

PRESENT THE SOAP AND DETERGENT ASSOCIATION'S

CONVENTION NEWS DAILY

A supplement to Chemical Week

Tuesday, January 27, 2009

PROTECTING FUTURE GENERATIONS

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Working in harmony to meet today's needs without compromising future generations.

To learn more about the sustainability efforts of SDA members please visit:

www.cleaning101.com

THE SOAP AND DETERGENT ASSOCIATION

www.SDAScience.org
www.CleaningProductFacts.com

www.itvasnap.org
www.AgainstDisease.com

SDA UNVEILS THE WALL OF SUSTAINABILITY

The theme of the 2009 SDA Annual Meeting & Industry Convention is "Protecting Future Generations." One of the highlights of this year's event is the unveiling of The Wall of Sustainability.

The Wall is a collage that communicates how SDA member companies are showcasing their sustainability efforts – environmentally, socially and economically—and how they are working to protect future generations throughout their business operations.

Not only will the Wall be featured during Convention Week, it will travel to a variety of meetings and conferences this year to help stakeholders, educators, health professionals, global partners, and consumers see for themselves how committed our industry is to advancing health and environmental quality, social well-being and economic growth.

CONTINUED SUCCESS WITH SCIENCE-BASED ADVOCACY

Q&A WITH SDA PRESIDENT AND CEO ERNIE ROSENBERG

What have been the accomplishments of SDA's science-based advocacy in 2008?

There are quite a number. The biggest thing is that our reputation and our approach to advocacy created a very strong working relationship with both the Canadian and the U.S. regulators at the career-level.

That means that a lot of those relationships are stable for the coming administration. In fact, I think the new people coming in will be told that "we are folks that you can actually work with, we are progressive, we are substantive, we understand the science, and we understand chemical regulation."

What will SDA focus on in 2009?

We will have two main focuses in 2009. We will be doing anything we can to enhance the value of SDA to our members on the business to business side. In difficult economic times, making member-

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In Touch with Nature



Take a look at the green credentials of Croda and give your home care and I & I products **'a natural touch'**.

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CRODA

INDUSTRY DIALOGUE

EXAMINING THE “CLEAN GREEN SCENE”

SDA chaired a November 2008 conference that provided a major intersection of dialogue on regulatory, legislative, research, manufacturing and marketing trends related to all things “clean” and “green.”

“What’s New on the Clean Green Scene: Cleaning Products 2008” was organized by IntertechPira and featured speakers from government, industry, the news media and the non-profit sector who shared new information on formulation and marketplace trends.

The 2009 Cleaning Products Conference will again be held in Alexandria, Virginia November 2-4. Look for more information at www.cleaningproductsconference.com.



Clive Davies, Chief of EPA's Design for the Environment program, talks about the cleaning product industry's interest and participation in DfE.

Marsha Hardin, Senior Technical Service Manager, Reckitt Benckiser, takes part in one of the conference's lively Q&A sessions.



Michele Radecki, SDA General Counsel, outlined SDA efforts to support and enhance the Federal Trade Commission's Green Guides.



Pamela Helms, Vice President, Research & Development, The Caldrea Company, highlighted cleaning product marketplace trends in a talk entitled, “Green as the New Black: Fashion or Forever?”

CONSUMER PRODUCT INGREDIENT COMMUNICATION INITIATIVE

The Soap and Detergent Association (SDA), the Consumer Specialty Products Association (CSPA), and the Canadian Consumer Specialty Products Association (CCSPA) have developed an ingredient communication initiative as a way to provide consumers with information about the ingredients in products in four major categories: air care, automotive care, cleaning, and polishes and floor maintenance products.

This proactive voluntary program has been collaboratively launched by the three associations to meet the changing needs of consumers and the marketplace by creating a uniform system for providing ingredient information to consumers in a meaningful and easy-to-understand way. This initiative provides different means to inform consumers about the ingredients in products: on the product label; on the manufacturers', distributors', or importers' website; through a toll-free telephone number; or through some other non-electronic means.

This program builds on the already strong foundation the industry has established for sharing information with consumers. It is largely based upon the labeling conventions in use today in the U.S. for food, drugs and cosmetics that consumers are already familiar with. Through this program, participating manufacturers, distributors and importers will take an additional, significant step toward meeting consumer desire for more information about the products they use.

