

HOBBY LOBBY®

Super Savings, Super Selection!™

C-TPAT
Expectations
For
Vendors &
Manufacturers
2024

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Introduction

Hobby Lobby is a participant in the voluntary security program known as the Customs-Trade Partnership Against Terrorism (C-TPAT). This joint initiative between Customs and Border Protection and the global business community not only strengthens the supply chain but it also gives visible benefits to those companies choosing to join. In exchange for implementing improved security practices and communicating security requirements to their business partners, importers can expect to have reduced inspections and quicker clearance of imported freight.

By participating in the C-TPAT program, Hobby Lobby hopes to increase vigilance amongst its employees and partners, and to establish a more secure and efficient supply chain. By setting a precedent for our foreign counterparts, Hobby Lobby continues to prove itself a leader in supply chain security.

We at Hobby Lobby understand that if our supply chain were disturbed by an act of terror, it could have significant impact on our business and business relationships. Hobby Lobby has taken steps internally to protect its supply chain against security breaches and acts of terrorism.

YOUR ROLE AS A HOBBY LOBBY SUPPLIER:

1. Read this document.
2. Watch the Hobby Lobby C-TPAT video - <https://www.hobbylobby.com/about-us/vendor-documents>
3. Complete all questionnaires on OpenText / Active Community (Vendor Acknowledgement, Vendor Self-Assessment, etc.)

1 Business Partner Security

Overview

C-TPAT membership is primarily comprised of companies operating in the United States. However, today's world embraces a global economy that requires companies to import and outsource in order to remain competitive.

As a member of the C-TPAT program, Hobby Lobby is required to ensure that all of its business partners adopt security-minded strategies and procedures that meet C-TPAT requirements. Thus, Hobby Lobby's goal is to continue to partner with its vendors, suppliers, and manufacturers in order to protect the security and integrity of our international supply chain.

Hobby Lobby, like many C-TPAT companies, is now contractually requiring businesses to improve security in order to meet C-TPAT guidelines. As a result, C-TPAT extends its reach well beyond U.S. borders and impacts the security of companies both here and overseas. Examples of how Hobby Lobby leverages foreign suppliers to tighten security in the supply chain include:

- Hobby Lobby conducts regular audits of our foreign import vendors to ensure compliance with C-TPAT security guidelines.
- Hobby Lobby is conditioning contractual business relationships with our service providers and vendors based on C-TPAT participation and/or adherence to C-TPAT security guidelines.
- Hobby Lobby is leveraging existing internal inspection teams. We require C-TPAT cargo security training for quality assurance personnel or non-security related business representatives who visit foreign vendors and factories on a regular basis.

To better secure and facilitate the supply chain security and flow of goods entering the U.S., Hobby Lobby has committed to ensuring that all of our preferred existing and new trading partners fulfill their commitments by verifying that agreed security measures have been implemented.

As a participant of the C-TPAT program, Hobby Lobby not only reinforces our belief in corporate good citizenry, but also our belief that assessing supply chain security procedures and practices improves business efficiency. Perhaps the greatest success of C-TPAT is that, although participant companies join voluntarily, members have made participation and/or compliance with C-TPAT security standards by their business partners a requirement for doing business. Ultimately, these partnerships will help CBP create a true green lane that speeds low risk shipments across all our borders and through our ports of entry while preserving global trade in this time of global terrorism.

1.1 Hobby Lobby's C-TPAT Business Partner Security Expectations

Hobby Lobby has developed a thorough vendor vetting process for all import related vendors and business partners. Hobby Lobby requires all import related business partners to demonstrate that they are meeting C-TPAT security criteria via written/electronic confirmation (e.g. contractual obligations, by a letter from a senior business partner officer attesting to compliance, a written statement from the business partner demonstrating their compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority, or by providing a completed importer security questionnaire). Based upon a documented risk assessment process, non-C-TPAT eligible business partners must be subject to verification of compliance with C-TPAT security criteria by the importer.

Hobby Lobby's vendors are required to meet and/or exceed the following requirements.

1.1.1. BUSINESS PARTNER SELECTION REQUIREMENT

- ☐ All of Hobby Lobby's import related vendors, business partners, and foreign manufacturers must have written and verifiable processes for the selection of business partners, including carriers, other manufacturers, product suppliers, and vendors (parts and raw material suppliers, etc.).
- ☐ Hobby Lobby reserves the right to request copies of vendor's written processes for the selection of business partners for verification that C-TPAT requirements are being met.
- ☐ Hobby Lobby reserves the right to periodically inspect vendor's business facilities to ensure compliance with Hobby Lobby's and CBP's C-TPAT requirements.

1.1.2. SECURITY PROCEDURES

All of Hobby Lobby's business partners are required to submit a completed Import Vendor Acknowledgement Form and Import Vendor Security Self-Assessment Form to Hobby Lobby's International Department via OpenText | Active Community.

(Note: Acknowledgment and Self-Assessment forms are to be submitted annually).

- ☐ FOR HOBBY LOBBY'S BUSINESS PARTNERS WHO ARE C-TPAT MEMBERS:
Hobby Lobby requires documentation verifying business partner's C-TPAT status. The following are acceptable forms of documentation:
 - A completed Hobby Lobby C-TPAT Vendor Self-Assessment Form (via OpenText | Active Community).
 - We will then add your company and C-TPAT status through the Portal.

❑ FOR HOBBY LOBBY'S BUSINESS PARTNERS WHO ARE ELIGIBLE FOR BUT ARE NOT C-TPAT CERTIFIED:

Hobby Lobby requires business partners who are eligible for but not C-TPAT certified to demonstrate that they are meeting C-TPAT security criteria via written/electronic confirmation.

Accepted forms of business partner written/electronic confirmation are:

- Contractual obligations;
- A letter from a senior business partner or officer attesting to compliance;
- A written statement from the business partner demonstrating their compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; along with
- A third-party C-TPAT security audit completed within the last 6 months, or
- A completed Hobby Lobby C-TPAT Vendor Self-Assessment Form (via OpenText | Active Community).

