



LL Flooring™

# Standards for Vendor Partner Conduct

## 1. Introduction

LL Flooring and its parents, subsidiaries, affiliates and related parties (collectively “LL”) are committed to conducting business in accordance with the highest ethical standards, in compliance with all applicable laws, and in a manner that helps to ensure that LL is environmentally and socially responsible. LL appreciates and values our vendor partner relationships and understands the important role that you, our vendor partners play in our mutual business success. LL is committed to working together with our vendor partners and strives to foster relationships based on mutual respect, trust, transparency, and integrity in all business dealings as we believe this approach to be the best for maximizing our respective mutual opportunity, success and compliance with law.

These values-based relationships are essential to LL’s ability to effectively serve our customers and help to reinforce our reputation as a good corporate citizen. LL expects our vendor partners to adhere to the same high ethical standards and share the same commitment.

To assist in providing clear expectations, guidelines, and standards for doing business with LL, LL has established these Standards for Vendor Partner Conduct (this “Code”) that outlines expectations regarding behavior and conduct. While LL recognizes that our vendor partners are located not only here in the United States but also in many countries with different legal and cultural systems and beliefs, this Code describes the standards of conduct and principles to which all of our vendor partners are expected to adhere regardless of their country of domicile or origin.

## 2. Vendor Requirements

All vendors, sub-tier suppliers, subcontractors and their agents (collectively, “Suppliers”) are expected to abide by the following standards:

### a. Compliance with Laws

LL requires that its vendor partners and the products they manufacture for LL comply with all applicable laws, rules, and regulations, of the place of manufacture of the products (collectively, the “Regulatory Requirements”). In addition, as the products will be sold in the United States, certain laws, rules, and regulations of the United States also apply including: The Foreign Corrupt Practices Act and the Lacey Act (16 USC § 3371-3378) and the Environmental Protection Agency Toxic Substances Control Act, Title VI (TSCA also known as the Composite Wood Rule) as well as certain requirements imposed by United States state law. Where conflicts between laws exist, LL’s vendor partners must comply with the stricter standards in every case. Additionally, LL’s vendor partners must maintain accurate books and records demonstrating compliance with such laws to the extent required by law.



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Certain states have specific additional regulatory requirements including California's Office of Environmental Health and Hazard Assessment's Proposition 65 product labeling regulations and the California Air Resources Board's Airborne Toxic Control Measures (ATCM Phase 2 or CARB 2). LL also complies with The California Transparency in Supply Chains Act of 2010 ((Cal. Civ. Code, § 1714.43, subd. (a)(1)) that requires certain companies doing business in California to disclose their efforts to eliminate human trafficking and slavery in their supply chain.

From time-to-time, vendor partners will be required to provide LL with documentation and other supporting materials that demonstrate their compliance efforts in these important areas.

### b. Due Diligence

Vendor Partners must complete due diligence of their extended supply chain(s) to ensure that their Suppliers meet all Regulatory Requirements as well as industry standards.

### c. Anti-Bribery and Anti-Corruption

Most countries where LL conducts business have enacted strict anti-bribery and anti-corruption regulations to combat corruption in business dealings around the world including the U.S. Foreign Corrupt Practices Act (FCPA). All vendor partners working on LL's behalf must comply with all applicable anti-bribery and anti-corruption laws at all times and not engage in any form of bribery, cartel pricing, bid rigging, kickback payments, corruption, extortion or otherwise take any actions which would prejudice fair competition in the marketplace in violation of these laws.

### d. Anti-Money Laundering Laws

Generally, money laundering arises when the proceeds of illegal activities are transferred and moved through legitimate businesses and banking systems in an attempt to cover up the illegal sources. Anti-money laundering laws help to ensure financial transactions are only from legitimate sources and monies received are not a product of unlawful activity. All of LL's vendor partners are expected to conduct their operations in compliance with all applicable financial recordkeeping and reporting requirements and to implement procedures and comply fully with all anti-money laundering laws wherever they do business.