PROGRAM DETAILS:

The program's four covered product categories include: air care (e.g. air fresheners), automotive care (e.g. antifreeze), cleaning (e.g. dish care, laundry detergents, household cleaning), and polishes and floor maintenance products (e.g. waxes, polishes).

All ingredients in these product categories will be listed, except incidental ingredients that have no technical or functional effect in the product.

Dyes, fragrances, and preservatives can be identified by class/function descriptors. For example, dyes, fragrances, and preservatives may be identified as “dyes,” “fragrances,” or “preservatives.” Chemical function or chemical class descriptions can also be used where there is a need to protect confidential business information.

Ingredients present at concentrations greater than one percent will be listed in descending order by predominance. Ingredients present at concentrations of less than one percent will be listed without regard to the order of predominance.

Ingredients will be listed by either: the International Nomenclature Cosmetic Ingredient (INCI) name, the International Union of Pure and Applied Chemistry (IUPAC) name, Chemical Abstract Service (CAS) name, or by the common chemical name.

Ingredients will be listed either on the product label, through the manufacturers', distributors', or importers' website, through a toll-free telephone number, or through some other non-electronic means.

This is a voluntary program that will take effect in January 2010.

More information on the initiative can be found on the associations' websites:

SDA – www.cleaning101.com CSPA – www.cspa.org CCSPA – www.ccsa.org

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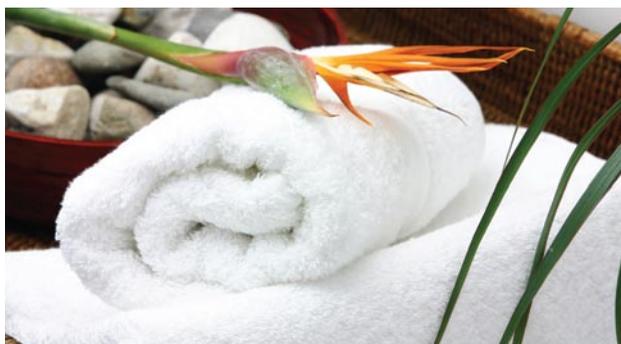
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SDA *Science*

AT YOUR FINGERTIPS: SDASCIENCE.ORG

New Online Source Provides Scientific, Technical Information on the Safety and Benefits of Cleaning Products and Their Ingredients

The Soap and Detergent Association (SDA) formally launched SDAScience.org, a website that shares publicly SDA's vast portfolio of research on the safety and benefits of cleaning products and their ingredients.

"SDAScience.org puts valuable technical and scientific information at your fingertips," said Richard Sedlak, SDA Senior Vice President of Technical and International Affairs. "The research and data available here helps inform the public on the safety of cleaning products and their ingredients. Sharing this information is part of the long-standing commitment to product stewardship demonstrated by SDA and our members."

SDAScience.org will be continuously updated. While online, visitors can find information on the human health and environmental safety of cleaning products and their ingredients; a compendium of information compiled through SDA's High Production Volume (HPV) Chemical Consortia; and a glossary of terminology commonly used in the cleaning products industry, among much other information.

"SDA's technical work on chemical management approaches and general issues undertaken as part of the industry's product stewardship efforts over the years is also available on the site," added SDA's Sedlak. "Much of this work was conducted in collaboration with industry, non-industry and governmental organizations."

DETERGENT ENZYMES PUT A GREEN FOOT FORWARD

Detergent manufacturers looking to enhance their sustainability profile can enable low-temperature washing and replace harmful builders by using detergent enzymes, says Novozymes. "Reformulating with enzymes is the low-hanging fruit that helps formulators improve detergent sustainability and performance without compromising costs," says Michael Carlsson Lauesgaard, marketing manager for Europe at Novozymes.

Enzymes are efficient at lower temperatures, helping maintain a high level of performance without the energy-intensive step of heating water. Using cold water reduces the energy used in the entire life cycle of laundry detergent by 75%, the company says.

Enzymes also provide detergent manufacturers with a biobased alternative to chemicals that are already banned or are at risk of being banned in several countries. For example, a multi-enzyme solution optimized for a particular formulation can substitute phosphate builder STP/STTP, which has been banned in several countries for depleting oxygen in fresh water. The enzymes are also readily biodegradable, Novozymes says.

In addition to raising the sustainability profile of a detergent, enzymes provide cost structure stability to manufacturers. The biggest chunk of detergent formulation cost is dedicated to surfactants and builders, Novozymes says. While the price of these ingredients has increased over the past few years, the price for enzymes has remained relatively stable.