❑ FOR THOSE BUSINESS PARTNERS NOT ELIGIBLE FOR C-TPAT CERTIFICATION:

Hobby Lobby requires business partners who are not eligible for C-TPAT certification to demonstrate that they are meeting C-TPAT security criteria via written/electronic confirmation.

Accepted forms of business partner written/electronic confirmation are:

- Contractual obligations;
- A letter from a senior business partner or officer attesting to compliance;
- A written statement from the business partner demonstrating their compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; along with
- A third-party C-TPAT security audit completed within the last 6 months, or
- A completed Hobby Lobby C-TPAT Vendor Self-Assessment Form (via OpenText | Active Community).

1.1.3. POINT OF ORIGIN

Hobby Lobby requires all business partners to ensure the development and implementation of security processes and procedures consistent with the C-TPAT security criteria to enhance the integrity of all Hobby Lobby shipments at point of origin.

1.1.4. PARTICIPATION / CERTIFICATION IN FOREIGN CUSTOMS ADMINISTRATIONS SUPPLY CHAIN SECURITY PROGRAMS

Current or prospective business partners who have obtained a certification in a supply chain security program being administered by foreign Customs Administration are required to indicate their status of participation to Hobby Lobby.

1.1.5. OTHER INTERNAL CRITERIA FOR SELECTION

Internal requirements, such as financial soundness, capability of meeting contractual security requirements, and the ability to identify and correct security deficiencies as needed, are also addressed by Hobby Lobby. Internal requirements are assessed against risk-based processes as determined by an internal management team.

2 Container Security

Overview

Container and trailer integrity must be maintained to protect against the introduction of unauthorized material and/or persons. At the point-of-stuffing, written procedures must be in place to properly seal and maintain the integrity of the shipping containers and trailers. A high security seal must be affixed to all loaded containers and trailers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standard for high security seals.

In those geographic areas where risk assessments warrant checking containers or trailers for human concealment or smuggling, procedures should be designed to address this risk at the manufacturing facility or point-of-stuffing.

2.1 Container Inspection – 7-point Inspection

The C-TPAT inspection process must have written procedures for both security and agriculture inspections. Procedures must be in place to verify the physical integrity of the container structure prior to stuffing. This must include the reliability of the locking mechanisms of the door. All security inspections should take place in an area of controlled access. A [7-point inspection](#) process is required for all loaded containers. The C-TPAT inspection procedure must include security and agricultural inspections (pest contamination, organic material of animal origin, viable or non-viable plants or plant products, and other organic material such as fungi, soil, or water). The container points to be inspected are:

- ☐ Front wall
- ☐ Left side
- ☐ Right side
- ☐ Floor
- ☐ Ceiling / roof
- ☐ Inside / outside doors
- ☐ Outside / undercarriage
- ☐ Seal Check
- ☐ Exterior & Interior of container has been inspected for agricultural & pest contaminants (No soil, manure, dirt, plant residue, leaves, roots, twigs, seeds, insects, blood, spider webs, etc.)

2.2 Container and Trailer Seals

The sealing of trailers and containers, to include continuous seal integrity, is a crucial element of a secure supply chain, and remains a critical part of a foreign manufacturer's commitment to C-TPAT. The foreign manufacturer must affix a high security seal to all loaded trailers and containers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals. High security bolt seals can be identified by an "H" on the end of the bolt.



Written procedures must stipulate how seals are to be controlled and affixed to loaded containers and trailers. There must also be written procedures for recognizing and reporting compromised seals and/or containers/trailers to CBP or the appropriate foreign authority. Only designated employees should distribute seals for integrity purposes. Written seal controls must include the following elements:

- ❑ Controlling Access to Seals:
 - Management of seals is restricted to authorized personnel.
 - Secure Storage.
- ❑ Inventory, Distribution, & Tracking (Seal Log):
 - Recording the receipt of new seals.
 - Issuance of seals recorded in log.
 - Track seals via the log.
 - Only trained, authorized personnel may affix seals to containers.
- ❑ Controlling Seals in Transit:
 - When picking up sealed containers (or after stopping), verify the seal is intact with no signs of tampering.
 - Confirm the seal number matches what is noted on the shipping documents.

- ❑ Seals Broken in Transit:
 - If a load is examined, record the replacement seal number.
 - The driver must immediately notify dispatch when a seal is broken, indicate who broke the seal, and provide the new seal number.
 - The carrier must immediately notify the shipper, broker, and importer of the seal change and the replacement seal number.
 - The shipper must note the replacement seal number in the seal log.
- ❑ Seal Discrepancies:
 - Retain altered or tampered seals to aid in investigations.
 - Investigate the discrepancy; follow-up with corrective measures (if warranted).
 - As applicable, report compromised seals to CBP and the appropriate foreign government to aid in the investigation.

2.3 Container and Trailer Storage

Containers and trailers under foreign manufacturer control or located in a facility of the foreign manufacturer must be stored in a secure area to prevent unauthorized access and/or manipulation. Written procedures must be in place for reporting and neutralizing unauthorized entry into containers/trailers or container/trailer storage areas.

2.4 For Vendors Shipping Factory Loaded Containers to Hobby Lobby

- ❑ A [7-point inspection form](#) is to be completed for each container and included with the shipping documents.
- ❑ Security and agricultural inspections must be conducted. This includes searching for serious structural deficiencies and visible pests. Pest contamination is any visible form of animals, insects, other invertebrates, any organic material of animal origin, viable or non-viable plants or plant products, or other organic material, including fungi, soil, or water.
- ❑ Hobby Lobby will conduct periodic reviews of all business partners' processes and facilities based on risk to ensure that C-TPAT security standards are being met.

