

"Will Slave Labor Disrupt the Supply Chain?"



Bob Goldberg rcg427@gmail.com 847/226-3254

1

# **OUR DISTINGUISHED PANELISTS**



**CHARLES BREWER** 

**OSCAR SANCHEZ** 



TRICIA JUDGE

SAM ERRIGO





**MIKE MARUSIC** 

#### **DECLINING**

Bob, thank you for reaching out to Allen (Waugerman) on this opportunity. We are unable to participate in the panel discussion but appreciate the invitation.

Regards,
Sherlyn Manson
Director Global Communications
Lexmark

Ninestar was invited to participate, acknowledged the invitation, however, failed to respond.

3

# **LEXMARK STATEMENT**

June 12, 2023

To: Our valued customers and partners

Lexmark

From: Melanie Hudson, senior vice president and chief commercial officer

A foundational element of Lexmark is our values. One of those values is integrity and our ability to communicate fransparently in all our interactions.

On June 9, the U.S. Department of Homeland Security (DHS) announced actions to restrict goods produced by Ninestan Corp., one of Lexmark's marry suppliers, from entering the United States. Lexmark learned about this action when it was announced.

States. Lexmark learned about this action when it was announced Lexmark is not connected to the action taken by the DHS and is not part of the order. We continue to operate as an independent company headquartered in Lexington. Kentucky. The allegations made against Ninestar by the Forced Labor Enforcement Task Force are serious and do not reflect the standards we demand of our supply chain.

do not reflect the standards we demand of our supply chain.

We have taken immediate action to stop shipments from Ninestar and its affected subsidiaries to the U.S. and are replacing from as a supplier.

the U.S. and are replacing them as a supplier.

Because we are a global manufacturer that utilizes a multi-source strategy and regional manufacturing facilities, only a small portion of our manufacturing comes from Ninestar and its subsidiaries. We don't anticipate significant business disruption from this order.

We are committed to ensuring that all Lexmark suppliers adhere to the highest standards of compliance, security and social responsibility. Our labor practices — including membership and participation in the Responsible Business Alliance (RBA) — are designed to achievely identify, prevent and deter human rights abuses in all forms, including but not limited to forced labor.

Rest assured that we are taking action to mitigate this serious situation. We will keep you informed.

Thank you

Sincerely.

Melanie Hudson

## **SLAVE LABOR**

- 5.771 million Uyghurs, Kazakhs, Muslim Minorities Enslaved
- Reeducation, Poverty Alleviation, Mandatory Work Assignments, Political Indoctrination
- China Government Subsidies
- Artificial Flowers, Bricks, Christmas Decorations, Coal, Cotton, Electronics, Fireworks, Fish, Footwear, Garments, Gloves, Hair Products, Nails, Polysilicon, Textiles, Thread/Yarn, Tomato Products, Toys
- June 9, 2023, NINESTAR

5

# **NINESTAR**



#### **PROHIBITED COMPANIES**

- Ninestar
- Zhuhai Ninestar Information Technology Co. Ltd.
- Zhuhai Pantum Electronics Co. Ltd.
- Zhuhai Apex Microelectronics Co. Ltd.
- Geehy Semiconductor Co. Ltd.
- Zhuhai Pu-Tech Industrial Co. Ltd.
- · Zhuhai G&G Digital Technology Co.
- Ltd. Zhuhai Seine Printing Technology Co. Ltd.
- Zhuhai Ninestar Management Co. Ltd.
- Brand Names: Lemero, MyCartridge, Ziprint, G&G (52 More?)

7

# **THE LAW**

- Uyghur Forced Labor Prevention Act
- Enforced by Department of Homeland Security-Forced Labor Enforcement Task Force
- Tariff Act 1930; "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 himself voluntarily."
- Rebuttable Presumption-None of Previous 21 Entities Removed

#### **REACTIONS**

- Ninestar
- Lexmark, Static Control
- Uyghur Forced Labor Disclosure Act-US House of Representatives
- Universal Industry Condemnation
- ML Products
- Business Technology Association
- International Imaging Technology Council

9

## THE NINESTAR CHALLENGE

IN THE UNITED STATES COURT OF INTERNATIONAL TRADE

NINESTAR CORPORATION, ZHUHAI NINESTAR INFORMATION TECHNOLOGY CO., LTD., ZHUHAI PANTUM ELECTRONICS CO., LTD., ZHUHAI APEX MICROELECTRONICS CO., LTD., GEEHY SEMICONDUCTOR CO., LTD., ZHUHAI G&G DIGITAL TECHNOLOGY CO., LTD., ZHUHAI SEINE PRINTING TECHNOLOGY CO., LTD., and ZHUHAI NINESTAR MANAGEMENT CO., LTD. *Plaintiffs*,

V

UNITED STATES OF AMERICA; DEPARTMENT OF HOMELAND SECURITY; UNITED STATES CUSTOMS AND BORDER PROTECTION; FORCED LABOR ENFORCEMENT TASK FORCE; ALEJANDRO MAYORKAS, in his official capacity as the Secretary of the Department of Homeland Security; TROY A. MILLER, in his official capacity as the Senior Official Performing the Duties of the Commissioner for U.S. Customs and Border Protection; and ROBERT SILVERS, in his official capacity as Under Secretary for Office of Strategy, Policy, and Plans and Chair of the Forced Labor Enforcement Task Force, Defendants.

COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

### **BUSINESS TECHNOLOGY ASSOCIATION**

Paragraph 56. Because of the Listing Decision, several American printing-industry trade associations have cut off their relationships with Plaintiffs. See, e.g., Business Tech. Ass'n, Ninestar, Lexmark & the Business Technology Association (July 25, 2023).

11

### **BUSINESS TECHNOLOGY ASSOCIATION**

Ninestar, Lexmark & the Business Technology Association: A Message to All BTA Member
The <u>Business Technology Association</u> (BTA) fully supports the Uyghur Forced Labor Prevention Act (UFLPA). Any product produced through forced labor should be foreclosed from use within the industry. BTA also abides by the bylaws under which it operates and all laws of the United States of America. The U.S. Constitution guarantees "due process of the law." Likewise, our country has denied guilt by association. If a parent should commit a crime or a child is found to violate the law, the entire family is not punished.

The Forced Labor Enforcement Task Force (FLETF), a part of the Department of Homeland Security, imposed a ban on goods produced by Ninestar Corporation and eight of its subsidiaries. BTA is interfacing with FLETF to determine the breadth of these restrictions and the products banned. The ban applies to products produced in Zhuhai, China. Ninestar operates under numerous subsidiaries and has offices and plants throughout the world. FLETF has been clear that its ban applies only to products produced in the Zhuhai region of China. Products from many other Ninestar affiliates have not been banned and continue to enter through U.S. ports of entry.

Ninestar issued a statement on June 12 stating, in part, that: "it abides by the applicable standards of international labor protection, and fully protects the legitimate rights and interests of laborers."

Ninestar owns 63.04% of Lexmark and corporate records indicate Ninestar has lent funds to Lexmark. Although Lexmark is majority owned by Ninestar, "Lexmark investors have no operational control of the company." Lexmark is not the only office technology manufacturer that incorporates Ninestar components in its products. The sudden ban of Ninestar products has caused numerous companies to seek alternative sources. Suppliers contacted by BTA have acknowledged incorporation of Ninestar products and their immediate discontinuance while searching for alternative sources. All these companies are operating under a cloud until the dust settles and new sources are identified. The full extent of the ban is still being evaluated. BTA's Response:

1.Continued discussions with the FLETF as to the extent and scope of the Ninestar ban. Is Lexmark or are Lexmark products included?

2.Notice to Ninestar that the conduct cited by the FLETF is contrary to the high standards of BTA and violation has resulted in a motion to remove Ninestar as a BTA member. Consistent with due process, Ninestar must respond on or before Aug. 4, 2023.

3. Continued discussions with other suppliers to determine the impact of the Ninestar ban and the steps taken to overcome.

4.Continued member updates.



August 4, 2023

To Mileon B May Concern

Recent developments in the printer carbridge industry have brought to light the use of forced labor in the production process. As the executive director of the trade association for remanulactured printer carbridge dealess, we uge you to work with us when sourceing printer carbridges and ensure that they are not produced dealess, we uge you to work with us when sourceing printer carbridges and ensure that they are not produced

On June 9, the <u>U.S. Department of Homeland Security</u> (1945) announced that <u>Ninestar Corp.</u> and eight of its Zhuhai, China-based subulidaries had been added to the UFLPA list of companies whose products are restricted from entering the U.S. due to their involvement in basiness practices that traget members of persecuted groups, including Dyghur minorities. URLPA was signed into law in December 2021.

The inclusion of Ninestar brings the total number of Chinese companies on the UFLPA List to 22. So far, no company named to the list has been removed. U.S. Customs and Border Protection (CBP) began enforcing the Ninestar ban on June 12.

Ninestar is the third largest printer and printer catridge manufacturer in the world, and trades under doze of brand names. Hi's definanteming that these products continue to be sold under different brand names without any repercussions, particularly one -commerce sites. By allowing such sales to persist, buyers are supporting an industry that profits from modern-day slaviery.

Many RFPs that specify environmentally friendly remanufactured cartridges, or even "MSE" (a remanufacturer) or "equivalent" are being awarded to companies that are bidding using Ninestar compatibles' lower prices and then fulfilling them with one of the many brands of cartridges made by Ninestar in violation of the UFPA bas-

We can help you verify the manufacturer of any cartridges you are buying, review your current contracts and RFP Engagage, or set up a call to docuos further. The international imaging Technology Council is committed to helping capacitories sensor they are not madesterothy procuring products banned by the DHS.

Let me know how I can help or if you would like additional information. My members and I are here to help you.

Best regards,

Tritia Judge
Executive Director & General Counsel International Imaging Technology Coun Our Website with Articles on this topic Includibility on the Country of the Country

7121 W. Craig Rd., Suite 11345, N. Los Vegas, NV, 89129 - Telephone: (702) 498-4185 Email: tricia@i-litc.org

13

# **DISCUSSION**