

# THE FUTURE IS CLEAN

2019 Sustainability Report







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# HOW WE LEAD

## We're Shaping a Clean Future: Q&A With Melissa Hockstad, President and CEO of the American Cleaning Institute (ACI)®

### How has ACI progressed its sustainability work since your last report?

Since our last report in 2017, we've really prioritized sustainability, developing a new strategy to unite the cleaning products industry under a clear vision for our future. We're pushing a proactive, forward-thinking approach by encouraging the industry to be bolder and to take collective action for greater impact across a set of four critical goals. With our new strategy and goals, it's about doing our part to contribute to broader global ambitions.



### With so many diverse members, how do you engage effectively with them?

One of the amazing things about our work is being able to bring different companies together, from those that manufacture formulated products to those that are producing chemical ingredients. We are a connector. ACI is uniquely positioned to unite members and facilitate the sharing of sustainability knowledge and best practices. By taking a step further and aligning around a shared vision, we have been able to find a way for everyone to be involved, regardless of their role within the industry.

### Would you see yourselves as leaders on sustainability?

Absolutely! I've always been proud of the fact that ACI was an early mover on sustainability 15 years ago. Since then, we've worked with the industry and beyond to help set goals, track progress and push innovations. Together, these are making a real difference to our industry's footprint.

### The next decade could be crucial for the environment – where do you see ACI's contribution helping?

We know that combating climate change needs swift and strong action. We're pushing our members to act fast, think bigger, be fearless and implement ever-more innovative solutions. The actions taken collectively in the next five to ten years could shape our planet for decades, maybe centuries to come; so we all have to take the courageous steps needed to get it right. For ACI, we want to bring the industry together to lead a movement toward a clean and sustainable world.

*Melissa Hockstad*

**ACI is bringing the cleaning products industry together to advance products that make life better for people, the planet and future generations. We want to see a world in which:**

- Cleaning products help people lead healthier lives
- Nature is valued and all of Earth's inhabitants flourish
- Businesses are governed with integrity and enrich communities

Through education, innovation and attention to our impacts, we're leading a movement toward that clean, sustainable world.



# WHAT WE'VE BEEN DOING

## Developing Our Sustainability Organization

Over 15 years ago, we brought our membership together for the first time to discuss sustainability and to consider how ACI could enable sustainable improvements in the cleaning products supply chain. Today, we have a sustainability committee of over 50 companies, which is directly connected to our Board of Directors and supported by a Director of Sustainability.

## Filling Knowledge Gaps

One of the first steps in our sustainability journey was to provide opportunities for members to learn and share knowledge and information across the industry. To support this, we have held 25 webinars since 2012 on subjects ranging from managing water risks to integrating the UN Sustainable Development Goals (SDGs) into business strategy.