—CW staff



The earth-friendly answer: Novozymes detergent enzymes reinforce sustainability efforts.

BOARD ELECTIONS

COLGATE'S WALLACE, ECOLAB'S BERGER LATEST SDA BOARD MEMBERS;

New Officers Include SC Johnson's Hutterly, Clorox's Peiros.

At its November 2008 meeting, the SDA Board of Directors elected executives from Colgate-Palmolive Company and Ecolab Inc. as its newest members:

- Dr. Larry Berger, Senior Vice President and Chief Technical Officer, Ecolab Inc.
- Noel Wallace, President, Colgate U.S., Colgate-Palmolive Company.

The Board also elected two new officers:

- The new Association Vice Chair is Jane Hutterly, Executive Vice President, Worldwide Corporate & Environmental Affairs, S.C. Johnson & Son, Inc.
- The new Association Treasurer is Larry Peiros, Chief Operating Officer, North America, The Clorox Company.



Dr. Larry Berger, Ecolab



Noel Wallace, Colgate-Palmolive Company



Jane Hutterly, S.C. Johnson & Son



Larry Peiros, The Clorox Company

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The Chemical Company

Continued from page 1

ship in SDA a cost-effective way of dealing with your customers and suppliers I think is going to be very important. To our members, in the near term the economy overrides most other considerations. Our second main focus will be chemical management. We're going to have both domestic and international chemical management activities to interact with. We're going to have both federal and state on the domestic side. There are very few other things that could severely inhibit our members' ability to formulate, or to innovate, and so we have to give first attention to those things that really could undermine the products.

We will continue our educational work, we'll continue our outreach on hygiene, making sure we that people understand that health and hygiene are closely linked. We'll continue to reach out to our stakeholders to see what their concerns are. We'll be working on ingredient communication and putting into effect the program that we announced in November that will go into effect in 2010.

How has SDA addressed feedstock availability concerns this year?

Our biggest achievement this year for assuring feedstock availability was our successful tallow defense. The energy bill that had passed included a provision that was initially put in by U.S. Congressman Lloyd Doggett (D-TX). The provision made sure that the green chemical industry didn't have its feedstock access taken away by the diversion to biodiesel production. One particular tax incentive for biodiesel would have allowed tallow to be used in refineries, potentially wiping out our access to tallow. The incentive was killed, a big win for our industry as well as others that use animal fats and glycerin.

Feedstock availability is affected by which ones will get favored treatment in green chemistry programs. We work to assure that members have maximum access to a range of feedstocks. We also help assure that alternative ingredients are not eliminated by inappropriate regulatory restrictions. The availability of ingredients is supported by our ability to defend the use of chemicals in cleaning products so long as there is not excessive adverse risk—that is, risk that would result in injuries, even if people are following our directions. Our risk-based approach makes sure no feedstocks are taken off the table because of unfounded regulatory provisions or concerns.

What are the biggest challenges facing the cleaning products and oleochemicals industries this year?

The biggest challenge for our industry is the economy. Everyone looks at the world through its own keyhole so we as an association have a tendency to look at issue challenges, such as regulations. But SDA has to share the concerns and priorities of its members. Economy, economy, and the economy are the top three concerns. Another concern is getting to know an array of new officials in the new administration and Congress, including a new career chief of EPA's Office of Prevention and Toxic Substances.

We don't want to be lumped together with everyone else; we are science-based, progressive, and competent in the areas we address to a degree that we don't think anyone else could match.

The biggest opportunities?

Some of the opportunities look like the biggest challenges. As we get to know the new people and get the new people to see the value of what we've done—for example screening risk in our HPV initiative or supporting EPA's ChAMP—they'll

also see how forthcoming our members are in increasing ingredient communication. We have a very good story to tell, and we have a fresh opportunity to get the word out about the good things we've done.

Why did you pick the theme "Protecting Future Generations"?

The theme "Protecting Future Generations" enhances our focus; sustainability and future generations are inextricably intertwined. The definition of sustainability is 'meeting the needs of the current generation without compromising the ability of future generations to meet their own needs.' We are evolving our sustainability program, which includes our new Ingredient Communication Initiative.

We are looking at the development of metrics for sustainability that can be shared among our members. Activities for enhancing the sustainability of products are all focused on what is going to be coming in the long run. We need to constantly improve products by moving more and more to resource efficiency in laundry, hard surface, and personal care. Because of our science-based perspective, what we pursue is lasting and won't only be applicable this year or next. We make sure that we have the best science to be protective in the future and not just in the near term.

