

2011

THE ETHICAL SOURCING FORUM

NEW YORK CITY

MARCH 31-APRIL 1



ETHICAL
SOURCING
FORUM



Canadian Appliance
Manufacturers Association

ELECTRO-FEDERATION
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Rapid and Concurrent Change – The Association Challenge

Presented by

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Chair - CAMA

Canadian Appliance Manufacturers Association

CAMA – Backgrounder



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“Empowering Canadians with sustainable, innovative Home Appliance solutions”. Vision statement

- 17 member Not-for-profit association - small and large home appliance manufacturers in Canada
- Council member of Electro Federation Canada
- 300 member - electrical, telecom, electronics, service \$50 billion, over 130,000 employees, over 1,400 sites
- 6 staff – 2 dedicated/4 shared EFC services: technical, communications, statistical program
- \$6.5 Billion* Canadian Major Appliance industry:
6.9 million units
- \$1 Billion* Canadian Small Appliance industry:
21 million units

*estimated retail value

2010 Key Category Trends

1. 2010 first growth year since 2007 +5.3%
2. Energy Efficiency – kitchen renovation driver
3. Energy Star shipments outpacing industry growth
4. Smaller Homes – aging population, downsizing, multi-family vs. single family construction
5. Premium small outpacing industry growth:
Toaster Oven +47%, Coffee + 46%, Food Pro +28% , Stand Mixers 22%

New Operating Environment – setting the context

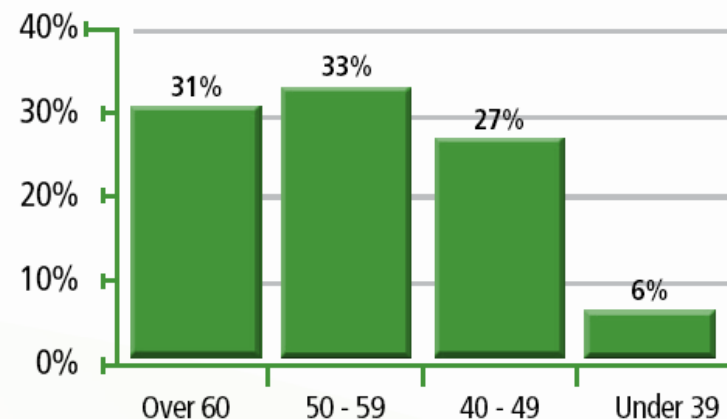


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“Serving the Home Appliance industry by consistently delivering leadership, education and advocacy.” Mission statement

- Global vs. regional and local
- Outdated legislation – safety, environmental, efficiency (test procedures), chemicals of concern, trade agreements all in revision
- Increasing regulatory intervention: environmental, safety, accountability, transparency & precautionary
- Increasing governance complexity – patchwork
- Skilled labor exodus to NAFTA and other regions
- Information age – speed/access/security/privacy
- Immigration and aging population – labor and consumer challenges

Average Age of Technicians



IMR market studies (Installation Maintenance & Repair)
35% stated retirement intentions in next 5 yrs
20% stated retirement intentions in next 10 yrs

