

# HOBBY LOBBY

## Buying Resources

April 9, 2021

Subject: New Cotton Compliance Forms & Requirements

Dear Vendor,

Hobby Lobby's Vendor Code of Conduct prohibits conducting business with vendors who utilize child or forced labor or engage in human trafficking. Vendors are prohibited from using materials containing cotton that were produced or processed in areas prohibited by the US government from China's Xinjiang Uyghur Autonomous Region. The Vendor Code of Conduct is located in the Documents tab on [Vendor Portal](#) and on the [Vendor Documents](#) page.

In order to ensure Hobby Lobby is compliant with US Customs and Border Patrol requirements, we are implementing: the completion of the Cotton Supply Chain Verification Form (with each purchase order / sales confirmation that has cotton) and the Cotton Audit Form (completion only upon request). The specifications for these forms are outlined below.

### **Cotton Supply Chain Verification Form**

The Cotton Supply Chain Verification Form is required with the sales confirmation (SC) for items on purchase order (POs) that contain cotton. After April 12, 2021, the following requirements will display on all new POs. International will contact vendors directly regarding POs sent between January 13, 2021, and April 12, 2021, to request the completion of the Cotton Supply Chain Verification Form.

- SKUs containing cotton display the following text at the bottom of the SKU's information on the PO.
  - Use of cotton from China's Xinjiang Uyghur Autonomous Region is prohibited.
  - The Cotton Supply Chain Verification Form must be submitted with every sales confirmation.
  - The form is in the Vendor Portal (Documents tab) and the Vendor Documents page.
- If there are SKUs with a different supply chain on the same PO, it is necessary to complete a separate Cotton Supply Chain Verification Form for those SKUs. The form is located in the "Other Documents" section on [Vendor Portal](#) (Documents tab) and in the "Documents Necessary for Import" section on the [Vendor Documents](#) page online.

### **Cotton Audit Form**

The Cotton Audit Form for the supply chain is only required to complete upon request by Hobby Lobby representatives. At that time, you will receive an email request to complete the form. Once requested, it is necessary to complete and return the form and provide supporting documents (listed below) by email within 15 days of the request date by Hobby Lobby and/or US Customs and Border Protection.

Supporting documentation for each facility in the supply chain includes, but is not limited to,

- manufacturing processes;
- employee records and pay receipts;
- daily process reports;
- bill of materials;
- purchase order, invoice, and payment from manufacturer, and
- a signed statement providing the plantation's location for the raw cotton.

# **HOBBY LOBBY.**

## *Buying Resources*

Hobby Lobby representatives may also conduct unannounced on-site visits to vendor facilities to verify compliance with the Vendor Code of Conduct. During an audit, it is necessary to make supply chain documents, records, and material storage areas available to representatives.

It is necessary to keep records of all data on file for five years and be made available for review if requested.

Hobby Lobby representatives may include representatives from Hong Kong Connections and/or OOCL Logistics. Vendors agree to cooperate with such verification efforts. Hobby Lobby reserves the right to suspend future orders or to terminate its relationship with vendors who fail to comply with the Vendor Code of Conduct.

Sincerely,

Buying Resources