

# **Workshop 3: The impact of product recall in distribution networks: Strategies for facing the risk of product recall for companies selling worldwide**

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# **Strategies for facing the risk of product recall for companies selling worldwide**

## **• Introduction:**

The risk of a product recall is extremely high for a company that sells its products internationally. The regulations requiring product recalls to protect consumers are increasing and differ from country to country. They require constant updating to stay current on the applicable rules. It is also very important to be able to rely on a company's own sales network and devise a strategy that involves and empowers members in different countries to be able to comply with their local laws and regulations. How can these objectives be effectively achieved?

## **Strategies for facing the risk of product recall for companies selling worldwide**

- Reasons for Product Recalls
  - Safety Concerns
    - Manufacturing Defects
    - Contamination
    - Safety Risks

## **Strategies for facing the risk of product recall for companies selling worldwide**

- Reasons for Product Recalls
  - Quality Issues
    - Poor Quality Control
    - Labeling or Packaging Errors
    - Undeclared Ingredients

## **Strategies for facing the risk of product recall for companies selling worldwide**

- Reasons for Product Recalls
  - Regulatory Violations
    - Failure to Meet Standards
    - Adulteration or Mislabeled
    - Failure to Comply with Regulations

## **Strategies for facing the risk of product recall for companies selling worldwide**

- Reasons for Product Recalls
  - Other Reasons
    - Adverse Reactions or Reports
    - Supplier or Manufacturing Issues

## **Strategies for facing the risk of product recall for companies selling worldwide**

- **Types of Recall Programs**
  - **Government Mandated:** Product recalls required because of government investigations with required compliance procedures.
  - **Voluntary:** Product manufacturer/distributor voluntarily recalls products from the marketplace.

## **Strategies for facing the risk of product recall for companies selling worldwide**

- Regulations Affecting Recalls - European Union
  - General Product Safety Regulation (EU) 2023/988 (GPSR)
  - Consumer Rights Directive 2011/83/EU
  - Right to Repair Directive (EU) 2024/1799 (“R2RD”), ongoing MS transposition
  - Product Liability Directive (EU) 2024/2853 (“PLD”)
  - EU Collective Redress Directive (EU) 2020/1828 (“CRD”)



## **Strategies for facing the risk of product recall for companies selling worldwide**

- Regulations Affecting Recalls - United States
  - Federal Law
    - U.S. Consumer Product Safety Commission
    - Federal Trade Commission
    - U.S. Food and Drug Administration
  - State Law
    - Uniform Commercial Code
    - State Attorneys' General
    - Local Health and Safety Boards
  - Other
    - Plaintiff's Attorneys
    - Restaurant Associations
    - Third-Party Vendors/Licensing

# **Strategies for facing the risk of product recall for companies selling worldwide**

- Working with the Distribution System to Prepare Plans for Recalls
  - Contractual provisions for recalls
  - Internal plans
  - Communication with retailers

# **Strategies for facing the risk of product recall for companies selling worldwide**

- Working with the Distribution System to Recall Products
  - Notification of product recall
  - Implementation of recall plans

# **Strategies for facing the risk of product recall for companies selling worldwide**

- Ongoing monitoring and quality control
  - Communication with the Distribution System
  - Inspections and Investigations

# **Strategies for facing the risk of product recall for companies selling worldwide**

- Conclusion and Discussion