

Industry Trade Associations: An Examination of their Sustainability Efforts and Messaging of Those Efforts.

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Abstract

This research examined domestic manufacturer trade associations to understand their engagement with environmental or sustainability challenges facing their member companies. After systematically narrowing a list of domestic trade associations, 20 were selected for in-depth study. Content analysis was used to assess the tone and messaging related to sustainability or environment of trade association website content and relevant reports produced by the trade association and available on the website. Results indicate manufacturing trade associations view their industry as central to the United States economy. Manufacturer trade associations view the environmental impacts of the manufacturing process in the context of broad policy that does not inhibit their role as a domestic economic engine. An unexpected finding was that eight trade associations have branded programs related to sustainability or product stewardship. Based on this research, product stewardship programs are largely immature and significant opportunity exists to examine the outcomes achieved by such programs.

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Abbreviations

ACC – American Chemistry Council
AAFA – American Apparel and Footwear Association
AFPM - American Fuel & PetroChemical Manufacturers
AISI - American Iron & Steel Institute
AutoAlliance - Alliance of Automobile Manufacturers
CARE – Carpet America Recovery Effort
CGF – The Consumer Goods Forum
CHPA - Consumer Health Care Products Association
CLA – CropLife America
CRI – The Carpet and Rug Institute
CSPA – Consumer Specialty Products Association
CSR – Corporate Social Responsibility
EPR – Extended Producer Responsibility
GMA – Grocery Manufacturers Association
GDP – Gross Domestic Product
GLP – Green Label Plus
GSCP – Global Social Compliance Programme
NAICS - North American Industry Classification System
NAM – National Association of Manufacturers
NAPCOR - National Association of PET Container Resources
Personal Care Council – Personal Care Products Council
PhRMA - Pharmaceutical Research and Manufacturers of America
Prop 65 - 1986 Safe Drinking Water and Toxic Enforcement Act in California
RISE – Responsible Industry for a Sound Environment
SIC – Standard Industrial Classification
SD – Sustainable Development
SMA - Steel Manufacturers Association
SSINA - Specialty Steel Industry of North America
TFI – The Fertilizer Institute

Industry Trade Associations: An
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Chapter 1 - Introduction

Research offers the opportunity to bring together topics otherwise unexplored. The work presented here attempts to do that. This exploratory research integrates aspects of my broad professional background, my interest in sustainability, and my imminent completion of a policy + planning program: Industry Trade Associations, Manufacturing and Sustainability. Industry trade associations, while long in existence, are an immature area of academic research. Manufacturing is deeply entrenched in the American psyche, and is frequently used to frame the nation's economic health. Sustainability at the citizenry level has roots in the environmental movement of the early 1960s, yet the topic of sustainability in the corporate domain has only recently gained broader attention in the institutional arena. It is the convergence of these three subjects through which I will explore the efforts and the extent to which manufacturer industry trade associations influence sustainability efforts for their organization and of their member companies.

Industry trade associations are an underdeveloped but evolving research topic for both social and business historians. Bradley (1965), and Aldrich and Staber (1988) were instrumental in their groundbreaking research to identify trade association form, function and role in the ecology of business. Ogilvy (2011) contributed to contemporary literature with an economic historical perspective of guilds, which are perceived to be early incarnations of trade associations. Most recently, Lyn Spillman examined

trade associations from a contemporary political economy and business view (Spillman, 2012). The literature suggests that broad examination of trade associations in the modern day context is unexplored, but gaining attention.

Trade associations are non-profit organizations whose members are companies in the associated industry, in contrast to professional organizations that aggregate individuals within a profession (Aldrich & Staber, 1988). Participation in these business leagues is voluntary. The primary roles and functions of industry trade associations are: advocacy, standard setting or best practices, training or education, and research (Barnett, 2013; Bradley, 1965).

Manufacturing is central to the United States economy as it is the third largest contributor to national gross domestic product – trailing only the finance industry and government (Bureau of Economic Analysis, 2014). Manufacturing contributes about 12% to the national gross domestic product and provides more than 12 million direct domestic jobs (Bureau of Economic Analysis, 2014). This is in stark contrast to the industry peak reached in 1979 of 19.55 million jobs (Perry, 2009). Though unlikely ever to reach the employment levels achieved during that period, the collective industry goes out of its way to promote a resurrection of domestic manufacturing and, as such, lobby for favorable domestic and/or trade policy to enable such resurgence. Manufacturer trade associations are integral to both the industry resurgence and to these lobbying efforts.

The very essence of manufacturing is for consumption of the goods produced. As long as goods continue to be consumed, there will be a need to produce them. It is this circular argument where the capacity for and acknowledgement of sustainable development comes into play. The environmental impact of manufacturing goods originates in the energy used to produce the goods and the consumption of resources to create the goods (Sneddon, Horwath, & Norgaard, 2005). No manufacturer is exempt from this supply chain duality, but a manufacturer can influence and impact the degree of environmental degradation by the production choices it makes. The choices made along the supply chain have consequences on a company's triple bottom line. Conceived by Elkington (1999) in his book *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, the concept of a triple bottom line integrates economic, environmental and social factors as a framework to measure corporate performance beyond the traditional financial bottom line. But, collectively, how do groups of manufacturers, vis-à-vis industry trade associations, view their role in establishing sustainable manufacturing standards to minimize the impact on the environment?

Industry trade associations as institutions are here to stay. This presence means their roles and the influence on contemporary issues are worth examining. What do industry trade associations do? How is their role aligned with the corporate interests they represent? What role do associations have in policy setting or making? What should a curious

citizen know about the functioning of these associations? To that end, this exploratory research aims to understand the historical origin and role of domestic manufacturer trade associations, and to understand the extent and approach of the sustainability efforts for members of the association.

The following questions will be considered:

1. Do trade associations approach sustainability as a strategic issue for its industry and member firms?
2. Alternatively, is sustainability simply another advocacy issue that the association takes on at the federal and state levels?
3. What tone do trade associations use in communicating sustainability efforts in its role as the industry-serving group?

The next chapter will present a two-part literature review considering the history and function of trade associations, as well as a high-level examination of corporate sustainability and the challenges involved in operationalizing sustainability metrics. Chapter 3 details the approach used for this research. Following that, I will present and discuss the findings uncovered during data analysis. In the final chapter, I will examine the policy implications of the findings, I will share areas of future research, and I will provide concluding thoughts on this research.

Chapter 2 - Literature Review

Trade Associations Defined

Trade associations are defined as non-profit organizations whose members are other organizations in contrast to professional organizations that aggregate individuals within a profession (Aldrich & Staber, 1988; Hardie & Pratt, 1966; Reilly, Hull, & Braig Allen, 2003). Further, these associations do not operate a business or conduct business activity in a for-profit manner (Reilly, Hull, & Braig Allen, 2003). Trade associations are not labor unions, although a union may represent a specific industry like the United Auto Workers' Union. Likewise, trade association members may include a unionized work force. Trade associations may be vertical in focus and accommodate different levels in the supply chain (e.g. American Dental Trade Association), or horizontal in focus and involve a broader scope in function and industry representation (such as the National Association of Manufacturers) (Bradley, 1965; Hardie & Pratt, 1966). Further, trade associations are classified as generalist, serving all the interests of all manufacturers, or specialists, serving the interests of one group, such as commercial truck repairpersons (Aldrich & Staber, 1988). Although trade associations and Chambers of Commerce share the same tax code status as a 501(c) 6, Chambers of Commerce are not trade associations as their membership can include individuals, politicians, community organizations or companies seeking to further the Chamber of Commerce goals (Association of Chamber of Commerce Executives, n.d.; Reilly, Hull, & Braig Allen, 2003).

Chamber of Commerce goals generally center on generating and creating a positive business environment within a particular geographic region (Association of Chamber of Commerce Executives, n.d.). Another term used in the domain of trade associations is *peak associations*, which is simply an association made up of other associations.

Trade Association History

Trade association formation in the United States can be traced to the early 1700s with a surge in originations in the mid 1800s resulting from the industrial revolution. The first association is thought to be the Philadelphian House Carpenters formed in 1724 (American Society of Association Executives, n.d.). The creation of the National Industrial Recovery Act in 1933, whose intention was to stimulate prices and business following the Great Depression, resulted in a significant increase in trade association formation. A subsequent Supreme Court decision held the act to be unconstitutional and, essentially, abolished all associations created under the guise of the act. Two additional peaks in association origination occurred, first in the 1950-1960s, and then in the mid 1980s. Literature suggests that trade associations have gained more power and are larger in number in the United States than in Europe, given the pre-dominance of free market behavior over corporatism (Staber & Aldrich, 1983).

Theories of Origination

There is a paucity of literature on the origins and history of trade associations. Literature that does examine them is dated, and there is consensus that more research would benefit the literature (Barnett, 2013;

Barringer & Harrison, 2000). Researchers Howard Aldrich and Udo Staber (1983) carried out in-depth historical and organizational research of U.S. trade associations. Their early research examines three models by which trade associations originated. The first suggests that due to social differentiation given social or cultural norms, we intrinsically organize and seek to elevate the differentiated group around those norms (Aldrich & Staber, 1988). The early days of the Consumer Goods Forum illustrates this model, as private shop owners sought to organize networking events for themselves and the heirs to their businesses. The second model couples niche theory and competitive isomorphism as a result of skills development or competition within an industry, the industry will further specialize and create niche markets by which they operate and organize (Aldrich & Staber, 1988). An example of this specialization is the Cashmere and Camel Hair Manufacturers Institute. This research didn't afford the opportunity to investigate whether this organization was previously part of a larger non-specialized textile manufacturing association that sought to specialize in association form due to intricacies of cashmere and camel hair in the manufacturing process. The final model offered by Aldrich and Staber ties to the theory of government intervention in the economy. Essentially, trade associations will form, grow, and/or dissolve in response to government policy (Aldrich & Staber, 1988; Esparza, Walker, & Ross, 2014; Walker & Rea, 2014).

The formation of trade associations in the U.S. came later than in

Europe or Japan. However, trade associations in the U.S. have more policy influence than their European or Japanese counterparts given the corporatist model that is more popular in those two geographies (Staber & Aldrich, 1983).¹ In the U.S., the National Association of Manufacturers exemplifies Staber & Aldrich's theory of government model, as the overarching function of the association is to lobby and advocate on issues of critical importance to domestic manufacturers. A grass-roots example of trade association formation in response to government intervention is the recent establishment of the New York City Food Truck Association (NYCFTA), whose explicit objective at the time of formation was to reform the food truck permit limit (Esparza, Walker, & Ross, 2014). Lastly, a more recent examination of trade association behavior concludes that trade associations formed as "collective responses to shared problems" or "collective responses to the problems of a few" (Barnett, 2013).

