

A Green Guide

Green is not a trend. Green is not a fad.

Regardless of personal opinion about the cause of global warming, the fact is that the earth's resources are limited and it is up to everyone to preserve and protect them. Not only can the promotional products industry do its part by offering attractive and effective eco-friendly options, but it can better respond to buyer requests through enlightened and knowledgeable promotional consultants and with products that are recycled, recyclable and reusable.

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Environmental Lessons For Dummies

TRUDGING THROUGH ECO-JARGON AND FALSE ENVIRONMENTAL CLAIMS IS A JOB IN ITSELF. EDUCATION IS THE BEST WAY TO PREVENT BEING GUILTY OF (AND SUCCUMBING TO) GREENWASHING.

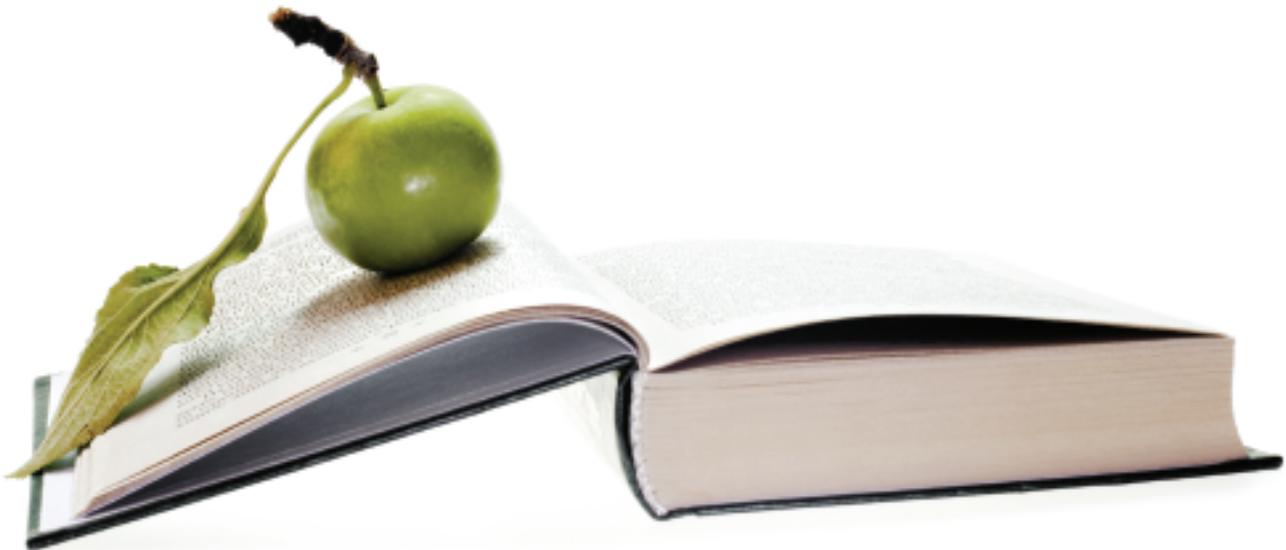
By Donald L. Brown, MAS

SUPPLIERS THROUGHOUT THE INDUSTRY are now using what some say is the ultimate eco-material. Called Utterlie, this remarkable substance claims to be the only safe, eco-friendly material in existence that can actually repair the ozone layer. Products made with Utterlie reportedly biodegrade in practically any environment, so they can guiltlessly be discarded in waterways, landfills or along roadsides without concern for the environment. The material breaks down into small fragments that feed the natural habitat. Even more remarkable is that during the degrading process the fragments actually release a proprietary gas that helps rebuild the ozone layer. Can you imagine feeding dolphins with your disposable mug or bag and repairing the ozone at the same time?

Another revolutionary eco-material is 100-percent recycled elephant dung, which is used to make treeless journals, notebooks and

various other paper products. "Brown is the new green," as they say. The material, called Pachyderm Paper or ElliePooh, is a renewable and sustainable resource as long as elephants aren't driven to extinction by ivory poachers. Foundations around the globe have been established to finance elephant orphanages and conservation centers by way of reclaiming their fibrous waste and creating environmentally friendly paper products. Not only does this product save forests, it also saves elephants!

Claims like these make headlines every day. Some are so outrageous that it has become a challenge to know the difference between what is really green and what is a pile of dung. Usually, if it sounds too good to be true it is. There is so much eco-jargon in use today that talking intelligently about the environment is a challenge for even the most literate distributor or supplier.