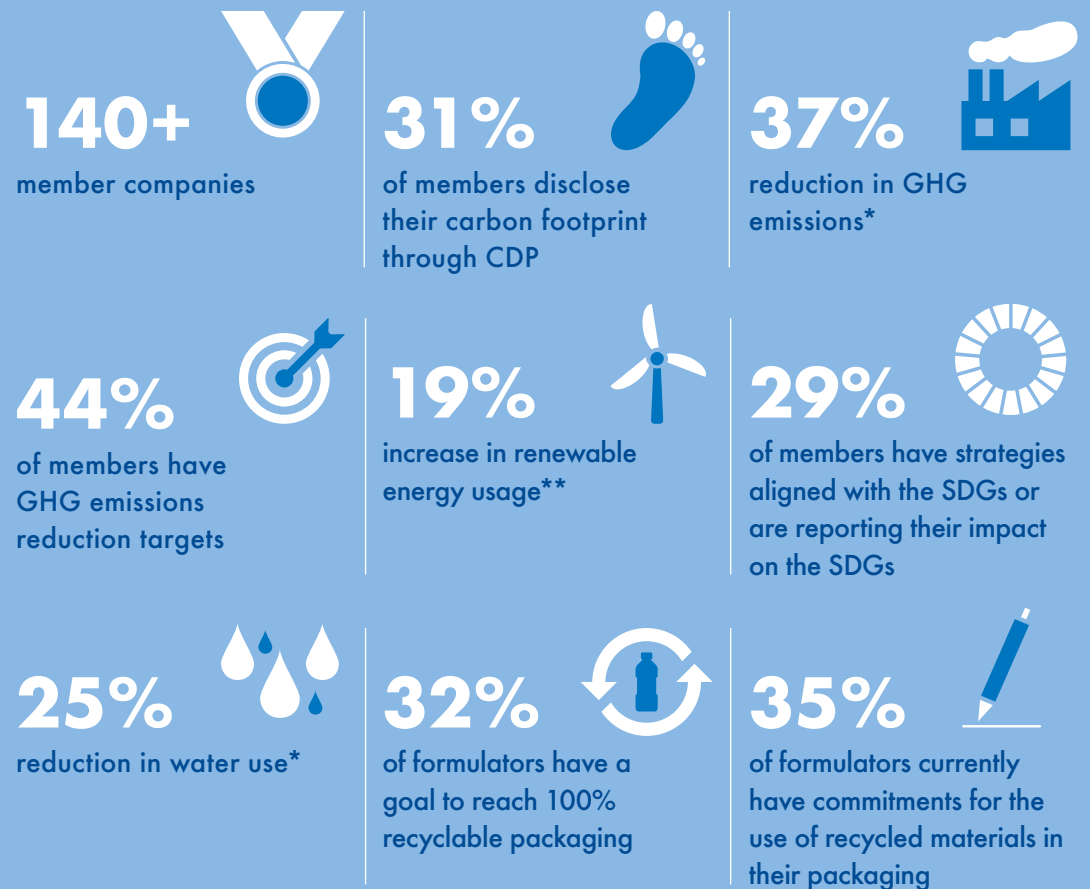
## Harnessing the Power of Convening

As an association of more than 140 members, we are in a unique position to facilitate joint efforts on a shared sustainability vision. As we advance to the next level in our sustainability strategy, achieving consensus on what matters most was a significant milestone for our industry. It has enabled us, collectively, to identify common goals and move forward together in seeking ways to address the sustainability challenges facing our globe.

## Uniting for a Cleaner World

Uniting for a Cleaner World is the name we've given our new sustainability strategy. The strategy will guide our efforts toward a clean future. Uniting for a Cleaner World combines our core strength of collaboration with our commitment to do our part as an industry. Our strategy unites us around four global visions: working for the good health and well-being of all people; acting to limit climate change; driving toward a more circular economy; and advancing the SDGs.

### At a Glance



\* By product formulators since 2008, per metric ton production

\*\* By product formulators since 2008



# OUR SUSTAINABILITY GOALS

**Across our membership, we're Uniting for a Cleaner World to achieve common goals.**

## Increase Transparency

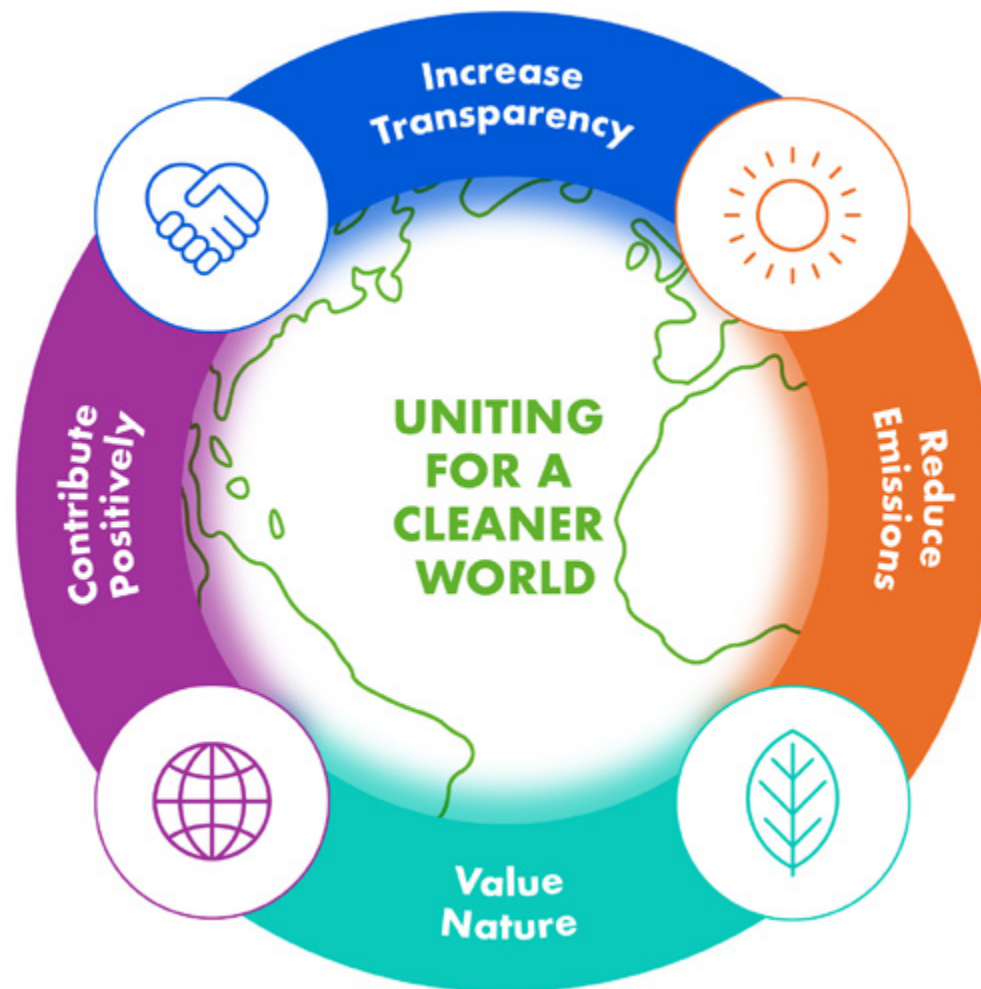
**To uphold good health and well-being for all people**

