



**CSA
Group**

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**ANNUAL
REPORT
2017**

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Message from the Chair & CEO



Welcome.

We consider it a privilege to serve an organization that engages so many dedicated members, supports so many loyal customers, and touches so many lives. CSA Group's efforts have led to safer products and environments and more sustainable practices - part of our organization's commitment to social good. Few organizations have an opportunity to create such an impact, but CSA Group has been doing just that for nearly a century.

We have added to that rich heritage with a successful performance in 2016-17. On the following pages, you will read about CSA Group's achievements and plans for the future. Registered Members of the Association can view our audited, consolidated financial results through the online CSA Communities Member platform. Please contact member@csagroup.org for your unique login information.

On behalf of the Board of Directors and our leadership team, we would like to thank our various committee and task force members for the extraordinary effort they contribute towards developing standards with such a positive social, environmental and economic impact. And we are grateful for the support and patronage of customers through our testing, inspection and certification subsidiaries. You keep us on our toes... and on a path of continuous improvement and excellence.

Greg Weeres

Chair, Consultant
CSA Group

David Weinstein

President and CEO
CSA Group



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Moving from good to great

Today's world is changing at a relentless pace and in unprecedented ways. In this dynamic environment, 2016/17 was a pivotal year for CSA Group: We restructured our organization to better align with our newly launched corporate strategy, strengthened our leadership team, improved operations and service delivery, and made critical investments in technology, training and accreditations.



Our Standards group had a busy year, serving 9,200 expert members, 58,000 registered users of our CSA Communities online platform, releasing 595 publications, and attracting more than 16,000 people to our Learning Services offerings. In addition, our registries recorded a reduction of almost 37.5 million tons of carbon since the program began.

Importantly, the Standards program was restructured to better align with the markets we serve and to create more of a bridge with our Testing, Inspections and Certification (TIC) subsidiaries in areas of significant overlap, such as gas and electrical.

We published new and updated standards that contribute to public safety and social good. Joining our established Z662 Oil & Gas Pipeline standard is a series of upstream

standards for well design and fugitive and vented emissions. We addressed safe fuel storage and delivery systems for road vehicles powered by compressed natural gas. We also published a landmark standard for testing hydrogen-refueling stations and will soon introduce an innovative mobile trailer for field-testing services. In addition, our new bi-national (Canada/USA) standard for household cooking appliances is a truly harmonized North American standard, allowing manufacturers to certify their products to a common standard on both sides of the border.

Our new Research program is enabling us to become more proactive in identifying emerging market needs and developing leading-edge solutions. As an example, our first published research paper examined the role that standards could play in the sharing economy.

Our standards development process is now being streamlined through greater use of collaboration tools and technology – a very exciting development for a nearly 100-year-old organization and one that will surely improve our members' experience.



In our TIC subsidiaries, our target markets are healthy and manufacturers clearly want a strong alternative to our competitors. To differentiate ourselves and increase our share

of the North American certification market, we have been working to improve service delivery, expand our portfolio of offerings, and strengthen our account management.

In the past year, we increased the number of CSA Group certifiers by over 10 percent and enhanced our technical training so that the caliber of our service is second to none. We are also placing a focus on quality, turnaround time and communications within our operations.

As businesses seek service providers that can cover the world, our Global Market Access (GMA) offerings are being expanded. We are also reaching into critical new areas such as cybersecurity, with services that help businesses mitigate the risks associated with Internet-connected products, as well as management systems certification, functional safety and more.

Going forward, our focus will be on improving our member and customer experience, as this is essential for the growth and development of CSA Group. A key initiative is our new commercial strategy for Standards, which creates new and improved offerings and channels through which customers can purchase our standards and related services.

All of us at CSA Group understand the immense value of standards, and we are exceedingly optimistic about the future. We are confident we are doing the right things for the right reasons to make CSA Group a stronger organization. Our 2016/17 performance demonstrates we are already achieving results.