Eco-consciousness isn't just about reducing, reusing and recycling anymore. It has spawned a whole new vocabulary. Savvy marketers find that by adding "eco" to any word they can create trendy, green catchphrases and buzzwords that have yet to be defined by Merriam-Webster and that few customers will truly understand. Thus, confusion concerning which products are good for the environment and which are bad is common.

To make matters worse, some suppliers have jumped on the green bandwagon whether they are truly environmentalists or not, so their marketing claims may not be as forthright as they could be. Still others do it for positive PR. The Federal Trade Commission (FTC) seeks to prevent deception and unfairness in the marketplace by bringing legal actions against false or misleading marketing claims, including environmental or green claims. In 1992 the FTC issued its Environmental Guide, which applies to all forms of marketing, advertising, labeling, promotional materials, logos, and internet marketing. Per the FTC guidelines:

- An environmental marketing claim should specify whether it refers to the product, the packaging, a component of the product or packaging or a combination of these.
- Environmental claims should not exaggerate or overstate attributes or benefits. This is considered greenwashing the facts to portray a more eco-friendly product.
- Claiming that a product is eco-friendly is deceptive unless the product attribute that the claim refers to is clearly stated and can be substantiated or proven.
- All environmental symbols or logos on products or marketing pieces have to be substantiated or proven.
- If only minor or incidental components of a product are non-recyclable, the product can still be labeled fully recyclable with no disclaimer.

Eco-consciousness isn't just about reducing, reusing and recycling anymore.

Another problem is ignorance of ecological laws and regulations. For example, a disposable plastic bag ban originating in San Francisco has caused more than a dozen U.S. cities and four states to ponder similar bans. Countries such as Australia, South Africa, China, Bangladesh and Ireland already have country-wide bans or tax levies on disposable plastic shopping bags. To clarify, these banned bags belong to the super thin or high-density plastic variety used by retailers and supermarkets, which are typically less than one millimeter thick. Most legislation allows for thicker, stronger, reusable plastic bags that are easier and more profitable



Have green product questions?

LET ME CONNECT YOU TO OUR COMPANY'S ECO-EXPERT.

WITH TERMS SUCH AS "ECO-FRIENDLY" encompassing a broad scope of interpretation, education has become a critical component of every sales process. Distributors are being asked to deliver eco-responsible programs, but the lack of clearly defined environmental benefits for products makes it challenging. Companies within the industry have found it imperative to educate themselves or face losing sales opportunities, so they've brought environmental experts into their organizations to respond to customer requests.

Becky Blair, MAS, from Waukesha, Wisconsin-based distributor Geiger, Inc. (UPIC: GEIGP008) is one of those experts. She researches eco-topics on the web, subscribes to environmental publications and reads everything she can about eco-products. She is so versed in the environment that she has been asked to conduct tradeshow training sessions on selling green. "There are currently no instructional programs one can take to obtain a general knowledge of the environmental movement except for traditional college courses. But most people don't have time to take a regular college semester course that is extremely specific and detailed," Blair says, adding that new information and product development is taking place every day, so the curriculum is a moving target.

"The best way to educate yourself is by reading eco-articles and publications or watching environmental programs provided by your local TV stations or environmental websites." Blair recommends *The Green Guide* published by *National Geographic*, which is a quarterly magazine available in print or online for \$15 a year. "Another way is to partner with distributors or suppliers that have a grasp on what green really means," she says.

Mary Ann Farmer, MAS, president of Cape Girardeau, Missouri-based supplier Magna-Tel, Inc. (UPIC: MAGNATEL) is using a team approach to fulfill the expert role. "Our research and development team stays up with all the environmental dialogue going on," Farmer says. "Each of us tries to gain what knowledge we can, and then we share that information with each other to decide how it impacts our business strategy. I wouldn't expect one person to keep up with all that's going on in the industry. The team concept resulted in us creating a new eco-magnet that we would not have otherwise thought of to satisfy customer requests."

Do you have an environmental expert in your organization? If not, you probably should. Having an expert in place gives customers a company contact that has knowledge of what eco-products are available and what various eco-terms really mean.

to recycle. California statute AB2449 allows plastic bags that are at least 2.25 millimeters thick. As such, the demand for alternative bag materials is on the rise, including materials that are reusable, recyclable, biodegradable or made from recycled material.

What Makes A Product Green?