by providing the information people need to make informed decisions when choosing cleaning products

## Contribute Positively

**To invest in our shared future globally**

by extending our collective impact in support of the UN Sustainable Development Goals



## Reduce Emissions

**To confront global average temperature rise**

by accounting for and reducing greenhouse gas (GHG) emissions across our value chain

## Value Nature

**To move toward a more circular global economy**

by optimizing the use of natural resources, advancing water stewardship and eliminating waste





# UPHOLDING WELL-BEING

A sustainable world is a safer, healthier world.  
It is critical for consumers to have access to products  
that they trust are safe and will get the job done.





# A CLEANER, HEALTHIER WORLD

**Cleaning is more than just removing dirt. It provides essential hygiene that supports and improves health, and prevents the spread of illness. As companies providing essential products to society, we must balance this essential benefit with any potential adverse risks.**

## A Future People Want

Bringing a product into your home to potentially use near your family is a very personal decision. Our homes are our sanctuaries, and maintaining them as a safe and clean environment is critical. People are looking for ways to clean well, at a good price and without harm to those they love or the environment.

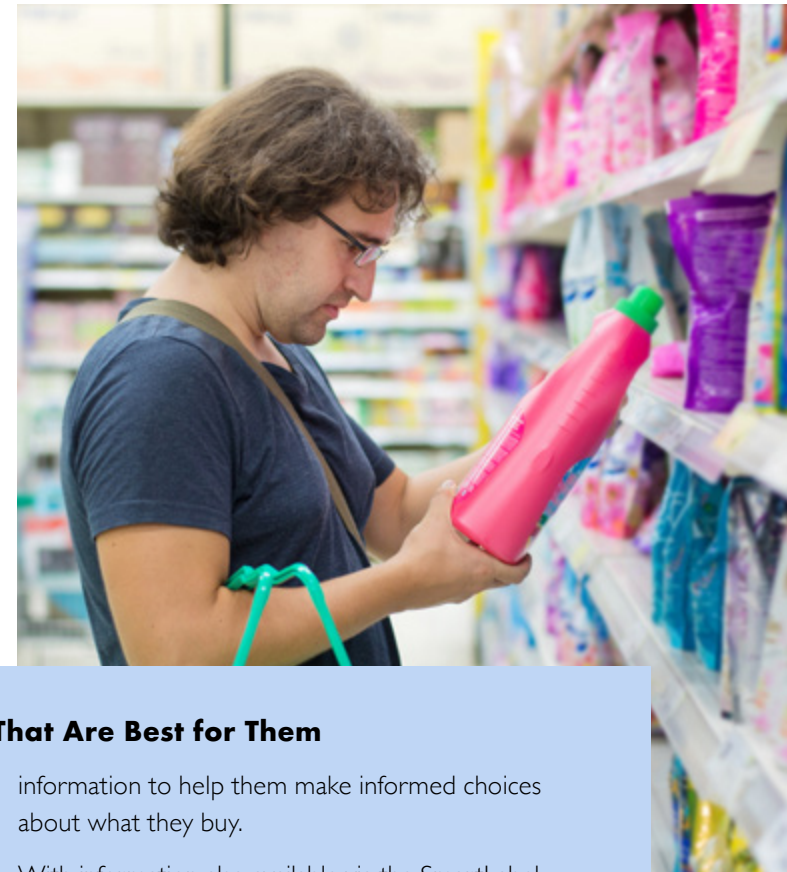
In the U.S., ingredient information was not a required element on cleaning product labels. This has led to inconsistency around the amount and quality of information available on products, resulting in confusion among purchasers. In 2010, ACI helped develop an initiative for sharing information about ingredients. This was quickly and widely adopted by ACI members.

