

Implementation & Case Studies

RSL Implementation - Case Studies, Obstacles and Tools

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- Own brand philosophy (core values)
- Legal requirements on a global market
- Consumer organisations and NGOs
- Sourcing Strategy of big retailers
- => Creation of a positive Brand Image
- => Delivery and Selling Support;
- => Market Shares

- Avoidance of product recalls
- Avoidance of customer violations; Law suits
- Avoidance of brand reputation damages
- => Brand Protection

Strategy:

“Partnering and Services by the Global Brand”

rather than

“Policing”



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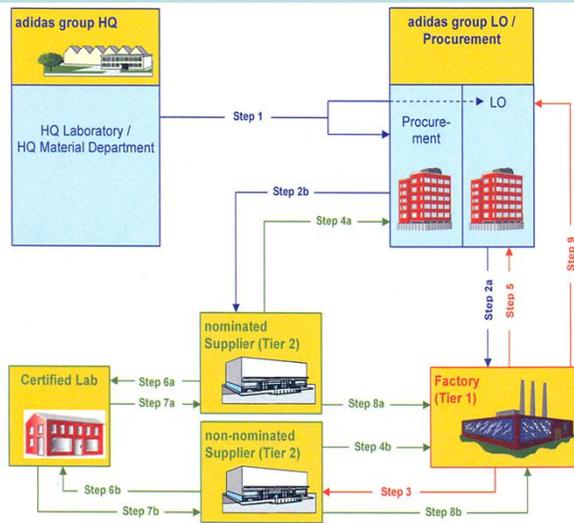


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Essential Parts of the RSL, Example adidas



- Prologue
- Liabilities and **Responsibilities**
- Material Requirements
- Testing Procedure
- Certification System
- **Process Flow**
- Certificates / Appendices

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Obstacles and Challenges in the Implementation Part I: Initial Reactions

- too expensive due to the testing costs
=> will raise FOB+
- costs additional time, will cause delay in shipments, will ruin the kpi+
- too much administration work, hard handling of the reports and certificates+
- neither control nor influence to the prior steps in the supply chain+
- and many others ÷



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Obstacles and Challenges in the Implementation Part II: Different Ranking and Handling between Product Quality and Restricted Substances Management

Quote adidas: "A carefully led and monitored production in all regards of the A 01 can per se expected to be an adequate partner in regard of quality and production performance"



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Obstacles and Challenges in the Implementation Part III: Innovations

Sources might be

- Too big to join ÷ ..
- Too small to pay ÷ .
- Not innovative enough, so being dropped ÷ ..



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Tools and Mechanism in Case of Non-compliance (Examples)

To be considered

- Cooperativeness
- History
- Grading of the failure

Possible Responses

- Reduced timelines of test reports => more testing
- More frequent random checks => more testing
- Destruction of products or material => re-work but also
- Joint solutions



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Example of Co-operation: Lead in a Rivet

- Pro-active information from the supplier
- Very good co-operation for the status check
- Fast provided remediation/action plan
- Shipment stop, but fast re-work
- Joint efforts and cost-sharing

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Example of Co-operation: Formaldehyde in a Print

- Contaminations found during a Random Check; close to but above the TLV
- Immediate notice to T1 and printer
- Re-test at local lab confirmed level of findings
- Final test at HQ consultancy Lab confirmed (low) level of contamination but good improvement potential
- Finished products were shipped with interim release/action plan/risk assessment
- improved prints finally regular released by passing 3rd party test report

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Thank you for your kind attention



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