



UYGHUR FORCED LABOR PREVENTION ACT (UFLPA) COMPLIANCE CHECKLIST

Enterprises worldwide must recognize the strategic importance of adhering to the Uyghur Forced Labor Prevention Act (UFLPA).

The Uyghur Forced Labor Prevention Act (UFLPA) launched in June 2022, applies to a broad spectrum of entities engaged in international trade, particularly those with connections to the Xinjiang Uyghur Autonomous Region in China. This includes companies with global supply chains, importers, exporters, manufacturers, suppliers, retailers, and brands, especially those involved in the production and distribution of goods using materials or labor from Xinjiang.

For a more detailed breakdown of our UFLPA compliance please visit our website www.rhythminnovations.com or continue reading for a summary of the information required by U.S. Customs and Border Protection (CBP) to comply with the UFLPA.

DOCUMENTATION SHOWING A DUE DILIGENCE SYSTEM OR PROCESS

- ▶ Supply chain risk mapping to assess forced labor risks.
- ▶ Engagement with suppliers to assess and address forced labor risks.
- ▶ Written supplier code of conduct forbidding the use of forced labor.
- ▶ Internal controls to prevent or mitigate forced labor risk and remediate any use of forced labor identified in mining, production or manufacture of imported goods.
- ▶ Employee training on forced labor risks.
- ▶ Monitoring of supplier compliance with code of conduct.
- ▶ Remediation of any forced labor conditions identified or termination of supplier relationships.
- ▶ Independent verification of implementation and effectiveness of due diligence system.
- ▶ Reporting performance and engagement publicly on due diligence system.

SUPPLY CHAIN TRACING INFORMATION

- ▶ Detailed mapping of supply chain, including all imported merchandise and components through all stages of mining, production or manufacture
- ▶ A list of all entities involved in each step of the production process, including physical location of their factories.
- ▶ Supplier names and contact information, including addresses, email addresses and phone numbers.
- ▶ Mining, production or manufacturing records for finished goods and their components.
- ▶ Transportation documentation, including Bills of Lading/ Airway Bills, inventory receipt records, packing lists, and import/ export filing with local customs authorities.
- ▶ Proof that documents provided are part of an operating system or an accounting system that includes audited financial statements.





CONSEQUENCES FOR NON-COMPLIANCE CAN INCLUDE BUT ARE NOT LIMITED TO:

- ▶ The exclusion of those goods from entering the United states.
- ▶ Seizure and destruction of those goods by CBP.
- ▶ Monetary penalties.
- ▶ Losses of all sales and revenue.
- ▶ Supply chain disruption.
- ▶ Reputational harm.
- ▶ Potential revocation of membership in CBP's Customs Trade Partnership Against Terrorism (CTPAT) program.

EVIDENCE THAT GOODS WERE NOT MADE USING FORCED LABOR

- ▶ Supply chain map identifying all entities in production of raw materials and finished goods.
- ▶ Evidence of assessments by neutral third parties showing that none of the 11 indicators of forced labor set forth by the International Labour Organization are present, as well as any other evidence supporting a finding of no forced labor.