

## Appendix A. Brand Strategy for RSL Management

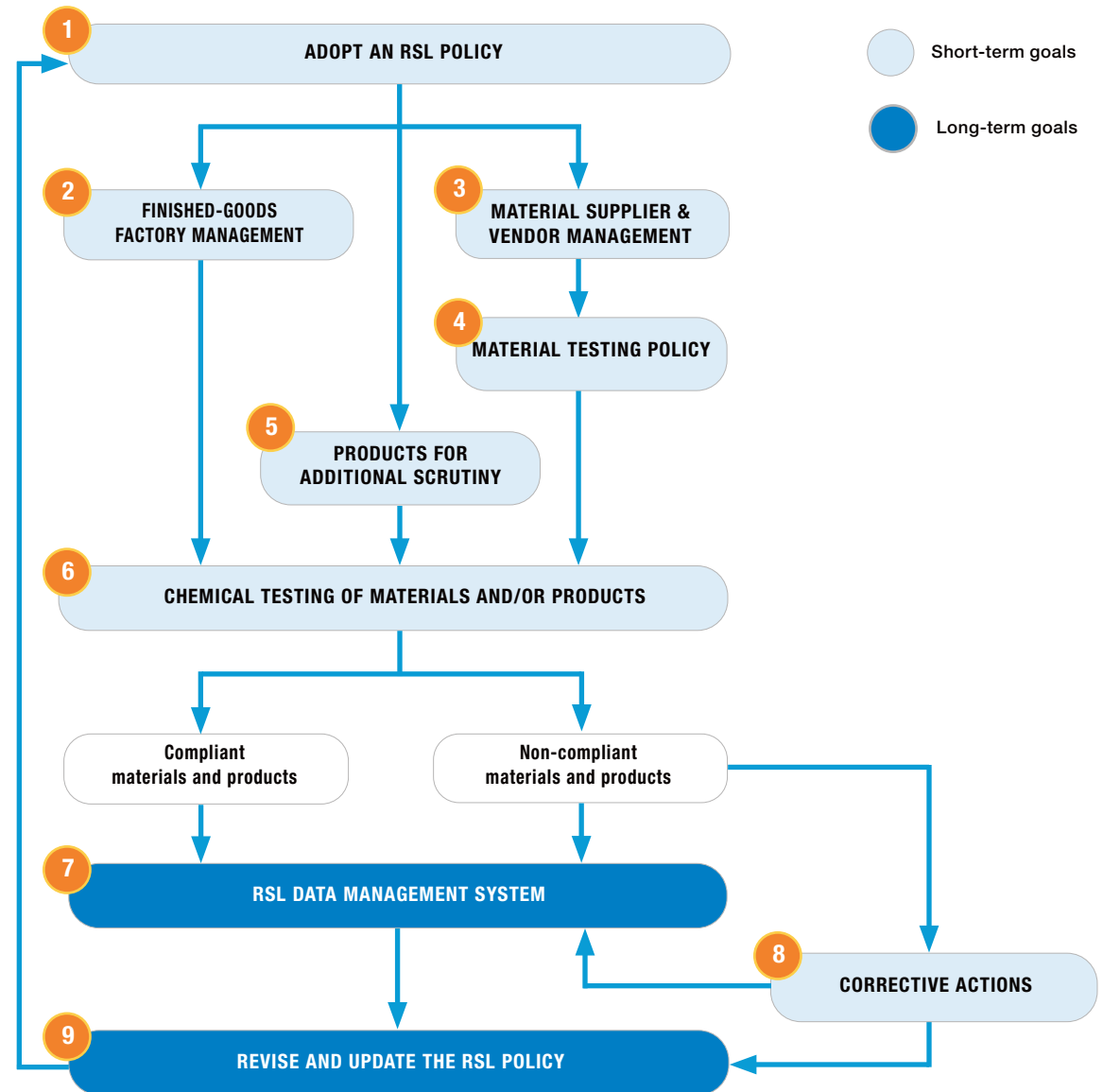
Appendix A outlines a path for brands commencing robust RSL compliance programs. Figure 3 shows each step, with corresponding best practices for managing a program described in text. AFIRM strongly suggests that brands build compliance with RSL requirements into the buying process so that it is an integral part of sourcing decisions.

### 1 Adopt an RSL Policy

The AFIRM RSL is a good starting point for brands beginning a journey into compliance. However, it is not the only policy, and it is important for a brand to adopt a policy that appropriately covers its range of products.