2.5 For Vendors Shipping Freight Thru Consolidation Centers (Air Freight/LCL/LTL)

- ❑ Vendor will follow all procedural steps for proper documentation and shipping procedures in [Section 5](#) of this document.
- ❑ Vendor will deliver cargo securely to port/consolidation point with vendor arranged transport direct to consolidation point container freight station.
- ❑ Packaging will have clear shipment markings for consolidator tracking and identification and will be tamper evident.

- ❑ Hobby Lobby will conduct periodic reviews of all business partners' processes and facilities based on risk to ensure that C-TPAT security standards are being met.

2.6 For Vendors Shipping Truckloads Across North American Borders

- ❑ Vendor will follow all procedural steps for proper documentation and shipping procedures in [Section 5](#) of this document.
- ❑ A [17 Point Truck & Trailer Checklist](#) is to be given to driver to complete and turn in with shipment documents. Vendor is to verify trailer integrity, attach seal, and sign sheet. Driver is to verify integrity of attached seal and sign.
- ❑ Hobby Lobby will conduct periodic reviews of all business partners' processes and facilities based on risk to ensure that C-TPAT security standards are being met.

3 PHYSICAL ACCESS CONTROLS

Overview

Access controls prevent unauthorized entry to facilities, maintain control of employees and visitors, and protect company assets. Access controls must include the positive identification of all employees, visitors, and vendors at all points of entry.

3.1 Employees

An employee identification system must be in place for positive identification and access control purposes. Employees should only be given access to those secure areas needed for the performance of their duties. Company management or security personnel must adequately control the issuance and removal of employee, visitor, and vendor identification badges. Written procedures for the issuance, removal, and changing of access devices (e.g. keys, key cards, etc.) must be documented.

3.2 Visitors

Visitors must present photo identification and a log must be maintained that records the details of the visit. All visitors should be escorted and should visibly display temporary identification. Details of the documentation log must include:

- ☐ Date of the visit
- ☐ Visitor's name
- ☐ Verification of photo ID
- ☐ Time of arrival
- ☐ Company point(s) of contact
- ☐ Time of departure

3.3 Deliveries (Including Mail)

- ☐ Proper vendor ID and/or photo identification must be presented for documentation purposes upon arrival by all vendors. Arriving packages and mail should be periodically screened before being disseminated.
- ☐ Drivers delivering or receiving cargo must be positively identified before cargo is received or released.
- ☐ Delivery of goods to the consignee or other persons accepting delivery of cargo at the partner's facility should be limited to a specific, monitored area.

3.4 Pick-Up Log

A cargo pick-up log must be kept to register drivers and record the details of their conveyances when picking up cargo. Drivers must be registered upon arrival and upon departure. Prior to arrival, the carrier should notify the facility of the estimated time of arrival for the scheduled pick-up, the name of the driver, and the truck number. The pick-up log should include:

- ☐ Driver's name
- ☐ Date and time of arrival
- ☐ Employer
- ☐ Truck Number
- ☐ Trailer Number
- ☐ Time of Departure
- ☐ The seal number affixed to the shipment at the time of departure

3.5 Guard Security

If security guards are used, work instructions for security guards must be contained in written policies and procedures. Management must periodically verify compliance with these procedures through audits and policy reviews.

3.6 Challenging and Removing Unauthorized Persons

Written procedures must be in place to identify, challenge, and address unauthorized and/or unidentified persons.

4 Personnel Security

Overview

Implementing personnel security measures is an important step in securing the supply chain. The focus of a personnel security program is to investigate the background of prospective employees to ensure that they pose no risk to Hobby Lobby's operations. Please note that the requirements provided below are based on U.S. standards and may not be possible to fulfill in other countries. However, Hobby Lobby expects all business partners to take as many steps as possible to avoid hiring someone who may pose a threat to Hobby Lobby or its supply chain.

4.1 Pre-Employment Verification

- ☐ Written processes must be in place to screen prospective employees and to periodically check current employees.
- ☐ Prospective employees must undergo pre-screening prior to commencement of employment. This applies to prospective permanent, temporary, and contract employees.
- ☐ Application information, such as employment history and references, must be verified prior to employment.

4.2 Background Checks / Investigations

Hobby Lobby expects all business partners to conduct a background check of all prospective and/or current employees that are consistent with foreign, federal, state, and local regulations. Once employed, periodic checks and reinvestigations should be performed based on cause, and/or the sensitivity of the employee's position.

Background checks should include the following:

- ☐ Criminal convictions (all felony and misdemeanor convictions involving workplace violence, burglary/robbery, theft, assault, identity theft, murder, kidnapping, rape, terrorist threats, or other crimes)
- ☐ Application verification
- ☐ Prior employment
- ☐ Address verification
- ☐ Photographs of all employees should be kept on file

4.3 Personnel Termination Procedures

Hobby Lobby expects all business partners to have written procedures in place to remove identification, facility, and system access for terminated employees.

4.4 Employee Code of Conduct

- ❑ Vendors, manufacturers, and business partners, **MUST** have an Employee Code of Conduct that includes expectations and defines acceptable behaviors. Penalties and written disciplinary procedures **MUST** be included in the Code of Conduct. Employees/Contractors **MUST** acknowledge that they have read and understood the Code of Conduct by signing it, and this acknowledgement **MUST** be kept in the employee's file for documentation.
- ❑ Vendors and Suppliers are required to:
 - Treat all employees with dignity and respect
 - Maintain a safe and healthy workplace in compliance with applicable law, including providing reasonable access to drinkable water and sanitary facilities, fire safety, and adequate lighting and ventilation
 - Maintain reasonable work hours in compliance with applicable law
 - Pay at least the minimum wage as required by applicable law
 - Pay overtime wages required by applicable law
 - Provide employment benefits required by applicable law
 - Comply with applicable law regarding protection of the environment.
- ❑ Vendors and Suppliers are **NOT ALLOWED** to:
 - Use child labor (any person younger than 15 years of age or, if higher, the applicable minimum level age of employment)
 - Use forced, slave, or other involuntary labor, including but not limited to, prison or indentured labor
 - Use corporal punishment, threats of violence, or other forms of physical, sexual, or psychological abuse
 - Use debt bondage
 - Use restriction of movement
 - Use isolation
 - Withhold wages
 - Use materials produced or processed in areas prohibited by the U.S. Government, including finished goods, or any material components, made in China's Xinjiang Uyghur Autonomous Region, or otherwise using forced labor in China.