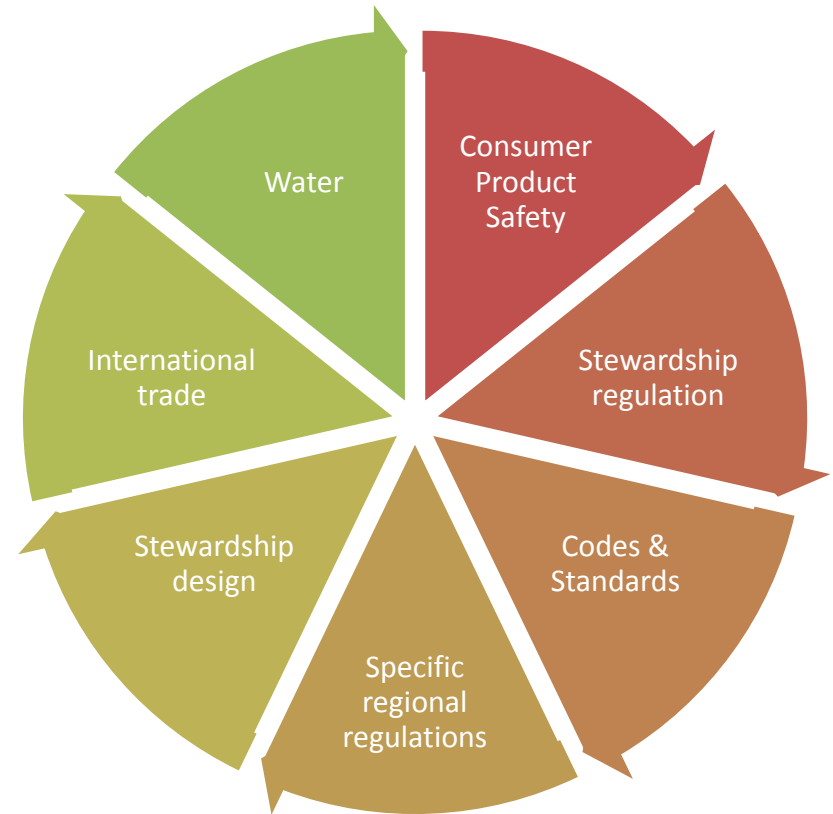
Speed of Change – Unprecedented



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*Economic crisis did not slow down the regulatory workload....
'09 -'10 may have been the most active period in CAMA's history*

- Upon review between 20 to 30 significant files – points to over 80 individual issues/opportunities
- Bill C52 to Bill C6 – Consumer Product Safety Act
- Many technical standards – new / revisions
- Proposed Harmonics adoption by Canada
- Individual provincial standards and regulatory proposals
- Extended Producer Program development
- International trade



2011 – Key Pillars



Prioritize, focus and lead in four key areas

Policy	Standards	Sustainability	Communication
<ul style="list-style-type: none">• Producer Responsibility• Safety• Harmonization	<ul style="list-style-type: none">• Strengthen harmonization• SMART leadership• Enhance trade	<ul style="list-style-type: none">• Leadership• Outcome approach• Engagement	<ul style="list-style-type: none">• Consumer• Engage• Member community



Industry focus – Next Generation Efficiency



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Up to 10 Quads of energy and 5.6 trillion US gallons of water savings potential over the next 30 years in USA/Canada (if adopted)

- July 2010 – historic agreement with ACEEE (American Council for Energy Efficiency) & Association of Home Appliance Manufacturers (AHAM)
- Broader scope – multiple products: laundry/cooling/ cleaning/air
- Joint consensus between industry and many advocates: Alliance to Save Energy etc..
- Recognizes SMART appliances contributions through Energy Star
- SMART – ecosystem vs. single product – enabler of alternative generation, consumer visibility to consumption, homeland stability and security
- Leverages AHAM third party verification protocol for Energy Star (EEV Canada)
- Test procedure improvements
- CAMA is working with Canadian stakeholders to seek adoption in Canada

<http://www.aham.org/industry/ht/d/sp/i/49934/pid/49934>

Industry Focus – Canada’s Consumer Product Safety Act



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Bill C36 - Consumer Product Safety – the new national security

- New law to replace the Hazardous products Act passed – June 20, 2011 effective date
- General provision - “Danger to Human Health or Safety” unreasonable hazard existing or potential
- Mandatory recall powers , reporting periods 48 hours/10 days in Canada or elsewhere, labeling and information, search and seizure, fines and penalties, document retention
- Links with many other federal instruments
- Reasonable to expect more enforcement at the border
- Prohibition on importation of unsafe products
- Confidential Business Information
- CAMA is working with several associations to enhance the implementation of the Act
- Consultations on mandatory incident reporting close April 8

http://www.hc-sc.gc.ca/cps-spc/legislation/consultation/_2011ccpsa_incident-lcspc/index-eng.php