What is the SDA's view on what makes a product truly "green"?

What is truly green is different in the minds of each consumer and every group; it's a marketing term used by companies trying to look for innovations in their products that they can justifiably claim have an edge over the competition. It's not a scientific term. Having said that, it is very clear that if you make a product work in cold water, that is a movement toward being green in the extremely important area of energy efficiency. Concentrated products have a smaller environmental footprint by reducing the energy, packaging and water used in their lifecycle. High efficiency detergents are a critical part of green chemistry. We wouldn't have green machines without green detergents to make them work as well as traditional machines do. Some believe avoiding petroleum-based products is green. Some people believe avoiding palm oil-based products is green. The answer is to use is both in a safe and environmentally responsible manner.

What other projects has SDA been working on?

There were several programs started in 2008 that



SDA President and CEO Ernie Rosenberg

are still ongoing. We are working closely with our allies and the DTSC (Department of Toxic Substances Control) on California green chemistry. That legislation ended up being a lot less onerous than we feared. Now we are working with the DTSC on implementation.

We also protected the use of fabric softener sheets in California, persuading regulators that limits on VOCs—that would basically have banned them—were not necessary to meet the State's ozone reduction requirements.

We are working with EPA's Design for the Environment (DfE) program and other green chemistry groups, helping them look at criteria that make sense for our products to push the environmental envelope, and meet the needs of consumers and those doing green procurement.

We also started an SDA website on science, SDA Science.org, that contains the tremendous work that has been done by SDA cleaning product ingredients. We published "Against Disease: The Impact of Hygiene and Cleanliness on Health", which pulls together the current science on the nexus between cleaning and health.

In many cases SDA's work is not about defeating something. It is a case of using good science and getting advocates of various programs to see it our way or be engaged with us—a process that we think will have a good outcome in the future. —CW staff

SDA, ASM Press Release Honored With Non-Profit PR Award

SDA and the American Society for Microbiology (ASM) were honored with the best Press Release award by PR News' 2008 Non-Profit PR Awards. SDA's PR agency, Ogilvy Public Relations Worldwide, shared in the honor, which was announced during a December 4 awards luncheon at the National Press Club in Washington, D.C. The winning press release promoted the results of SDA and ASM's 2007 public handwashing observational study on public handwashing habits. Distribution of the press release and coverage of SDA and ASM's joint press conference led to hundreds of stories around world, including features and/or mentions by the Associated Press, USA Today, Wall Street Journal, WebMD, Good Morning America, and CNN, among many other outlets. The survey results allowed SDA and ASM to highlight the importance of cleaning one's hands as the single most important thing people can do to prevent the spread of germs and illness. Earlier in 2008, SDA's 2006-2007 Report to the Membership received an Honorable Mention in the Annual Report category in PR News' 2008 Platinum PR Awards, which recognizes both corporate and non-profit communications. SDA and Ogilvy Public Relations were among the top five finalists in the competition.



AKZONOBEL TO DOUBLE MCA CAPACITY IN CHINA

AkzoNobel says it will double capacity of its Taixing, China monochloroacetic acid (MCA) plant to 60,000 m.t./year by the fourth quarter of 2009. The key focus will be to serve the increasing demand for high purity MCA from the agchems, carboxymethylcellulose and surfactants sectors, says Lars Andersson, general manager AkzoNobel/MCA. The expansion will reinforce AkzoNobel as the largest global producer of MCA as well as the largest in China, says Joppe Smit, marketing manager/Asia Pacific. The latest expansion will raise AkzoNobel's combined capacity to more than 200,000 m.t./year. The company also operates MCA plants in Sweden and the Netherlands, and has a 50% stake in Denak, a jv with Denki Kagaku Kogyo, which operates an MCA plant at Omi, Japan.

EIGHT PILOT SURFACTANTS ACHIEVE CLEANGREDIENT STATUS

Pilot Chemical says eight of its surfactants were listed on CleanGredients, an online database of independently verified information concerning the human health and environmental attributes of surfactants used in cleaning products. NSF International provided the third-party certification and environmental screening using the EPA's Design for the Environment program, which identifies surfactants with "especially positive environmental characteristics," Pilot says. The listed surfactants include Calfoam® ES-302, Calfoam® ES-303, Calfoam® SLS-30, Calsoft® AOS-40, Calsoft® L-40, Calsoft® LAS-99, Caltaine® C-35, and Pilot® SXS-40. —CW staff

RHODIA ACQUIRES MCINTYRE GROUP FOR \$100 MILLION

Rhodia says it has signed an agreement to purchase specialty surfactants manufacturer McIntyre Group (Chicago) for \$100 million from cash on hand. The acquisition extends Rhodia Novacare's product range for personal cleansing and extends its offer for hair care, as well as home, institutional and industrial cleaning markets, Rhodia says.

