and that the customs broker has advised the importer of their compliance responsibilities pertaining to customs regulations.

BKIP is a voluntary program that would create a framework whereby customs brokers could discuss with their importer clients in greater depth the importer's trade activities in the context of import regulations. These conversations may increase the importer's compliance understanding and enhance the communication between broker and client. BKIP offers an additional avenue for CBP to collaborate with the trade to enhance the sharing of trade intelligence.

With the BKIP indicator factoring into CBP's cargo risk segmentation, trade flows may benefit from improved information sharing at the time of arrival. Automated Commercial Environment functionality for the transmission of the BKIP indicator has been deployed, allowing licensed customs brokers the ability to transmit a Known Importer indicator when filing an entry on behalf of a Known Importer client.