This progress would not be possible without exceptionally dedicated members and supportive customers – thank you! We also thank our Board of Directors for their wise counsel, our leadership team for their skillful management, and all employees who work so diligently to fulfill our mission each and every day.

Thank-you to our dedicated members and customers for their support and confidence in us. To our Board for their guidance, to our leadership team for their dedicated involvement and to all employees who work so hard to fulfill our mission each and every day.



For nearly a century,

CSA Group has been a strategic partner and trusted advisor dedicated to advancing consumer and workplace safety and helping manufacturers around the world bring innovative products to market. Yet in recent years, the world has profoundly changed. New disruptive technologies are transforming the way we live and work. Many of the products we use every day are made elsewhere, often with components sourced from complex supply chains extending to every part of the world. Product life cycles are shorter as



product innovation accelerates. Our devices are increasingly interconnected, collecting and relaying data, raising questions of privacy and security. And many jurisdictions face increasing pressures around the delivery of effective and cost-efficient health care.

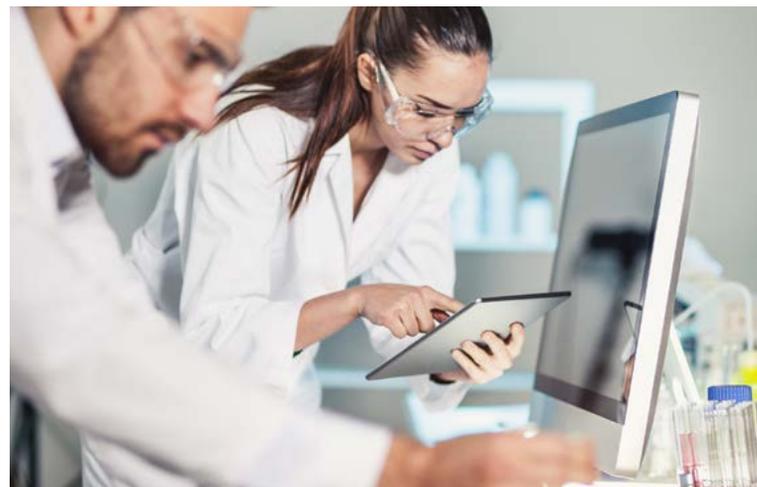
Given the complexity of these challenges, we know that ensuring public safety is more critical and demanding than ever. We need new industry standards that can keep pace with ongoing product innovation. We must thwart counterfeit goods that present undue safety risks. And manufacturers need help navigating constantly evolving safety and performance certification requirements.

This is where CSA Group comes in. We are constantly developing our technical expertise, focusing our presence in key international markets where products are made, and protecting the integrity of our certification marks through vigilant anti-counterfeiting programs. We have honed our expertise in such areas as: process safety management with the publication of a new standard applicable to many industries; and in health care with standards for infection control and workplace safety; to name just a few.

In 2016/17, we added to this reputation with new offerings to advance safety.

For example, in manufacturing and industrial settings, excessive work noise is common and a potential threat to worker health and safety. To address this issue, CSA Group released a new standard that helps manufacturers identify and implement measures to protect workers from hearing loss. It is part of our robust portfolio of worker and workplace safety standards.

In health care facilities undergoing construction or renovation, risks associated with viruses, bacteria and other sources of infection are prevalent. In these situations, an infection control system is the first line of defense. Since its first publication in 2003, CSA Z317 - Infection Control During Construction, Renovation, and Maintenance of Health Care Facilities



has revolutionized work practices in and around health care facilities. In 2017, we published the fourth edition of this important standard, which contains critical updates on preventive measures intended to protect patients, staff and visitors from disease transmission and other health problems. CSA Group currently maintains over 220 standards in key health care subject areas.

We continue to support product innovation by expediting certification services and expanding our scope of service to support manufacturers' drive to market. For example, given the increasing use of Wi-Fi and Bluetooth for interconnected devices, our Global Market Access (GMA) group now assists with radio frequency testing and product approvals for more than 20 countries.

With accelerating product innovation and new safety challenges, CSA Group continues to shape new ways of contributing to a better, safer world.