While 90% of the McIntyre Group business is in personal care, the acquired company also manufactures chemicals for oilfield and agrochemical applications, Rhodia says.

McIntyre employs about 200 people and owns manufacturing facilities in Illinois and the United Kingdom, Rhodia says. The company achieved estimated sales of \$146 million in 2008 and a recurring EBITDA margin around 10%. Rhodia says it expects to double this EBITDA by 2011 through cross-selling, supply chain, and procurement synergies, the company says. The deal is in line with Rhodia's strategy of growing in business areas and leverage technologies where it already has leading positions, says Tom Benner v.p., Rhodia. The deal also "reinforces [Rhodia's] presence in innovative markets which are largely resistant to economic downturns," says CEO Jean-Pierre Clamadiou.

The deal is expected to close in the first quarter, subject to closing conditions and approval by U.S. and EU antitrust authorities. —CW staff



Clamadiou: Deal Reinforces Rhodia's presence in markets largely resistant to downturn.

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JOHNSONDIVERSEY, SC JOHNSON RECOGNIZED FOR PHASING OUT NPES

The EPA has recognized JohnsonDiversey and SC Johnson for voluntarily committing to use safer surfactants in its cleaning product formulations. Both companies have been recognized under the EPA's Safer Detergents Stewardship Initiative (SDSI).

SC Johnson earned the designation for its Greenlist process, a classification system that rates raw materials base on their impact on the environment and human health, using a variety of factors including toxicity and biodegradability. The system was developed in 2001, with input from the EPA, and is available royalty-free to other companies, SC Johnson says.

SC Johnson says it has removed more than 61 million pounds of volatile organic compounds from the environmental footprint of its products since Greenlists' implementation.

JohnsonDiversey stopped producing and selling products that contain any alkylphenol ethoxylates (APEs), which include nonphenol ethoxylates (NPEs), though it began to phase out the chemicals several years ago to comply with SDSI. APEs have been found to harm aquatic life.

Eliminating APEs "from our products was the responsible action to take," says JohnsonDiversey president and CEO Ed Lonergan. "We're proud we can tell our customers and our communities that we're setting standards for our products that are more stringent than current regulations in order to

protect human health and the environment."

The EPA has identified safer detergents as those that protect aquatic life by breaking down quickly into non-polluting compounds. Studies suggest that as APEs break down in the environment the resulting components are potential endocrine disruptors that may result in reproductive toxicity, JohnsonDiversey says. The components are also considered toxic to some aquatic species.

JohnsonDiversey says it focused its attention on finding NPE alternatives that biodegrade well and on ensuring that the components they biodegrade into are not themselves toxic. "That was the problem with NPEs," says Robert Israel, director/global environmental sustainability and regulatory affairs at JohnsonDiversey. "NPE biodegrades into nonphenol, which is toxic to fish."

JohnsonDiversey says it began phasing out use of APEs in the 1990s and continued to seek alternative formulations well before publicly committing to eliminating them from products in 2007. The company says it stopped using APE's as a formulat-



Lonergan: "The responsible action to take."

ing component by late 2006, and that the second stage of its phaseout was completed in 2007, when the company stopped buying chemical mixtures that contained APEs. The company says its efforts have stopped 2,250 tons/year of APEs from reaching the environment.

"The push for greener products is definitely on everyone's mind these days," Israel says. "Many of our customers wanted to be able to say they use greener ingredients in their own products, but there was confusion about what it really meant to be green."

One misconception about green products is that they are automatically priced at a premium, Israel says. "Initially, we thought that moving away from [APE] use would be more expensive. Some of the ingredients in the new formulations were more expensive, while others were less, so the move ended up being largely cost neutral."

NPEs were one of three chemicals that Wal-Mart (Bentonville, AR) said in 2006 that it would ban from its shelves. Wal-Mart says it is working with its suppliers to develop a time line to fully phase out the products. The EPA has not banned APEs, but Japan and many countries in Europe have. Canada has also tightened its APE regulations.