The best choices for greening any promotional product category are reusable items with extended life values or fully recyclable products that can be efficiently reinvented into new ones. In fact the U.S. government is challenging the nation to achieve a 40 percent recycling rate by 2011 as part of the EPA's Resource Conservation Challenge, which is a national effort to conserve natural resources and energy by managing materials more efficiently. The challenge also sends a message to suppliers suggesting they redesign products with longer lives or capacities for reuse.



Eco-dictionary

A LIST OF ECO-FRIENDLY PRODUCT LABELS EVERY SUPPLIER AND DISTRIBUTOR SHOULD KNOW.

Organic: Produced without using fossil fuel-based fertilizer, synthetic pesticides or genetically modified plants.

Sustainable/Renewable: Made from sustainable or renewable materials that can be replenished easily (i.e., using plant fibers such as bamboo, hemp or cotton rather than wood or materials made from petroleum).

Reusable: Designed to be used repeatedly for an extended time period.

Recycled: Made from recycled materials that come from previously used consumer products (post-consumer waste); from scraps created during the manufacturing process otherwise earmarked for landfills (post-industrial waste); or other waste (elephant dung).

Recyclable: Produced using materials that can be reclaimed and reinvented into usable products.

Compostable/Biodegradable: Manufactured from materials able to decompose safely in the environment. Both natural, biodegradable materials such as paper or plastic made of polylactic acid (PLA) derived from corn starch and synthetics such as bio-plastics with added accelerators belong in this group.

With the world's supply of raw materials and natural resources depleting at an alarming rate, utilizing recycled materials rather than virgin ones makes great eco-sense, as long as they don't consume more energy or resources than they conserve. For this reason, Cape Girardeau, Missouri-based supplier Magna-Tel, Inc. (UPIC: MAGNATEL) created a new one-of-a-kind, eco-friendly magnet line utilizing 50-percent recycled, reground magnetic materials, which has never been done before.

The green value of recycling can greatly diminish depending on the facilities available in each geographic region and what they will actually process. Just because a product has a recycle logo and is fully recyclable doesn't mean it will get recycled. That is why reusing products, whenever possible, is even better than recycling.

Out of all eco-friendly products, biodegradable ones may be the most misunderstood.

Other products are considered green not because they reuse old materials, but because they are positively changing the environment. For instance, electronics suppliers are reducing the amount of internal lead soldering normally used in making USB flash drives. The change, originating from efforts to reduce lead levels, has resulted in the creation of a more earth-friendly product overall. Standard products decorated with only environmentally friendly ink coatings can make the same claim. Even though the products don't necessarily fit into any of the normal green descriptions, they still promote a healthier environment.

Breaking It Down

Out of all eco-friendly products, biodegradable ones may be the most misunderstood. Most consumers mistakenly believe that the term biodegradable means the product will disappear completely in a year or less, according to a 2006 consumer survey by the American Chemistry Council. Most also believe that the material won't harm the environment. Yet only products containing materials that "break down and decompose into elements found in nature within a reasonably short amount of time when exposed to air, moisture and bacteria or other organisms" can be marketed as biodegradable, according to the Federal Trade Commission (FTC).

Most biodegradable products purport to break down more quickly in landfills. While a seemingly logical claim, evidence shows this is not wholly possible. The FTC acknowledges that even products appropriately labeled may not break down easily if they are buried in a landfill or otherwise unexposed to sunlight, air and moisture—key agents of biodegradation. In direct contradiction,

PHOTO PROVIDED BY: AARRKRON RULE CORP. (UPIC: AARRKRON)



today's landfills are purposely engineered to eliminate moisture and to retard degradation. In fact, researchers have found legible 30-year-old newspapers, 10-year-old hot dogs and five-year-old lettuce still intact in landfills. They are more like time capsules than compost piles.

The most environmentally friendly way to dispose of biodegradable and compostable products is to compost them with other organic matter. The problem is that most curbside recycling programs do not offer composting, so items must be sent to specific industrial facilities. Unfortunately, few such refuse facilities exist in the United States, further minimizing their eco-friendly claims. To search for facilities in your area check out www.findacomposter.com.

Recycling is not always a viable option, either. Biodegradable plastics, for instance, typically have a lower melting point than traditional plastics, which means that mixing even a small amount of biodegradable material into the traditional recycling stream can weaken the entire line, often prompting the recycling facility to remove them and place them with typical landfill waste. Recycling facilities set up to handle biodegradable material do exist but are not readily available to consumers. As a result, end users must research proper disposal methods for each varying brand and type of biodegradable material being offered. To learn more about biodegradable materials, check out The Biodegradable Products Institute at www.bpiworld.org.

