

Forced Labor – Supplier Training
July 2023





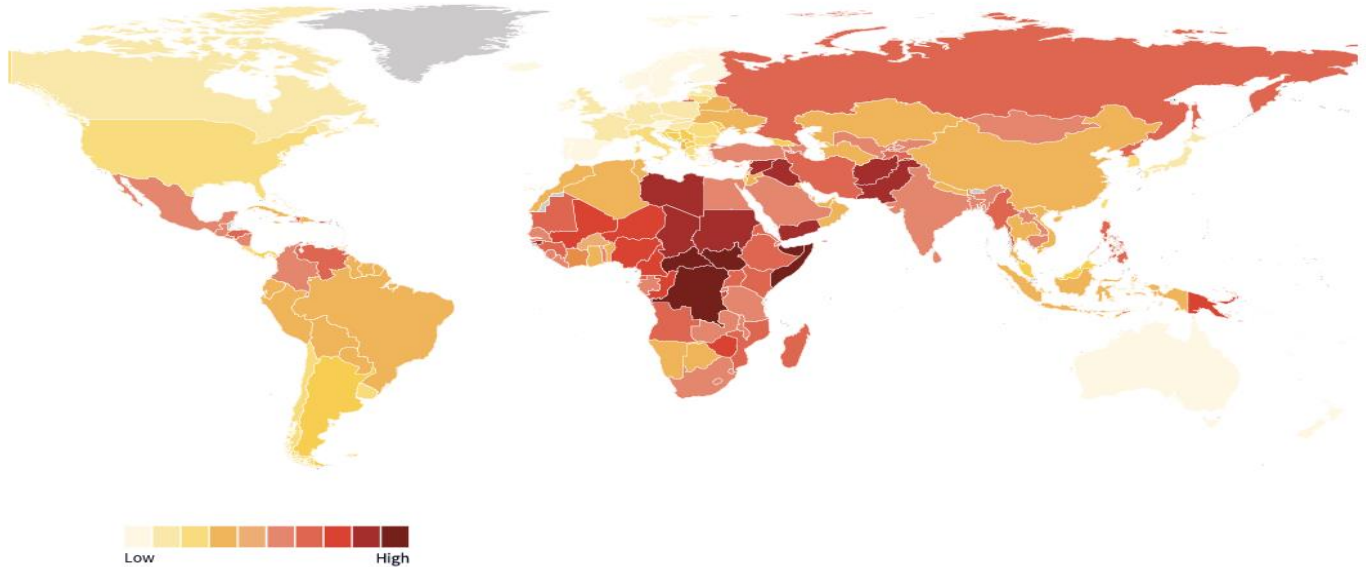
INTRODUCTION

Revlon **prohibits** the use of forced labor, child labor, modern slavery, human trafficking and all other forms of human exploitation and unacceptable treatment of workers.

This training provides Revlon suppliers with additional information to help identify and mitigate forced labor in their supply chains. This includes suppliers that ship goods and materials into U.S. on behalf of Revlon – known as **CTPAT Suppliers**.

What is Forced Labor?

Forced Labor is a global humanitarian issue, as graphically depicted below:



Estimated vulnerability to modern slavery by country

Forced Labor is Defined by Laws and Global Organizations

- Section 307 of the Tariff Act of 1930:
 - Prohibits the importation into the US of all goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in any foreign country by convict, forced, or indentured labor under penal sanctions.
 - Defines forced labor as all work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer themselves voluntarily – includes forced or indentured child labor.
- International Labour Organization (ILO):
 - Defines forced labor as all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered themselves voluntarily.

ILO Indicators of Forced Labor are:

- Abuse of vulnerability
- Restriction of movement
- Withholding wages
- Deception
- Isolation
- Physical and sexual violence
- Intimidation and threats
- Retention of identity documents
- Debt bondage
- Abusive working and living conditions
- Excessive overtime



The ILO [website](#) has more information about each indicator.

U.S. Government Maintains a Heightened Focus on Forced Labor

- The U.S. government continues to ramp up efforts to combat the use of forced labor in international supply chains.
- Key U.S. Government Agencies:
 - **U.S. Customs and Border Protection (CBP) – scrutiny of imports.**
 - **Office of Foreign Assets Control (OFAC) – economic sanctions.**
 - **Bureau of Industry and Security (BIS) – export controls.**
- These agencies act against forced labor as follows:
 - CBP can bar the **importation of goods** made with forced labor.
 - OFAC can bar **companies from engaging in transactions with parties implicated in the use of forced labor.**
 - BIS can bar **companies from exporting goods to entities implicated in the use of forced labor.**

Relevant Forced Labor Legislation

Countering America's Adversaries Through Sanctions Act (CAATSA) (Signed into Law August 2017)

- Addressed **North Korea's** practice of exporting forced labor of North Korean citizens and nationals to other countries as a means of generating revenue for the North Korean regime.
- Created a **rebuttable presumption** that goods made **wholly or in part** with North Korean labor, **wherever located**, were made with forced labor.
- The presumption can be rebutted by **clear and convincing evidence** that no forced labor was used.
- CAATSA authorized OFAC to impose sanctions on foreign persons that knowingly employ North Korean Laborers.