At the start of the journey, describe your overall management strategy to minimize RSL risk and identify short- and long-term goals. Examples of these goals are outlined on the next page.

Figure 3. Implementing a Robust RSL Policy



Examples of short-term goals:

- Identify RSL risk by materials. (See Section 3 and Appendices B and D.)
- Set up the RSL risk control strategy.
- Develop tracking report/system for strengthening RSL risk management.
- Report all RSL test results to management on a monthly basis.

Examples of long-term goals:

- Create an evaluation system to track factory and vendor compliance (i.e. a scorecard).
- Use the result of evaluation for future sourcing decisions.
- Share the RSL database with vendors.

## 2 Finished Goods Factory Management

Identify your factory locations and ensure you have a list that includes:

- Factory name
- Location
- Factory RSL contact name
- Factory RSL project team—the staff members responsible for RSL compliance

## 3 Material Supplier & Vendor Management

Risk from vendors can vary greatly. Your RSL management strategy should include verifying vendors' understanding of and commitment to global standards regarding restricted substances. Globally recognized vendors tend to have this knowledge, and non-global vendors may also have this knowledge through their efforts. Also consider supplier and product track records of RSL compliance, analyses, as well as passes and failures.

Formulate your management strategy to minimize risk from vendors:

- Do you classify vendors by RSL risk?
- How do you define high-risk and low-risk vendors?
- How do you ensure that new vendors understand and meet RSL requirements?

## 4 Material Testing Policy

List the material suppliers that your finished goods factories use and the materials they supply. Determine if any of these materials pose an increased risk. For example:

- High-risk materials might include leather, synthetic leather, TPU, metal, injection, ink, and paint.
- High-risk colors may include fluorescent colors, black-colored items, or items with a metallic finish.
- Items that come in direct contact with the skin can also be classified as high risk.

## 5 Products for Additional Scrutiny

You may have high-volume products, products for kids, or products that come into direct contact with the skin.

See Appendix B, Figure 7, for more details about performing additional testing on these products.

## 6 Chemical Testing of Materials and/or Products

The best way to manage the RSL is to employ staff with in-depth knowledge about product chemistry. Learning the processes and chemicals used by vendors is an important factor to understand product chemistry. This can be achieved either by studying the SDSs of materials or by speaking to suppliers and visiting their factories. (See Appendix H for examples and an explanation of SDSs.)

Chemical testing is another tool to better understand product chemistry. A thorough knowledge of the chemistry of the manufacturing process is also necessary to identify additional RSL risks that might be introduced during manufacture.

Any testing should prioritize components that pose the highest risk. (See Section 3 and Appendix D.) If required, chemical testing of components and products is preferable to testing upstream materials.

## 7 RSL Data Management System

RSL testing as described by the AFIRM group covers approximately 300 chemistries across 12 product types. Not all tests are appropriate for all material types. However, even with a small sub-set of analytes being tested, there will eventually be a large set of data for your brand.

A robust data-management system is essential for brands to have a state-of-the-art compliance program.

Such a system will allow a brand to:

- More closely assess their own supply chain with respect to product types.
- Pinpoint reliable and unreliable suppliers.
- Identify analytes of high concern in different materials.
- Prove compliance to appropriate legislators.
- Effectively track failure resolutions and corrective actions.
- Be transparent with vendors and suppliers.

## 8 Corrective Action

Though we would like to eliminate all risks, we recognize that there will be some component failures. The cause(s) of individual failures can be many and varied. Root-cause analysis should be performed to determine how to best reduce risk of RSL violations. See Appendix C for a failure resolution form useful for recording and retaining this information for future reference and to provide to brand customers.

Formulate a corrective action plan that works best for non-compliance issues. Important things to do immediately:

- Stop all further production of the non-compliant material/product.
- Assess scope of the problem and the current location of the non-compliant material.
- Work with the vendor/supplier to ensure they do not ship non-complaint material.

Follow-up actions can include:

- Understanding the root cause of the problem.
- Putting systems in place to make sure the issue does not arise again.
- Increased monitoring of the vendor/supplier with the issue.

## 9 Update and Revise the RSL Policy

Worldwide legislation is constantly changing. It is important to revise your policy on a yearly basis. AFIRM updates the AFIRM RSL in January each year, for example. The data gathered in the previous years' testing can be used to inform updates to the policy as well. For example, shifting focus onto materials your supply chain is struggling to meet the policy on and moving focus away from lower risk materials in your supply chain.