**ACI's Ingredient Safety Initiative provides detailed safety information on more than**

**500** individual ingredients

Our research has suggested that most people are moderately confident that they are choosing products that are safe, but some are not confident at all. And rightfully so – people increasingly want to know more about what they are bringing into their homes. This includes information about ingredients, their function and any risks that should be considered.

We recognize that our members have a responsibility to provide the information consumers seek, and we are committed to meeting that need.



## Helping Consumers Choose Products That Are Best for Them

It is understandable that consumers find it difficult to identify and comprehend the varying types of information available for products found on store shelves today. The food and household products industry is helping to address this with [SmartLabel](#), which makes it easier for consumers to have detailed information on thousands of products at the press of a button, in a uniform and consistent way across brands.

The app works with any smart device and contains far more information than could fit on package labels. Simply by scanning the QR code on the product, people can access useful product and ingredient

information to help them make informed choices about what they buy.

With information also available via the SmartLabel website, this is a major step forward in transparency for consumers, and one ACI is proud to support. Currently, 30 percent of ACI household product formulators use SmartLabel, including: **The Clorox Company, Colgate-Palmolive, Georgia-Pacific, Procter & Gamble (P&G), SC Johnson, Seventh Generation and Unilever.**





# SHARING KNOWLEDGE

## Goal: Increase transparency to provide people with the information they need to make informed decisions.

Consumers want to see the evidence of safe, effective products that have been made with respect for people and the environment. One of our key goals is to be a more transparent industry, strengthening trust and helping purchasers choose cleaning products with confidence.

### Listening and Adapting

In 2019, ACI reached out to consumers to understand their preferences, especially around transparency. It is clear that consumers are seeking better, more detailed information – on ingredients, their purpose, their safety and their potential to cause an allergic reaction. People want to be confident they are bringing home a product they can trust. With these new insights and expectations, our approach is changing, and that change is already underway.

Only around

**1/3** of consumers told us they feel knowledgeable about the information that is most important to them

## A Transparent Approach

Over the last few years, we have engaged and influenced all kinds of policymakers in their pursuit of new disclosure approaches designed so that people have the information they need when making a purchase. Within the next year, more information than ever will be available for cleaning products sold across the U.S. While we are confident this is the right approach, it will be important to monitor how the new information supports people's trust in safe, effective cleaning products and promotes confidence in their purchases. Work is also still needed to ensure consistency with how the information is provided across the U.S.

As a result of the new laws, more information will be readily available, including:

- Lists of all ingredients intentionally added to the product
- The function or purpose of each ingredient within the product
- More details about fragrance ingredients that could cause allergies or be of possible concern
- Identification of ingredients or contaminants of possible concern
- Additional scientific details, like what is currently provided in the [Cleaning Product Ingredient Safety Initiative](#)



## Increasing Access to Science Education

For many people, chemistry can be an intimidating subject in school, so it's no wonder that many people find it difficult to understand the chemical ingredients found in their cleaning products. [Exploration Clean](#) is an interactive website developed to help students gain a greater understanding of the role of cleaning products in everyday life. In simple, engaging ways, people can discover the different processes used to get things clean (such as chemical energy, mechanical energy and thermal energy), the science behind cleaning products and the types of ingredients used in these products – from enzymes and solvents to antimicrobials and fragrances.

The website is just one way our industry is helping people better understand the science behind the cleaners they use, and how those materials work to get things clean.







## SHARING KNOWLEDGE



### Managing and Reducing Hazardous Chemicals



The UN Sustainable Development Goals have highlighted the importance of managing hazardous chemicals globally. Chemical footprinting provides a way for companies to benchmark their progress in reducing the use of chemicals of high concern and selecting safer alternatives. The methodology measures overall corporate chemicals management performance by evaluating management strategies, chemical inventory and public disclosure levels. The Chemical Footprint Project is the leading initiative helping companies understand their footprint through administration of an annual survey. In 2018, five ACI companies – **Ecolab**, **GOJO**, **Milliken**, **RB** and **Seventh Generation** – participated.