Legal Structure

Within the United States Internal Revenue Service taxonomy, trade associations are non-profits and organized as tax-exempt 501(c) 6 entities (American Society of Association Executives, n.d.; Internal Revenue Service, 2014). As a tax-exempt entity, they are subject to IRS reporting obligations and are prohibited from accumulating equity and assets for private use (American Society of Association Executives, n.d.). The notion of association assets for public use has origins in the U.S. tax code from 1913, whereby

¹ The definition of corporatism suggests that society and markets should align around interest groups, and that those groups should collaborate to solve societal issues through negotiation and conflict resolution (Watkins, n.d.).

Congress provided exempt status to trade associations providing services to the public in lieu of the government providing those services (American Society of Association Executives, n.d.). Tax code reform in 1950 and 1969 modified how these types of exempt organizations are treated and, additionally, earnings (e.g., fees or revenues) must focus on programs that serve member organizations, and costs ought to support association operations (American Society of Association Executives, n.d.). In the context of trade associations, one can question the *public* benefit of various trade association activities. For example, if the National Association of Manufacturers advocates for a federal minimum wage increase, an argument can be made that such an increase would benefit the public at large. Alternatively, if an association lobbies to restrict the disclosure of chemicals used in a manufacturing process, this activity is hardly done for the benefit of society. A contemporary development in the United States is the Supreme Court decision *Citizens United v. Federal Election Commission* (2010) that allows organizations of essentially any type to contribute in an unlimited manner to political campaigns or election communications (Citizens United v. Federal Election Commission, 2010). This decision opens discussion about whether trade associations that contribute to political campaigns or election communications are in fact using their revenues to benefit the public or to further private policy positions.

Governance & Function

Trade associations generally organize in two forms. The first model involves association leadership in the form of an executive director or

president, with supporting staff who lead the primary functional areas such as regulatory/legal affairs, membership services, human resources, communications, etc. This model is often supported by a board of directors composed of executives from the member firms. The second model involves executive governance from member companies, which sets the strategy for the association. In addition to this governance, an executive director and associated staff manage the operations of the association. For example, the Consumer Goods Forum, which represents manufacturers and retailers of consumer goods, has a 50-person operating board whose members are the top senior executives of companies such as PepsiCo, Walmart, and Cargill (The Consumer Goods Forum, n.d.). These operating boards are frequently the form of governance for such large associations, whereby they establish the 2 to 5 year agenda and develop supporting strategies to execute that agenda. Additional committees carry out the work within the secretariat. Association functions align around five areas: lobbying/advocacy, education, standard setting or best practices, networking, and marketing and public relations, with lobbying being the primary activity of large industry groups (Barnett, 2013; Esparza, Walker, & Ross, 2014; Spillman, 2012).

Advocacy at this macro level can be persuasive in getting the government on board with the association's issues, but also interpretive as the association educates member firms of policy or regulation changes (Bradley, 1965). The above-mentioned *Citizens United v. Federal Election Commission* (2010) decision has removed barriers for associations to

directly support candidates, elections and/or public policy via lobbying. Den Hond, Rehbein, de Bakker, and Kooijmans-van Lankveld (2014) argue that lobbying via associations affords trade association members protection from a one-to-one link of their company to the lobby efforts, and may deflect associated negative public relations resulting from such corporate political activity. Further, trade association lobbying activity and regulatory efforts provide access for association member companies that they may not otherwise have as an independent organization (den Hond, Rehbein, de Bakker, & Kooijmans-van Lankveld, 2014). To be fair, this many-to-one model provides economies of scale in that a single organization representing the interests of many can interact and present a unified voice with a government agency, rather than many individual companies approaching the same agency with variations in policy messaging. Finally, membership fees or dues support trade association function. Fees may be structured such that all members pay the same annual fee or fee structures can be prorated based on a metric such as revenue thresholds or number of employees. A sample fee structure for the Personal Care Product Council is presented in Appendix A.

Sustainable Development

The notion of sustainable development is a result of the *Report of the World Commission on Environment and Development: Our Common Future*, a 1987 United Nations report commonly referred to as *Our Common Future* or “the Brundtland report” (Baumgartner & Ebner, 2010; Schneider & Meins, 2012). In that report, the authors make the link

between economic development and the environment (World Commission on Environment and Development, 1987). That is, sustained economic development is not possible without considering the environmental degradation of such development and, likewise, erosion of the environment has an impact on economic development (World Commission on Environment and Development, 1987; Wilson, Tyedmers, & Pelot, 2007). Sustainable development has widely come to be defined as “. . . development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987). In contrast, corporate social responsibility is a term used to consider and assess the effect of business behavior on three pillars previously not bundled together: economic, social and environmental (Baumgartner & Ebner, 2010; Schneider & Meins, 2012).

The increase in attention to corporate sustainability and corporate social responsibility (CSR) as reflected in the literature considered for this research, spans a wide range of domains, ranging from sociology to political science to business management to environmental economics to ecology. The 1992 United Nations World Conference on the Environment and Development in Rio de Janeiro specifically mentioned the need for sustainable development indicators as a means to measure this growing concept (Wilson, Tyedmers, & Pelot, 2007). Of interest to this exploratory research are the motivations for undertaking sustainability efforts, and the

associated high-level challenges with operationalizing sustainability metrics because, as the management adage goes, “you can’t manage what you don’t measure.”

Corporate Sustainability Reporting and Motivations

According to the Global Reporting Initiative (GRI), in the United States more than 75% of the top 100 companies report on corporate responsibility performance (Global Reporting Initiative, n.d.). Although GRI does not define how it measures the top 100 companies, the Governance & Accountability Institute, Inc., a global research, analysis and advisory services firm is the exclusive data partner for GRI (Global Reporting Initiative, n.d.; Governance & Accountability Institute, Inc., 2014). And, in a study published in 2014, the Governance & Accountability Institute, Inc., reported that over 72% of companies listed on the Standard and Poor’s 500 Index are reporting sustainability information (Governance & Accountability Institute, Inc., 2014). Further, KPMG, a large international accounting and advisory services firm, states in its 2013 report that 86% of the largest U.S. companies (based on revenue) produce a corporate sustainability report (KPMG, 2013).

What motivates an organization to report on these efforts? In a review of the literature by den Hond et al., (2014), they conclude that as a firm integrates corporate social responsibility strategically into business operations, consumers affirm the CSR beliefs by reciprocating with longer-term loyalty in the form of future purchases. The same review also concluded there is a positive relationship between CSR activity and public

perception of an organization's image, reputation and credibility (den Hond, Rehbein, de Bakker, & Kooijmans-van Lankveld, 2014). But, CSR activities across organizations are divergent and the activities are perceived differently among stakeholder groups (den Hond, Rehbein, de Bakker, & Kooijmans-van Lankveld, 2014). It is therefore suggested that firms who respond to multiple stakeholders, in terms of CSR activities, are more likely to achieve broad-based, long-term goodwill and a positive reputation. (Baumgartner & Ebner, 2010; den Hond, Rehbein, de Bakker, & Kooijmans-van Lankveld, 2014).

Challenges with Corporate Sustainability Metrics

What are some of the challenges in reporting corporate sustainability efforts? Schneider and Meins (2012) propose three related elements that make corporate sustainability reporting challenging as compared to traditional financial reporting. First, there is a lack of agreement on exactly what metrics should be reported, and correspondingly, how to measure those metrics. This lack of definition is widely agreed on in the literature (Atlee & Kirchain, 2006; Wilson, Tyedmers, & Pelot, 2007). Second, data collection for the corresponding metrics is influenced by the experience and capacity of the assessor. And finally, the purpose of a sustainability report informs the tone or sentiment expressed in any given report (Schneider & Meins, 2012).

Chapter 3 - Methods

The goal of this exploratory research is to examine the existence of sustainability efforts and messaging of such efforts within industry trade associations and their member companies. A literature review was conducted to understand the origins, function, governance and common activities of industry trade associations. A separate effort examined the literature to understand sustainable development, operationalizing sustainability metrics in the corporate domain, and the challenges therein. Finally, the resource used to compile a list of trade associations is the Associations Unlimited database available online through Tufts University Tisch Library. This database is managed and owned by Gale Cengage Learning, and is considered the go-to source for trade association information (Spillman, 2012). All trade association content analyzed to support this research is public information found at trade association websites.

Industry Codes

The Associations Unlimited data source uses SIC codes, and thus data collection from this resource required the use of SIC codes. Historically, industry was classified using the Standard Industrial Classification (SIC) system. In 1997, the United States Office of Management and Budget adopted the North American Industry Classification System (NAICS) as the standard, and it is used by many agencies in statistical reporting (U.S. Census Bureau, 2014). Any government data referred to in this research is presented as classified by

that agency. SIC codes aggregate into major groups, and are further specified to four digits in total, indicating a level of specificity within the major group (Occupational Safety and Health Administration, n.d.). For example, SIC code 28, also referred to as 2800, is the short code for “chemicals & allied products” but 283 represents “drugs” and 2833 represents “medicinal drugs and botanical products” (Occupational Safety and Health Administration, n.d.). Table 3-1 summarizes the SIC codes and the associated two-digit manufacturing sub-sectors of interest for this research.

SIC Code	Manufacturing SubSector
22	Textile
23	Apparel
26	Paper/Pulp/Paper Mills
28	Chemicals, Consumer Goods, Consumer Specialty Products
33	Steel, Non-Ferrous Metals
37	Automotive

Table 3-1 Standard Industrial Codes in this research
 Source: U.S. Occupational Safety and Health Administration

Data Set Identification

Because of the Associations Unlimited user-interface constraints and the broad set of SIC codes for the manufacturing industry, five separate queries were conducted to generate a broad list of trade associations. The criteria selected were: 1) national associations but not state, local or international, 2) the field U.S./Non U.S. was toggled to U.S., and 3) the two digit SIC code was provided for each particular search. In any given search, an asterisk was used in conjunction with the two digit

SIC code to indicate a major grouping search. The SIC code 28* means “show all associations classified as serving the industry 2800-2899.

Appendix B illustrates the Associations Unlimited search form.

The results of each sub-sector were aggregated to a Microsoft Excel workbook. The preliminary list included more than 100 associations. As this research sought to assess broad manufacturer trade associations, those associations too specific in their focus or obscure with their intentions, such as the Cashmere and Camel Hair Manufacturers Institute or the Pomegranate Guild of Judaic Needlework, were eliminated. Another criterion for this research is to assess trade associations, not trade groups representing professionals. Therefore, trade associations with “professional” or “society” in the name were eliminated as those words imply professional groups with individuals as members. At this stage, the list narrowed to 53 trade associations. With a goal to research 20 trade associations, each association name was subjectively evaluated further to assess the breadth of the industry served by that association. An association with broad industry reach such as the American Chemistry Council would, hypothetically, be more likely to address challenging sustainable development issues and have richer content to assess rather than a narrowly-focused, industry subsector association such as the Chlorinated Paraffins Industry Association. And, while the geographic focus of this research is domestic trade associations, the decision was made to include the Consumer Goods Forum (CGF), which has an

international-based secretariat, but also has significant US based companies as members. The result is a list of 20 manufacturer trade associations with the remaining 33 as backup.

