

Powell Logistics Inc.

Any Questions or Comments?

Joining an IFO

- No additional stress of dealing with the new regulations
- Pay a fee and IFO will take care of additional changes
- Continue to run company as is
- Expenses are averaged across all stewards in the organization (Good or Bad?)

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Closed Loop System

Benefits

- Whirlpool will have full control of all costs and customers
- Good for environment: recycle products after product life cycle
- Manufacturers focus on making products more sustainable, less toxic, easier to recycle
- Designing products so that they have manufacturer's end of life costs (Major financial incentive)

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Whirlpool

Introduction

Whirlpool is a large manufacturing company that takes up 10% of appliance manufacturing market share in Canada. New legislation that requires all appliance manufacturers to take responsibility of end-of-life (EOL) collection and recycling of products has extended product responsibility (EPR) requirements and given three options:

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- 90-95% of all discarded household appliances are already being recycled, into landfills and processed and scrap prices that are paid out for certain metals and glass.
- EPR will encourage model because of predetermined or standardized collection and processing systems.
- Hard to know where and when appliances were bought because serial number technology is different between manufacturers.
- Tracking very difficult.

Final Recommendation

- **Check Long-Term:**
 - The cost of recycling costs and resources, more significant for end-of-life than what is known today.
 - Look for costs to rise if EPR is not standing and others and businesses that don't comply to handle costs rise of products.
- **Legislation:**
 - New cost number and tracking method.
 - New cost number to track the appliance back to Whirlpool.
 - Manufacturer offer initial setup.
 - Bringing back the savings from the company.

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Closed Loop System

Benefits

- Whirlpool will have full control of all costs and customers
- Good for environment: recycle products after product life cycle
- Manufacturers focus on making products more sustainable, less toxic, easier to recycle
- Designing products so that longer lowers manufacturer's end-of-life costs (Major financial incentive)

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Whirlpool

Introduction

Whirlpool is a large manufacturer company that takes up in area of appliance manufacturing market share in Canada. New legislation that requires all appliance manufacturers to take responsibility of end-of-life (EOL) collection and recycling of products. New extended producer responsibility (EPR) requirements give three options:

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- 95-99% of all discarded household appliances are already being recycled, into landfills and processed and scrap for scrap
- Recycling appliances at their end of life cycle because of scrap prices that are paid out for certain metals and glass
- EPR will interfere model because of predetermined or standardized collection and processing systems
- Hard to know where and when appliances were bought because serial number technology is different between manufacturers
- Tracking very difficult

Final Recommendation

Closed Loop System

- The concept of recycling costs and resources, more significant than cost of collection and disposal costs that can be avoided by using EPR to avoid standing the others and businesses that don't comply to handle collection of products
- Easier to implement
- New serial number and tracking method
- Manufacturer's responsibility to track the appliance back to Whirlpool
- Manufacturer's other capital setup
- Bringing back the savings from the other company

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Introduction

Whirlpool is a large manufacturing company that takes up to 30% of appliance manufacturing market share in Canada

New legislation that requires all appliance manufacturers to take responsibility of end-of-life (EOL) collection and the recycling of products

New extended producer responsibility (EPR) requirements give three options

Three Options

- Join an industry-funded organization
- Set up their own IFO to meet the guidelines through a closed loop
- Fight against the EPR legislation

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- Expenses are averaged across all stewards in the organization (Good or Bad?)

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Closed Loop System

Benefits

- Whirlpool will have full control of all costs and customers
- Good for environment- recycle products after product life cycle
- Manufacturers focus on making products more sustainable, less toxic, easier to recycle
- Designing products to last longer lowers manufacturer's end of life costs (Major financial incentive)

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Risks

- Disruption of their logistics network
- Capacity problems at regional and factory distribution centers
- Very expensive and hurt business if not done properly
- Increase product costs for consumers, manufacturers could add recycling costs into product price tag

High risk but High reward

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High risk but High reward

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Fight Legislation

- 95-99% of all discarded household appliances are already being recycled, into landfills and processed and sold for scrap
- Recycling appliances at their end of life cycle because of scrap prices that are paid out for certain metals and glass
- EPR will interrupt model because of predetermined or authorized collection and processing systems
- Hard to know where and when appliances were bought because serial number technology is different between manufacturers
- Tracking very difficult

Final Recommendation

Closed Loop System

- Full control of recycling costs and customers, more opportunities for cost reduction and customer interaction
- Can be created around Whirlpools standing procedures and implement third party company to handle collection of product
- Logistics expansion
- New serial number and tracking method
- incentive for consumers to recycle the appliance back to Whirlpool
- Minimal cost after initial set up
- Bringing back the salvage income into the company

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