Climate change and the need for greater sustainability have climbed to the top of the agenda for many governments, businesses and people worldwide.

This has spurred the development of new technologies and approaches to reduce carbon emissions, employ clean and renewable energy sources, and adapt to rapidly evolving environmental conditions. In recent years, we have seen a rise in electric cars, increasing renewable power capacity around the world, and the use of hydrogen as transportation fuel.



As compelling as these solutions may be, new technologies – including green ones – carry inherent risks and challenges. New industry standards and services are needed to keep pace with ongoing product innovation. And as climate change leads to rising temperatures and more frequent extreme weather events, communities around the world must adapt to changing environmental conditions.

CSA Group develops and maintains thousands of codes and

standards that ensure public safety and support industry's social license to operate, including through environmental responsibility. We are constantly developing our technical expertise in new and emerging technologies. “Greener” vehicles are just one example. We developed the world's first fuel cell standard in 1998; since then we've introduced new standards for hydrogen vehicle and refueling station components in collaboration with the American National Standards Institute, and new lab services for testing and certifying high-pressure fuel systems and components and electric vehicle supply equipment. We have also made a significant contribution towards adapting to the effects of climate change with four national standards to address challenges in Canada's North.

This year, in partnership with the National Research Council (NRC) we launched an initiative to incorporate strategies for addressing climate change into existing and new Canadian standards and codes. Aiming to address infrastructure vulnerabilities due to climate change, this initiative will support the resilient design, construction and maintenance of infrastructure systems across Canada. We're looking to incorporate climate change adaptation provisions in future editions of the *Canadian Electrical Code, Part I, CSA*



At CSA Group, we have long been on the leading edge of developing standards and solutions for sustainability.



S6 – *Canadian Highway Bridge Design Code* and in the development new standards and guidelines.

CSA Group is currently working with industry stakeholders to help develop harmonized North American standards that will encourage wider acceptance of electric vehicles. Many address the “smart grid” infrastructure that is critical to handling the increased load presented by vehicle charging. CSA Group’s installation requirements for electric vehicle charging components are already addressed in the *Canadian Electrical Code* and other national and international standards.

We are also expanding services to support sustainability measures. For example, our refurbish program tests and certifies used and refurbished medical equipment so that it can be sold back for use in a clinical environment.

Finally, CSA Group’s new research investment is yielding compelling insights that can drive sustainable solutions. This past year, we completed a report illuminating the role of standards in addressing the challenges of Canada’s North. The result of research by multiple stakeholders, the report reveals how standards are especially well-suited to advance solutions for water and waste management, cold-climate food growth, adaptable living environments and emergency response.

At CSA Group, we have long been on the leading edge of developing standards and solutions for sustainability. We look forward to continuing our contributions to a better, more sustainable world.



The World of Standards



An interview with Mary Cianchetti

President, Standards

Q: The world has changed. What do you regard as the most urgent challenges for CSA Group members, customers and society at large?

A: The pace and scope of disruptive technological change, including developments such as autonomous vehicles, 3D printing, artificial intelligence and robotics, are transforming the way we communicate, access information and make decisions. Increasingly, companies are pressured to demonstrate social license to operate, while accelerating innovation and output, particularly in the energy and natural resources sectors.

These pressures have long presented challenges, but new forces are also shaping our world, including changing political landscapes, new global trading relationships, and a heightened focus on global security.

Q: How does CSA Group contribute to solutions? What are its unique strengths?

A: We are renowned for developing consensus-based standards, based on the tireless efforts of more than 9,200 volunteer members and our transparent, rigorous, accredited process.

In addition, we collaborate with other standards development organizations to develop aligned standards within North America and globally. We also support a comprehensive national consumer program that adds incredible value by ensuring consumer perspectives are fully represented in our offerings.

No other organization offers these combined strengths.

Q: In what areas do you feel standards have had the most impact over the past year?