After the list of 20 trade associations was identified, the data collection process began. However, during the data collection process, a number of trade associations were disqualified as a result of the information assessed. Of those disqualified, two were identified as professional associations, and another two provided services and training to trade associations. Four associations were retrieved from the back up list to replace those eliminated. Finally, although initially identified as two separate associations, it was determined the American Plastics Council merged into the American Chemistry Council. In this research, these two associations are assessed as a single association. Therefore, the final research set examined in this analysis is 19 trade associations. The remaining associations are listed in Appendix C.

Data Sources and Data Collection Process

Each trade association website was the primary source for data collection. Data collection needed to account for non-uniform information architecture or taxonomy structures certain to be present with each website. The approach was procedural as data collection was completed for an entire association before moving to the next association. Data collection efforts were narrowed to environmental efforts and environmental challenges faced by an association. Any mention of

sustainability, energy reduction, emissions, or other environment challenges faced by the members of the association, is considered a presence of sustainability. For example, if an association issues a policy position document describing its position on the Clean Water Act – or amendments therein – this was considered to be evidence.

First, the *About Us*, *Leadership*, *History*, and *What We Do* (or equivalent) website sections were studied. Next, the *Advocacy*, *About the Issues* or *Policy* (or the equivalent) sections were examined to understand what the areas of concern are for trade associations and their members, as well as how trade association frame those issues. Publication of an annual report was also sought out. The final content review and capture involved examining the remainder of each website to determine the presence of sustainability activity. Data collection was a time-intensive effort, as each association employed a different approach for data organization. The process involved looking for documents such as press releases, case studies, third-party studies, reports, resolutions, or policy statements promoting the sustainability efforts of the trade association.

Content Capture and Analysis Tools

The content capture and analysis involved four commercially available tools: Microsoft Excel, Evernote, and Wordle. Using Microsoft Excel, a data dictionary of the various data points to be collected was created, and the meta-data tags to be used in analyzing the rich content

defined. Figure 3-1 illustrates the meta-data variables and associated descriptions.

Field	Description
ID	Association ID for meta data analysis only
Priority	Priority of association in meta data analysis
Date Researched	Date TA was researched
Association Name	Association Name
SIC 2 Digit Code	First 2 digits of industry SIC code
Association Acronym	Association Acronym
URL	URL of association website
Address	Association Street Address
City	Association City
State	Association State
ZIP	Association Zip
# Members	Number of member companies
Aggregate Revenue of Members	Aggregate revenue of member companies
Aggregate Employees of Members	Aggregate employees of member companies
Established	Year established
About	Mission Statement or brief statement on who they serve
Activities	Lobby, Education, Standards/Best Practices, Marketing/PR, Networking
Governance	Is there evidence of governance? (1=yes, 0 = no)
Governance Level	If governance = 1, then 1 is anyone can be on any committee; 3 involves nominations, terms of service, has by-laws
CS/CSR	Does the ITA consider corporate sustainability as part of its mission to members? (1=yes, 0 = no)
Method(s)	Do they follow a measurement form (such as GRI)? If so, which one?
Economic, Environmental, Social, Worker	If CS=1, then 1=environment, 2=social (health, wellness, foundation), 3=worker rights/safety, 4=economic
Further Classification of Triple Bottom Line	GC=Green Chemistry E1=air E2=land E3=water E4=product/raw material sourcing guidelines E5=Chemical Usage guidelines E6 =Energy Use/ Reduction E7=Packaging Reduction S1=Health S2=Wellness S3=Nutrition W1=worker rights W2=safety protocols W3=Supply Chain Worker Safety CA1=California Standard P65=Prop65

Figure 3-1 Data dictionary for capturing trade association data

Microsoft Excel was used to collect basic data such as address, website URL, number of member organizations, etc., while Evernote was the singular tool for rich content capture such as pdf's, infographics, etc. Evernote is software that captures the essence of writing in a notebook and translates the experience to a digital medium. In this research, each association has a unique Evernote notebook and each notebook was setup to follow the same format, with pages to capture association summary, mission, policy statements, governance, etc. Content in Evernote was tagged using meta-data tags specifically created for this analysis. Finally, Wordle is a web-based tool for generating word clouds. The findings are presented in Chapter 4, Data Analysis and Discussion.

Chapter 4 - Data Analysis and Discussion

In this chapter, the key themes uncovered during data analysis will be presented, and specific areas of interest to this research will be discussed. The associations assessed in this research are in Table 4-1.

Industry Trade Associations
Alliance of Automobile Manufacturers
American Apparel & Footwear Association
American Chemistry Council
American Fuel & PetroChemical Manufacturers
American Iron & Steel Institute
Carpet and Rug Institute
Consumer Goods Forum
Consumer Health Care Products Association
Consumer Specialty Products Association
CropLife America
Responsible Industry for a Sound Environment
Grocery Manufacturers Association
National Association of Manufacturers
National Association of PET Container Resources
Personal Care Product Council
Pharmaceutical Research and Manufacturers of America
Specialty Steel Industry of North America
Steel Manufacturers Association
The Fertilizer Institute

Table 4-1 Industry Trade Association Research Set

No dominant trade association sustainability archetype emerged from the analysis of the study sample. Manufacturing is a significant sector within, and contributor to, the U.S. economy, and these associations go out of their way to remind the public of their role as that economic engine. There is no clear tone or voice used by trade associations in describing their specific sustainability efforts. Although some trade associations have

created or promote a branded product stewardship program such as the Carpet and Rug Institute's Carpet America Recovery Effort, these are specific to the industry subsector, and program participation as a condition of membership existed only for the American Chemistry Council's Responsible Care program. Reporting of sustainability is highly variable and inconsistent. No trade association examined mentioned the use of or adherence to the various reporting frameworks, standards or international initiatives such as GRI, OECD, the UN Global Compact or ISO. Evidence of sustainability efforts and product stewardship programs will be explored in the final section of this chapter.

Overview of Trade Associations in the Study Set

Before describing the lack of an archetype, it is worth sharing the high-level characteristics of the sample set. As presented in Chapter 2 - Literature Review, trade association functions align around five focus areas, many with the primary function of advocacy or lobbying (Barnett, 2013; Esparza, Walker, & Ross, 2014; Staber & Aldrich, 1983). It is therefore no surprise that 89% of this sample set has a primary office location in or around the Washington, DC area. The first outlier is the Carpet and Rug Institute, whose headquarters are in Dalton, Georgia. This is a convenient location for such an organization given the number of carpet, rug and flooring manufacturers based in that local area. The worldwide carpet industry has an estimated value of \$9 billion and, Dalton is responsible for 70% of the output (The Carpet and Rug Institute, n.d.). As such, Dalton considers itself the "Carpet Capital of the World" (The

Carpet and Rug Institute, n.d.; City of Dalton, Georgia, n.d.). The second outlier is the National Association of PET Container Resources (NAPCOR) that is located in Florence, Kentucky. Using member locator services on the NAPCOR website, there is a strong distribution of members and associated members from the northern Midwest (Michigan, Illinois, Wisconsin), moving south to Alabama and South Carolina. NAPCOR is a niche trade association, and may have chosen to locate central to its members. Further, there is no indication of direct lobby activity on its website as it may have outsourced this function to a third party, and thus do not require offices in the Washington, DC area. Finally, the Alliance of Automobile Manufacturers has dual headquarters in Washington, DC and Southfield, Michigan near Detroit. Figure 4-1 represents high-level characteristics of the research sample.

Of note to this research is the trade association Responsible Industry for a Sound Environment (RISE), as there is very little public information about the function, the governance or the activities of this trade association. A connection exists between CropLife America and RISE, as there is mention of a 2015 spring conference for which the two organizations are sponsors. The RISE website lacks meaningful descriptive content other than a brief mention of RISE as a trade association representing producers and suppliers of pesticides. The website and lack of content suggests to the visitor the organization is defunct, yet there is mention of a 2015 event. The Gale/Cengage

Associations Unlimited database indicates that RISE was founded in 1991. Finally, a related brand -- DeBug The Myths -- originates here. DeBug The Myths appears to be an attempt at putting a consumer face on the pesticide industry with education opportunities, local events, a blog and contests. The website attempts to charm the visitor by asking the question “What Pest Are You?” indicating the organizational attempt at removing consumer fear in pesticide use.

Association Name	State	# Members	Aggregate Employees of Member Companies	Year Established	Lobby	Standards/Best Practices	Education	Marketing/PR	Networking	Governance
Alliance of Automobile Manufacturers	DC	12	1,500,000	1999	✓			✓		
American Apparel & Footwear Association	VA	1,000	4,000,000	2000	✓	✓	✓	✓		✓
American Chemistry Council	DC	N/A	800,000	1872	✓	✓		✓		✓
American Fuel & PetroChemical Manufacturers	DC	450	300,000	1902	✓			✓		✓
American Iron & Steel Institute	DC	20	153,000	1855	✓		✓	✓	✓	✓
Carpet and Rug Institute	GA	100	N/A	N/A	✓	✓	✓			✓
Consumer Goods Forum	MD	60	100,000,000	1931	✓	✓	✓		✓	✓
Consumer Health Care Products Association	DC	77	N/A	1881	✓		✓	✓		✓
Consumer Specialty Products Association	DC	250	300,000	1914	✓	✓			✓	✓
CropLife America	DC	60	N/A	1933	✓	✓	✓	✓	✓	✓
Grocery Manufacturers Association	DC	200	14,000,000	1908	✓	✓	✓	✓		✓
National Association of Manufacturers	DC	11,000	12,000,000	1895	✓		✓			✓
National Association of PET Container Resources	KY	50	N/A	1987				✓	✓	✓
Personal Care Product Council	DC	600	1,300,000	1894	✓	✓			✓	✓
Pharmaceutical Research and Manufacturers of America	DC	40	810,000	1958	✓		✓			✓
Responsible Industry for a Sound Environment	DC	N/A	N/A	1991	✓					
Specialty Steel Industry of North America	DC	9	N/A	1960			✓	✓		✓
Steel Manufacturers Association	DC	31	60,000	N/A	✓		✓			✓
The Fertilizer Institute	DC	175	24,800	1883	✓	✓	✓	✓		✓

