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# Supplier Code of Conduct

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## **PURPOSE**

F9 Brands, Inc, on behalf of its affiliated companies, including but not limited to Cabinets To Go, LLC (“CTG”), Gracious Home (“GH”), and Southwind Building Products (“SBP”), (F9 Brands, Inc, and its affiliates are hereinafter collectively referred to as “F9 Brands”), is committed to protecting the working rights and the safety of the people who produce, process, or harvest the Products F9 Brands sells while recognizing and respecting the cultural and legal differences found throughout the world. F9 Brands expects its suppliers to comply, at a minimum, with all applicable labor, employment, health and safety, and environmental laws and regulations of the country where the Product is produced. In the absence of applicable laws and regulations, Suppliers are expected to meet the requirements set forth in this *Supplier Code of Conduct* and the respective company *Supplier Manual* (“Supplier Manual”). The Supplier Manual can be found on each company’s website.

F9 Brands confirms compliance with this *Supplier Code of Conduct* through a variety of methods including on-site visits to suppliers, subcontractors and Facilities by F9 Brands personnel and by independent third-parties, which may be announced on short notice or be unannounced.

This *Supplier Code of Conduct* may be amended by F9 Brands from time to time; its enforcement and/or interpretation rests solely with F9 Brands and does not confer or create any rights in favor of any party other than F9 Brands

## **DEFINITIONS**

Except as otherwise specifically set out herein, terms used herein shall have meaning as set out in the Supplier Manual.

## **SUPPLIERS and SUBCONTRACTORS**

Each Supplier is responsible for ensuring compliance with F9 Brand’s *Supplier Code of Conduct* through all aspects of the supply chain, including any subcontractors or Suppliers who provide materials or Products to Suppliers. All Facilities engaged in the Product sold to F9 Brands are required to be disclosed to and approved by F9 Brands. The failure to do so is considered unauthorized subcontracting.

Each Facility shall maintain a list of all entities, including subcontractors, who produce or provide materials or services that are incorporated into the manufacturing, assembly, fabrication, harvesting, or production of Products sold to F9 Brands.

## **DOCUMENTATION**

The documentation necessary to verify compliance with F9 Brand’s *Supplier Code of Conduct*, and the respective company *Supplier Manual* and with all applicable laws and regulations shall be maintained and shall be made available upon request of F9 Brands or its third-party auditors. Documentation includes but is not limited to: licenses, permits, certifications, policies and procedures, and worker Facility records. Retention periods shall be in accordance with applicable laws and regulations and as otherwise required set forth by F9 Brands within the respective company *Supplier Manual*, Product Specifications, F9 Brands Standard Terms and

Conditions, and/or any other agreement between F9 Brands and the Supplier.

## **CHILD AND FORCED LABOR**

No Product may be produced using any child, slave, prison, or forced labor or any factory involved with human trafficking. All people involved in the production of the Product must be of working age and paid a fair wage in accordance with applicable laws and regulations.

### *Child Labor*

Child Labor is strictly prohibited. The minimum legal working age is defined by the worker's national legislation and is the age above which a person can be employed on a full-time basis. It can be 16 years, 15 years, or 14 years in certain developing countries. If the local law does not set a minimum age, workers must be at least 14 years old. Official and verifiable documentation of each worker's date of birth or a legally recognizable means of confirming each worker's age shall be maintained.

The use of legitimate workplace apprenticeship programs, which comply with applicable laws and regulations, are permitted.

### *Forced Labor*

All workers shall work on a voluntary basis and shall not be subject to any exploitation such as forced, bonded, or indentured labor or sexual exploitation. Workers shall not be subject to any forms of coercion, fraud, deception, or giving up control of their person to another for such exploitation.

Each Supplier and Facility shall only use legally recognized employment agencies with a current license, and they shall ensure that recruitment of workers in which, directly or indirectly are in compliance with applicable laws and regulations. Workers shall not pay any fees or other payments to the employer or agent for being hired or as a condition of employment. No such fees shall be deducted or withheld from wages otherwise passed on to the workers.

The use of prison or convict labor must be consistent with laws where the Product is manufactured and with the laws where it is imported.

## **ABUSE, HARASSMENT, AND DISCIPLINARY ACTION**

All workers shall be treated with dignity and respect. Physical, sexual, verbal, or mental abuse, coercion or threats, corporal punishment, or any form of harassment during hiring or employment is prohibited. Written disciplinary policies and procedures, records of disciplinary actions, and monetary fines are prohibited.

Abusive security practices, including opposite sex frisking and removal of clothing is prohibited.