United States-Mexico-Canada Agreement (USMCA) Implementation Act (Signed into Law January 2020)

- Required the President to establish a Forced Labor Enforcement Task Force (FLETF).
- FLETF was established by Executive Order 13923 of May 15, 2020. It is chaired by Department of Homeland Security (DHS) Under Secretary for Strategy, Policy, and Plans and includes representatives from other executive branch departments and agencies.
- FLETF's general mission – not restricted to USMCA region:
 - Improve coordination among US agencies to prohibit the importation of goods made with forced labor.
 - Monitor U.S. enforcement of the forced labor import prohibition, including active CBP Withhold Release Orders (WROs) (detention orders).

USMCA Implementation Act (cont'd)

- FLETF special duties relating to **Mexico**:
 - Develop an enforcement plan regarding goods produced with forced labor in Mexico.
 - Report any concerns about Section 307 enforcement regarding Mexico (including any allegations of forced labor) to the Interagency Labor Committee for Monitoring and Enforcement, established separately under the USMCA Implementation Act.
- FLETF must submit a biannual report to Congress covering:
 - CBP's Section 307 enforcement activities and priorities.
 - The number of instances in which CBP denied entry of goods under Section 307 in the preceding 180 days.
 - A description of the goods denied entry.
 - An enforcement plan for goods identified by the US Department of Labor (DOL) as produced by forced labor or child labor.

China – Uyghur Forced Labor Prevention Act (UFLPA) (Signed into Law December 2021)

- Created a **rebuttable presumption** that all goods mined, produced, or manufactured **wholly or in part** in **China's Xinjiang Uyghur Autonomous Region** (XUAR), or produced by an entity on the UFLPA Entity List, are made with forced labor. CBP must bar entry of the goods unless the importer provides **clear and convincing evidence** that the goods were not produced wholly or in part by forced labor.
- Required FLETF to issue an enforcement strategy that:
 - Identifies entities in the XUAR that produce goods with forced labor or work with the XUAR government to recruit or transport forced labor out of the XUAR, the articles produced by these entities, the entities that export the products to the US, and high priority sectors, including cotton, tomatoes, polysilicon.
 - Includes an enforcement plan for each identified entity and high-priority sector.

China – Uyghur Forced Labor Prevention Act (cont'd)

- Required FLETF’s enforcement strategy to include guidance to importers regarding:
 - Due diligence, effective supply chain tracing, and supply chain management measures to ensure against the importation of goods produced with forced labor in China, especially the XUAR.
 - The type, nature, and extent of evidence that demonstrates that goods originating in China were not produced in the XUAR or produced with forced labor.
- Authorized sanctions on foreign persons responsible for serious human rights abuses in connection with forced labor.
- FLETF released its UFLPA Strategy on June 17, 2022.
 - Contains the UFLPA Entity List and guidance for importers.
 - Available on the DHS [website](#) and CBP’s UFLPA [webpage](#).

Revlon's Approach to Combat Forced Labor

Supply Chain Forced Labor Due Diligence

- Revlon's **social compliance program** for CTPAT Suppliers addresses how it complies with forced labor requirements. This includes:
 - A **Third-Party Code of Conduct** for suppliers and vendors that prohibits the use of forced labor and includes expected minimum labor standards.
 - Requiring CTPAT Suppliers to **identify, disclose to Revlon and remediate forced labor** in their supply chains.
- Revlon is taking steps to enhance its supply chain profile that includes the following elements:
 - **Risk-Based Supply Chain Mapping** – from raw materials to subcontracted manufacturers to the finished product, including CTPAT Questionnaire and background screening completion, which includes OFAC and BIS screening.
 - **Periodic forced labor risk assessments**, including onsite visits, especially for high-risk products, regions, and countries.
 - **Conduct training on forced labor for:**
 - CTPAT Suppliers
 - Revlon management and employees

Revlon's Third-Party Code of Conduct

Revlon requires Revlon CTPAT Suppliers to contractually agree to comply with Revlon's Third-Party Code of Conduct ("Third Party Code"). Revlon's Third-Party Code includes a commitment to comply with global human rights, labor standards, environmental laws and ethical business practices, as well as with all applicable laws, including those relating to prohibitions on the use of forced labor, child labor, and human trafficking.

The Third-Party Code provides that Revlon will only conduct business with organizations that respect human rights and are fair to their employees, and that Revlon prohibits third party partners from:

- Using forced labor, slavery, or prison labor as defined by local law;
- Using child labor or employing any person under the age of 15 (or 14 where the law of the country permits) or under the minimum age for employment in the country, whichever is greater;
- Using corporal punishment or other mental or physical disciplinary actions;
- Tolerating the illegal harassment of workers, sexual or otherwise; or
- Discriminating based upon race; creed; color; religion; gender; gender identity; sexual orientation; age; ethnicity; national origin; citizenship; disability; marital, partnership or familial status; veteran/military status; domestic violence victim status; or any other characteristic protected by law.



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Revlon's Third-Party Code of Conduct (cont'd)

The Third-Party Code also requires that third party partners allocate **appropriate resources** to managing ethics and compliance risks, including a training program that educates their employees about how to make ethical decisions in compliance with all applicable laws. It also requires that all third-party partners continually **monitor and improve** their ethics and compliance management system.

Finally, all third-party partners are required to **report actual or alleged violations** of the Third-Party Code or applicable law to Revlon Compliance so that Revlon can take any necessary action. Revlon also requires its third-party partners to take reasonable steps to comply with the Third-Party Code and to ensure it is communicated throughout their organization and made available to their employees and subcontractors who will work with Revlon or in connection with Revlon's business.

Any material failure to comply with the Third-Party Code may ultimately result in the termination of the Revlon CTPAT Supplier's relationship with Revlon immediately and for cause.

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