AFIRM Factory
Chemical Management Plan

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Factory Management

Put together a RSL Project Team

Assign:

* Roles
* Responsibilities
RSL Strategy for Components and Suppliers

- Know your business
- Specifically include RSL compliance in the contract
- List vendors for components and suppliers
- List type of materials, components and source from each vendor listed above
Understand your RSL Requirements

Describe your overall management strategy to minimize RSL risk

Focus on

– High Risk Materials
– High Risk colors
Legislation

Design → Production → Final Product

- RSL
- REACH - CPSIA - China
Implementation - Sample Testing Approach

- Target high risk materials
- Prioritize Kids Products
- Prioritize Direct Skin Contact
- Randomly check anything
- Sample selection rules based on how a material is used
- Engage factory and vendor
Short Term Goals

- Identify RSL risk by material
- Set up the RSL risk control strategy
- Develop tracking report/system.
- All the RSL test results are reported to management on a seasonal basis.
Long Term Goals

• Create an evaluation system to track vendor compliance. A score card could be established and implemented
• Use the result of evaluation for the future sourcing decisions
• Share the RSL database with vendors
Vendor Management

• Describe your management strategy to minimize risk from vendors
  – Classify vendors by RSL risk
  – Define a low risk vendor
  – Define a high-risk vendor
  – Ensure that new vendors understand and meet the RSL
The best way to manage the RSL is to be knowledgeable about product chemistry
Build Knowledge

• Understand the process and chemicals involved in the manufacture of the components, for example by checking the MSDS

• Use the RSL risk identification database

• Test components prior to confirmation
Testing Approach

1. Items Identified for Testing
2. Testing Completed at Nominated 3rd Party Laboratory
3. Results Stored in the Database
4. Shipping Decisions Based on Testing Results
Corrective Action

- The cause(s) of individual failures can be varied
- Root cause analysis (PDCA) should determine how to best reduce risk of RSL violation
- A Failure Resolution Form should be used as a tool for tracking
Non-compliance under production

- Stop production
- Replace with complying materials
- Destroy non-compliant materials
- Vendor to reimburse on all losses
Data Management

- Access to RSL data throughout the supply chain is a key component in management strategy for the RSL

Checking list:

- Have a database for all testing data
- Send RSL data for management review on a regular basis
- Identify suppliers with repeated failures and stop the PO
<table>
<thead>
<tr>
<th>Progress</th>
<th>Target date</th>
<th>Finish date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete RSL Plan and present to factory management</td>
<td>01/20/2013</td>
<td></td>
</tr>
<tr>
<td>Discuss and train RSL Plan with vendors</td>
<td>02/20/2013</td>
<td></td>
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<tr>
<td>Set up the RSL Action Plan Schedule</td>
<td>04/20/2013</td>
<td></td>
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<tr>
<td>Prepare material for RSL testing</td>
<td>05/20/2013</td>
<td></td>
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<tr>
<td>Finish RSL testing</td>
<td>06/20/2013</td>
<td></td>
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<tr>
<td>Review RSL data trend with vendors</td>
<td>07/20/2013</td>
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<tr>
<td>Review and revise RSL plan for continuous improvement</td>
<td>08/20/2013</td>
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Implementation

Vendors (material suppliers) or Factories → Samples

Nike Approved Laboratories → Data

Did Sample “PASS” RSL?

Start Production → YES

Don’t ship materials without a passing RSL report

Testing Must Be Done on the Same Material Used for Production

Failure Resolution Needed → NO
Thank You