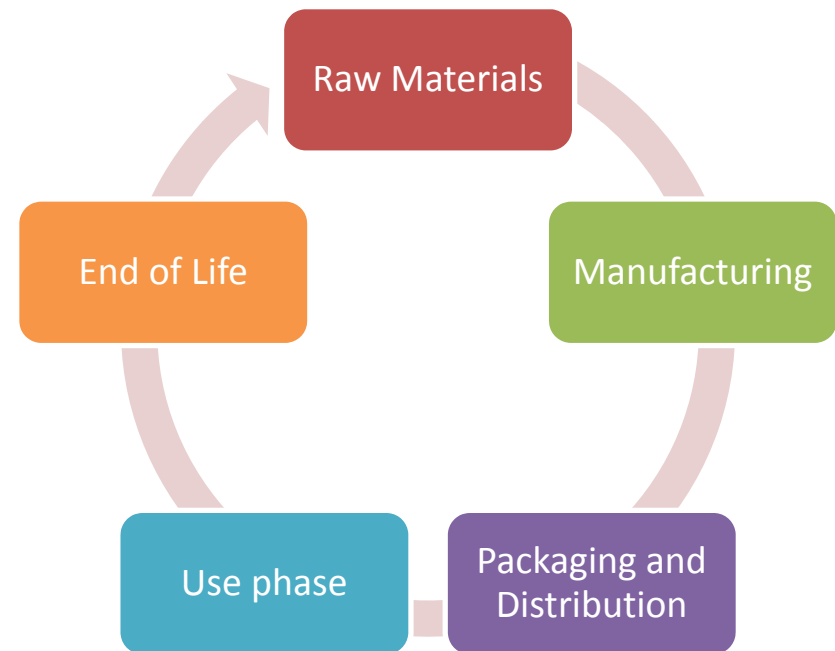
Industry focus – Sustainability Standards



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North American approach to developing clear sustainability metrics

- Industry partnership with CSA and ULe to develop comprehensive appliance sustainability standards
- Five Winds International providing project management
- Multi-attribute total life cycle approach
- Meaningful metrics for business and consumers
- CAMA facilitating the adoption in Canada
- Project Benefits:
 1. Mitigate unintended environmental trade offs
 2. Harmonize existing sustainability standards
 3. Clear design for environment criteria
 4. Consistency
 5. Guidance for policy, retailers, consumers to Identify environmentally responsible products



Industry focus – Extended Producer Responsibility



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*“An **environmental protection strategy** to reach an environmental objective , decreased total environmental impact, making the **manufacturer responsible** for the **entire life-cycle** and especially for the take-back, recycling and final disposal of the product.” Lindqvist 1990*

- Waste electronics laws in 7 of 10 provinces
- Electronics, electrics, packaging materials, MHSW etc. are designated
- British Columbia (BC) 1st province to designate small and large electrics
- April 1, 2011 – small electrics, personal, floor care
- July 1, 2012 – large electrics including appliances
- CESA – Canadian Electronic Stewardship Association – only approved plan in BC
- CESA role is to assist members in managing their responsibility under the recycling regulation: collection, transportation, processing, communication, governance
- CAMA is developing an appropriate plan for major appliances enhancing the existing market driven system