5 Procedural Security

Overview

Security measures must be in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain. Procedural security measures regulate incoming and outgoing goods, and are designed to prevent the loss of Hobby Lobby's merchandise and the introduction of un-manifested materials into the supply chain. Each business partner and/or factory should have a designated employee supervising the introduction and removal of cargo. All merchandise must be properly marked, weighed, counted, and documented. Written procedures must be in place to govern the detection and recording of shortages and overages.

5.1 Documentation Processing

Written procedures must be in place to ensure that all information used in the clearing of merchandise/cargo is legible, complete, accurate, and protected against the exchange, lost, or introduction of erroneous information. Documentation control must include safeguarding computer access and information.

5.2 Manifesting Procedures

To help ensure the integrity of cargo, written procedures must be in place to ensure that information received from business partners is reported accurately and timely.

5.3 Shipping and Receiving

- ☐ All vendors and factories shipping factory-loaded containers destined for Hobby Lobby must conduct a 7-point container inspection of the container and submit a completed 7-point container inspection form with the shipping documents.
- ☐ Departing cargo being shipped should be reconciled against information on the cargo manifest.
- ☐ The cargo should be accurately described, and the weights, labels, marks, and piece count indicated and verified. All merchandise must be properly marked, weighed, counted, and documented.
- ☐ Departing cargo should be verified against purchase or delivery orders.
- ☐ Drivers delivering or receiving cargo must be positively identified before cargo is received or released.
- ☐ Written procedures should also be established to track the timely movement of incoming and outgoing goods.
- ☐ When cargo is staged overnight, or for an extended period of time, measures must be taken to secure the cargo from unauthorized access.

- ❑ Cargo staging areas, and the immediate surrounding areas, must be inspected on a regular basis to ensure these areas remain free of visible pest contamination.

5.4 Cargo Discrepancies

- ❑ All shortages, overages, and other significant discrepancies or anomalies must be resolved and/or investigated appropriately.
- ❑ Written procedures must be in place to govern the detection and recording of shortages and overages.
- ❑ Customs and/or other appropriate law enforcement agencies must be notified if anomalies or illegal/suspicious activities are detected.
- ❑ Each factory should have a designated employee supervising the introduction and removal of cargo.
- ❑ Containers, trailers, and/or railcars left at the facility overnight must be secured.
- ❑ Containers that are full of cargo must be locked and sealed with industry-approved seals and said seal numbers must be recorded. The seals should be uniquely numbered and require destruction to be removed.
- ❑ All containers or trailers entering or leaving the facility must be recorded, along with the name of the driver who took custody of Hobby Lobby's merchandise.
- ❑ The factory should have a written procedure for inspecting and verifying seals.
- ❑ Cargo discrepancies must immediately be reported to management and/or security personnel.
- ❑ Hobby Lobby requires all vendors and manufacturers to complete self-assessments of their written security procedures each year. Copies of the self-assessments must be forwarded to the International Department located at Hobby Lobby's Headquarters in Oklahoma City, OK.
- ❑ Hobby Lobby verifies the accuracy of self-assessments submitted by vendors and manufacturers.
- ❑ Hobby Lobby reserves the right to request on-site access to business partner's facilities to ensure that the C-TPAT requirements are being met.

5.5 Agriculture

- ❑ Hobby Lobby has a NO WOOD PACKING MATERIAL policy.
- ❑ IF WPM need to be used, measures regarding WPM, Pest Contamination, and Pest Prevention **MUST** meet the requirements stated in Hobby Lobby's Agricultural Security Policy ([Attachment A](#)).
- ❑ Measures regarding WPM **MUST** meet the International Plant Protection Convention's (IPPC) International Standards for Phytosanitary Measures No. 15 (ISPM 15).
- ❑ For certain types of merchandise, fumigation will be required.
- ❑ If fumigation of the product is required, additional instructions will be sent with the PO.

5.6 Internal Investigations

- ❑ Members must initiate their own internal investigations of any security-related incidents (terrorism, narcotics, stowaways, absconders, etc.) immediately after becoming aware of the incident. The company investigation must not impede/interfere with any investigation conducted by a government law enforcement agency. The internal investigation must be documented, completed as soon as possible, and made available to CBP/C-TPAT and any other law enforcement agency, as appropriate, upon request.

6 Security Training & Threat Awareness

Hobby Lobby requires all vendors, manufacturers, and service providers to establish and maintain a threat awareness program by security personnel to recognize and foster awareness of the threat posed by terrorists and contraband smugglers at each point in the supply chain.

- ☐ Employees must be made aware of the written procedures the company has in place to address a situation and how to report it.
- ☐ Additional training should be provided to employees in the shipping and receiving areas, as well as those receiving and opening mail.
- ☐ Additionally, specific training should be offered to assist employees in maintaining cargo integrity, recognizing internal conspiracies, and protecting access controls.
- ☐ Drivers and other personnel that conduct security and agricultural inspections of empty containers must be trained to inspect their containers for both security and agricultural purposes.
- ☐ Refresher training must be conducted periodically, as needed after an incident or security breach, or when there are changes to company procedures.
- ☐ Inspection training must include:
 - Signs of hidden compartments
 - Concealed contraband in naturally occurring compartments
 - Signs of pest contamination
- ☐ Measures should be in place to verify that the training provided met all training objectives.
- ☐ Training must be provided to applicable personnel on preventing visible pest contamination. Training must encompass pest prevention measures, regulatory requirements applicable to wood packaging materials (WPM), and identification of infested wood.
- ☐ Personnel must be trained on the company's cybersecurity policies and procedures. This must include the need for employees to protect passwords/passphrases and computer access.
- ☐ Personnel operating and managing security technology systems must have received training in their operation and maintenance.
- ☐ Personnel must be trained on how to report security incidents and suspicious activities.