Additionally, most biodegradable plastics treated with accelerants will eventually degrade into small fragments of polymer, which persist in the environment for years until fully degraded. Until the products completely break down, they pose the same danger as non-biodegradable products and hence have the same short-term potential to harm wildlife and create litter problems. Accelerated chemical breakdown also speeds up the release of

methane gas, a core component of plastic and a known contributor to the greenhouse effects on our ozone layer. These plastics degrade best in hot, humid conditions where microbes flourish, meaning consumers must consider where they store their biodegradable products. Cool, dry areas are preferred. Most also have a shorter-than-usual shelf life, so predicting the life of an ongoing promotion could create challenges.

From a cultural perspective, the real elephant in the room is that the term biodegradable also connotes disposable, and thus the consumption of such products promotes a throw-away mentality among many members of society. Such a belief does not advance our planet's environmental needs to reclaim and reuse our natural resources. Until the number of compost facilities increases enough to support community curbside pickups, biodegradable products, for the most part, don't seem to be a truly ecological choice.



PHOTO PROVIDED BY: CARLSON CRAFT (UPIC: CARLSONC)

Like religion and politics, everyone has opinions on what green means to them. Some have strong convictions while others seem not to care. "I believe Generation X embraces this lifestyle, whereas in my opinion a larger portion of the baby boomers are still planted deeply into consumerism," says Mary Ann Farmer, MAS, Magna-Tel, Inc. president. "When it comes down to it, most of the environmental problems we face are based on consuming too much stuff."

You can verify information about recycled elephant dung at www.mrelliepooh.com. As for the other marketing claim, it was an utter lie.



Donald L. Brown, MAS, is executive vice president of Union, Illinois-based supplier Bag Makers, Inc. (UPIC: BAGMAKRS) and wears many hats, including avid environmentalism and product safety and compliance. 815-923-2247 ext. 3340 don@bagmakersinc.com

Going, Going... Green

IF YOU WANT TO HIT YOUR NEXT PROMOTION OUT OF THE PARK, PITCH ECO-FRIENDLY PRODUCTS.

By Audrey Sellers

The promotional products industry has gone green. If your clients haven't asked you about eco-friendly products, it's probably because you're already in their office with a full crop of green items, ready to get their message out.



Dry cleaners, alteration shops and retail stores can broadcast their eco-friendly commitment with **PROMOHANGERS™**, which are made from recycled plastic and cardboard.

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This is because "people realize that eco-friendliness has become one of several important factors when making an educated and value-driven choice," says Don Martin, president of Denver, Colorado-based supplier Bloomin' Promotions (UPIC: Bloom108). "The eco-factor has become equal to quality, price and service. Consumers realize that if all else is equal, or even close, why not make the right choice for our planet?"

Melanie Stevens, national sales rep/key accounts for Appomattox, Virginia-based supplier Fabriko (UPIC: FABRIKO), agrees. "Two years ago, buyers were most interested in what was the maximum amount of product they could purchase for each promotional dollar. Today, they're more interested in using that same budget to acquire more eco-friendly products that better represent their brand," she says.

And this trend isn't going anywhere, says Martin. "Customers demand eco-friendly items and this demand isn't going away—it will simply become the norm. Distributors who offer and specialize in these products demonstrate knowledge, integrity and foresight. They're the ones who will win big jobs and long-lasting, profitable relationships."

To be on top of the green game, know your stuff. Stevens says that many distributors are fooled by suppliers touting products as green, when they're really only reusable. "Distributors must educate themselves on what makes a product green. Know the difference between post-industrial and post-consumer recycled material. Know the difference between organic and environmentally sustainable," Stevens says.

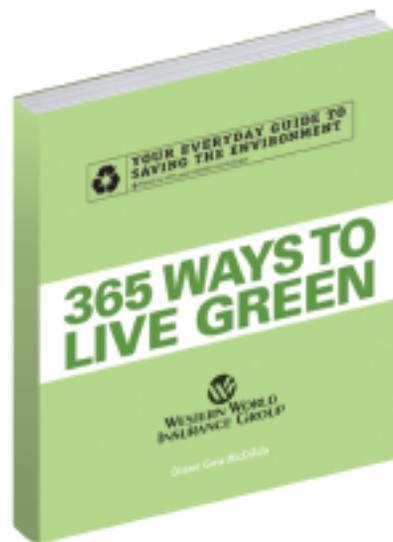
"Our industry has made vast strides improving its own environmental image and commitment to sustainability," says Martin. "Corporate America has no problem paying a premium to communicate their environmental messages. This trickle-down effect will have a far-reaching and long-lasting benefit to the industry and our planet."