www.cesarecycling.ca

http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/449_2004

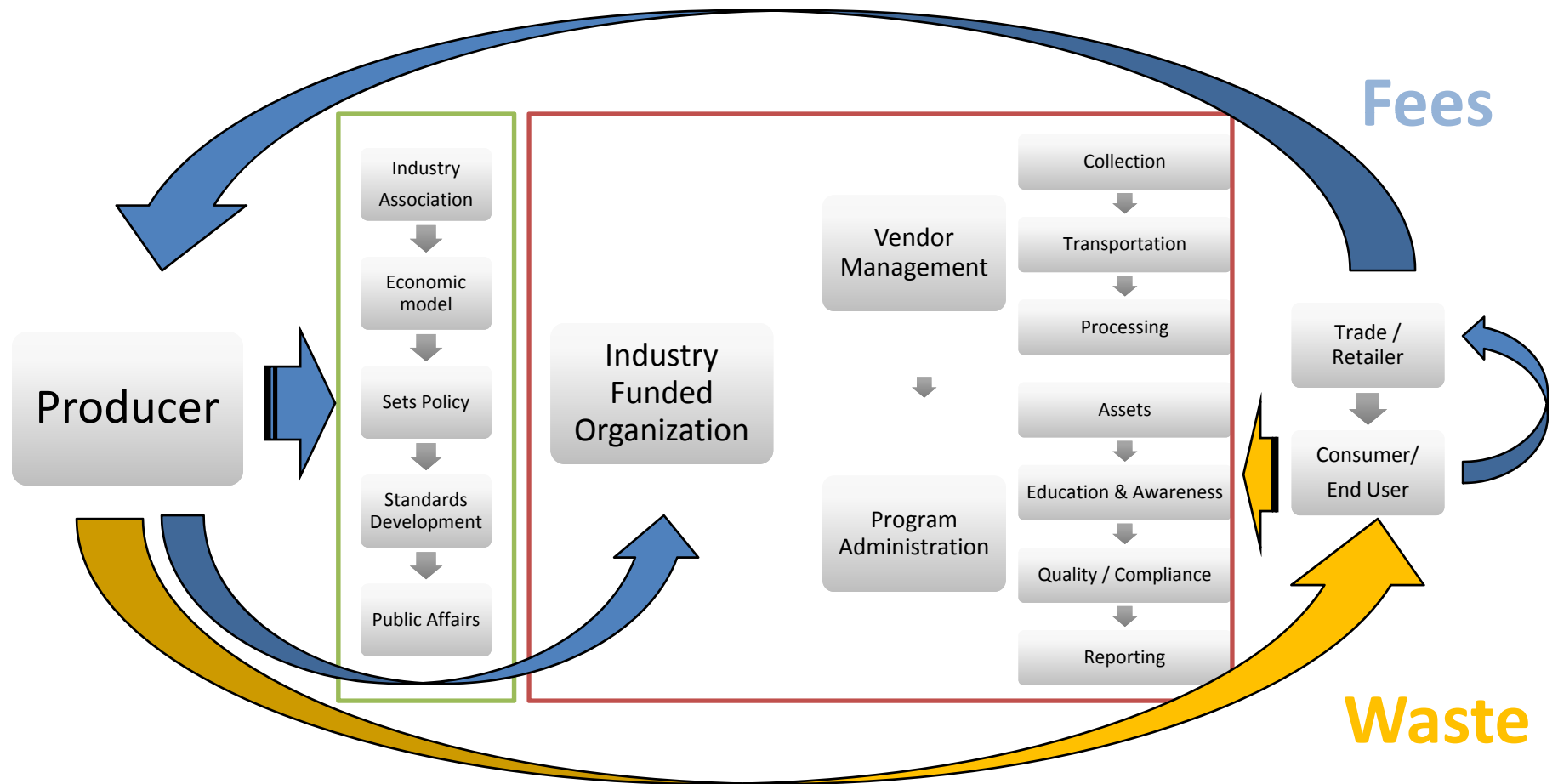
Industry focus – EPR design



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“ Extended producer responsibility is a framework to support ..**zero waste**. EPR holds **producers responsible** for the **costs associated** ..**environmental impact** of their products..Extends throughout a product’s lifecycle, including design, manufacturing, packaging, transportation, use, and diversion or disposal.” Ministry of Environment Ontario

- Goal should be to enhance existing market to achieve desired outcomes



Member Commitment



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“Empowering Canadians with sustainable, innovative Home Appliance solutions”. Vision statement

- Deliver on the vision and mission
- Fact and knowledge based
- Increase collaboration and partnership
- Continuous improvement
- Leadership



Annual Trends and Facts booklet available for purchase

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