Figure 4-1 Characteristics of Trade Associations in Research Set
 Source: Compiled using public information from each association website

Absence of a Sustainability Archetype

There was no dominant trade association sustainability archetype that emerged within the study sample. In other words, there was no clear model or standard for discussing a) sustainability activities or b) the

environmental impact of the industry subsector. Not a single trade association referred to GRI, ISO, UN Global Compact or OECD vernacular. At the outset, associations are either forthright in messaging of their efforts to address the challenges of manufacturing on the environment, or their tone is defensive. In this research, the Consumer Goods Forum stands alone in demonstrating strong governance, transparency in strategic initiatives, acknowledgment of sustainability as important to its member companies, and messaging its sustainability efforts as strategic instead of as an issue (The Consumer Goods Forum, n.d.). In contrast, the Pharmaceutical Research and Manufacturers of America (PhRMA) demonstrated a negligible mention or acknowledgement of its industry subsector's contributions to corporate social or environmental issues. Its mission clearly states advocacy of favorable federal and state policy as a key activity of the association, in addition to providing access to effective and affordable medicine (PhRMA, n.d.). Given that, the language on advocacy, key issues, policy positions, etc. was devoid of any mention of sustainability or environmental challenges facing the pharmaceutical industry. Any promotion or statements of activity with regards to sustainability were consumer-focused or obligatory in tone. For example, the *Safety* node within the information architecture of the website articulates the following two paragraphs, and only this information, on the role of sustainability in the pharmaceutical industry:

“The pharmaceutical industry collaborates with various local, state, and federal agencies to understand and reduce the environmental impact of the research and manufacturing process for new medicines. The member companies of PhRMA comply with extensive federal, state, and local regulations governing the pharmaceutical manufacturing process, including all guidelines addressing the pre-treatment and testing of wastewater streams. As part of our development and manufacturing processes, our members research the impact its chemical compounds may have on the environment.

In addition to ongoing collaboration with government agencies, many individual companies are employing “green chemistry” principles in the design, development, and manufacture of medicines. Many of our member companies have received LEED awards for their innovative efforts in green building and construction, energy conservation and green chemistry.” (PhRMA, n.d.)

PhRMA may also be an outlier because so much of its activity is regulated, and, there is no choice but to conduct operations in a certain way. Pharmaceutical companies cannot change the manufacturing process for a drug without going through an expensive licensing process with the FDA. As such, making the manufacturing process of a launched product greener is not straightforward. In addition to situations like that, the reasoning behind a trade association omission of sustainability is certainly worth pursuing, but exploring this would require qualitative research involving interviews with association leadership and thus was outside the scope of this research. In considering the primary function of advocacy for associations, the issue of sustainability may simply not be on the list of strategic initiatives. Likewise, given the overlap of associations within the industry, associations such as PhRMA may consciously decide

to not pursue sustainability as part of their mission and leave that to a related association, or simply believe it is the responsibility of individual member companies to pursue sustainability efforts. For example, the global manufacturer E. I. DuPont de Nemours (DuPont) serves the following industries: agriculture, automotive, building & construction, chemicals, electronics, energy, food & beverage, health care and medical, marine, mining, packaging and printing, plastics, and safety & protection. DuPont has membership in at least four associations included in this research – American Chemistry Council, The Fertilizer Institute, Crop Life America, Carpet and Rug Institute and, although this could not be confirmed, possibly the Consumer Specialty Products Association given DuPont’s aerosol products business unit. DuPont is a large, international organization with annual revenues of \$36.5 billion USD (DuPont, n.d.). Given the diversity of DuPont’s product offerings, no single trade association could adequately represent all of DuPont’s needs or interests, and thus membership in many trade associations is sensible. DuPont has published a broad based sustainability annual report since 2005, but it also produces specific reports and communications in support of various sustainability frameworks or programs. Figure 4-2 illustrates the breadth of public sustainability reporting taken on by DuPont (DuPont, n.d.). Of the 12 reports listed, five appear to be voluntarily published by DuPont. Another one demonstrates ISO 14001 certification and is therefore not necessarily a report. Five appear to fulfill reporting requirements as a

condition of membership within those reporting frameworks or programs. And, although unconfirmed, a report appears to fulfill a South Korea government goal for all companies operating in that country to demonstrate leadership in climate change reporting (Climate Disclosure Standards Board, 2013). Finally, like the pharmaceutical industry, many of DuPont's business units are regulated by multiple government agencies, and DuPont must submit environmental reports to those agencies. None of those reports are enumerated here.

1. Annual Sustainability Reports (V)
2. Annual Sustainability Progress Reports (V)
3. Global Reporting Initiative Report (R)
4. DuPont Korea Sustainability Progress Report (U)
5. Annual Submission to Carbon Disclosure Project (R)
6. Annual Submission to Water Disclosure Project (R)
7. Safety, Health and Environmental Progress Report (V)
8. ISO 14001 Certificate (O)
9. Responsible Care Management System (R)
10. Third Party Evaluation of DuPont Safety, Health and Environment Audit Program (V)
11. UN Global Compact Communication (R)
12. Customer Survey Fact Sheet (V)

Figure 4-2 List of Sustainability Reporting Efforts by DuPont

Source: (DuPont, n.d.)

Key: V=Voluntary Report; R=Requirement for program compliance; O=Other; U=Unconfirmed

Manufacturers as Economic Leaders

Manufacturing is critical to the United States' economy, and all trade associations examined in this research go out of their way to communicate this in their public communications. See appendix D for an infographic created by the American Chemistry Council to communicate that industry's contributions to the domestic economy. Any attempt to

illustrate the aggregate revenue, aggregate employees, or aggregate gross domestic product contributions as reported by these trade associations is difficult on account of the differences in reporting of the data at the trade association level, as well as the specific metric itself. However, Table 4-2 illustrates the economic contributions by the U.S. manufacturing sector.

Economic Indicators	
Contribution to GDP (in 2013)	12.2%
Contribution to U.S. Economy	\$1.8 Trillion
Direct Employment (as of January 2015)	12,300,000
Indirect Employment	5,600,000
Average Salary (in 2013)	\$ 63,625

Table 4-2 Economic Indicators in the Manufacturing Sector
Source: Bureau of Economic Analysis, 2014; Bureau of Labor Statistics, 2015; National Association of Manufacturers, N.D.

Manufacturing as a sector, is the third largest contributor toward gross domestic product behind the finance (20.2%) and government (13%) sectors (Bureau of Economic Analysis, 2014).

Tone and Evidence of Sustainability

Before presenting sustainability evidence, it is worth describing the sentiment and messaging used by trade associations in describing their sustainability efforts and/or role in those efforts. There was no clear tone evident in the research sample set, but the approach was either forthright in acknowledging the industry subsector role in the environment, or

defensive in treating the environment as an advocacy issue to be managed. As Deborah Stone suggests in *Policy Paradox* (2011), this is how institutions – in this case, market-centered institutions -- frame policy. By presenting the issue within particular constructs or borders, the association is able to frame sustainability and the associated government policy from its own viewpoint (Stone, 2011).

Evidence of Sustainability Efforts

As presented in Chapter 3 – Methods, this research involved the examination of public-facing information available at association websites. As membership based organizations, many employ a userid and password approach for members to access non-public information. While a userid and password could be setup in many instances, content was not visible without also being an association member. For instance, the American Apparel and Footwear Association has an environment committee but it was not possible to sign in and view any information about that committee.

A rigorous approach was used to review each website in the same manner with the same template. A data collection process was followed, including meta-data coding to capture the information. Sustainable development and sustainability are broad terms with varying definitions, but nonetheless represent challenging issues. To that end, a simple mention of the reduction of emissions or advocacy of the Clean Water Act was deemed as *evidence* of efforts by that association. After data collection efforts were underway, the meta-data template had to be

modified to include terms such as Proposition 65 and green chemistry. Proposition 65 is the common term used when referring to the 1986 Safe Drinking Water and Toxic Enforcement Act in California. These terms were not expected at the outset, but after a number of instances of their use, the decision was made to code them specifically. Given the proclivity for the state of California to enact air and water regulations that are stricter than federal level standards, it is no surprise that associations – in particular those in the agriculture sub-sector – heed California standards. By far the most popular topic mentioned was air or emissions, which was noted in the content of 13 associations. No doubt the disclosure of emissions reporting is linked with the Clean Air Act amendments in 1990, over which the Environmental Protection Agency has regulatory authority (U.S. Environmental Protection Agency, 2013). Additional analysis of emissions data is presented in the *Annual Reports* section below. The second most popular sub-topic was energy use or energy reduction, referred to by nine associations. Figure 4-3 illustrates the sustainability categories mentioned on trade association websites.

Association Name	Environment						Social			Worker			Other			
	Air	Land	Water	Raw Material Sourcing	Chemical Use Guidelines	Energy Use or Reduction	Packaging Reduction	Health	Wellness	Nutrition	Worker Rights	Safety Protocols	Supply Chain Worker Safety	Green Chemistry	California Standard	Proposition 65 (CA)
Alliance of Automobile Manufacturers	+															
American Apparel & Footwear Association	+	+	+		+	+						+	+			+
American Chemistry Council	+				+	+	+		+						+	+
American Fuel & Petrochemical Manufacturers	+		+			+								+		
American Iron & Steel Institute	+	+	+			+						+				
Carpet and Rug Institute	+				+	+		+	+						+	
Consumer Goods Forum	+	+		+				+	+	+	+	+	+			
Consumer Health Care Products Association								+	+					+		+
Consumer Specialty Products Association	+				+		+							+		
CropLife America	+	+	+	+	+	+		+		+		+				
Grocery Manufacturers Association	+	+					+	+	+					+		
National Association of Manufacturers																
National Association of PET Container Resources	+	+				+										
Personal Care Product Council	+				+		+		+							+
Pharmaceutical Research and Manufacturers of America			+					+	+					+		
Responsible Industry for a Sound Environment																
Specialty Steel Industry of North America		+														
Steel Manufacturers Association	+		+	+		+										
The Fertilizer Institute		+	+	+	+	+		+	+			+				

Figure 4-3 Evidence of Trade Association Sustainability Efforts
Source: Compiled using public information from each association website

Annual Reports

Another area examined for sustainability disclosure was the publication and explicit labeling of a trade association annual report. While these vary in length and production quality, most published annual reports provide opening remarks by each association president or CEO, demonstration of association governance by listing the executive committee and/or association staff, an introduction to the association and its mission, values, goals, the achievements for the year, and perhaps specific areas of focus for the coming year. This is a typical format in for-profit annual reports as well. Of the 19 associations studied, nine published annual reports. An additional three published more of a “state of the industry” report as the reports were not explicitly labeled *annual report*, but included a broader discussion on the economic impact of their industry on the U.S. economy, as well as the regulatory impact on their industry. These latter reports were distinct from annual policy documents, which some associations publish, that explain the policy focus for the upcoming year. There were seven associations that published no report of any kind. Figure 4-4 summarizes the presence of these reports in this research set.