A: In addition to being active in our traditional engineering areas, we have published standards for the design of wells for the petroleum and natural gas industry, and for building guards in response to dangerous incidents of shattering and falling glass. We continue to work on areas of importance such as infection prevention and control, with a new edition published and



I'd like to acknowledge the contributions of our members who make our work possible. We will continue to support and engage our current members, while encouraging greater diversity in our member ranks as we move forward.

expanded training offerings related to health care facility construction, renovation and maintenance.

We also addressed safety and environmental concerns with standards that define best practices for reducing emissions from the upstream oil and natural gas industry, process safety management, and fuel storage and delivery systems for vehicles running on compressed natural gas.

Standards in new areas include requirements for breath alcohol ignition interlock devices, and a first of its kind national standard that raises the bar on how home inspections are conducted, protecting both the safety and investments of consumers.

Underscoring our work has been our Lean initiative, leading our efforts towards operational excellence. Launched in 2015, Lean has created a culture of continuous improvement that is embedded in every facet of our operations. We have improved on-time delivery of standards by 79%, reduced average delivery time by 25%, and cut hours spent on projects by 28%.

Q: How do you see the standards organization evolving to meet emerging challenges? What are your priorities moving forward?

A: CSA Group's innovative, forward-looking research program is identifying new standards opportunities that will help us keep pace with social, technological and environmental

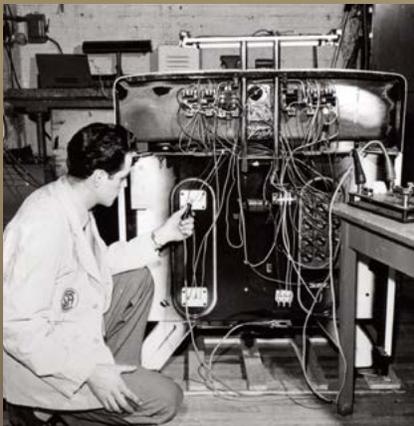
change. So far, we have explored the growth of the sharing economy, emerging healthcare issues, and challenges facing Northern and Arctic communities.

Recently, we have made significant investments in technologies that enable us to develop standards virtually. From open-source standards development to improved processes enabled by transformative technologies, we are rapidly expanding our ability to collaborate globally, while exploring new ways to develop standards and bring them to market faster.

Lastly, I'd like to acknowledge the contributions of our members who make our work possible. We will continue to support and engage our current members, while encouraging greater diversity in our member ranks as we move forward. Together, we will continue to help shape the future and contribute to a better, safer, more sustainable world.

Key Achievements and Highlights in 2016/17

Our world is changing at an unprecedented rate - these changes bring new complex challenges. In this new reality, public safety is more critical than ever. As we approach the 100th anniversary of the founding of CSA Group, we are implementing a number of key initiatives that will help lay the foundation for continued success in our next century of existence; a journey that we've named "Beyond 100".



01

New Vision and a 5-year strategy provide guidance and direction on our successful journey to Beyond 100

02

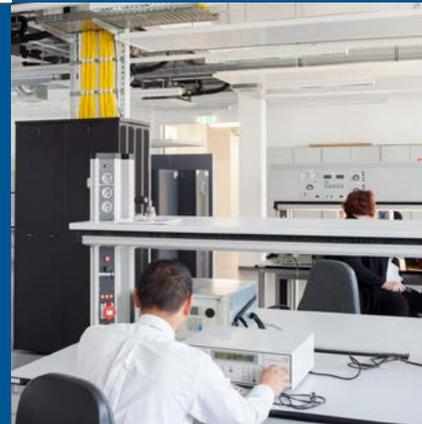
New and expanded leadership team combine in-house and external industry expertise to drive us from Good to Great

03

Strengthening of corporate functions helping to better support both TIC and Standards

04

New and updated standards contributing to public safety and social good in areas such as process safety management, household cooking appliances, compressed natural gas and hydrogen fueling stations



05

New initiatives and technologies - such as Virtual Standards Development – that address the need of Standards development in a rapidly changing world