7 Physical Security

Overview

Cargo handling and storage facilities in international locations must have physical barriers and deterrents that guard against unauthorized access. Foreign manufacturers should incorporate the following C-TPAT physical security criteria throughout their supply chains as applicable. Vendors and manufacturers from which Hobby Lobby sources should have the following characteristics.

7.1 Fencing

- ☐ Perimeter fencing should enclose the areas around cargo handling and storage facilities.
- ☐ Interior fencing within a cargo handling structure should be used to segregate domestic, international, high value, and hazardous cargo.
- ☐ All fencing must be regularly inspected for integrity and damage.

7.2 Gates and Gate Houses

- ☐ A guard or receptionist must monitor office entrances.
- ☐ There must be a formal registration process for documenting visitors to the operations.
- ☐ Gates through which vehicles and/or personnel enter or exit must be manned and/or monitored.
- ☐ Individuals and vehicles may be subject to search in accordance with local and labor laws.
- ☐ The number of gates should be kept to the minimum necessary for proper access and safety.

7.3 Parking

- ☐ Private passenger vehicles should be prohibited from parking in or adjacent to cargo handling and storage areas.
- ☐ Parking for employees must be separate from the dock and cargo operations.

7.4 Building Structure

- ☐ Buildings must be constructed of materials that resist unlawful entry.
- ☐ The integrity of structures must be maintained by periodic inspection and repair.

7.5 Locking Devices and Key Controls

- ☐ All external and internal windows, gates, and fences must be secured with locking devices.
- ☐ Management or security personnel must control the issuance of all locks and keys.

7.6 Lighting

- ☐ Adequate lighting must be provided inside and outside the facility including the following areas: entrances and exits, cargo handling areas, storage areas, fence lines, and parking areas.
- ☐ Adequate lighting inside and outside of facility.
- ☐ All corners of parking lots must be illuminated at night.
- ☐ Inside lighting should be bright enough to illuminate dark spots or corners.
- ☐ Flood lighting on loading and unloading areas.
- ☐ Dock doors should be illuminated at night.

7.7 Alarm Systems and Video Surveillance Cameras

Alarm systems and video surveillance cameras should be utilized to monitor premises and prevent unauthorized access to cargo handling and storage areas.

7.8 Security Technology

- ☐ All vendors, factories, and business partners who rely on security technology for physical security must have written policies and procedures governing the use, maintenance, and protection of the technology. These policies and procedures must specify:
 - How access to the locations where the technology is controlled/managed, or where its hardware (control panels, video recording units, etc.) is kept, is limited to authorized personnel.
 - The procedures that have been implemented to test/inspect the technology on a regular basis.
 - That the inspections include verifications that all of the equipment is working properly, and if applicable, that the equipment is positioned correctly.
 - That the results of the inspections and performance testing is documented.
 - That if corrective actions are necessary, these are to be implemented as soon as possible and that the corrective actions taken are documented.
 - That the documented results of these inspections be maintained for a sufficient time for audit purposes.
- ☐ If a third-party central monitoring station is utilized, there must be written procedures stipulating critical systems functionality and authentication protocols such as security code changes, adding or subtracting authorized personnel, password revisions, and system access or denials.
- ☐ Security technology policies and procedures must be reviewed and updated annually.

- ❑ Licensed/Certified resources should be utilized when considering the design and installation of security technology.
- ❑ All security technology infrastructure must be physically secured from unauthorized access.
- ❑ Security technology systems should be configured with an alternative power source that will allow the systems to continue to operate in the event of an unexpected loss of direct power.
- ❑ If camera systems are deployed, cameras must be positioned to cover key areas of facilities that pertain to the import/export process.
- ❑ Cameras should be programmed to record at the highest picture quality setting reasonably available, and be set to record on a 24/7 basis.
- ❑ If camera systems are used, cameras should have an alarm/notification feature, which would signal a “failure to operate/record” condition.
- ❑ If camera systems are deployed, periodic, random reviews of the camera footage must be conducted by management, security, or designated personnel, to verify that cargo security procedures are being properly followed in accordance with law. Results of the reviews must be summarized in writing to include any corrective actions taken. The results must be maintained for a sufficient time for audit purposes.
- ❑ If cameras are being used, recordings of footage covering key import/export processes should be maintained for a sufficient amount of time, ETA to final destination plus 15 days, for a monitored shipment to allow an investigation to be completed.

7.9 Hobby Lobby expects all Vendors, Manufacturers, and Business Partners to adhere to the Physical Security requirements below:

- ❑ Clear zones must be maintained internally and externally to monitor the security of the facility. Brush and growth should be cleared at least 35 feet from perimeter fencing.
- ❑ All containers and trailers that remain at the warehouse overnight should be secured. Trailers loaded with cargo should also be sealed, with seal numbers recorded and verified.
- ❑ Seal numbers must be verified before the container, trailer, or truck is released.
- ❑ Employees should be familiar with their trucking vendors. The identification of the driver should be checked before cargo is released to his/her custody.
- ❑ Truck drivers should never be allowed to randomly enter the factory and pick up a trailer without supervision.
- ❑ All visitors and persons not employed by the company should be escorted by an employee at all times.
- ❑ Each facility should also have a communication system in place to contact internal security personnel or local law enforcement police in the event of an emergency.

8 Information Technology

Overview

Hobby Lobby requires all vendors, manufacturers, and business partners to ensure the integrity and security of all information technology data. All vendors and manufacturers must adhere to the following information security requirements.