Audrey Sellers is an associate editor for PPB.



365 Ways to Live Green: Your Everyday Guide to Saving the Environment is stocked with tips on how to live a green life, such as creating biodegradable cleaning products and switching to eco-friendly clothes and accessories.

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HERE'S A FRESH IDEA:
 Apartment communities can encourage green living by distributing copies of this book to new residents.

Shoppers Go Green With Organic Totes

Challenge: A small health-food market chain wanted to show its commitment to the environment and encourage shoppers to bring their own reusable bag. When a segment on the "Oprah Show" featured a reusable shopping bag for \$9.99, the store wanted to offer a comparable bag at a more economical price point.

Solution: The right bag for the job was the V Natural™ Grocery Tote from Vitronic Promotion Group (UPIC: ACHIEVER), which is made from 100-percent organic cotton and features 26-inch handles and a seven-inch gusset.

Result: The market ordered 1,000 bags, which sold out in less than a week, netting the market \$3,000. The market was sold on the promotion's validity and immediately placed an order for 1,000 additional totes.



Seed Paper Products are handmade from post-consumer recycled paper and natural organic pigments and embedded with seeds. When planted, they sprout into flowers, trees and herbs.

Bloomin' Promotions
 UPIC: Bloom108
 800-894-9185
www.bloominpromotions.com

Fast Fact: Nearly nine out of 10 Americans claim that the phrase "conscious consumer" describes them well, which means they're likely to buy from eco-friendly companies. Source: BBMG Conscious Consumer Report



✓ HERE'S A FRESH IDEA:
In honor of Earth Day, businesses can distribute these kits to employees, vendors and customers.

Green up your next campaign with the 100-percent compostable **EarthAir Tree Kit**, which includes a globe-shaped container made from corn starch, a coconut fiber growing pellet and tree seeds.

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www.spectrumpromo.net



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Fabriko
UPIC: FABRIKO
800-558-0242
www.fabriko.com

Fast Fact: More and more organizations are going green at the office—50 percent have implemented a formal or informal environmental policy. *Source: 2008 SHRM Green Workplace Survey*

Made from reclaimed wood-furniture scraps, the **Woody**® and **Woody Widebody**® pens feature a steel clip made from recycled metal, a recyclable brass cartridge and nontoxic black and blue inks.

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www.goodkindpen.com



CASE STUDY

A Greener College Campus

Instead of building a new parking area, Ripon College, situated halfway between Madison and Milwaukee, Wisconsin, wanted to put a green spin on the school's limited parking situation. Campus head honchos encouraged freshmen to leave their cars at home by offering a two-wheeled incentive: a mountain bike accompanied by a helmet and Master lock.

Dubbed the "Ripon Velorution Program" (RVP), it gave incoming students the option to sign an RVP pledge that they wouldn't bring a car to campus. If they made it the full academic year without a vehicle, they kept the mountain bike and accessories.

Take a cue from Ripon College and help your clients launch an eco-friendly get-fit campaign or employee wellness program using bikes and coordinating products such as helmets and sports bottles.

Source: Premium Incentive Products magazine



Dole out **Eco Wrist Bands** at any event to spread your client's message. They're made from recycled silicone and are offered in any custom color, including glow-in-the-dark.

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Raising The Bar On CSR

CORPORATE SOCIAL RESPONSIBILITY IS ALIVE, WELL AND ON THE RISE. HERE'S WHAT SAVVY COMPANIES ARE DOING TO BOOST THEIR RESPONSIBILITY QUOTIENT.

By Brittany Glenn

These days it's common to visit a company's website and read something about its commitment to corporate social responsibility. But what exactly does corporate social responsibility—CSR for short—mean anyway? For starters, it's closely related to sustainability—another modern-day buzzword. In a nutshell, CSR is about being a good corporate steward of the environment, your employees, your company's economic strength, your supply chain and your community.



In the past, businesses demonstrated their magnanimity by simply writing a check to their charity of choice. It didn't hurt that it was a tax write-off. But stakeholders today expect much more from corporations; they need to do more than write a check to United Way. Companies' contributions must be wider in scope, deeper in commitment and broader in vision.

