

AFIRM Factory RSL Management System

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**India
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Factory RSL Management System

What is the RSL?

A list of substances:

- restricted by legislation, or
- selected for elimination by brand

The RSL is intended to protect:

- the consumer
- the worker
- the environment
- the brand image



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How is RSL Implemented?

- Legislation and NGO activity tracked globally
- Substances with restrictions listed
- Testing tailored for products
- RSL rolled out to suppliers/factories
- Training – internal and external
- Monitoring program (testing and management)



Factory RSL Management System

The RSL Applies to ALL Apparel, Footwear & Equipment

- Development*, production, finished products
- All textiles, leather, plastics, rubber, hard and soft trim items
- All factory supplied screen prints, embellishments, contracted items, and garment wash treatments
- RSL should be in the Supply Agreements!



Factory & Vendor Responsibility

UNDERSTAND, EDUCATE and ENSURE COMPLIANCE

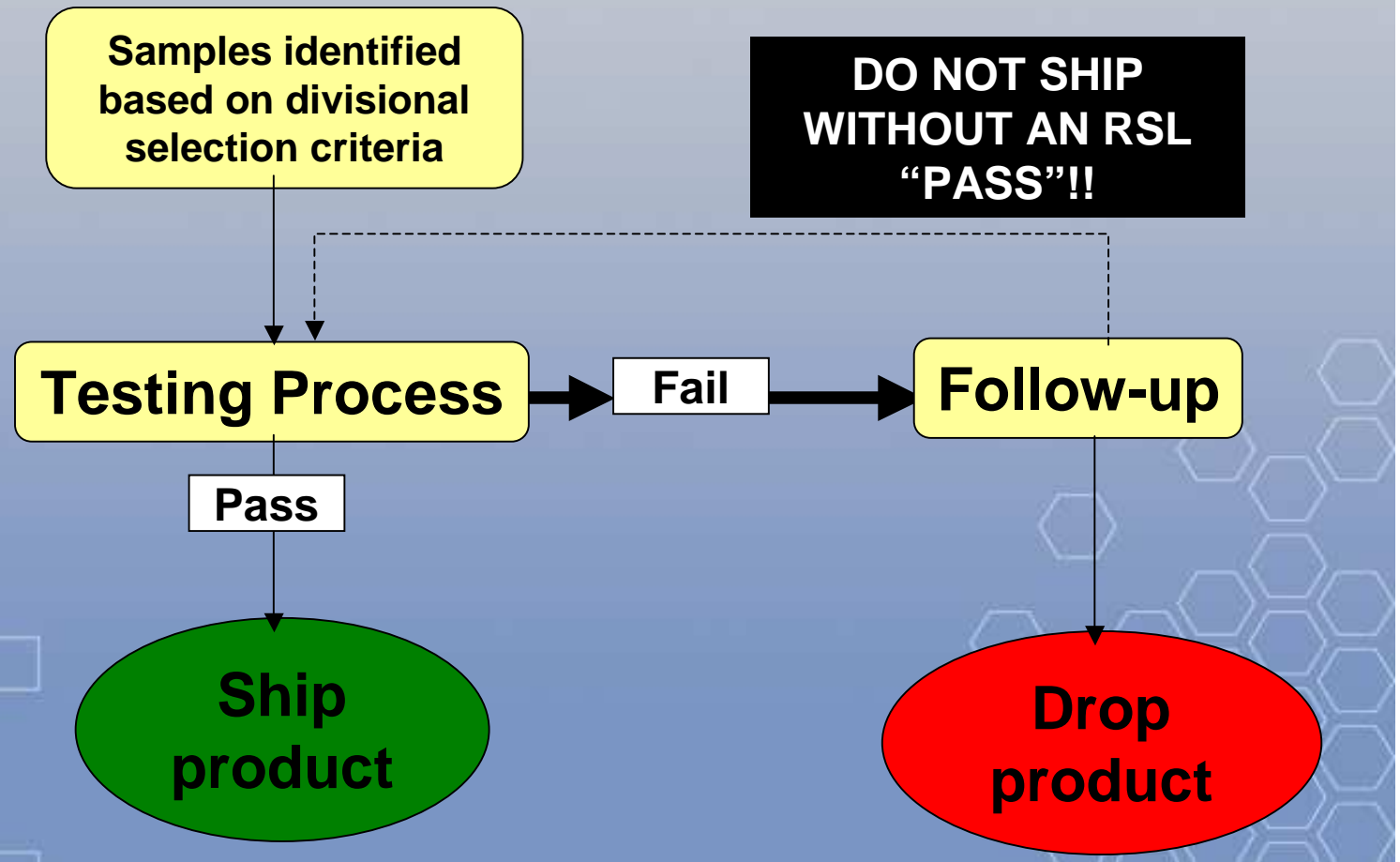


- Contractor-supplied items
- Every component of every product ← sound familiar yet?
- All packaging components (PRSL)



Factory RSL Management System

IMPORTANT SLIDE!!



Factory RSL Management System

Implementation

**Corporate Finished Product
Restricted Finished Product
Substance List**

[Table of Chemicals, Limits, Countries of
Strictest Legislation, Recommended Test
Methods]

**Apparel
Implementation
Document**

[Division Specific Verification
Process]

**Equipment
Implementation
Document**

[Division Specific Verification
Process]

**Footwear
Implementation
Document**

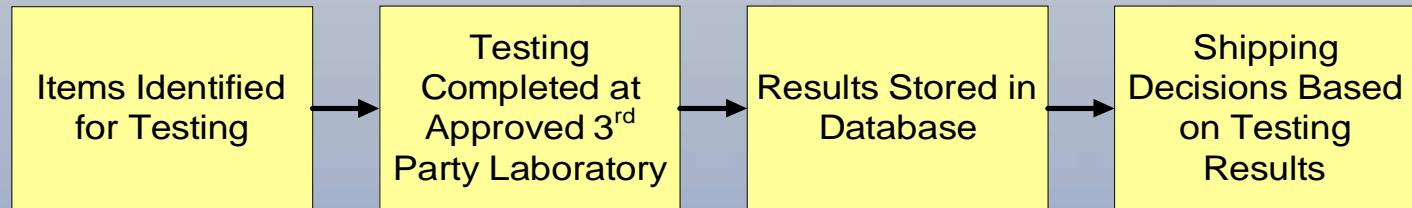
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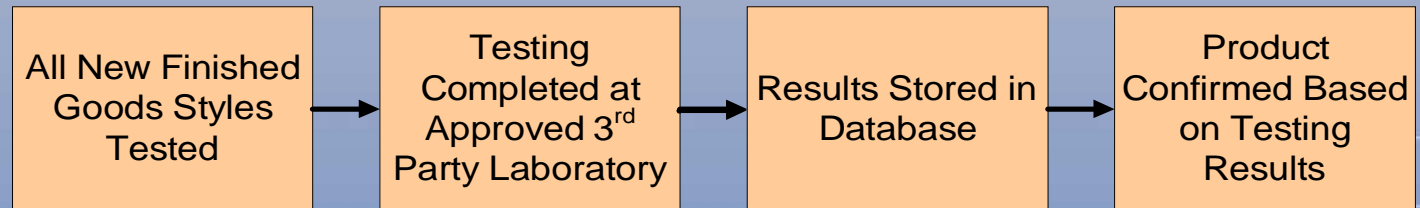
Factory RSL Management System

VARIATIONS ON A THEME

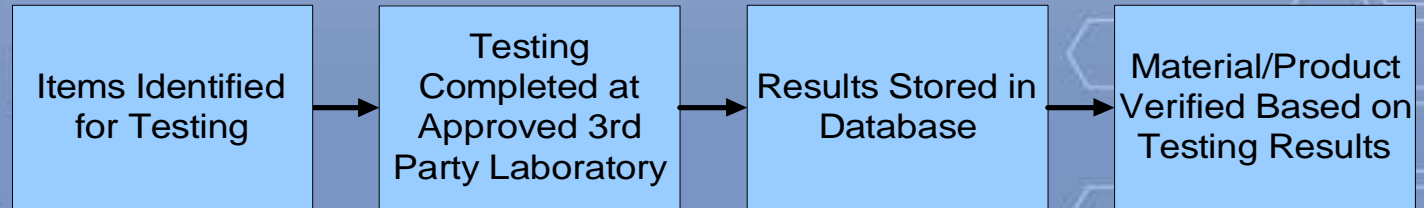
Apparel



Equipment



Footwear



Factory RSL Management System

ASSIGNED - VS - PROACTIVE

- Data from assigned testing is tracked
- Factory / Vendor test data is not received or tracked
- Proactive testing lets YOU find a problem before we do.....