8.1 Restricted Access and Password Protection

- ☐ Access should be restricted to authorized company personnel use only.
- ☐ Automated systems must use individually assigned accounts that require a periodic change of password.
- ☐ IT security policies, procedures, and standards must be in place and provided to employees in the form of training.

8.2 Use of Firewalls, Anti-Virus, Encryption Software

- ☐ Vendors and manufacturers must have systems in place that are supported by the use of firewalls, anti-virus protection and encryption software to prevent against outside intrusion.

8.3 Data Backup and Storage Systems

- ☐ All vendors, manufacturers, and business partners should have a data backup plan.
- ☐ System backup data should be stored at an off-site location for safekeeping.

8.4 Accountability

- ☐ A system must be in place to identify the abuse of IT, including improper access, tampering, or the altering of business data.
- ☐ All system violators must be subject to appropriate disciplinary actions for abuse.

8.5 Cybersecurity

- ☐ A comprehensive written cybersecurity policy and/or procedure must be in place to protect IT systems. (The National Institute of Standards and Technology (NIST) provides Cybersecurity framework and offers voluntary guidance).
- ☐ All vendors must regularly test for vulnerabilities to their IT infrastructure.
- ☐ Hobby Lobby must be notified of any threats found as soon as they are found.

- ☐ Written cybersecurity policies and procedures must be reviewed annually, or more frequently as risk dictates.
- ☐ Individuals with access to Information Technology (IT) systems must use individually assigned accounts. These accounts must be protected from infiltration via the use of strong passwords, passphrases, or other forms of authentication.
- ☐ Passwords and/or passphrases must be changed as soon as possible if there is evidence of compromise or reasonable suspicion a compromise exists.
- ☐ All vendors, manufacturers, and business partners must employ secure technologies, such as virtual private networks (VPNs) for all remote users.
- ☐ All personal devices that conduct company work must abide by the company's written cybersecurity policies.
- ☐ Written cybersecurity policies and procedures should include measures to prevent the use of counterfeit or improperly licensed technological products.
- ☐ Data should be regularly backed up and encrypted.
- ☐ All media, hardware, or other IT equipment that contains sensitive data regarding import/export processes must be accounted for through regular inventories. Follow the National Institute for Standards and Technology (NIST) standards on destruction of equipment.

9 Vendor Forms

PLEASE COMPLETE AND RETURN THE FOLLOWING VENDOR FORMS AS APPROPRIATE.

ATTACHMENT A Agricultural Security Policy

ATTACHMENT B 7-Point Container Inspection (What to Look For)

ATTACHMENT C Import Vendor Container 7-Point Inspection Form

ATTACHMENT D Truck & Trailer Inspection (What to Look For)

ATTACHMENT E 17-Point Truck & Trailer Inspection Form

ATTACHMENT F Hobby Lobby C-TPAT Contact Information

Agricultural Security Policy

RESPONSIBILITIES

It is the responsibility of the CTPAT Point of Contact (POC) at the **Vendor(s) and Manufacturer(s)** relevant department leadership and management to ensure that the procedures and this policy are followed.

DEFINITIONS

Conveyance

The powered transport vehicle or unit of a transportation mode, such as an airplane, semi-truck combination, train, or vessel.

Instruments of International Traffic (IIT)

IIT includes containers, flatbeds, unit load devices (ULDs), lift vans, cargo vans, shipping tanks, bins, skids, pallets, caul boards, cores for textile fabrics, or other specialized containers arriving (loaded or empty), in use or to be used in the shipment of merchandise in international trade.

Pest Contamination

Pest contamination is defined as visible forms of animals, insects or other invertebrates (alive or dead, in any life-cycle stage, including egg casings or rafts), or any organic material of animal origin (including blood, bones, hair, flesh, secretions, excretions); viable or non-viable plants or plant products (including fruit, seeds, leaves, twigs, roots, bark); or other organic material, including fungi; or soil, or water; where such products are not the manifested cargo within instruments of international traffic.

Wood Packaging Materials (WPM)

WPM is defined as wood or wood products (excluding paper products) used in supporting, protecting, or carrying a commodity. WPM includes items such as pallets, crates, boxes, reels, and dunnage. Frequently, these items are made of raw wood that may not have undergone sufficient processing or treatment to remove or kill pests, and therefore remain a pathway for the introduction and spread of pests. Dunnage in particular has been shown to present a high risk of introduction and spread of pests. The IPPC is a multilateral treaty overseen by the United Nation's Food and Agriculture Organization that aims to secure coordinated, effective action to prevent and to control the introduction and spread of pests and contaminants. ISPM 15 includes internationally accepted measures that may be applied to WPM to reduce significantly the risk of introduction and spread of most pests that may be associated with WPM. ISPM 15 affects all wood packaging material requiring that they be debarked and then heat treated or fumigated with methyl bromide and stamped or branded with the IPPC mark of compliance. This mark of compliance is colloquially known as the "wheat stamp". Products exempt from the ISPM 15 are made from alternative materials, like paper, metal, plastic or wood panel products (i.e. oriented strand board, hardboard, and plywood).

RELATED FORMS, POLICIES AND PROCEDURES

International Plant Protection Convention's (IPPC) International Standards for Phytosanitary Measures No. 15 (ISPM 15)

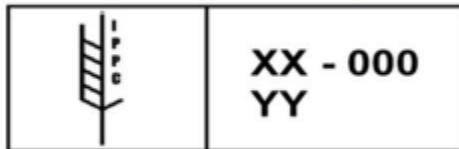
Anomaly Report – Pests/Contaminants

PROCEDURES

Wood Packaging Material

[ISPM 15 2018 En WoodPackaging Post-CPM13 Rev Annex1and2 Fixed 2019-02-01.pdf \(ippc.int\)](#)

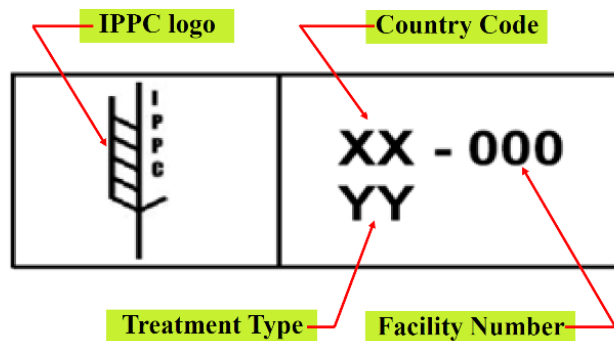
All Wood Packaging Materials (WPM) must be compliant with the International Plant Protection Convention's (IPPC) International Standards for Phytosanitary Measures No. 15 (ISPM 15) and possess the International Plant Protection Convention (IPPC) markings.