### Shift to Preferred Products and Ingredients



Today, a growing number of products meet third-party human and environmental safety requirements. The U.S. Environmental Protection Agency's (EPA) Safer Choice program is a leading benchmark in this area. Safer Choice helps consumers, businesses and institutions identify cleaning solutions that are safe for both human health and the environment. More than 2,000 items carry the label. Currently, 34 percent of ACI formulators offer Safer Choice-certified cleaning products.

As part of the program, EPA designates preferred ingredients on its Safer Chemical Ingredients List. Of the estimated 786 ingredients identified in our ingredient inventory, 40 percent have been evaluated and approved by EPA, an increase from 21 percent in 2012.







# CONFRONTING CLIMATE CHANGE

Climate change is one of the most serious threats the world faces, and affects all of us. The scientific consensus is clear: tackling climate change is essential for a sustainable future.





# THE SCIENCE IS CLEAR

**Climate science signals that if the world does not act now to decarbonize, the consequences could be devastating for communities, businesses and even entire countries. We recognize the need to hold global average temperature increases in line with the scientific consensus and we acknowledge our industry's responsibility to play our part.**



## 19%

**increase in renewable energy usage by product formulators since 2008**

## Many Companies, One Goal

GHG emissions occur throughout the cleaning products supply chain, from how the raw materials are extracted or grown to how products are made, transported and used.

To reduce these emissions in manufacturing and upstream supply chains, companies must quantify the amount of GHG emissions produced within their own walls. Once these emissions are better understood, targets can be set, ideally aligned with or even going beyond the global carbon budget for climate change prevention. Then we need to look beyond at our greater footprint and consider broader efforts in our upstream and downstream supply chains.

The industry is starting to make progress. GHG emissions are falling, and the use of renewable energy increasing. But collectively we still need to improve our efficiency and expand use of renewables in order to make a greater contribution to the fight against climate change.

It's also important to recognize that a large proportion of GHG emissions come from the use of cleaning products. To help lower this end-use impact, the U.S. will need to focus on developing a greener electricity grid, and incentivize replacement of older washing machines and dishwashers with newer, more energy-efficient models. Meanwhile, the industry can be a positive force by continuing to invest in product innovations that lessen the end-use footprint.



## Climate Leadership Demonstrated by CDP A-Listers

Nonprofit [CDP](#) runs a global disclosure system that helps companies manage their environmental impacts by measuring and understanding them. Every year, CDP names businesses leading on environmental performance to the annual A List. In 2018, CDP recognized more than 150 corporations, including our members **BASF, Firmenich, International Flavors & Fragrances (IFF), Kao Corporation, L'Oréal, Sekisui and Unilever**. Firmenich and L'Oréal stand out with their "A" designation across all three CDP performance areas of Climate Change, Water Security and Forests.

*"We are immensely proud to be one of only two companies globally to have achieved CDP's triple 'A' ranking. We owe this year's outstanding result to our teams' deep belief in inclusive capitalism, committed to making a positive difference for our customers, people and the planet."*

**Gilbert Ghostine, CEO, Firmenich**





# STEPS TOWARD MEANINGFUL REDUCTION

## Goal: Reduce GHG emissions across the cleaning products value chain as part of our industry's collective efforts to confront climate change.

Effective climate action is needed on many fronts, including supporting customers to be environmentally conscious, creating innovative, low-impact products and driving down manufacturing GHG emissions.

### Improving How Products Are Used

One of the main uses for cleaning products is washing clothes and dishes. Each load of clothes and dishes requires water, and energy is often used to heat that water to a specific temperature. While one load of laundry or dishes may seem like a small task, this task occurs in the majority of the 100 million U.S. households on an almost daily basis.

Today, washing machines  
use on average

**70%**

less energy, and dishwashers

**40%**

less energy than in 1990

Recent years have seen a dramatic increase in the efficiency of washing machines and dishwashers, which now use far less energy and water than 20 years ago. We can also credit innovations like enzymes, which have helped consumers remove tough stains and avoiding rewashing. Even so, selecting the lowest temperature setting that gets clothes clean is critical to reducing emissions.