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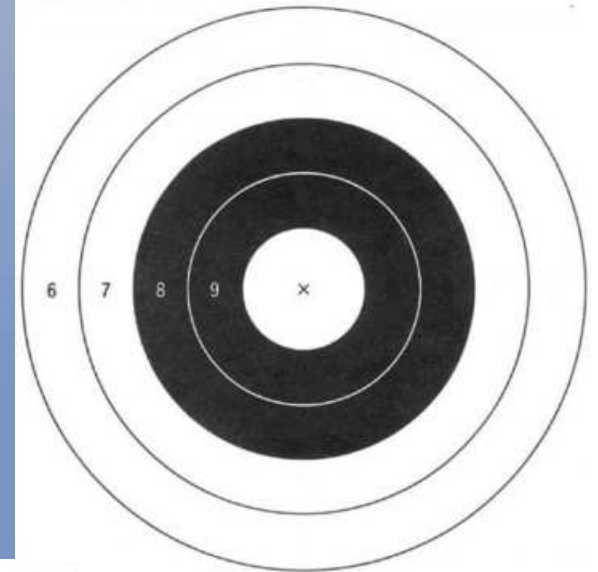
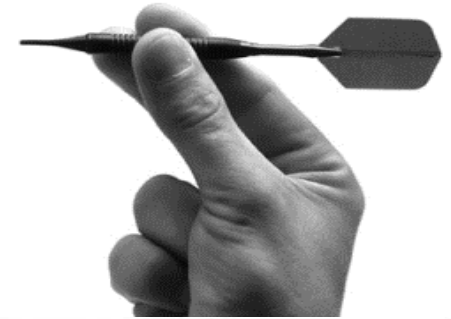


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WHY WE COLLECT TEST DATA

- Vendor performance (Tiering)
- High risk materials
- High risk colors/finishes
- Material used in Kids' products
- Materials with direct skin contact
- High volume

TARGETTED TESTING



Factory RSL Management System

VENDOR TIERING = Reward + Tested + Focus

Vendor	LO	# of Last 25 tests	# PASS	# FAIL	PASS %	Status
A		10	8	2	80%	Red
B		1	1	0	100%	Yellow
C		25	20	5	80%	Red
D		5	5	0	100%	Yellow
E		23	22	1	96%	Yellow
F		10	9	1	90%	Red
G		25	25	0	100%	Green
H		15	15	0	100%	Yellow
I		25	24	1	96%	Green



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EXAMPLE OF VENDOR TIERING

- Based on the last 25 samples
- High risk suppliers test MORE
- High risk materials are a focus
- Rewards reliable partners

LESS TESTING: Only test Kids and Adults high risk material in high risk colors

Test Kids and Adults high risk material in all colors + high risk colors in any material

LOTS of TESTING: Test more materials in more colors



Factory RSL Management System

High Risk Material

- Natural leather and coated leather
- Synthetic Leather
- Rigid Plastic and TPU
- Inks and Adhesives
- Paints
- Metal Parts
- **Material with direct skin contact**
 - Sockliner textile (top cloth)
 - Lining



Factory RSL Management System

High Risk Colors

- Black
- Red
- Blue
- Fluorescent / Iridescent
- Metallic finish
- White (volume)



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RSL Testing Requirements

- Use only “Approved 3rd Party” laboratories
- Attach a completed sample test request form (TRF)
- Expect some Random testing
- Perform supplier initiated testing



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Sample Test Request Form

LAB INFORMATION					
Lab Phone No.		Lab Tracking No.			
Lab Fax No		Date in			
Address		Lab e-mail			
SAMPLE INFORMATION (Fields marked with an asterisk are required)					
Season	Material Name	Material Type	Material Platform	Date Material Made	
Brand Request Number	Brand Material Number	Factory Material Number	Vendor Number	Product Number (SKU)	
Lab Submission No.	Sample Type	Color	Color Code	Test Method	Retest
	Production Quality	R/D		Component	
Submission Date (mm / dd / yyyy)				Material PASS / FAIL	
Vendor					
Factory					
Submitter Company		Submitter Contact Name	Submitter Contact Info (phone / fax / email)		
Nike Liaison Office*	Lab	Lab Contact Name	Lab Contact Info (phone / fax / email)		