### e. Compliance with OFAC

Neither the Vendor partner nor any of its partners, owners or subsidiaries is an individual or entity (a "Person") that is, or is owned or controlled by a Person that is currently the subject or target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC") or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), by the United Nations Security Council, the European Union, the UK Government Treasury, or other relevant sanctions authority (collectively, "Sanctions"), nor is the Vendor partner or any of its subsidiaries located, organized conducting operations in or resident in a country or territory that is the subject or the target of Sanctions, including Cuba, Iran, North Korea, Sudan and Syria (each, a "Sanctioned Country")



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as same may change from time-to-time. Vendor partner has not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any Person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

### f. *No Collusion or Unfair Business Practices*

Vendor partners shall not engage in bid collusion or customer or market allocation with other industry suppliers or vendor partners of LL. Vendor partners must comply with all applicable antitrust, trade regulation, and competition laws.

### g. *Independent Parties; No Unauthorized Activities*

Vendor partner and LL are independent parties and no partnership or joint venture is intended to be created by this Code document. Vendor partner shall not attempt to assert the authority to make commitments for or to engage in any activity as a representative or agent of LL including, without limitation, projects, transactions, political contributions, charitable donations, lobbying, and appearances before government entities, officials, and representatives. Any of these types of activities engaged in by LL's vendor partners must be in the Vendor partner's name and on Vendor Partner's own time and with their own resources and in compliance with applicable laws.

### h. *No Improper Influence*

Vendor partners shall not attempt to influence LL's employees or representatives with respect to any business arrangement through bribery, kickbacks, favors, gifts, sporting or entertainment events, offers of future employment, or similar conduct, whether in cash or in-kind. This prohibition means that Vendor partners shall not engage in an action if it is intended to improperly influence, or could create the appearance of improperly influencing, any employee or representative of LL. This prohibition extends to the relatives of any LL employee or representative and to each other person with whom such LL employee or representative has a significant personal relationship.

### i. *No Conflicts of Interest*

Vendor partners shall not enter into any relationship with any employee or representative of LL that creates, or reasonably could be expected to create, an actual or a potential conflict of interest for such LL employee or representative. A conflict of interest arises, or reasonably could be expected to arise, when a material personal interest of an LL employee or representative is inconsistent with, or adverse to, the such employee's or representative's responsibilities to LL. Vendor partners shall not assign any of their employees, agents, or representatives to conduct business with any LL employee or representative if the assigned employee, agent or representative was employed by LL within the preceding twelve months.

### j. *Confidentiality*

Vendor partners may have access to LL's confidential (non-public) information, such as historical sales results, sales projections, customer information, and agreed pricing for products offered or sold to LL. Vendor partners shall (i) hold this confidential information secure and in the strictest



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confidence, (ii) not disclose such confidential information to anyone without LL's approval, except as required by law and then only on a need-to-know basis and (iii) not discuss or reveal such confidential information in public places or to any third parties without LL's approval. LL retains exclusive ownership of its confidential information. Vendor partners shall not buy or sell LL's common stock or other equity or debt securities based on, or otherwise take advantage of, material, non-public information relating to LL or its business.

### k. Country of Origin

Vendor partner is obligated to provide LL with correct and truthful product labels providing country of origin information. Vendor partner agrees not to mislabel or otherwise arrange for purchase of any materials or services from others who engage in practices that aid or abet the transshipment of products in a manner which conceals the true origin of the Products or that permits the evasion of quotas on, or voluntary restraint agreements with respect to, imports of textile, apparel or other products.

### l. Environmental

LL is committed to serving as a good corporate citizen and environmental steward. As part of this commitment, LL is dedicated to operating in a sustainable way that protects the environment, and LL expects its vendor partners to have similar dedication and commit to being environmental stewards by managing, measuring and minimizing the environmental impact of their facilities and by obtaining and complying with all required environmental permits, including any reporting obligations. This commitment includes endeavoring to make continuous improvements in environmental performance through practical measures to monitor, control and treat air pollution emissions, waste reduction, recovery and management, water use and disposal, and greenhouse gas emissions wherever possible.

### m. Conflict Minerals

Vendor partners shall not use any "conflict minerals" in the production of the products. The term "conflict minerals" shall have the meaning ascribed to it under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

### n. Illegal logging

Vendor partner shall exercise appropriate due diligence on the sourcing and chain of custody identifying place of origin of any plant-based materials in the products they manufacture to reasonably assure LL that all such plant products comply with the Lacey Act (16 USC § 3371-3378) and that they are not sourced from conflict affected areas or other endangered regions or illegal logging high-risk zones. Where wood is used in the production of products LL sells, we will give preference to wood that has come from forests managed in a responsible manner.