PEST PREVENTION MEASURES ABROAD

Visible pest prevention measures must be adhered to throughout the supply chains. All incoming WPM must be inspected for the IPPC markings.

International Plant Protection Convention (IPPC) Logo



Monitor the cargo staging area to ensure the cargo is not under lighting that might attract insects and increase the probability of infestation.

Utilize baits, traps, or barriers to prevent infestations from occurring in the cargo staging area. For example, salt barriers may be used to protect against snail infestations.

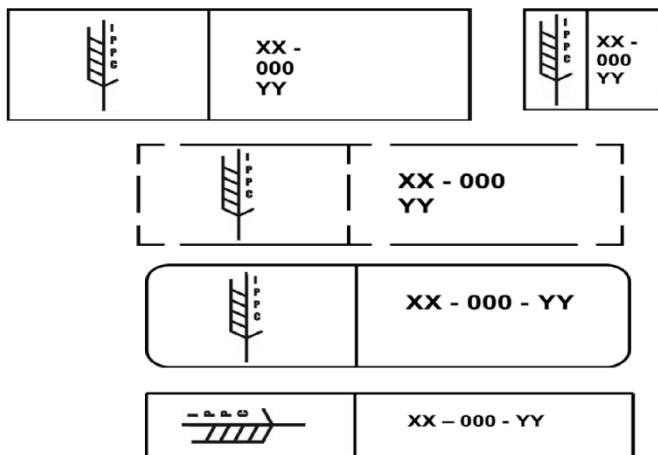
Store cargo away from vegetation.

Avoid placing IITs over grain, soil, or vegetation.

Store IITs away from natural areas and/or reduce vegetation around cargo and trailer storage areas.

Store WPM off the ground in a dry area of the facility.

Compliant Markings Variations



Correct IPPC Logo



Non-Compliant WPM



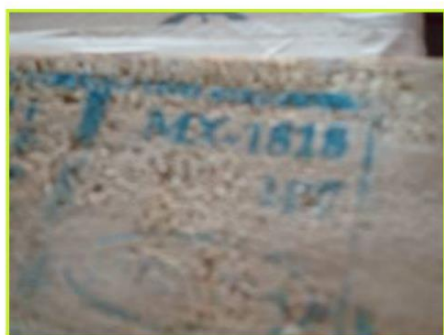
❖ Inappropriately marked WPM

Non-Compliant WPM



❖ Inappropriately marked WPM

Non-Compliant WPM



❖ Inappropriately marked WPM

DETECTION OF PESTS AND/OR CONTAMINANTS

If pests and/or contaminants are discovered inside a conveyance, IIT, pallet, and/or box:

- Notify your supervisor
- Take pictures of the pests and/or contaminants.
- the conveyance/IIT must be swept and/or vacuumed to remove such contamination.
- Document the incident on the Anomaly Report – Pests/Contaminants. Documentation must be retained for one year. The Hobby Lobby Stores, Inc. must be notified.

The policies, procedures, forms, and training material must be reviewed every year during the risk assessment process or as a result of an internal audit, security breach, etc. If any information in this policy is updated, the new policy must be disseminated to the appropriate personnel.

7-Point Container Inspection (What to Look for During the Inspection)

For each of the following points, be sure to check for pest contamination (animals, insects, other invertebrates, any organic material of animal origin, viable or non-viable plants or plant products, fungi, soil, water, or where such products are not the manifested cargo within instruments of container).

1. Undercarriage
 - Check C-Beams (support beams) – they should be visible.
2. Outside/Inside Doors
 - Verify secure and reliable locking mechanisms.
 - Look for different color bonding material.
 - Inspect for plates and repairs to the container.
3. Right Side
 - Look for any unusual repairs to structural beams.
 - Repairs to walls on the inside of the container must be visible on the outside.
 - Use a tool to tap side walls. Listen for hollow sound.
4. Left Side
 - Look for any unusual repairs to structural beams.
 - Repairs to walls on the inside of the container must be visible on the outside.
 - Use a tool to tap side walls. Listen for hollow sound.
5. Front Wall
 - Verify that blocks and vents are visible.
 - Use tool to tap front wall. Listen for hollow sound.
 - A range finder/measuring tap can be used to measure the inside of the container when empty to see if there are any false walls.
6. Ceiling/Roof
 - Verify height from floor. Blocks and vents should be visible.
 - Repairs to the ceiling on the inside of the container must be visible on the outside.
 - Use tool to tap the ceiling. Listen for hollow sound.
7. Floor
 - Verify height from ceiling
 - Look for unusual repairs.
8. Seal
 - View
 - Verify
 - Tug
 - Twist –This method should be used to check all seals.

C-TPAT 7-Point Container Inspection Check List

- Procedures must be in place to verify the physical integrity of the container structure prior to stuffing, including the locking mechanisms of the door.
- A 7-point container inspection is required for all containers.
- Containers that have damage or appear to have been tampered with are not to be used for Hobby lobby shipments and should be reported to the carrier immediately.
- Complete this form and give to OOCL Logistics along with all other shipping documents with all full container loads only.