Understanding Testing

Core Testing

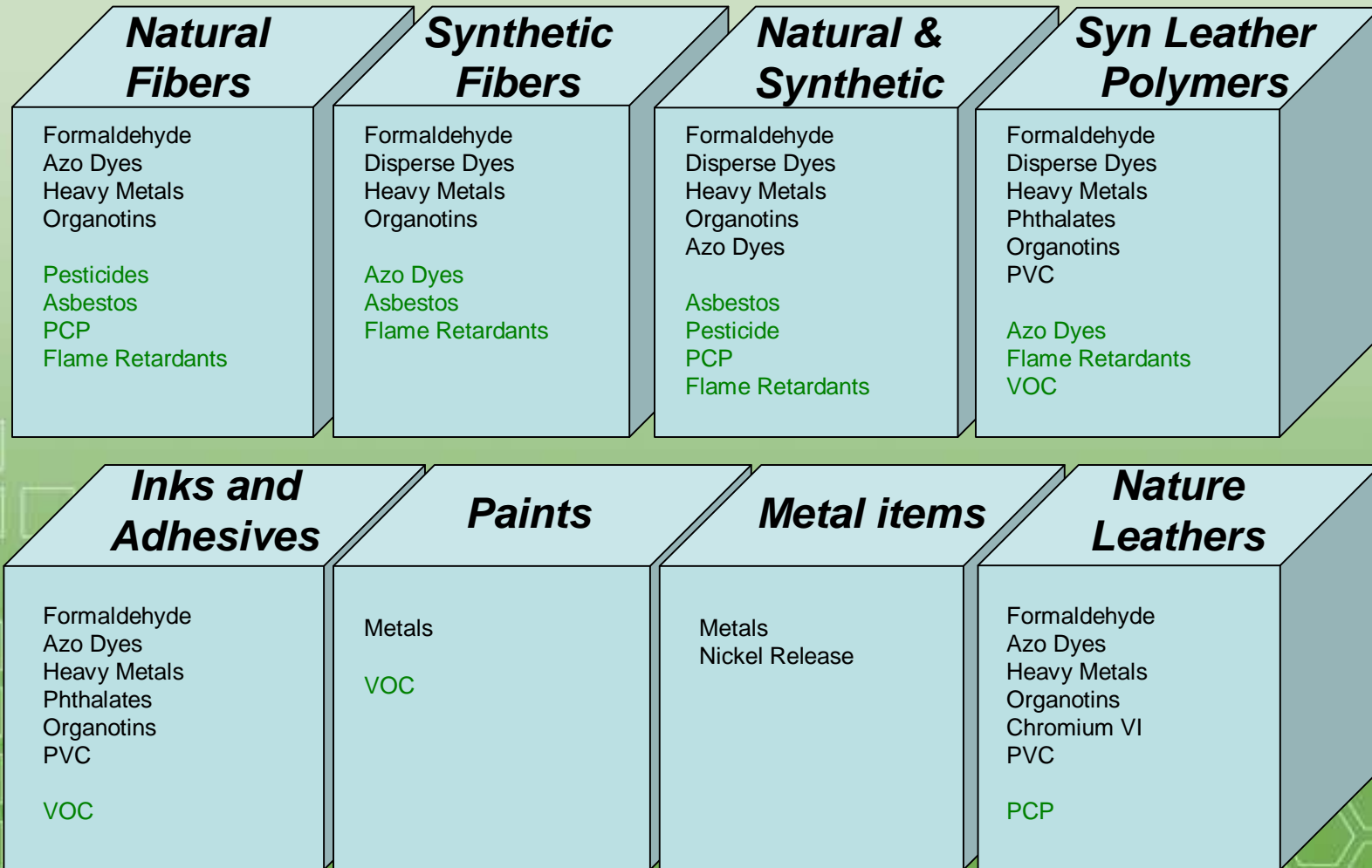
Legislated with a high probability of being found in current materials

