



US Import Customs Compliance and International Logistics Requirements

1. Documentation

- a. With every import shipment into the United States, the following documentation with the information listed is required:

<u>Document</u>	<u>Required Information</u>
Commercial Invoice	<ul style="list-style-type: none"> • A detailed, legible description of the item in American English & common terms – for example, ¼ HP single phase, non-gear motor <ul style="list-style-type: none"> ○ Please note that all spare parts must be: <ul style="list-style-type: none"> ▪ Listed out separately by actual part ▪ If we are not being charged for the spare parts: <ul style="list-style-type: none"> • A value for each spare part must still be provided • The following verbiage must be included, “values for spare parts for Customs purposes only” • 10 digit Harmonized Schedule Classification Number • Complete name & address of <ul style="list-style-type: none"> ○ Importer of record ○ Exporter of record ○ Buyer ○ Seller • Purchase date • Invoice number • Payment terms • Country of origin • Quantities of each item, in weight & measure • True purchase price of each item (reflecting any assists, rebates, discounts, royalties, commissions, etc.) plus: <ul style="list-style-type: none"> ○ The total cost of each line item

<u>Document</u>	<u>Required Information</u>
	<ul style="list-style-type: none"> ○ The total cost of the entire invoice ● Type of currency ● Full INCOTerm specifying the port or place as precisely as possible and should include the designated year of the INCOTerm being used – for example, FOB Shanghai, China, INCOTerms 2010 ● Lennox’s purchase order number ● Bill of lading number
Packing List	<ul style="list-style-type: none"> ● A description of the item(s) in American English ● Complete name & address of <ul style="list-style-type: none"> ○ Importer of record ○ Exporter of record ○ Buyer ○ Seller ● Purchase date ● Invoice number ● Quantities of each item, in weight & measure ● Lennox’s purchase order number ● Bill of lading number
Bill of Lading	<ul style="list-style-type: none"> ● Complete all required fields ● A brief description of the item(s) in American English ● Complete name & address of <ul style="list-style-type: none"> ○ Shipper ○ Consignee ○ Forwarder ○ Notify Party ● Quantities of each item, in weight & measure ● Lennox’s purchase order number
Certificate of Origin	<ul style="list-style-type: none"> ● For Special Trade Programs – for example, NAFTA, CAFTA, UKFTA, etc. ● When the country of origin is not included on the commercial invoice ● Complete all required fields ● Lennox purchase order number

Additional Requirements:

2. Country of Origin Marking

- a. Please refer to below link:

http://cbp.gov/linkhandler/cgov/newsroom/publications/trade/co_origin.ctt/markingo.pdf

3. Social and Environmental Responsibility Standards

- a. Lennox International, its affiliates, divisions, and subsidiaries strive to conduct business in a responsible manner. As we expand our business activities and work with suppliers domestically and globally to meet customers' needs, it is important to preserve our collective commitment to human rights and safety in the workplace.
- b. Lennox International expects that all suppliers will abide by all applicable international and local laws, rules and regulations in the manufacture and distribution of merchandise or services provided to Lennox International. All suppliers are strongly encouraged to exceed Lennox International's guidelines and promote continuous improvement throughout their operations.
- c. All suppliers must be able to demonstrate compliance with these requirements at the request of Lennox International.
- d. These guidelines provide an introduction to the minimum requirements that all Suppliers must meet in order to conduct business with Lennox International. These requirements are part of all new and/or renewed commercial agreements with Lennox International.

4. Laws and Regulations

- a. When goods cross an international boarder, Supplier agrees to comply with all applicable international, federal, state, provincial and local laws, rules, regulations and ordinances in connection with the design, manufacture, sale, delivery and use of the Products, including without limitation obtaining or making all approvals and filings, and, upon request, Buyer will submit to Seller evidence of such compliance.

- b. Supplier understands that Buyer is a US based company for which US laws and regulations ultimately take precedence and that these same requirements and obligations extend to the Seller and Supplier.
- c. Suppliers must also operate in full compliance with all applicable laws and regulations of the countries in which they operate.

5. Child Labor

- a. Suppliers must not employ workers younger than the greater of 15 years of age - or 14 where the local law allows such exception consistent with International Labor Organization guidelines -- or the age for completing compulsory education or the minimum age established by law in the country of manufacture.
- b. In addition, Suppliers must comply with all local legal requirements for the work of authorized young workers, particularly those pertaining to hours of work, wages, and working conditions.

6. Forced Labor

- a. Suppliers will not use of any form of involuntary labor including forced, prison, indentured, bonded, slave, or human trafficked labor.

7. Harassment and Abuse

- a. Suppliers must treat all workers with respect and dignity. No worker shall be subject to corporal punishment, physical, sexual, psychological or verbal harassment or abuse. In addition, Suppliers will not use monetary fines as a disciplinary practice.

8. Compensation

- a. Suppliers must comply with all wage and compensation requirements as defined under applicable labor laws and regulations for regular work, overtime work, production rates and other elements of compensation and employee benefits.

9. Hours of Work

- a. Suppliers must ensure that, except in extraordinary business circumstances, on a regularly scheduled basis, workers shall not be required to work more than the lesser of (a) sixty (60) hours per week, including overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture. In

addition, except in extraordinary business circumstances, all workers shall be entitled to at least one day off in every consecutive seven day period.

10. Non Discrimination

- a. While Lennox International recognizes and respects cultural differences, Suppliers will ensure employment – including hiring, salary, benefits, advancement, discipline, termination and retirement -- should be based solely on the person's ability to perform the job

11. Freedom of Association and Collective Bargaining

- a. Suppliers must recognize and respect the rights of workers to exercise lawful rights of free association, including joining or not joining any association. Suppliers must also respect the legal right of workers to bargain collectively.

12. Health and Safety

- a. Suppliers must provide a safe and healthy working environment in accordance with applicable laws and regulations.

13. Environment

- a. Suppliers must comply with all local environmental laws and regulations applicable to the workplace. Factories must conduct business in a manner which minimizes their impact on the environment.

14. Subcontracting

- a. Suppliers must not use subcontractors in the manufacture of products or product components for Lennox International without disclosing such information to Lennox International and only after the subcontractor has adequately demonstrated compliance with these Social and Environmental Responsibility Standards.

15. Communication

- a. Suppliers must communicate the provisions of Lennox International Social and Environmental Responsibility Standards to all workers and supervisors.

16. Business Ethics

- a. Suppliers will conduct business with Lennox International consistent with honesty and integrity and demonstrate the highest standards of business ethics.

Suppliers will take no actions directed at improperly impacting the results of any audit including presentation of falsified records or coaching of employees. Consistent with Lennox International Gift and Entertainment policy, Suppliers will not offer any incentives to the company's associates or audit firm representatives.

17. Monitoring and Compliance

- a. Lennox International will undertake affirmative measures, such as announced and unannounced on-site audits of production factories, to monitor compliance with these Social and Environmental Responsibility Standards. Suppliers must maintain on site all documentation necessary to demonstrate compliance with the Social and Environmental Responsibility Standards, and Suppliers must allow representatives from Lennox International full access to production facilities, worker records, production records and workers for confidential interviews in connection with monitoring visits.