Carol Cone, founder of the strategy and communications agency Cone LLC, says CSR is about finding shared value between a corporation and the community. "When you find the shared value, you can create new products and services," she says. "You can help solve a need of the corporation as well as help solve a social need. There is deep, deep alignment. And the commitment is long-term and sustainable."

"Blue is the new color. Blue is all about pulling it together with everybody in the community and corporations on the same page."

—Doug Smith, Fossil

Americans reward companies that are good corporate citizens and back off from companies they deem irresponsible, according to the 2007 Cone Cause Evolution & Environmental Survey conducted online by Cone. The more than 1,000 respondents (46 percent men and 53 percent women) in the survey revealed:

- 91 percent of Americans have a more positive image of a company when it is environmentally responsible.
- 85 percent of respondents would consider switching to another company's products or services because of a company's negative corporate responsibility practices.
- 79 percent would refuse to invest in that company's stock.
- 77 percent would refuse to work for that company.
- 66 percent would boycott the company's products or services.

Blue Is The New Green

In its "Ten Trends for 2008" report, advertising giant JWT predicted blue will become the new green in 2008. Green isn't dead, the report argued; it will just become a subset of blue, which represents a more comprehensive set of ethics. These standards don't

just affect the environment; they affect the sustainability of the planet and its people.

"Climate change has quickly become the driver of environmentalism 2.0, and consumers all over the world understand that climate is all about the seas and the sky—both blue," the report reads. "Environmentalism 2.0 is already a much bigger political and consumer issue than the 1.0 version."

"Blue is the new color," says Doug Smith, vice president of sales and operations for Richardson, Texas-based supplier Fossil (UPIC: FOSS0001). "Blue is all about pulling it together with everybody in the community and corporations on the same page. We've been through this green thing before. It's been going on and off for 20 years. It's really important right now because we're starting to see what we weren't seeing 20 years ago—the aftermath of bad habits."

In the article "Changing Colors"—featured in the July 15, 2008, issue of *American Way* magazine—Adam Werbach, CEO of advertising firm Saatchi & Saatchi, declares the birth of blue. Werbach is the former national president of the Sierra Club, a green champion. Why the switch to blue?

"Sometimes we focus on green as the only end," Werbach says in the article. "Sustainability has four elements—social, cultural, economic and environmental. We need to integrate all these things for sustainability."

CSR is a multilayered approach to corporate stewardship, and these four elements link CSR with sustainability.

Savvy Sustainability

Corporate social responsibility brings innovation and new products, Cone says. "There are ways you can increase revenue with CSR," she says. Take Saint Paul, Minnesota-based supplier 3M, a 2007 Fortune 100 company.

"As we design and source responsibly from an environmental standpoint, Post-it® Recycled Notes represent a key example from 3M of the ability to marry functionality with sustainability," says Tom Mogck, marketing supervisor for 3M Promotional Markets (UPIC: POST-IT). "3M has a longstanding commitment to sustainable development through environmental protection, social responsibility and economic progress."

Post-it® Recycled Notes include a minimum of 30 percent post-consumer content. The cost is 10 percent higher than standard catalog pricing.

Even if your client doesn't opt for recycled Post-it Notes, all Post-it paper is sourced from paper mills certified for sustainable management practices, including the Sustainable Forestry Initiative and the Programme for the Endorsement of Forest Certification. Additionally, 3M has very specific standards for its suppliers and environmental, health and safety standards.

When it comes to corporate social responsibility, 3M is a leader. Reducing greenhouse gas emissions is a priority for the company, which developed a worldwide greenhouse gas inventory



Green Screen: To learn how you can improve your CSR rating and save employees gas, money and time plus save 10-15 percent in packaging costs, visit www.ppbmag.com.



and underwent third-party verification of its base-year emissions.

The results: 3M reduced its worldwide greenhouse gas emissions in 2007 by 62 percent from a 1990 base year; reduced its U.S. greenhouse gas emissions in 2007 by 60 percent from a 2002 base year; reduced worldwide energy use at its operations by 37 percent from 1998 to 2007; and reduced U.S. energy use at its operations by 78 percent from 1973 to 2007.

Corporate Citizens

Corporate social responsibility also encompasses the idea of reaching out to and assisting members of the nearby and global community. During its 62nd annual national sales conference this year, Lewiston, Maine-based distributor Geiger (UPIC: geiger) formally introduced its community giving program, “Geiger Inspires.” Geiger sales associates raised more than \$6,000 for a homeless shelter in Lewiston. “At our sales conferences, we adopt a cause and challenge attendees to donate to it,” says Peter Geiger, executive vice president. “Our hope is that we’re inspiring others to give back.”

