



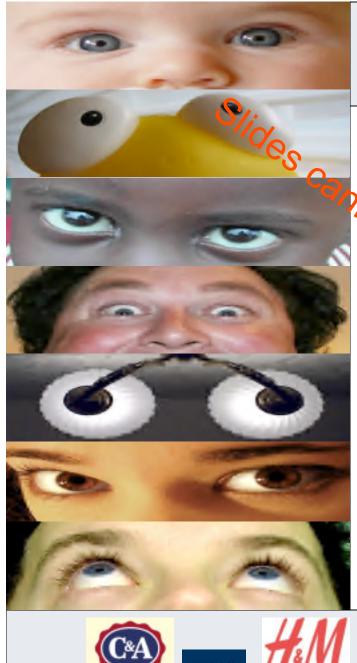
WHEN THINGS GO WRONG

....and they will

- FACT:Every company in ourindustry has or will have anRSL related failure.
- FACT: Failures will disrupt business.
- FACT: Failures will damage your brand image.

FACT: Failures will be expensive.





EVERYONE WATCHES



• Governments

GOS

Contraction (REACH)

• Consumers

We are all concerned.

We are all targets.

We are all responsible.





CAPS - Formaldehyde

Issue:

Slides Cal Formaldehyde used to give cap shape

Solution:

- Some materials washed
- Some materials replaced
- Led to mase out of formaldehyde in contract factories

Cost:

Formaldehyde

- ~\$1.2M (USD)
- Unable to ship some product for several months



CADMIUM - Ball

Issue:

Cadmium found during routine testing
 Source = clear outer pvc layer

Solution

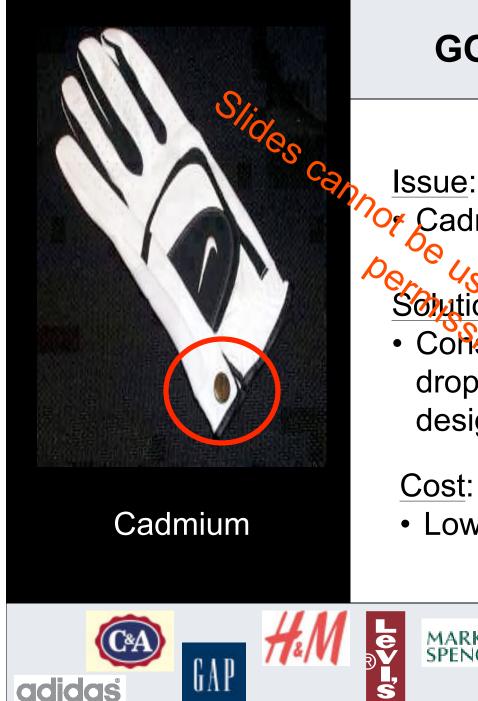
- Replaced with technically and environmentally superior TPU
- No cost increase

Cost:

Cadmium

- Costs ~ €900,000
- Could have been MUCH worse!





GOLF GLOVE - Cadmium

Cadmium in metal ball marker. Solution Consumer/research led to dropping ball marker on future designs.

Cost:

Lower





Lead

BABY JORDAN - Lead

Issue:

Action.

- Paint peeling from a toddler's
 Shoe contained lead
 - Voluntary recall ~110,000 pairs

Cost:

- \$4.4 million USD
- > \$2.3 million in supply chain logistics and management