Association Name	Annual Report	Mention of CSR in Annual Report	Industry Report	No Report
Alliance of Automobile Manufacturers			+	
American Apparel & Footwear Association			+	
American Chemistry Council				+
American Fuel & PetroChemical Manufacturers	+	+		
American Iron & Steel Institute	+	+		
Carpet and Rug Institute	+	+		
Consumer Goods Forum	+	+		
Consumer Health Care Products Association	+			
Consumer Specialty Products Association	+	+		
CropLife America	+			
Grocery Manufacturers Association				+
National Association of Manufacturers				+
National Association of PET Container Resources			+	
Personal Care Product Council				+
Pharmaceutical Research and Manufacturers of America	+			
Responsible Industry for a Sound Environment				+
Specialty Steel Industry of North America				+
Steel Manufacturers Association				+
The Fertilizer Institute	+	+		
Totals	9	6	3	7

Figure 4-4 Presence of Annual Report or Industry Report
Source: Compiled using public information from each association website

The nine annual reports were specifically examined for the mention or discussion of sustainability, either as a specific section or a reportable development area. Six had such a section, while the remaining three did not. A brief analysis for each of the six trade association annual reports will be presented and as appropriate, a word cloud may be included to reflect the sustainability efforts mentioned in the annual report. Word clouds visualize the frequency of words in a given text passage. The most

frequently occurring words in the source content appear in the largest font in the word cloud.

American Fuel & PetroChemical Manufacturers

The American Fuel & PetroChemical Manufacturers (AFPM) annual report is interesting to examine because with a length of 28 pages, only a single paragraph provides a cursory description of the AFPM efforts to reduce emissions and thus reducing criteria pollutants in the air (American Fuel & PetroChemical Manufacturers, n.d.). The association emphasizes its member's commitment to reducing emission in accordance with the Environmental Protection Agency (EPA) compliance, and other regulatory authorities including the investment of billions of dollars to achieve this compliance (American Fuel & PetroChemical Manufacturers, n.d.).

In contrast to the AFPM annual report, is a two-page factsheet released in 2013 by AFPM that is far more descriptive of its industry efforts to reduce emissions. This factsheet is included in this research as Appendix E. The factsheet iterates the commitment by AFPM members to protect the environment, comply with the Clean Air Act, and commit to investments that reduce emissions in compliance with EPA regulations. The factsheet provides specific examples of emission reductions of Hazardous Air Pollutants (HAPs) that decreased by 64%, and criteria air pollutants that declined by 80% over the same time period (1990-2010) (American Fuel & PetroChemical Manufacturers, n.d.). Although some of these reductions are the direct result of complying with environmental regulations such as the Clean Air Act, the achievements are buried in a

factsheet. As a public relations benefit to AFPM members and for individuals seeking information on the association efforts, it may be prudent for AFPM to promote more detailed environmental achievements in future annual reports, and to position the information more favorably on its website. Figure 4-5 is the AFPM annual report word cloud, and not surprisingly, *emissions* is prominent in the visualization.



Figure 4-5 American Fuel & Petrochemical Manufacturers
Source: American Fuel & Petrochemical Manufacturers Annual Report

American Iron and Steel Institute

The American Iron and Steel Institute’s (AISI) annual report is 40 pages in length and the association uniquely positioned its sustainability efforts and the related achievements immediately after the opening comments by the association president (American Iron and Steel Institute, n.d.). The upfront positioning of the AISI sustainability efforts suggests the association embraces and acknowledges its role to address the

Consumer Specialty Products Association

The organization of the Consumer Specialty Products Association (CSPA) 40-page report showcases the accomplishments of the seven product divisions represented by the trade association (e.g., Aerosol Products Division or Antimicrobial Products Division). And, while the Consumer Specialty Products Association sponsors the product stewardship program Product Care, the annual report does not describe environmental or sustainability achievements in that program or otherwise. The content provided by the Product Care steering committee, and the environmental and marketing claims committee suggests these are more programmatic updates for the trade association members, rather than sustainability achievements. For example, the Product Care steering committee report states the following: “Implementing the strategic plan for Product Care to better reflect the long-term goals of the program and improve integration throughout the association.” (Consumer Specialty Products Association, n.d.). The CSPA Product Care program originated in 2001 and moving forward, Product Care program participation will be a condition of membership in the Consumer Specialty Products Association. If Product Care is an attempt at industry self-regulation, omitting specific or measurable achievements of the program in the annual report undermines the program credibility. A word cloud was not generated for the annual report of this trade association.

The Fertilizer Institute

The sustainability efforts by The Fertilizer Institute are dispersed throughout the 16-page report and are messaged as reactive policy issues to be addressed within the existing regulatory framework, rather than environmental challenges to be strategically navigated on behalf of member companies. The report informs the reader that the Fertilizer Institute is committed to efforts to address environmental issues faced by the agrochemical industry. However, no further specifics or metrics of those efforts are presented except the casual mention of the “. . . great strides taken on issues such as clean water, clean air, sustainability and stewardship, transportation, trade, energy policy and climate change” (The Fertilizer Institute, n.d.). In the opening remarks of the annual report, the president of The Fertilizer Institute highlights the launch of the trade association’s product stewardship program ResponsibleAG. The last page of the report is an infographic describing the ResponsibleAG goals and the compliance challenges it will attempt to address on behalf of association members. Although the word *sustainability* was used five times in the report, there is a lack of substantive content to frame the environmental challenges faced by the agrochemical business and how the trade association seeks to address those challenges. Figure 4-8 represents content from The Fertilizer Institute annual report with *sustainability* appearing dominant.

Product Stewardship as Branded Programs

The final evidence explored in this analysis was the unexpected existence of trade association-originated product stewardship branded programs. These are formal programs that address a particular sustainability challenge within the industry sub-sector manufacturing process. The oldest, and perhaps the most widely recognized, is Responsible Care. Responsible Care is an international, industry-wide standards and compliance program administered at the national level by an industry-serving chemical association. The American Chemistry Council adopted the program in 1988, and it is the only compliance program in this research where membership in the trade association is conditional on program participation (American Chemistry Council, n.d.).

As recently as 2014, three more branded programs were launched, with Carpet America Recovery Effort being the most developed, while Stewardship First and ResponsibleAG are in the very early stages of development. Figure 4-9 maps the timeline for these programs.

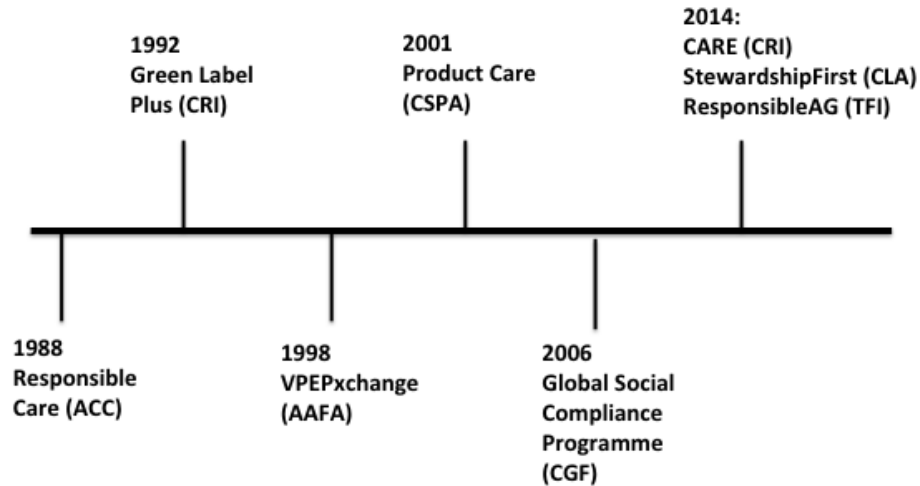


Figure 4-9 Evolution of Product Stewardship Branded Programs
 Source: Compiled using public information from each association website

The Carpet America Recovery Effort is a nationwide, voluntary product stewardship program to establish carpet-recycling initiatives in states that do not have existing extended producer responsibility legislation. Extended producer responsibility regulation attempts to hold manufacturers financially responsible for end-of-life recycling or disposal of their products (U.S. Environmental Protection Agency, 1998). Carpet presents a significant challenge to the environment, and to carpet manufacturers, because carpet does not breakdown easily or quickly in landfills. Recycled carpet can be used as raw material in the production of new carpet thus reducing future production costs (Carpet America Recovery Effort, n.d.). In essence, if this trade association can provide a solution for recycling carpet that is less expensive than a regulatory framework, the trade association members are financially better off. The program is a direct result of California legislation AB2398 passed in 2010

(Carpet America Recovery Effort, n.d.). The extended producer responsibility (EPR) legislation in California requires carpet manufacturers to establish recycling programs for used carpet, and to create alternative markets for post-consumer carpet thus diverting carpet from landfills (Carpet America Recovery Effort, n.d.; State of California, 2014). The Carpet America Recovery Effort produced a 48-page annual report in 2013, and the appendix of that report highlights the sustainability efforts of nine carpet and flooring manufacturers participating in CARE.

Given the unexpected presence of these branded programs, the literature was not reviewed in advance to understand the benefits or challenges of what might be the industry attempt at self-regulation. Further, only a cursory examination of these programs is possible in this exploratory research. However, Chapter 5 - *Conclusions*, suggests areas for future research involving these programs.

It is no surprise there is industry sub-sector overlap across these programs given the commonality of manufacturing, chemicals and other raw materials. For example, the broad category of chemicals includes dyes, cleaning products, stain repellants, fertilizer and pesticides – any of which is manufactured by member companies in the various associations of this study set. But the use, storage, handling and end-of-life management processes are specific to any given product manufacturing process, resulting in programs unique to the association.

CropLife America's Stewardship First and The Fertilizer Institute's ResponsibleAG appear to be voluntary product stewardship programs that attempt to solve different problems in the agrochemical industry. The information available for The Fertilizer Institute's ResponsibleAG program presents the program as assisting with the complex domain of pesticide regulatory compliance specifically handling and storage of these chemicals. It would appear that this program is opportunistic in nature, as keeping up with regulatory guidelines and compliance is tedious. The Fertilizer Institute's ResponsibleAG program offers education and an audit process to the trade association members, to assist in attaining compliance with the policy pertaining to the handling and storage of fertilizer and pesticide. Not surprisingly, all of these ResponsibleAG services have associated fees.