Supplemental Testing

Important to exclude from product, but less likely to be found



Factory RSL Management System



Factory RSL Management System



Brand HQ Responsibilities

- Design and develop products to meet RSL requirements
- Define high risk materials/colors
- Follow-up on development testing results
- Tier suppliers on a monthly basis
- Engage with Product Integrity dept. to create safe, healthy products from concept to retail



Factory RSL Management System

Regional Office Responsibilities

- Communicate RSL requirements to key vendor/factory contacts
- Develop products to meet global safety standards
- Follow-up on development testing results with vendor/factory
- Track submissions of item/colors requested for RSL testing
- Communicate any production and/or testing challenges



Factory RSL Management System

Factory Responsibilities



- Ensure products meet RSL or PRSL requirements
- Monitor incoming materials for passing RSL tests where required
- Work with suppliers to resolve issues with failing materials
- Select and test incoming production material to verify vendors' RSL compliance

Factory RSL Management System

Vendor Responsibilities

- Sign the RSL/PRSL Acknowledgment
- Roll RSLs out to their supply chain
- Submit materials for RSL testing where required
- Resolve issues around failing materials
- Complete Failure Follow-up Form on all RSL Failures – return within 2 weeks
- **DO NOT SHIP WITHOUT A PASS!!**



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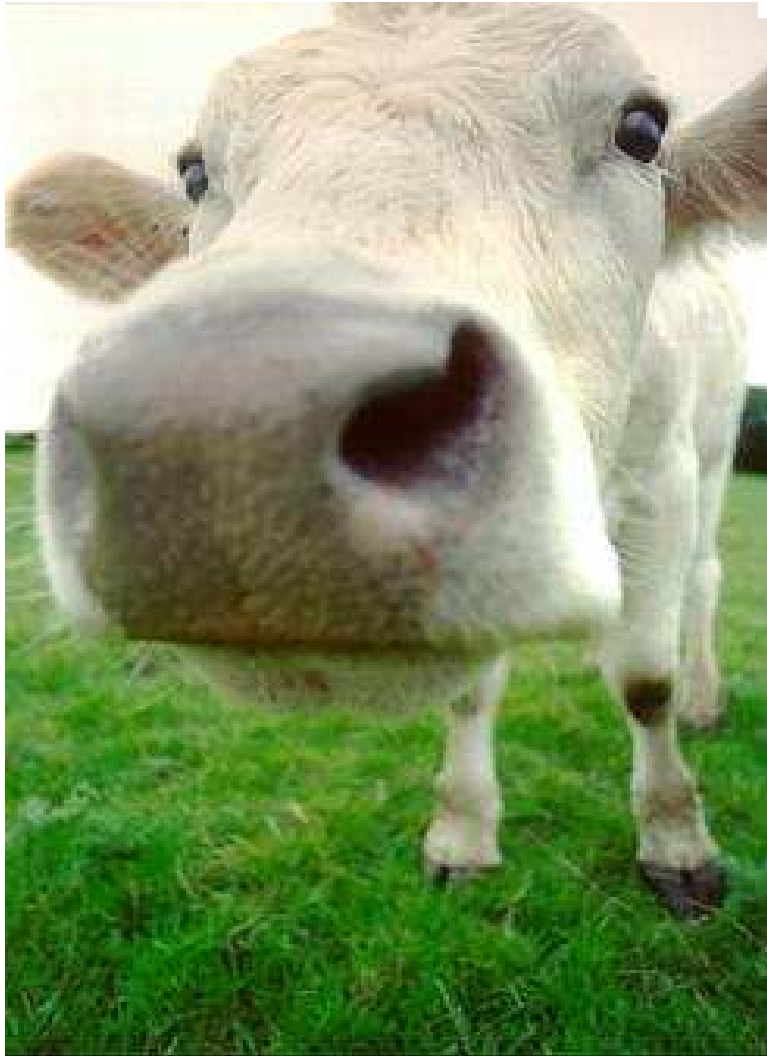


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Successful Suppliers Do the Following

Understand the Restrictions

Understand What Chemicals They Are Buying

- The Cheapest Chemicals are NOT always the best

Put Controls in Place

- Purchasing
- Use
- Testing (for things you are unfamiliar with)