Meanwhile, JohnsonDiversey says it maintains a "yellow list" to identify other chemicals of concern. The list is a roster of chemicals that it watches closely due to their potential toxicological concerns, increases in regulation, or pressure from customers to move away from their use. Chemicals with sufficient environmental or regulatory concerns are moved to a "red list," indicating that they are banned from all JohnsonDiversey products, Israel says. —*CW staff*



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TRACKING THE COST OF CHANGE

The cleaning products industry will monitor U.S. policy changes after President-elect Barack Obama takes office, and will be working to avoid new laws or regulations that are not based on sound science, industry representatives say. A top priority for industry is obtaining an economic stimulus plan that will promote recovery and avoid creating financial disincentives for U.S.-based producers. The industry also will work to ensure any new laws or regulations are risk-based instead of hazard-based, according to the Soap and Detergent Association (Washington). Consumer concerns about product ingredients and increased public focus on sustainability could generate more consumer scrutiny of product ingredients, and industry is working to assure customers it is committed to disclosing that information, sources say. SDA and two other associations have released an ingredient communication initiative as “a way to provide

consumers with information about the ingredients in products.” The initiative divides products into four different categories, and requires companies to list their product ingredients “either on the product label; through the manufacturers’, distributors’, or importers’ website; through a toll-free telephone number; or through some other non-electronic means,” by the beginning of 2010. The industry also supports the voluntary Chemical Assessment and Management Program (Champ) testing program, which will build on the work done under the voluntary high production volume (HPV) testing initiative. Industry representatives say Champ testing data will work to reassure lawmakers and the public about product safety without generating high costs such as those associated with the rigorous mandatory registrations required by the EU Registration, Evaluation and Authorisation of Chemicals (Reach) program. —*CW staff*



Change of Office: New administration may bring policy changes with it.

UNILEVER SELLS OIL UNIT, BUYS COSMIVOIRE'S SOAP BUSINESS

Unilever says it has completed the sale of its edible oil business in Côte d'Ivoire and interests in local oil palm plantations, for an undisclosed sum. SIFCA (Abidjan, Côte d'Ivoire), and a joint venture of Singapore's Wilmar International and Olam International bought the assets. Unilever says it simultaneously acquired the soap business of SIFCA subsidiary Cosmivoire (Abidjan), for an undisclosed sum.

STEPAN BUYS TWO ARKEMA UNITS

Stepan has agreed to acquire the quaternary esters and phosphoric esters businesses of Ceca, an Arkema subsidiary. Quaternary esters are used in the production of textile softener and phosphoric esters are used as synthesis intermediates in a range of industrial applications. The two businesses have combined sales of €8 million/year (\$11 million). Stepan says it is the European market leader in quaternary esters for textile softeners.

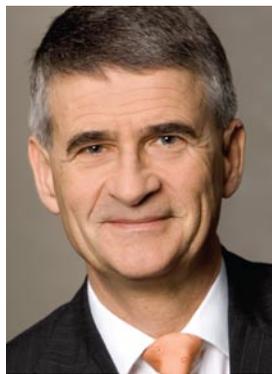
DOW BIOCIDES AND BUCKMAN TEAM UP IN TECHNOLOGY R&D

Dow Biocides, a unit of Dow Chemical, and Buckman Laboratories International (Memphis) have entered a joint development agreement regarding technology R&D for the leather hides preservation market. The globalization of the market for hides and skins, which require mold resistance, has placed “significant demands on product performance,” Dow says. Regulatory and end-consumer requirements for improved safety and environmental stewardship “both in the application of biocides and through the leather article life cycle, place even greater compliance demands on product and supplier,” Dow says. The Dow-Buckman deal will leverage benefits including customer support, field application knowledge, monitoring, and regulatory expertise, Dow adds. —*CW staff*

BASF'S SHIFT TO SPECIALTIES CONTINUES WITH BID FOR CIBA

BASF plans to buy Ciba Specialty Chemicals in the latest M&A deal of a rapidly consolidating specialties market. BASF has made a SF50/share cash offer to Ciba's shareholders, which values Ciba at SF3.4 billion (\$3 billion) or SF6.1 billion including debt and pensions. The two companies have signed a transaction agreement, and Ciba's board has recommended the offer to its shareholders. The merged company would have pro forma sales

of almost €62 billion/year (\$87.9 billion), as well as 160 major sites and 108,000 employees. BASF expects to finalize the transaction in the first quarter of 2009 at the latest and says that financing for the deal is in place. The company expects the acquisition to make a positive contribution to earnings per share in the second year.