Stewardship First, a program of CropLife America, has a decidedly different tone, perhaps even sincere in its attempts, in that it speaks to the consumer on behalf of the agrochemicals industry. While the marketing content conveys that the program aims to bring safe, sustainable, abundant crops to a growing world population – a noble effort for sure, what they are attempting to ameliorate is the unfavorable aspect that agrochemicals are deliberately put in the environment with the goal of killing pests or other crop disrupters. In alignment with the den Hond et al., argument (2012), a trade association program such as Stewardship First allows individual agrochemical companies to distance themselves from

that which they produce. Additionally, the stewardship program purports to be a life-cycle approach to managing crop protection products – from early stage research and development to end-use in the field. Given that agrochemicals are typically sprayed on crops, managing the full lifecycle of these products has unique challenges in that accountability cannot be easily traced, and thus a product stewardship program like the American Chemistry Council’s Responsible Care may have proved unable to accommodate the unique needs of the agrochemical lifecycle. The eight product stewardship programs discovered in this research, including the three discussed above, are summarized in Figure 4-10 through Figure 4-17. The program summaries are presented by date of origination.



RESPONSIBLE CARE[®]
OUR COMMITMENT TO SUSTAINABILITY
25 YEARS

Established: 1988

Participation: Mandatory

Financial Commitment: Yes

Audience: Chemical manufacturers

Scope: Performance of environment, health, safety, and security efforts by member firms

Addresses: Sustainability efforts and product lifecycle

Evidence: Mandatory participation as ACC member; Guiding Principles (See Appendix G), Safety Codes; Measurement and Public Reporting on Performance; Implementation of Responsible Care Management System; An extensive application form (12 pages); ACC has dedicated an entire section of their website to this program.

PROGRAM DESCRIPTION

Responsible Care is the global chemical industry program that seeks to address environment, health, safety, and security throughout the entire chemical product lifecycle. In 1985, the Chemistry Industry Association of Canada launched the seminal program. Internationally, industry association groups at the country level implement Responsible Care. The American Chemistry Council is responsible for U.S. implementation. In 2013, ACC resolved to implement a set of enhancements to the U.S. Responsible Care program with a singular goal of improving performance and enhancing credibility of the industry. Enhancements include the safe management/use of chemicals, safety in the manufacturing process, and promoting energy efficiency and material reuse/recycling.

Figure 4-10 Summary of Responsible Care
Source: American Chemistry Council



Established: 1992

Participation: Voluntary

Financial Commitment: Yes

Audience: Carpet Manufacturers, Flooring, Cushions, Adhesives, Builders, Architects, Facility Managers

Scope: Product certification process

Addresses: Indoor Air Quality, Positions CRI as Environmentally Astute

Evidence: Indications of process, forms, and protocols but requires a login to access; UL and Materials Analytical Services (MAS) are testing agents; Testing adheres to California's section 01350 standard practice for VOC testing.

PROGRAM DESCRIPTION

Green Label and Green Label Plus are labeling standards for carpet, flooring, cushions and adhesives. Manufacturers products certified as Green Label Plus meet stringent criteria for low Volatile Organic Compound (VOC) emissions thus improving indoor air quality where the products are installed. The Carpet & Rug Institute uses an independent laboratory for product testing and certification. Green Label Plus products meet or exceed the California requirements for indoor air quality in commercial settings. Green Label Plus products qualify some for LEED, Green Globes or Green Guide for Health Care points.

Figure 4-11 Summary of Green Label Plus
 Source: The Carpet and Rug Institute



Established: 1998

Participation: Voluntary

Financial Commitment: Yes

Audience: Apparel, Footwear, Textile and Chemical companies

Scope: Chemical profiles of materials in supply chain

Addresses: Seeks to provide systematic information sharing and transparency in the product supply chain; Suppliers have control over who can access the content

Evidence: Standardized form for submitting chemical components to products; AAFA describes the origins and basis for program; VPEPexchange.com is jointly managed by AAFA and TEXbase (a third party software provider)

PROGRAM DESCRIPTION

The Voluntary Product Environmental Profile (VPEPXchange) originates at the supplier level where the supplier discloses chemical makeup of products. Information is also shared with regard to the environmental impact of produced goods and the production processes in relationship to global standards and regulations.

Figure 4-12 Summary of Voluntary Product Environmental Profile
Source: American Apparel and Footwear Association



Established: 2001

Participation: Indeterminate

Financial Commitment: NA

Audience: Manufacturers of consumer specialty products and institutional specialty products; Complements other product stewardship programs (i.e. Responsible Care); Consumers

Scope: Safety and environment best practices and collaboration

Addresses: Product stewardship consideration throughout product lifecycle

Evidence: Seal of Approval; Specific track (attention) at annual meeting; Separate website

PROGRAM DESCRIPTION

Product Care provides a framework and organization for companies to share stewardship principles, exchange ideas and benchmark performance. While this program was initially voluntary, CSPA's by-laws and mission were changed in 2013 and reflect the compulsory nature of the program moving forward: "members agree to fostering best practices through Product Care to maximize the safety and sustainability of our members' products and services."

Figure 4-13 Summary of Product Care

Source: Consumer Specialty Products Association



<p>Established: 2006</p> <p>Participation: Voluntary and distinct from CGF</p> <p>Financial Commitment: Yes</p> <p>Audience: Manufacturers and retailers of consumer goods</p> <p>Scope: Sustainability collaboration and supply chain best practices</p> <p>Addresses: Aims to provide a consistent and global approach in addressing working and environmental conditions in the supply chain</p> <p>Evidence: Website distinct from CGF; Multi-lingual; Eight page FAQ document; Stated mission and objectives; Document governance for program; Reference tools; Self audit toolkit whereby members can assess their performance against an agreed on best practices</p>

PROGRAM DESCRIPTION

The Global Social Compliance Programme is the result of a resolution passed by the Consumer Goods Forum in 2006. The Global Social Compliance Programme (GSCP) is the programmatic effort addressing working and environment conditions. The program seeks to influence operational standards for greater efficiency and increased worker safety, while protecting the environment. Appendix H is sample marketing collateral for the program.

Figure 4-14 Summary of Global Social Compliance Programme
Source: Consumer Goods Forum



Established: 2014

Participation: Voluntary

Financial Commitment: Yes

Audience: Carpet Manufacturers, Recyclers, Recycling Sorters, Entrepreneurs

Scope: Post-Consumer carpet disposal and regulation

Addresses: Seeks to reduce carpet going to landfills, but appears to be an attempt to avoid or deflect regulation

Evidence: Extensive documentation of program including Executive Summary, Scope, Performance Objectives, Guiding Principles, Financials, Glossary of Terms, Terms of Services/Service Level Agreement with Recycling Sorters

PROGRAM DESCRIPTION

The essence of Carpet Recovery (CARE) is the carpet stewardship program for Voluntary Product Stewardship (VPS). The program seeks to divert and reduce the amount of carpet going to landfills. Participating members have committed \$4.5 million to the initial 2-year term of the program. An interesting detail for participants is they must oppose extended producer responsibility legislation or similar regulation in the states where they operate. CARE does not operate in states where extended producer responsibility (EPR) laws are in force.

Figure 4-15 Summary of Carpet America Recovery Effort (CARE)

Source: The Carpet and Rug Institute



Established: 2014

Participation: Voluntary

Financial Commitment: Yes

Audience: Fertilizer manufacturers, wholesalers, distributors, importers, retailers, or farms

Scope: Regulatory compliance

Addresses: Regulatory system and compliance education for fertilizer industry

Evidence: Separate website; Audit compliance process; Compliance education and follow up on corrective action; Responsible AG certification program including over 320 questions as part of process; Resource library, Assessment tool, Mock assessment tool, Links to agencies and regulatory interpretations; FAQ

PROGRAM DESCRIPTION

Responsible AG seeks to protect agribusiness concerns and assist with regulatory compliance. Additionally, ResponsibleAG seeks to create a positive image of the fertilizer industry toward the public.

Figure 4-16 Summary of ResponsibleAG
Source: The Fertilizer Institute



CROPLIFE
STEWARDSHIPFIRST™

Established: 2014

Participation: Voluntary

Financial Commitment: NA

Audience: Manufacturers of crop protection products (fertilizers and pesticides)

Scope: Increase crop yield and quality to address issues of food security and poverty without negatively impacting the environment

Addresses: Lifecycle management of crop protection products – use, storage, handling

Evidence: Separate website; Guiding principles, Mention of assessment tool to demonstrate compliance; Case studies; CropLife Foundation Executive Director serves as governance

PROGRAM DESCRIPTION

Stewardship First has dual goals: to promote and enhance sustainable agriculture while promoting the environmentally sound use of crop protection products. By using science-based methods, the program hopes to economically increase food security via abundant crop yields with minimal environmental impact.

Figure 4-17 Summary of Stewardship First
Source: CropLife America

Chapter 5 - Conclusions

The lack of widespread agreement on sustainability reporting hinders the ability to evaluate the progress of sustainability efforts by trade associations. In the absence of standardized sustainability reporting requirements as a complement to traditional financial reporting, the ability to measure progress in sustainable development efforts will continue to be impeded. Given the importance of manufacturing to the economy, and the impact of manufacturing on the environment, a lack of reporting isn't advisable. However, it is difficult to absolve trade associations for not self-policing their environmental impact, in ways that are more effective and measurable.

The emergence of product stewardship efforts as presented in this research suggests that industry trade associations are slowly acknowledging the need for sustainability related programs. That said, given that these programs have arisen from industry action rather than public policy, trade associations are in a position to frame their efforts as sufficient in setting environmental responsibility standards, negating the need for additional regulation. This industry trade association led approach risks the creation of a public policy that is reactive to these efforts, and is therefore more narrowly focused on what is best for business groups versus what is good for the public. This is currently a greater risk than in years past, due to the retrenchment of campaign finance laws as a result of the Supreme Court decision in *Citizens United v. Federal Election Commission*. The ruling emboldens trade associations

to speak on behalf of their corporate members, and at the same time protects those corporate members from any associated negative sentiment. This shift increases the power of such bodies in the public space to lobby on behalf of the interest groups. Kimball, Baumgartner, Berry, Hojnacki, Leech, and Summary (2012) conclude the issues addressed by lobbyists are not in alignment with policy issues of concern to the public, largely as a result of interest group representation.

