

Handling an airbag crisis

Effective recall management when a third-party component is recalled

The collection and safe destruction of a recalled product remains one of the most important – and demanding – aspects of a recall. Beyond ensuring the unsafe product is no longer in the market or consumer's hands, there are strict rules and regulations regarding the safe disposition of a recalled product. These rules are designed to prevent further harm to humans and to the environment.

Challenge

After airbag inflators using ammonium nitrate were recalled and removed by the automotive manufacturer, the recalled products needed to be collected and safely destroyed.

Unfortunately, several global automakers faced this challenge when a third-party's airbag needed to be recalled. For our client, the recall affected more than a million units across multiple vehicle models.

Due to the composition of the recalled unit, the collection, storage and destruction of impacted airbags came with challenges. The faulty airbag inflators used ammonium nitrate, a chemical compound that, if not handled properly, can be explosive. For this reason, the collection, transportation and destruction of the products was tightly regulated, with each step needing to be conducted in a manner that prevented environmental harm.

It was also clear to the automaker that establishing mirrored solutions across several countries was nearly impossible. Each country had its own expectations, waste regulations and requirements. Making matters more challenging, the impacted fleet consisted of older vehicles. This means the existing dataset had significant limitations, which can result in low repair rates - a common obstacle for recall campaigns.

These challenges required a creative, safe solution.

Solution

A custom-made storage and transportation container helped streamline the recall process, ensuring affected products were safely stored until they could be removed from the site and destroyed at an environmentally approved licensed location.

After customers were notified of the need to replace the airbags in certain vehicle models, Sedgwick brand protection was there to help with the next steps. Due to the presence of ammonium nitrate in the airbag inflators, specific regulations define the process for safely disposing of the product. To ensure compliance, Sedgwick brand protection designed, produced and provided UN Certified containers that were tested under the harshest of circumstances by an external laboratory and approved for the storage and transportation of

1M+
units recalled



MULTIPLE
vehicle models
and years



CUSTOM
(UN Certified)
storage and transportation
solution devised



**ENVIRONMENTALLY-
FRIENDLY,**
compliant disposal

dangerous liquids and solids.

When containers were full, dealers were given a dedicated email address to contact to schedule collection. We proceeded to remove these containers to a secure Sedgwick-owned facility - one of two locations environmentally approved and licensed to complete hazardous remediation tasks such as this one. Once regulatory approval was received, we undertook environmentally-friendly, compliant disposal. For compliance and record-keeping purposes, we supplied the automaker with the volume and specific codes of airbags destroyed.

Results

Effective remediation tools and resources helped streamline and simplify the recall process for the manufacturer and those on the frontlines with consumers.

Initial recall repair rates have been strong under standard notification protocols, and product handling, storage and disposal has proceeded without incident. But given the data-related challenges, this event will likely continue for several years until it is closed out.

Regardless, the automaker now has a simple, effective and regulator-approved protocol in place for collecting and disposing of affected airbags that will serve it well with all future activity of this nature.

After 25 years of protecting businesses, their customers and the environment, Sedgwick has established protocols and solutions that are transferrable and easily scalable. Whether a recall event affects 50,000 units or 1 million, our flexibility in dealing with complex in-market events helps us build trust with our clients, which in turn helps them maintain trust with their customers.

Key takeaways

- The consumer brand is often the company responsible for recall management, regardless of who produced the defective or faulty component. Companies should be prepared to communicate with affected customers, formulate an appropriate solution, and execute this – through to event close-out – in compliance with local and national law.

- Special care is needed for the collection and safe destruction of components or products that contain harmful chemicals, such as ammonium nitrate, or otherwise present a safety hazard, such as lithium-ion batteries. Companies should be aware of applicable regulations that govern product transportation, repair, storage and disposal ahead of a recall, and identify appropriate solutions before a recall strikes.
- Complex regulations can make it difficult for a company to comply with safe disposal practices, especially when an event impacts consumers across multiple jurisdictions. Sedgwick brand protection offers streamlined and proven solutions, including the collection, storage and disposal of products in line with the highest standards of environmental safety.

Sedgwick brand protection

Brand and reputation are the most valuable and vulnerable assets a business has. Brands embody and encapsulate everything a business does, and its customers expect. Nothing says more about a company's commitment to its customers than its efforts to uphold promises of safety, quality, and service. That's why companies are often remembered more for how they handle an in-market challenge than for the problem itself. We know what it takes to manage recalls in a way that upholds your commitments to customers, supply chain partners, industry and regulators.

Trusted by the world's leading brands and businesses, we work in partnership to manage the risks and minimize the impacts of in-market business and product crises. Since 1995, we have managed more than 5,000 of the most sensitive and time-critical recall and remediation programs - spanning 60+ countries and 20+ languages.

To learn more about our recall, remediation and retention solutions, contact us today.

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