Geiger has been giving to the community for years. “When Geiger moved from New Jersey to Maine in 1955, my father said that the company was going to give back to the community,” says Geiger. “Giving back to the community includes what the company does—writing checks and supporting certain initiatives—and what company employees do for the community.”

Geiger allows employees to take flex time for community work and provides other ways in which people can volunteer.

“If you can match people with their passion, there’s no stopping what they can do,” says Geiger. “The ‘Geiger Inspires’ initiative is really about inspiring what’s important to people as individuals. It’s not just about writing a check, but being part of the community through volunteering.”

“The world is as it is, and we as corporate citizens need to be involved in making it better.” —Peter Geiger, Geiger

“The world is as it is, and we as corporate citizens need to be involved in making it better,” Geiger says. “I would like to think that everybody who’s in business is doing something to help somebody somewhere. I think that’s what makes a good company great.”

Geiger is also doing its part to reduce its environmental footprint on the planet—and save money at the same time. Recently the company modified its boilers and installed 1,300 new lights and a new air compressor, which will reduce the company’s electricity usage by 580,000 kilowatt hours annually, saving the company \$87,000 each year. Geiger’s energy improvements will also keep 377 tons of greenhouse gases out of the air.

The projects were completed in partnership with Efficiency Maine, a program of the Maine Public Utilities Commission. In August, Maine’s PUC Commissioner presented Geiger with a rebate check of \$6,750 in addition to \$41,000 already received from the state program. This money helped offset Geiger’s \$80,000 investment.

So not only did Geiger “go green,” it got some green. And it will keep getting some green, year after year. By installing a new \$30,000 variable speed compressor, Geiger reduced its per-hour operating cost from \$7.45 to \$1.40, saving \$15,000 a year.

It’s not just large companies making changes in how they

operate to better the planet. “MARCO Ideas Unlimited is the sixth company recognized in Washington County, Oregon, for achieving the ‘Recycle at Work’ award,” says Nancy Gudekunst, MAS, president of Portland, Oregon-based distributor Marco Ideas Unlimited (UPIC: MARCO).

MARCO passed the Washington County inspection by equipping each work station with a recycling receptacle, setting office printers to print duplex (double-sided pages), washing and reusing drinkware, using eco-friendly promotional products, recycling catalogs, rescuing scratch paper and shipping supplies and using recycled papers for stationery, brochures and cards.

“If possible, we direct buyers to our ever-growing eco-friendly promotional products choices,” adds Gudekunst.

Anti-Sweatshop Action

Other aspects of corporate social responsibility are workers’ rights and supply chain standards. Enter the Fair Labor Association (FLA), a U.S.-based watchdog. The FLA is a nonprofit organization dedicated to improving labor conditions in factories worldwide by exposing and ending sweatshop conditions, and it has strong ties to the promotional products industry.

“Companies affiliate with the FLA in categories based on their revenue and business model, as well as on their licensing relationship with FLA-affiliated universities for manufacturing *collegiate logoed products* (emphasis added),” states the FLA website.

The FLA holds affiliate members accountable to its Workplace Code of Conduct, a set of guidelines based on International Labor Organization standards. The code includes standards on or against forced labor, child labor, harassment and abuse, nondiscrimination, health and safety, freedom of association and collective bargaining, wages and benefits, hours of work and overtime compen-

“Some universities’ licensing departments will not license a distributor if they do not accept the FLA Code of Conduct.”

—Brandon Boettner, R&D Specialty Company Inc.

sation. Once they join the FLA, affiliated companies make a commitment to conduct audits to identify and correct violations.

A glance at the FLA’s membership roster indicates that a large number of members are also part of the promotional products industry. Of the FLA’s 27 “participating companies,” seven are from the promotional products industry; of the 31 “category B licensees,” 13 are promotional products companies; and of the more than 700 “category C licensees,” there were too many to count.

Brandon Boettner, general manager of Brea, California-based distributor R&D Specialty Company Inc. (UPIC: RDSPP001), says his company joined the Fair Labor Association several years ago. “Some universities’ licensing departments will not license a distributor if they do not accept the FLA Code of Conduct,” Boettner says. “There are some schools out there right now that are so

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Corporate Social Responsibility

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aggressive that if you apply for a license and you're not an FLA member doing these mandatory audits, they won't even give you a license to sell. Eventually I think it's going to become a requirement."