## **LABOR AND EMPLOYMENT MANAGEMENT**

Supplier and Facility shall comply with all applicable laws and regulations, including, but not limited to, those that address: wages, working hours, benefits, recruitment practices, discriminatory hiring, employment practices, and the health and safety of the workers. Where not covered by applicable laws and regulations, compliance with the following is required:

### **Employment**

- Where required by law, workers shall be provided with a written employment contract outlining the terms of employment, in a language understood by the worker.
- Workers' legal statuses shall be verified. Only workers with valid work authorization issued by an appropriate legal authority shall be hired.
- Worker terminations shall be in full compliance with the law, and copies of termination records shall be maintained.
- Workers' age documentation shall be verified, and, where allowed by law, copies of such documents shall be maintained for each worker.
- Supplier shall not engage in any kind of discrimination in hiring and employment, including, but not limited to, discrimination based on race, color, religion, gender, sex, national origin, age pregnancy, childbirth, or related medical condition, physical or mental disability, medical condition, genetic information, sexual orientation, marital or registered domestic/civil union partner status, gender identity, or any other prohibited factor. Suppliers shall maintain procedures on anti-discrimination.
- F9 Brands does not permit Suppliers to subject employees to any illegal recruitment or hiring tests, any pregnancy or HIV testing, or birth control requirements as a condition of employment.

### **Recruitment, Working Hours, Wages, and Benefits**

- Workers shall be paid at least the legal minimum and overtime wages for hours worked.
- Wages shall be paid at least monthly or on a legally required schedule, whichever is stricter. Wages shall be paid directly to the worker or, if the worker has agreed otherwise, paid directly into a worker-controlled account. Pay slips with complete pay information shall be provided at the end of each pay period. The pay slips shall include days worked, gross wages or piece rate earned, hours of overtime at specified rate, bonuses, allowances and legal contractual deductions, other deductions, and net pay.
- Workers shall be provided all legally mandated benefits, such as medical insurance, social insurance, pensions, etc. to which they are entitled.
- At least one day off in a seven-day workweek shall be provided. Exceptions to this requirement must be in compliance with the law and only due to exceptional circumstances, such as work that is continuous in nature or in the event of an emergency.
- Workers shall not work more than sixty (60) hours per week, including overtime. Overtime hours are on a voluntary basis. Under certain circumstances well-defined in the local legislation and/or agreed upon with local work council-trade unions, mandatory overtime hours may be acceptable during a short and limited period.

### **Worker Housing**

- If Supplier provides housing for its workers, the worker housing shall be separate from production and distribution areas, offer adequate and safe conditions, and shall comply with all applicable laws and regulations.
- Supplier shall not impose any restrictions that interfere with a worker's right to leave the housing facility during their free time.
- Suppliers shall provide workers with their own individual bed/mattress and separate accommodations for single men and single women.
- Suppliers' worker housing shall include an appropriate number of clean and adequately equipped washing and toilet facilities that shall be maintained to a reasonable standard.

### **Health and Safety**

- Workers shall be given the necessary and adequate training before operating machines or equipment or carrying out potentially hazardous operations. The training provided is renewed according to legislation and/or identified needs.
- Employees shall be trained on evacuation procedures in case of an emergency.
- Good housekeeping to ensure a hygienic and safe environment for workers is implemented. All facilities are regularly cleaned and maintained in good condition. An appropriate number of adequately equipped washing and toilet facilities are available.
- Safe drinking water shall be provided that is always easily accessible to all workers. First aid equipment is adequately stocked and available to workers during all shifts.
- F9 Brands encourages Suppliers to establish a policy governing chemical and hazardous materials, including their identification, use, maintenance, and training.
- Supplier and Facility shall maintain a route for reporting, analyzing, following up on, and acting on incidents and accidents.
- Appropriate personal protective equipment (PPE) shall be available, maintained, used, and provided free of charge for workers and visitors in any harmful or potentially risky work areas.
- Supplier shall comply with all applicable laws and regulations relating to fire protection. Site emergency plans shall be developed and implemented. Workers shall be made aware of basic fire safety issues before starting to work, including proper routines for evacuation and location and activation of the emergency alarm. Appropriate firefighting equipment shall be made available.
- Supplier and Facility shall maintain all electrical and power sources in compliance with all applicable laws and regulations.
- All other applicable laws and regulations relating to health and safety issues not set out herein shall be complied with, including classification, reporting, and inspection by authorities.

## **ENVIRONMENTAL MANAGEMENT**

F9 Brands, Inc places a high priority on conducting business in a sustainable manner that places the least practical burden on the environment while protecting the health and safety of our workers. Suppliers and Facilities shall comply with all applicable laws and regulations that address the environment, including, but not limited to, the following:

### *Wood Management – Lacey Act*

Suppliers will provide only Products incorporating raw wood materials that are legally harvested in accordance with the Lacey Act.

### *CARB & TSCA Compliance*

All composite wood products and finished goods containing composite wood products will be in compliance with (i) California Air Resources Board (CARB) Airborne Toxic Control Measure (ATCM) to reduce formaldehyde emissions from composite wood Products and (ii) United States Environmental Protection Agency (EPA) Toxic Substances Control Act (TSCA) Title VI formaldehyde emissions standards for composite wood products.

## **FACILITY AUDITS**

F9 Brands reserves the right to audit or authorize a third party to audit any Facility that participates in the production, processing, or harvesting of Product for F9 Brands. Such audits may include any subcontractor used by the Facility. The audit shall be unrestricted and may occur with or without prior notice.