Hambrecht: Offering immediate high premium.

BASF's offer corresponds to a premium of 32% over Ciba's closing share price on September 12, the last trading day before the offer was announced, and a 60% premium above Ciba's volume-weighted average share price in the 30 days prior to the announcement. The offer period due to begin on October 1. “Our offer gives Ciba shareholders the opportunity to realize the full value of their investment plus a high premium immediately,” says BASF chairman Jürgen Hambrecht.

CLARIANT TO SELL DICK PETERS B.V. TO ALTANA

Clariant recently announced plans to sell Netherlands-based Dick Peters B.V. to the German specialty chemicals group ALTANA. The transaction is worth €17.5 million and will complement the existing wax emulsion business of the ALTANA subsidiary BYK-Cera. Founded in 1956, Dick Peters employs 35 people and is headquartered in Denekamp, Netherlands. The company had a turnover in excess of Euro 24 million in 2007. “We believe ALTANA will be an excellent owner for Dick Peters. There is a strong strategic fit and the transaction provides ALTANA additional production capacity to meet growing demand,” says Okke Koo, head of Clariant's Pigments and Additives Division. The transaction comprises a 100% share purchase agreement from Clariant including all employees at Dick Peters B.V. The transaction is subject to the approval of the anti-trust authorities.

HENKEL TO SELL ITS ECOLAB SHARES; ECOLAB TO BUY PART OF STAKE

Henkel plans to sell its 29.4% stake in Ecolab, roughly 72.7 million shares, via a public offering to investors. Ecolab has agreed to purchase

\$300 million of those shares directly from Henkel. The offering price was set at \$30.50/share in mid-November, valuing Henkel's stake at roughly \$2.2 billion. Ecolab would repurchase roughly 4% of its outstanding shares based on the offer price.

Ecolab says it will fund the share purchase with available cash, issuance of commercial paper, and possibly committed bank lines of credit.

Henkel has held an investment in Ecolab since 1989 as part of a transaction in which Ecolab and Henkel formed a joint venture in Europe. Henkel announced its intention to sell some or all of its Ecolab shares in February 2008.

“We believe our \$300 million purchase is a sound and timely investment for Ecolab and its shareholders,” says Ecolab chairman and CEO Douglas Baker. “It balances a unique opportunity to invest in a strong and growing asset—Ecolab shares—while allowing us to retain appropriate flexibility in our balance sheet.” Credit Suisse Securities (New York), Goldman Sachs (New York), and Merrill Lynch are acting as joint book-running managers for the offering, and Citigroup (New York) and J.P. Morgan (New York) are serving as co-managers. Ecolab says it also expects continued earnings growth next year, despite an increasingly challenging economic outlook. The company expects 2009 pro forma diluted earnings per share in the \$1.95-\$2.05 range, compared with 2008 results before one-time items of \$1.85-\$1.87/share. The 2009 estimate excludes special gains, charges, and discrete tax items and includes the impact of the agreement announced with Henkel.

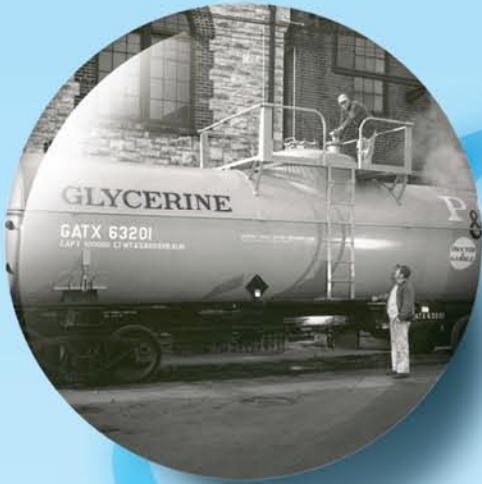
“We presently expect 2009 to see continued revenue growth in fixed exchange rates,” Baker says. “We look for both oil-based and inorganic raw materials to be well-above, year-ago levels in at least the first half of the year and expect significantly unfavorable foreign exchange [rates] throughout the year. We will work hard to offset these headwinds with new products, new account growth, better customer penetration, and an even more aggressive drive to reduce costs and improve operational efficiency.” —*CW staff*



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