Understanding this impact in the laundry space, detergents have evolved to work in cold water, which provides consumers with the same cleaning performance but far more efficiently. The challenge remains with adoption and behavior change in the home, as research suggests only 45 percent of loads are completed in cold water.



### Use Phase GHG Reductions Are Everyone's Business

About 90 percent of the energy used by a washing machine during the laundry goes toward heating the water. But new product innovations mean a laundry cycle can now be done using cold water with no loss of performance, greatly reducing energy use.

The difference to the planet is huge. If each household used cold water for four out of every five wash loads, they would reduce their annual CO<sub>2</sub> emissions by 864 pounds – that's the equivalent of planting more than one-third of an acre of forest. If everyone made the same switch, the overall reduction would be vast.

Cold Water Saves, ACI's joint effort with The Sustainability Consortium, has grown awareness among college students of the benefits of lower temperature

washing. Two ACI companies are going above and beyond this effort to set bold goals in this space. **P&G** has set a goal to have 70 percent of all global washing machine loads conducted on a low-energy cycle by 2020, while **Seventh Generation** has set a target of having all consumer clothes washing in cold water, also by 2020.

*"Advancements in enzyme technology have played a key role in the ability of formulations to be effective for use in cold water, allowing consumers to reduce their energy associated with laundry."*

**Deb Martin, Manager, Product Stewardship & Regulatory, DuPont**







## STEPS TOWARD MEANINGFUL REDUCTION

### Improving Manufacturing Processes

Even though the use phase dominates the industry's overall carbon footprint, ACI members still need to focus on how products are made. Corporate measurement of GHG emissions is a critical starting point for meaningful improvement.

ACI took an active role in helping our members account for their GHG emissions back in 2008, at the start of our industry metrics collection program. The goal was to help build internal corporate capacity for consistent GHG emissions reporting within our member companies. Having started with only ten companies, the program grew to 37 over the course of a decade.

During that time, we have seen a dramatic increase in the number of companies publicly disclosing emissions through sustainability reporting. In 2018, 54 percent of members published their previous year's GHG emissions through some form of public report or reporting system. CDP is one of these leading systems and, in 2018, 31 percent of ACI members reported using CDP disclosure.

While as an industry collectively we still need to move toward getting everyone accounting and understanding their GHG emissions, it is also important to start taking the next steps toward target-setting and emissions reductions.

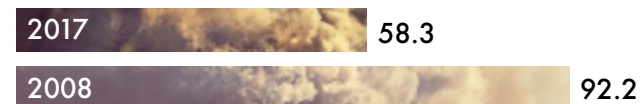
The good news is we are well underway, with 44 percent of our members having targets to reduce GHG emissions, improve energy efficiency or increase the use of renewable energy.

### Industry GHG Emissions Data 2008–2017\*

Total GHG Emissions (millions MT CO<sub>2</sub>e)



GHG Emissions – Product Formulators (kg CO<sub>2</sub>/MT)



GHG Emissions – Chemical Producers (kg CO<sub>2</sub>/MT)



\* 2017 data are the most recent available

# 54%

of members published their previous year's GHG emissions through some form of public report or reporting system in 2018





## STEPS TOWARD MEANINGFUL REDUCTION



### Setting Targets That Support the Global Climate Goal

Targets adopted by companies to reduce GHG emissions are considered “science-based” if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

The Science Based Targets initiative is leading the charge in championing and institutionalizing science-based targets within businesses. The initiative has over 611 companies committed to taking action and has approved 232 science-based targets for GHG emissions reductions.

These commitments highlight a desire to not stop at what is easily achievable, but to help ensure a company is doing at least what is necessary to meet the global goal. To date, 11 of our members have approved targets as part of this initiative: **Colgate-Palmolive, Firmenich, Givaudan, IFF, Kao Corporation, L'Oréal, P&G, Sekisui, Seventh Generation, Symrise** and **Unilever**. Seven additional member companies – **Corbion, Croda, Henkel, Novozymes, RB, Takasago** and **Veolia** – are seeking approval of their science-based targets.

*“Seventh Generation is using science-based targets (SBTs) to inform our initiatives to reduce our footprint. By using the scientific research that underpins the SBTs, we are aiming to achieve an 80 percent reduction from our 2012 footprint by 2030.”*

**Martin Wolf, Director, Sustainability and Authenticity, Seventh Generation**



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



### Driving to 100 Percent Renewable Electricity

**RE 100**

THE CLIMATE GROUP

Switching worldwide electricity consumption to renewables is transforming the global energy market and accelerating the transition to a clean economy. As part of The Climate Group's RE100 initiative, more than 190 companies have made a public commitment to go “100% renewable.” This includes seven of our members – **Corbion, Firmenich, Givaudan, IFF, P&G, RB** and **Unilever** – all of whom have set goals to power their operations from renewable sources within specified timeframes.