The highest standards of integrity are expected in all aspects of the audit process. F9 Brands expects full transparency from the Facility during the audit process, i.e. accurate and honest disclosure of all workers, Facility, subcontractor, labor, employment, health and safety, and environmental documentation and information. Any and all forms of bribery, corruption, deception, and falsification of record are strictly prohibited. Any such finding may result in the termination of the business relationship.

During audits, Supplier will require the Facility's management to provide access to the facility and all books and records that will allow for a comprehensive Supplier Code of Conduct audit to be conducted, including an opportunity for the confidential and private interviews with the Facility's workers selected by the auditor. No retaliation against any worker or auditor is permitted.

F9 Brand's interpretation of this Code and of any auditor's report is binding and conclusive. Upon a review of audit results, F9 Brands, in its sole discretion, may terminate its relationship with a Supplier and/or Facility, cancel a purchase order or contract, return or revoke acceptance of affected goods, and/or require corrective action to be taken. The Supplier shall also be liable for all related damages incurred by F9 Brands, including lost profits.

F9 Brands generally prefers to work with the Supplier and/or Facility to correct Code violations rather than apply sanctions that may cause further hardship to workers and their families who depend upon the employment.

## CONFLICTS OF INTEREST

Suppliers must avoid the appearance of or actual improprieties or conflicts of interest. All F9 Brands Employees and independent auditors acting on behalf of F9 Brands are subject to F9 Brand's policy on Gifts and Entertainment that prohibits the acceptance of gifts. Suppliers are expected to observe and honor this policy.

## ETHICAL BUSINESS PRACTICES

F9 Brands expects its suppliers to conduct their businesses in accordance with the highest standards of ethical behavior and in accordance with applicable laws and regulations while conducting business with and/or on behalf of F9 Brands, including without limitation:

- (a) *Fair Trade Practices*. Suppliers shall not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of antitrust laws.
- (b) *Bribery, Kickbacks, and Fraud*. No funds or assets of a Supplier shall be paid, loaned, or otherwise disbursed as bribes, kickbacks, or other payments designed to influence or compromise and conduct of F9 Brands.
- (c) *Foreign Corrupt Practices Act*. While laws and customs vary throughout the world, all Suppliers must comply with foreign legal requirements as well as United States and local laws that apply to foreign operations, including the United States Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act generally makes it unlawful to give anything of value to foreign government officials, foreign political parties, foreign party officials, or foreign candidates for public office for the purposes of obtaining or retaining business.

## EXPORT SANCTIONS AND TERRORISM ACTIVITIES

F9 Brands suppliers must abide by all economic sanctions or trade embargoes that the United States has adopted, whether they apply to foreign countries, political organizations, or foreign individuals and entities.

Suppliers should not directly or indirectly engage in or support any terrorist activity. Neither Suppliers nor any of their affiliates, nor any officer or director of the Supplier or any of its affiliates, should be included on any lists of terrorists or terrorist organizations compiled by the United States government or any other national or international body, including, but not limited to:



- (a) The U.S. Treasury Department's Specially Designated Nationals List;
- (b) The U.S. State Department's Terrorist Exclusion List;
- (c) The United Nations List Pursuant to Security Council Resolution 1390 (2002) and Paragraphs 4(B) or Resolution 1267(1999) and 8(C) of Resolution 1333 (2000);
- (d) The European Union List Implementing Article (2)(3) of Regulation (EC) No. 2580/2001 on Specific Restrictive Measures Directed Against Certain Person and Entities with a View to Combating Terrorism.

## **CONFIDENTIALITY**

Suppliers with access to confidential information from or about F9 Brands should not disclose such information to any other person without F9 Brand's prior written consent. Confidential information includes, but is not limited to, product specifications, cost and pricing, customer identification and information, and employee identification and information.

## **VIOLATIONS**

Compliance by the Supplier with this *Supplier Code of Conduct* is a material term of any agreement, contract, or purchase order between F9 Brands and the Supplier. Violations of this *Supplier Code of Conduct* may result in cancellation of existing orders and termination of the business relationship with the Supplier in F9 Brand's sole discretion.

## **CONFIDENTIAL CODE OF ETHICS AND COMPLIANCE HOTLINE**

A global confidential ethics hotline is available as a part of F9 Brand's continuing efforts to ensure compliance with our *Code of Business Conduct & Ethics*, our *Supplier Code of Conduct*, and other legal and ethical policies. Information regarding how to access this hotline may be found at: [F9Brands.ethicspoint.com](http://F9Brands.ethicspoint.com).

This is a confidential tool available for use by anyone who has reason to believe a F9 Brands employee, agent, Supplier, or subcontractor is in violation of these policies. (Transactional issues such as deliveries, payments, or other related items should be addressed directly to the appropriate F9 Brands affiliated company, department and employee.)

F9 Brands encourages reports of possible violations of policy and other misconduct, including, without limitation, violation of the *Supplier Code of Conduct*. The hotline also provides a channel for Suppliers to raise issues involving misconduct by F9 Brands employees. Contacts may be made confidentially. Reports will go to the Office of Ethics and Compliance, which will investigate and discuss with the appropriate senior executive officer.

Retaliation or penalty against any person who in good faith reports unlawful or inappropriate activity related to this *Supplier Code of Conduct* and/or the audit process may result in termination of the business relationship.