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o. Labor

i. No Forced Labor

All labor used by Vendor partners must be voluntary, and no Vendor partners or their suppliers are permitted to use forced, bonded or coerced or indentured labor or other involuntary labor, including prison labor, in the production of LL's products. Workers should not have to surrender any identification or be required to pay any recruitment or other related fees. Documentation related to their employment must be in a language that is understood with details of their terms prior to employment. Change(s) will not be allowed upon employment unless these changes are made to meet local law and provide equal or better terms.

ii. No Underage Labor

Vendor partners must not use child labor in any stage of manufacturing, and workers under the age of 18 should not perform hazardous work. "Child" means any person under the age of 15 (or 14 where legally permitted), or under the age for completing compulsory education, or under the minimum age for employment in the place of manufacture, whichever is greatest. In addition, Vendor Partners must comply with all local legal requirements for the work of authorized young workers, particularly those pertaining to proper documentation, hours of work, wages and working conditions.

iii. Hours of Work

Except in extraordinary business circumstances, workers shall not be required to work more than the applicable legal limit (inclusive of overtime), or 60 hours per week, whichever is less. Except in extraordinary circumstances, workers shall be entitled to at least one day of f of work after 6 consecutive work days.

iv. Wages and Benefits

Compensation paid to workers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours, and legally mandated benefits. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

v. Humane Treatment. No Abuse or Discrimination

Vendor partners must treat all employees with respect and dignity. No employee should be subject to any corporal punishment or sexual, psychological or verbal harassment or abuse. Vendor partners must comply with all applicable laws addressing discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, pay, or marital status in hiring and employment practices such as promotions, rewards, and access to training. Pregnancy tests must not be a condition of employment. Vendor partners must not use monetary fines as a disciplinary practice.



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## vi. Freedom of Association and Collective Bargaining

Vendor partners shall respect the rights of workers to make an informed decision as to whether to associate or not with any group consistent with all applicable laws. Vendor partners must also respect legal rights of workers to bargain collectively.

## p. Health and Safety

Vendor partners must comply, at all times, with all applicable health and safety laws in the country and place of manufacture of the product or any components thereof. Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) should be minimized where possible through safe work procedures, worker training, and proper equipment maintenance. Supplier shall implement procedures and safeguards, including the provision of personal protective equipment at no charge to prevent workplace hazards and work-related accidents and injuries including procedures and machinery safeguards to prevent industry-specific workplace hazards. Inspections and procedures should be implemented to manage, track, and report occupational injury and illness.

## **3. Monitoring and Compliance**

Vendor partner shall provide LL personnel access to all areas within vendor partner's facilities, and ensure LL has access to all of its raw material suppliers' facilities upon request whether or not arranged in advance. Product, pricing reviews, and samples for Product evaluation also may be requested by LL.

## **4. Reporting of Violations**

It is LL's clear expectation that all vendor partners promptly report to LL anytime they or any employee, subcontractor, or sub-tier supplier are made aware of a legal infraction or suspected violation of this Code, or LL's policies. Vendor partners may do so by contacting LL's Chief Ethics & Compliance Officer at [ethics@lumberliquidators.com](mailto:ethics@lumberliquidators.com).

If for any reason personnel of a vendor partner are not comfortable contacting LL's Chief Ethics & Compliance Officer or if they prefer to remain anonymous, they are encouraged to contact LL's Integrity Concern Hotline. The Integrity Concern Hotline is a dedicated resource available 24 hours per day, 7 days per week. It is managed by an independent, third-party vendor that will document the concern confidentially and report the matter to LL's Chief Ethics & Compliance Officer. While LL encourages callers to provide their name and contact information for any needed follow-up, callers can report anonymously when contacting the Integrity Concern Hotline. In these cases, LL will respect the caller's desire to remain anonymous to the extent possible under the law.



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Vendor partners must communicate the provisions of the Code and the existence and purpose of the Integrity Concern Hotline to workers, supervisors, sub-tier suppliers, subcontractors and any affiliated business partners in a language that can be understood by local employees.

Reporting methods for LL Flooring's Integrity Concern Hotline include:

Internet: [www.lumberliquidators.ethicspoint.com](http://www.lumberliquidators.ethicspoint.com)

Telephone: 1-800-799-3983 (English and Spanish) 400-880-1047 (Mandarin)

LL Flooring Email: [ethics@lumberliquidators.com](mailto:ethics@lumberliquidators.com)