# THINKING CIRCULAR

Society cannot continue to live as it does now, using ever-dwindling resources and generating vast amounts of waste. If people are to enjoy a livable tomorrow, behavior must change today – by using less and reusing and repurposing more, creating a true circular economy in which waste no longer exists.





# USING LESS TODAY FOR A LIVABLE TOMORROW

**Our planet and its resources are precious. Having those resources available is critical to maintaining a clean world, while overuse and depletion poses a major risk to every one of us. This is why we collectively must make the shift from linear “take, make, waste” processes toward a more circular economy.**

## Solving the Packaging Waste Challenge

For many years, our members have continually sought to improve the environmental efficiency of their operations (see page 13). At the same time, cleaning products have been formulated to take into account that many are disposed of down the drain and residuals could enter our environment. Product packaging and water use have also been optimized over the years through compaction, concentration and other innovations.

We are proud of the industry’s effort to date, but with the increasing awareness of the scarcity of natural resources, we acknowledge the need for a new type of thinking in an effort to move globally toward a more circular economy.

The amount of packaging, and especially the amount of single-use plastics, must be reduced, and the problem of

plastic polluting the oceans seriously addressed. It also means taking a fresh look at raw materials, moving toward sources that are renewable or from a source that would otherwise be wasted. Last but not least, more must be done to preserve fresh water, a precious and sometimes scarce resource that is critical to the cleaning process.

The cleaning products industry has a specific role to play in developing innovative solutions and ACI is determined to help our members lead on tackling these challenges.



## Joining Global Alliances to Clean Up Our World

A number of organizations are leading the effort to tackle the problem of plastic pollution.

The Alliance to End Plastic Waste aims to find solutions by bringing together people and organizations from across the value chain. Among these are 11 of our members: **The Dow Chemical Company, BASF, Clariant, ExxonMobil, Henkel, Mitsui Chemicals, P&G, SABIC, Sasol, Shell and Veolia.**



The Ellen MacArthur Foundation's Global Commitment for a New Plastics Economy aims to eliminate problematic or unnecessary plastic packaging and ensure 100 percent of plastic packaging can be easily and safely reused, recycled or composted by 2025. Member companies **Colgate-Palmolive, Graham Packaging Company, Henkel, L'Oréal, RB, SC Johnson, Unilever and Veolia** are among more than 400 signatories who have already made the pledge to eradicate plastic pollution at its source.







# VALUING OUR PLANET

## Goal: Value nature by working to eliminate waste and advancing water stewardship.

Wherever possible, seek to reduce, reuse or recycle in order to avoid depleting the planet's natural resources. At the same time, we must take action to ensure our water supply will be clean and available into the future.

### Optimize, Minimize, Eliminate

Product packaging is essential to the safe transportation and storage of products. A package is needed to protect the contents and provide safety and proper use information to the user.

Packaging design is a science in and of itself that aims to strike a balance between the amount and type of packaging materials used with overall performance, convenience and stability. Historically, focus has been placed on optimizing packaging volume and weight, minimizing environmental impacts – including using recycled content – and facilitating easy recovery of the packaging components.

One example of an industry success in this space is with product compaction – the result of more concentrated products, particularly laundry detergent. In the early 2000s, a wave of concentrated products began hitting the market, reducing volume by half or more. In one case, it was estimated the compaction of a laundry product resulted in the use of 43 percent less packaging. Since this time, compaction efforts and new product forms have continued.

One challenge the industry has faced in adaption of previous packaging innovations is that it is critical to ensure that end users find the packaging experience acceptable to their expectations and use patterns. This has historically been problematic with systems like refill packs, as the limits to convenience had made them difficult to be popular and maintained on the market.



### Plastic Bank

Several ACI members have partnered with [Plastic Bank](#), an award-winning social enterprise that prevents plastic reaching our oceans by monetizing waste while improving lives. Plastic Bank enables plastic to be exchanged for money or items, boosting recycling, especially in areas with high levels of poverty or plastic pollution.

**Henkel** initially partnered with Plastic Bank to construct three collection branches in Port-au-Prince, Haiti, resulting in a total of more than 100,000 kg of certified social plastic, which Henkel uses in the production of its laundry and beauty product bottles.