Container Number: _____

Seal Number: _____



SIDES	SATISFACTORY (*If you answer 'NO' to any question, please request a new container)		REMARK
1. Outside/Undercarriage (Before Entering Facility)	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
2. Inside/Outside Doors	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
3. Right Side	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
4. Left Side	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
5. Front Wall	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
6. Ceiling Roof	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
7. Floor (Inside)	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
8. When seal was affixed, was it checked via the "view, verify, tug, twist" method?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	
9. Visual inspection for agriculture and pest contamination (Interior and Exterior of container)	YES <input type="checkbox"/>	NO <input type="checkbox"/>	

Printed name of person who conducted security inspection: _____

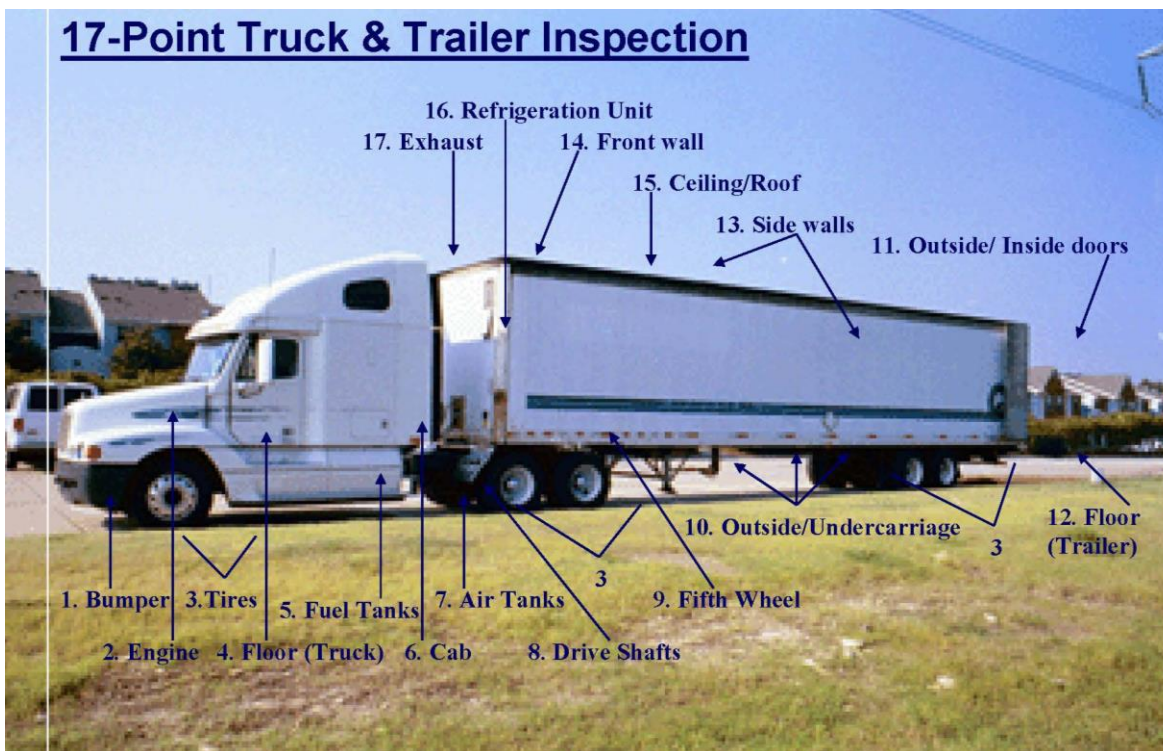
Signature: _____

Date: _____

17-Point Truck & Trailer Inspection (What to Look for During the Inspection)

For each of the following points, be sure to check for pest contamination (animals, insects, other invertebrates, any organic material of animal origin, viable or non-viable plants or plant products, fungi, soil, water, or where such products are not the manifested cargo within instruments of container).

1. Bumper
 - Use mirror to view
2. Engine
 - Check Compartment
 - Remove Filter
3. Tires (truck & trailer)
 - Check spare
 - Use tool to vibrate wheel
4. Floor (inside truck)
 - Check for people
 - Check flooring and new repairs
5. Fuel Tanks
 - Tap for sound
 - Look inside
6. Cab/Storage Compartments
 - Look inside and out
 - Check for locks
7. Floor
 - Verify height from ceiling
 - Look for unusual repairs.
8. Drive Shaft
 - Look for repairs and new paint
 - Tap for sound
9. Fifth Wheel
 - Check battery area and empty spaces
10. Outside/Undercarriage
 - Use Mirror
- Check rear lighting compartment
11. Outside/Inside Doors
 - Check locking mechanism
 - Check for bolt and fastener security
 - Inspect door hinges
 - Look for repairs
12. Floor (inside trailer)
 - Confirm planks are bolted down
 - Confirm flat floor
13. Side Walls
 - Check for new or loose panels
 - Use light to look inside
14. Front Wall
 - Inspect for secure panels and repairs
 - Measure walls
15. Ceiling/Roof
 - Measure height
 - Look for new rivets and repairs
16. Refrigeration Unit
 - Open doors and check inside
17. Exhaust
 - Look for taped packages and rope
 - Should be tight



Printed name of person who conducted security inspection upon arrival: _____

Signature: _____

Inspection was completed: _____ Date: _____ Time: _____

Printed name of person who conducted follow up security inspection: _____

Signature: _____

Seal number(s) that was on container when it arrived at this facility: _____

Seal number(s) that was on container when it departed this facility: _____

Printed name of person who affixed seal(s): _____

Signature: _____

Printed name of person who verified physical integrity of seal(s): _____

Signature: _____

Hobby Lobby's C-TPAT Contact Information

Please direct C-TPAT inquiries to:

Hobby Lobby Stores

Attn: John Kreeb

Manager, Import Logistics

7707 SW 44th Street

Oklahoma City, OK 73179

Phone: (405) 745-1745

Email: CTPAT@hobbylobby.com