While it would be convenient to assign labels to trade association behaviors as good or bad, powerful or powerless, continued examination of their role and function will paint a clearer picture of the forces at play in the opaque world of public policy. The work presented here is but the beginning of a comprehensive review of industry trade association sustainability efforts and messaging of those efforts. As mentioned in the literature review, the existing scholarship on trade associations is currently underdeveloped, illustrating a need for future economic, sociological and political research to better understand the influence of trade associations on American policy. Further scholarship is also needed to confirm or refute the idea that industry trade associations currently hold and have historically held more power than other interest groups. Specific contributions to the literature might examine the relationship between corporate political activity of trade associations and the associated regulatory or legislative outcomes. Another necessary area of further research is an examination of product stewardship programs and measure

the impact such programs have on reducing the health, safety, and environmental impacts incurred over the life-cycle of manufactured products in those product stewardship programs. Given the discovery of some for-profit behavior uncovered in this research, a final area for future research is an examination of the suitability of non-profit status for trade associations.

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Appendix A

2015 ACTIVE MEMBER COMPANY Sales Certification Statement and Dues Calculation



Tax ID #: 13-1390920

Company **NEW MEMBER**

2015 Active Member dues are based on all 2014 U.S. sales in salons and at retail (manufacturers' prices) for personal care products, cosmetics, toiletries, cosmetic drug products and fragrances. Sales of these products by all parent/subsidiaries/divisions/affiliates must be included in dues computation.

Please complete the following information and return a copy of this form with remittance to the Council.

Class	2014 Salon and Retail Sales Volume	Base Contribution		Sales Computation		2015 Dues
1	Up to \$500,000	\$ 640	+	.56% of excess over \$250,000	=	
2	\$500,001 to 1,000,000	\$2,050	+	.39% of excess over \$500,000	=	
3	\$1,000,001 to 5 million	\$3,950	+	.29% of excess over \$1 million	=	
4	\$5,000,001 to 10 million	\$15,550	+	.14% of excess over \$5 million	=	
5	\$10,000,001 to 20 million	\$22,550	+	.12% of excess over \$10 million	=	
6	\$20,000,001 to 50 million	\$34,600	+	.072% of excess over \$20 million	=	
7	\$50,000,001 to 100 million	\$56,000	+	.065% of excess over \$50 million	=	
8	\$100,000,001 to 200 million	\$95,500	+	.055% of excess over \$100 million	=	
9	\$200,000,001 to 300 million	\$152,500	+	.034% of excess over \$200 million	=	
10	\$300,000,001 to 500 million	\$186,000	+	.013% of excess over \$300 million	=	
11	\$500,000,001 to 1 billion	\$212,000	+	.0138% of excess over \$500 million	=	
12	\$1 billion to 2 billion	\$281,000	+	.016% of excess over \$1 billion	=	
13	\$2 billion plus	\$442,000	+	.0176% of excess over \$2 billion	=	

Example of computation: Class 4 active member with \$7 million in 2014 cosmetic sales would pay \$18,350 in dues—\$15,550 base contribution plus \$2,800 (.14% of its sales over \$5 million).

- International Active Members:** Companies who meet the requirements of active membership but do not distribute in the U.S. and have no parent/affiliate/subsidiary/division with U.S. sales **Annual Dues are \$2,800**

- Enclosed is a check (U.S. dollars only, drawn on U.S. bank) in the amount of \$ _____ determined by the above dues schedule. **Please make check payable to Personal Care Products Council.**

- Please Charge my credit card: American Express Visa MasterCard

Card No: _____ Exp. Date: _____

Name on Card: _____ Signature: _____

Dues payments to the Council are not deductible as charitable contributions, but can be considered an ordinary and necessary business expense for federal income tax purposes. A portion of dues is not deductible as an ordinary and necessary business expense to the extent that the Council engages in lobbying. The non-deductible portion of dues for 2015 is estimated to be 25%.

I certify that the amount entered above is the correct amount due the Council for 2015 membership dues for my company/parent/subsidiaries/divisions/affiliates and that I have included all 2014 U.S. salon and retail sales for cosmetics, toiletries, personal care products, cosmetic drug products and fragrances in my computation.

Name: _____ Title: _____

Phone: _____ Email address: _____

Signature: _____ Date: _____

1620 L Street, N.W., Suite 1200/Washington, D.C. 20036-4702/202.331.1770/202.331.1969 (fax) www.personalcarecouncil.org

Source: Personal Care Products Council

Appendix B

Associations *Unlimited*

Custom Search

Select Modules: National International Regional, State or Local

Association Name:

Association
Acronym:

City:

State/Province:

Country:

ZIP/Postal Code:

Area Code:

Email?: Doesn't Matter ▾

URL?: Doesn't Matter ▾

U.S./Non U.S.: U.S. ▾

Year Founded:

Number of
Members:

Budget:

Libraries
Maintained: Doesn't Matter ▾

Awards:

Award Type: Doesn't Matter ▾

Publications
Issued?: Doesn't Matter ▾

Publication Title:

Publication Type:

Convention/Meeting
Type: Doesn't Matter ▾

Meeting Location:

Meeting Year:

Exhibits At
Meetings: Doesn't Matter ▾

SIC Code &
Description: None ▾

Industry-Served SIC
Code: 28* [List of codes](#)

Industry-Served SIC
Description: [List of descriptions](#)

Subject Descriptor: [List of subjects](#)

Subject Category: *None selected* ▾

Source: Gale, Inc. Associations Unlimited

Appendix C

List of Back Up Trade Associations
Agricultural Retailers Association
Aluminum Anodizers Council
Aluminum Association
American Chemical Society
American Composites Manufacturers Association
American Copper Council
American Fiber Manufacturers Association
American Plastics Council (Included in ACC)
American Reusable Textile Association
Center for Chemical Process Safety
Chlorinated Paraffins Industry Associations
Consumer Electronics Association
Cookware Manufacturers Association
Drug, Chemical and Associated Technology Association
Fabricators and Manufacturers Association International
Fertilizer Roundtable
Generic Pharmaceutical Associations
Glass Packaging Institute
Hemp Industries Association
International Federation of Pharmaceutical Wholesalers
International Pharmaceuticals Excipients Council
International Titanium Association
National Association of Printing Ink Manufacturers
National Council of Textile Associations
National Pharmaceutical Council
Paperboard Packaging Council
Petroleum Packaging Council
Rubber Manufacturers Association
Society of Chemical Manufacturers and Affiliates
Technical Association of the Pulp & Paper Industry
Textile Bag and Packaging Association

Appendix D



Source: American Chemistry Council

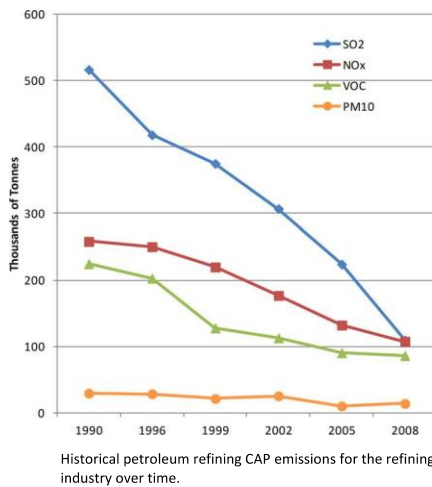
Appendix E

AFPM Members are Improving America’s Environment

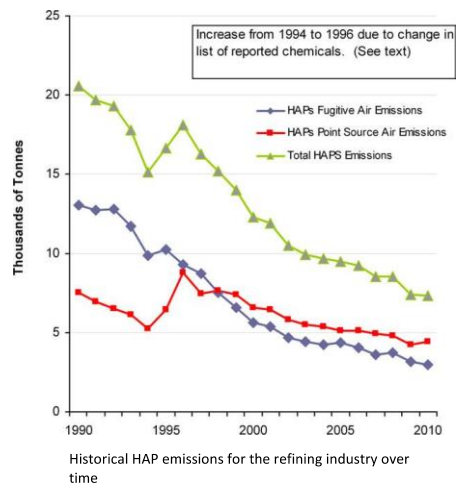
American Fuel and Petrochemical Manufacturers members are strongly committed to environmental protection, have an outstanding record of compliance with the Clean Air Act, and have invested hundreds of billions of dollars to dramatically reduce emissions as measured by EPA.

Fuel and Petrochemical Manufacturers Have Significantly Reduced Emissions

- AFPM members have made major emissions reductions while increasing production output and meeting stringent regulations. Emissions of Hazardous Air Pollutants (HAPs) **decreased by 64%** from 1990 to 2010.¹ At the same time, emissions of criteria air pollutants (sulfur dioxide, nitrogen oxides, volatile organic compounds, and particulate matter) **declined by 80 percent.**² Between 1996 and 2011, refiners’ emissions of chemicals monitored under the Toxic Release Inventory (TRI) also **decreased by 35 percent.**



Source: "An Examination of Historical Air Pollutant Emissions from US Petroleum Refineries", Thomas P. Nelson, February 2012



Source: "An Examination of Historical Air Pollutant Emissions from US Petroleum Refineries", Thomas P. Nelson, February 2012

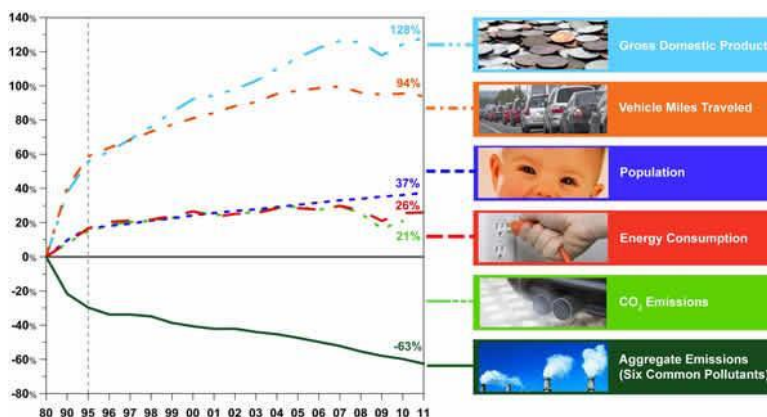
- The chemical manufacturing sector’s normalized emissions of **all TRI substances declined 62 percent** from 1996 to 2011. Normalized emissions of **HAPs declined 64 percent** between 1996 and 2005.
- Fuel and petrochemical manufacturers have made considerable investments to comply with federal regulations. Between 1990 and 2011, the industry spent **\$137.6 billion** to bring refineries into compliance with environmental emissions regulations – equivalent to **\$436 in environmental spending for every U.S. citizen**. Moreover, by 2010 U.S. refining companies had invested **upwards of \$20 billion** to comply with new clean fuel regulations to reduce the sulfur content of gasoline and both highway and off-road diesel.

¹ "An Examination of Historical Air Pollutant Emissions from US Petroleum Refineries", Thomas P. Nelson, February 2012.

² Ibid.