Although many times distributors join the FLA, suppliers must conform to the FLA standards. "We conduct periodic audits of the suppliers we use the most and ask questions to make sure they are in compliance," says Boettner. "We've hired a third-party auditing company to spend time at the factories—both in the United States and overseas—to inspect working conditions, interview employees and so on. We've done about 12 audits, and we've even done some follow-up audits."

Boettner suggests promotional products companies who don't work with colleges still have a good reason to associate with the FLA. "I think it's the social and ethical thing to do," he says.

It may also be a financially wise thing to do. Pending legislation could expose companies importing or selling products made in sweatshops to litigation, monetary penalties and governmental investigation, according to Michael Levine, J.D., a shareholder in the law firm Epstein Becker & Green, P.C., and the chair of its CSR and sustainability group.

"S. 367, also called the Decent Working Conditions and Fair Competition Act, allows private plaintiffs, including retailers' competitors, to sue corporations that have engaged in unfair competition and deceptive trade practices by having obtained merchandise from sweatshops," Levine says.

If this bill were to pass—it has bipartisan support and is currently in committee—suppliers and distributors could be subjected to a nightmare of Prop-65 proportions.

"As time goes on, I think more and more people are going to see that this is

something that is going to be a requirement," Boettner says.

Catalog Conundrum

If there's one CSR/sustainability issue unique to the promotional products industry, it's the amount of paper it produces. Specifically we're talking about the "c" word—catalogs. Suppliers print hundreds of thousands of them, and promotional consultants show them to their clients. At tradeshows, catalogs are everywhere.

"When you go around after [The PPAI Expo] in Las Vegas, you'll notice we're still very heavy on paper—catalogs," says Smith.

Consider the findings of a 2007 report from the Environmental Paper Network: The paper industry is the fourth-largest contributor to greenhouse gas emissions among U.S. manufacturing industries;

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paper accounts for 25 percent of landfill waste, the largest of any single component; and paper production facilities are some of the world's largest consumers and polluters of fresh water.

Tom Carroll, vice president of marketing and sales for Tulsa, Oklahoma-based supplier SELCO Custom Time, Inc. (UPIC: SELCO), says his company is planning to reduce the amount of catalogs it prints next year. "Five or 10 years ago, distributor salespeople used catalogs a lot more than they do today," he says. "We've seen that really diminish tremendously. It's allowed us to really start cutting back. Now we're trying to push people to the website and the different databases that exist. That's where most people do their research."

Additionally, when people tell SELCO they don't want catalogs mailed to them, the company codes the information into its database. When SELCO launches a new catalog, it pulls those people out and honors that request. "This year, we're estimating our catalog will be 15 to 20 pages less," says Carroll. "We would like to not print a catalog, but we're not to that point yet.

However, we're going to print at least 20 percent fewer catalogs this year."

MARCO's Gudekunst says her company has greatly reduced its reliance on catalogs with "client-safe vendor websites." She adds, "We limit the quantity of catalogs we order, refuse unordered cases of catalogs and recycle every outdated catalog. Unsolicited distributor catalogs, which are sent out frequently, could be considered a breach of eco-awareness."

Fossil deserves kudos for its catalogs, which bear the Forest Stewardship Council stamp. This means they are independently certified to assure consumers that they come from forests managed to meet the social, economic and ecological needs of present and future generations. FSC standards are globally recognized as the highest social and environmental standards in forestry.

Waving a competitor's catalog the size of a Fort Worth, Texas, phonebook, Fossil's Smith says, "Companies aren't deep-inventorying all this product." He adds, "There's no way, with all these categories, that they are inventorying really deep. They have an A, B and C inventory plan. On their A styles—those are their proven bestsellers—

they're probably inventorying 10,000 deep. This catalog is heavy in B and C product, of which they stock very little, so why even have it in here? Why not just put it on your website?"

Good question. "A lot of distributors rely on paper—catalogs—for their customers," Smith says. "They'll put these catalogs in three-ring binders and that's their tool. And we're here to support the distributor model with tools they can sell from. We have to figure out how to communicate to distributors, and distributors have to figure out how to communicate to their clients, without paper. I think the internet is the answer.

"There are 5,000 suppliers out there," Smith adds. "I'm thinking, 'Wow, we use a lot of paper.' A lot of these companies' catalogs list all the associations they're affiliated with on the backs of their catalogs. That's pretty impressive. But I think one [thing] that needs to be added is a symbol that stands for their contribution to this whole green thing." 

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