06

Newly launched Research Program in our Standards division to identify potential standards to address and keep pace with social, technological and environmental change



07

Restructured our TIC subsidiaries to create commercial business units focused on key market sectors and operations focused on service delivery

08

Increased Technical Integrity team focused on technical compliance and enhanced technical training programs

09

New & broader service portfolios including enhanced Global Market Access and Special Inspections/Field Evaluations, Functional Safety, Management System Certification and Cybersecurity helping us become a one-stop-shop



10

Opening of new labs in Tokyo and Seoul as well as unique testing equipment in Montreal strengthening our service portfolio around the globe

11

Additional technical staff to enhance our service delivery and strengthen succession preparedness

12

Best Employer awards in both Cleveland and Toronto and a customer service award in Hawarden (UK) acknowledging our efforts both towards staff and customers



Board of Directors & Executive Team



Front row - left to right

David Weinstein - President and CEO

Greg Weeres - Chair, Consultant | Vancouver, BC

Middle row - left to right

Nathalie Pilon - Director, Managing Director, ABB Canada | St. Laurent, QC

Wendy Tilford - Director, Consultant | Toronto, ON

Dr. Robert Page - Director, Chair, ISO 14000, International Environmental Standards Board | Calgary, AB

Kathryn Yung - Executive Vice President, Chief Legal, Ethics & Compliance Officer | Toronto, ON

Anne Whelan - Director, President & CEO, Seafair Capital Inc. | St. John's, NL

Back row - left to right

Dr. Roland Hosein - Director, Consultant | Toronto, ON

Dr. David Fung - Director, Chair and CEO, ACDEG Group | Vancouver, BC

Norma McCormick - Director, President, Corporate Health Works Inc. | Winnipeg, MB

Richmond ("Dick") Graham - Vice-Chair, President & CEO, Regina Airport Authority | Regina, SK

Jimmy LaValley - Director, Partner/Principal, Brimstone Consulting Group, Integrated People Solutions | Cedaredge, CO

David MacKinnon - Director, Consultant | Wellington, ON

Evan R. Gaddis - Director, Consultant | Austin, TX



David Weinstein

President and CEO



Vikki Dunn

Executive Vice President,
Strategic Marketing and
Communications



Farhan Imam

Executive Vice President
and Chief Financial Officer



Farukh Javed

Vice President, Chief
Information Officer



Paul Keane

Executive Vice President,
Human Resources



Melodie Mason

Vice President, Total
Rewards



Rajiv Rajput

Executive Vice President,
Strategic Development



Chris Bradley

Vice President, Process
Transformation



Inga Hipsz

Vice President, Global
Programs



Neil Ortlieb

Vice President, Global
Operating Performance



Kathryn Yung

Executive Vice President,
Chief Legal, Ethics &
Compliance Officer



Mary Cianchetti

President, Standards



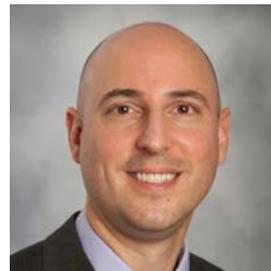
Karim Nazarali

Vice President, Electrical
and Gas Standards



H el ene Vaillancourt

Vice President, Standards
Research and Planning



Gianluca Arcari

Vice President, Home &
Commercial



Frances Hung

Regional Vice President,
North and Southeast Asia



Yi Jiang

Regional Vice President,
China



Sudhir Joshi

Vice President, Healthcare



Peter Mertel

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Europe and India



Dana Parmenter

Vice President, Industrial



George Tranquada

Vice President, Technical
Integrity



Rich Weiser

Executive Vice President,
Global Operations

About CSA Group

CSA Group is one of the largest standards development organizations in North America, conducting research and developing standards for a broad range of technologies and functional areas. CSA Group is also a global provider of testing, inspection and certification services for products in many market sectors, and a leader in safety and environmental certification for Canada and the U.S.

The CSA mark appears on billions of products worldwide.

**For more information about
CSA Group, please visit
www.csagroup.org**



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