Economy Wide Emissions have Decreased Dramatically, Despite Increased Economic Activity

- EPA data shows total emissions of the six principal air pollutants in the United States (carbon monoxide, lead, nitrogen oxides, volatile organic compounds – hydrocarbons, particulate matter and sulfur dioxide) have **decreased by 63 percent since 1980**.



- In that time frame, ozone levels alone have **decreased nearly 30 percent** and EPA data shows this **trend continuing**.

Emissions from Transportation Fuels are Continuously Decreasing

- Since 2004, refiners have **reduced sulfur levels in gasoline by 90 percent**, from an average of 300 parts per million (ppm) in 2004 to an average of 30 ppm today.
- In Jan. 2001, EPA issued rules requiring refiners to reduce the sulfur content in highway diesel by 97 percent. EPA's 2004 rule required refiners to reduce the sulfur content in non-road diesel.
- There have been significant Mobile Source Air Toxics (MSAT)/gasoline benzene content reductions. Benzene content in conventional gasoline dropped 45 percent in 2011 for most refineries, and will drop further for small refineries in 2015.

Overall Fuel and Transportation Sector Emissions Are Continuously Decreasing

- From 1970 to 2008 in highway vehicles:
 - Carbon Monoxide (CO) emissions were reduced 76.2 percent.
 - Nitrogen Oxides (NO_x) emissions were reduced 58.8 percent.
 - Sulfur Dioxide (SO₂) emissions were reduced 76.6 percent.
 - Volatile Organic Compounds (VOC) emissions were reduced 79.8 percent.

Source: American Fuel & Petrochemical Manufacturers

Appendix F



CARPETAMERICARECOVERYEFFORT SM
Developing market-based solutions for the recycling & reuse
of post-consumer carpet

CONTACT

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Voluntary Product Stewardship Program Announced for Post-Consumer Carpet

Program to financially assist sorters for carpet diversion from U.S. landfills

Dalton, Ga. – Dec. 15, 2014 – The Carpet and Rug Institute (CRI) and Carpet America Recovery Effort (CARE) announce a voluntary product stewardship (VPS) Program to assist sorters of post-consumer carpet diverted from the nation's landfills.

The VPS Program is market-based and designed to accept and manage all applicable post-consumer carpet, regardless of polymer type or primary materials or construction. The Program will provide financial assistance to qualified U.S. Sorters who divert post-consumer carpet.

"CRI is pleased to offer financial support for the VPS Program," said Dan Frierson, Chairman of the Board of CRI. "Our members are participating voluntarily as part of our government relations activities, and have committed \$4.5 million for the program's the initial year. The VPS Program will be a bridge for sorters as new technologies and applications are developed to increase market driven demand for all post-consumer carpet."

CARE will act as the stewardship organization for the VPS Program. Since 2002, CARE members have diverted more than 3.25 billion pounds of carpet from U.S. landfills.

"The VPS Program is the key next step in our mission to divert more carpet from U.S. landfills," said Brendan McSheehy, CARE's Chairman of the Board. "Sorters may use funds from the program to partner with their customers to divert carpet and recycle carpet back into useful consumer products, such as recycled carpet fiber, carpet cushion, broadloom, carpet tiles, and a wide range of plastic products".

The VPS Program is scheduled for launch in January 2015. Sorters who qualify for financial assistance can expect to begin receiving funds by the end of June 2015.

Sorters may qualify for funds by completing all required documents and submitting quarterly reports on their business results to CARE. The organization will be conducting a series of webinars beginning in December 2014 to help sorters understand the eligibility process.

For more information, visit www.carpetrecovery.org and click on the VPS tab.

About the Carpet and Rug Institute

CRI is the leading industry source for science-based information and insight on how carpet and rugs create a better environment for living, working, learning and healing. The Institute's mission is to serve the carpet industry and public by providing facts that help people make informed choices. Its best practices promote a balance between social, economic and environmental responsibility for the long term. CRI does this for its industry, yet it strives to be a model corporate citizen for all industries. Website: www.carpet-rug.org

About Carpet America Recovery Effort (CARE)

Carpet America Recovery Effort (CARE) is a voluntary, non-profit organization dedicated to increasing the landfill diversion, reuse and recycling of post-consumer carpet, through market-based solutions that benefit the economy as well as the environment.

Since 2002, CARE has diverted more than 3.25 billion pounds of carpet from landfills in the United States and promoted the use and development of products containing materials derived from carpet. CARE members include independent carpet recyclers, carpet manufacturers, dealers, retailers and suppliers and non-governmental organizations. For more information about CARE, visit www.carpetrecovery.org.

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Source: Carpet America Recovery Effort

Appendix G

Name of Company

is proud to participate in the
American Chemistry Council

Responsible Care[®]

initiative.

We pledge to operate our business according to the following

Guiding Principles

Chemistry is essential to the products and services that help make our lives safer, healthier and better. Through the Responsible Care initiative and the Responsible Care Global Charter our industry has made a worldwide commitment to improve our environmental, health, safety and security performance. Accordingly, we believe and subscribe to the following principles:

- o To lead our companies in ethical ways that increasingly benefit society, the economy and the environment.
- o To design and develop products that can be manufactured, transported, used and disposed of or recycled safely.
- o To work with customers, carriers, suppliers, distributors and contractors to foster the safe and secure use, transport and disposal of chemicals and provide hazard and risk information that can be accessed and applied in their operations and products.
- o To design and operate our facilities in a safe, secure and environmentally sound manner.
- o To instill a culture throughout all levels of our organizations to continually identify, reduce and manage process safety risks.
- o To promote pollution prevention, minimization of waste and conservation of energy and other critical resources at every stage of the life cycle of our products.
- o To cooperate with governments at all levels and organizations in the development of effective and efficient safety, health, environmental and security laws, regulations and standards.
- o To support education and research on the health, safety, environmental effects and security of our products and processes.
- o To communicate product, service and process risks to our stakeholders and listen to and consider their perspectives.
- o To make continual progress towards our goal of no accidents, injuries or harm to human health and the environment from our products and operations and openly report our health, safety, environmental and security performance.
- o To seek continual improvement in our integrated Responsible Care Management System[®] to address environmental, health, safety and security performance.
- o To promote Responsible Care[®] by encouraging and assisting others to adhere to these Guiding Principles.



Name

Date

Source: American Chemistry Council

Appendix H

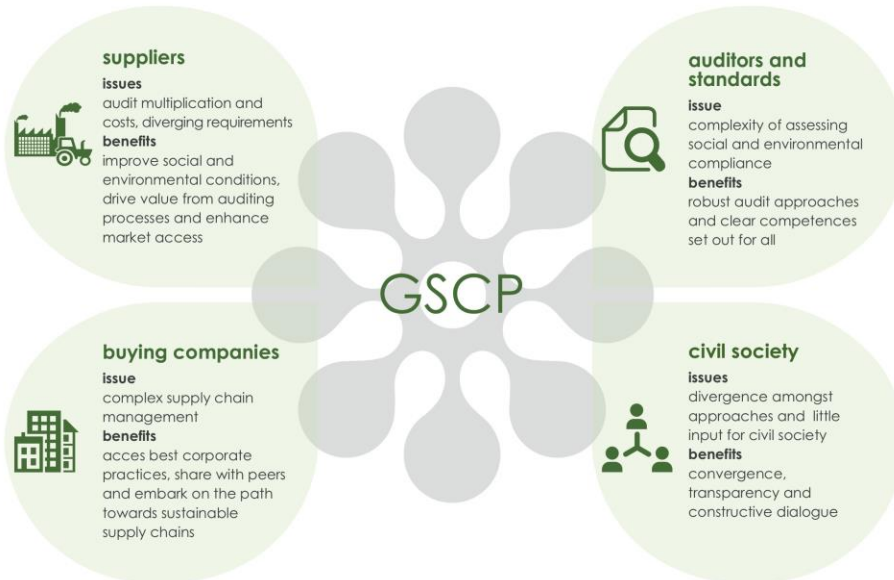


at the GSCP, we believe that social and environmental sustainability is a collaborative effort. That's why we use our unique position as a global cross-industry platform to drive harmonisation, convergence and best-practice sharing for a better and more sustainable supply chain.

Today more than ever, there is critical need to rise above the complexity and proliferation of compliance programmes, and join forces to make a real change.



working with and for supply chain actors to drive continuous improvement by bringing together a complex, global cross-sector system.



our role

GSCP is not a new standard or monitoring initiative. Our members rely on sustainability standards and compliance initiatives and they created the GSCP to set the international reference on best practices for sustainable supply chain management for all actors to use.

let's take up the challenge together!

GSCP membership



GSCP advisory board



They are already supporting the cause, leading by example.

the GSCP community

brings together all the key supply chain actors – ranging from retailers and brand manufacturers to auditing bodies and international organisations – from all over the world and all sectors.

Participants contribute to moving forward on key issues through various consultation processes. Those elected to the **executive board (EB)** help steer the program. The EB is advised and challenged by the **advisory board (AB)**, composed of representatives from NGOs, international organisations, trade unions and other experts.

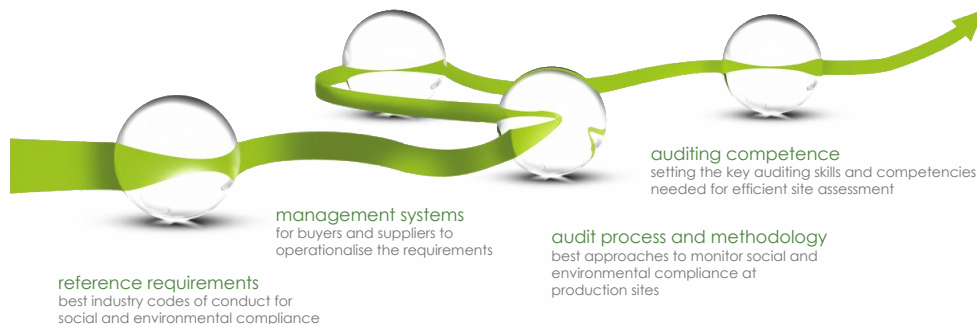


the GSCP reference tools

A complete suite of tools compiling best corporate practices for managing sustainable supply chains. The tools are open-source, applicable globally and across sectors, while making business sense of international conventions and protocols.

GSCP Equivalence Process

enables the benchmarking of existing systems and standards



GSCP, an initiative of the CGF (Consumer Goods Forum)
Driving positive change through collaborative actions

- #1 global platform for the consumer goods industry retailer, manufacturer and service provider members in 70 countries
- 4 strategic pillars : Sustainability (GSCP) Product Safety (GFSI) Health and Wellness End-to-end Value Chain

to find out more about what the GSCP can do for you:

www.gscpnet.com
@TheGSCP
GSCP
gscp@theconsumergoodsforum.com

Source: The Consumer Goods Forum