Plastic Bank partner **SC Johnson** has opened nine collection branches in Indonesia, including the first mobile branch, to increase recycling rates in impoverished communities. Local collectors can exchange plastic for digital currency that enables the purchase of needed goods and services with a reduced risk of loss or theft.





## VALUING OUR PLANET

### Packaging Reimagined

Going forward, the industry must look to design for a circular global economy, which needs to include more material recovery and reuse, and new innovations to minimize waste. Many of our companies are already starting to make real commitments and progress. In 2018, 32 percent of our product formulator members had made recycled packaging commitments, which is an important step forward to achieve this vision. In related efforts, cleaning product brands are supporting those commitments by improving their communications with consumers about how to recycle all elements of the packaging, thereby helping to ensure packaging remains out of landfill and the environment.

Also related to this effort of packaging recovery is the initiation of efforts to replace virgin raw materials from non-renewable sources in packaging with those that can be sourced with recycled material or are renewable in nature. This is another place where we are starting to see a strong number of commitments, with over 50 percent of our member companies formulating products for consumers having a defined commitment to increase use of recycled and renewable materials within their packaging.

# 32%

of ACI product formulators are already committed to 100% recycled packaging



### Improving Recyclability by Simplifying the Consumer Experience

Making sure packaging can be recycled is only the first step in preventing more plastic from reaching our oceans. People need to know what can and cannot be recycled, as their decisions are critical to the success of our recycling systems. But for most of us it can be extremely confusing.

Alongside their recyclability commitments, our members are working to be more transparent about how people can recycle their packaging. The How2Recycle label is transforming this by providing clear on-package labels to help all of us understand what we should be placing in the recycle bin. Among our formulator members, 35 percent have joined How2Recycle labeling, including **AIEn, Church & Dwight, The Clorox Company, Colgate-Palmolive, Georgia-Pacific, Henkel, Kao Corporation, P&G, RB, SC Johnson, Seventh Generation** and **Unilever**. ACI members **Cargill, The Dow Chemical Company, Eastman** and **Lonza** are also supporters.



How2Recycle



### Utilizing New Circular Approaches to Packaging

Loop is a global circular shopping platform designed to eliminate the idea of waste by transforming the products and packaging of everyday items from single-use to durable, multi-use designs. Consumers can shop for waste-free products of leading brands by paying a small, fully refundable one-time deposit to “borrow” the package. Products arrive in the specially designed Loop Tote, eliminating the need for disposable single-use shipping materials like cardboard boxes and bubble wrap. Once the product has been used, empty packages go back into the Loop Tote for collection from the customer’s home. Back in the Loop system, state-of-the-art cleaning ensures the empty packaging is ready for reuse, and the circle begins again.

A number of our members are teaming with Loop to reimagine packaging and help drive the circular economy: **The Clorox Company, Colgate-Palmolive, P&G, RB, Seventh Generation** and **Unilever**.







## VALUING OUR PLANET

### Changing the Raw Material Landscape

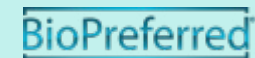
Another place where consideration needs to be given to conserve our natural resources is with respect to the production of the chemical ingredients that make up our products. While each of our industry's ingredients has its own production chain, the U.S. chemical industry currently relies heavily on natural gas liquids, such as ethane, as a hydrocarbon feedstock.

Encouraging trends are starting to emerge as innovation shifts toward the utilization of new raw materials. While biobased chemicals only make up 4 percent of the chemicals industry globally, the U.S. Department of Agriculture expects growth over the next five years. One example, surfactants, the workhorse ingredient in cleaning products, can be derived from natural raw materials based on plant sources or animal fat. Biosurfactants represented 24 percent of the market in 2012, and it is estimated that this percentage has increased and continues to rise. Advances in biotechnology are also providing new potential for improved processes and innovative biobased products derived from sources like bacteria, yeast and algae. The industry is already utilizing this technology for ingredients like enzymes. At this early stage of development with new raw materials types, it is important that we explore these new options and strive for a robust palette of solutions that can be scaled in the future.



### Encouraging Renewable Materials

With people and businesses increasingly looking to move away from using fossil fuels, [BioPreferred](#) promotes biobased alternatives. Managed by the U.S. Department of Agriculture, the BioPreferred program helps to increase the use of renewable agricultural resources and reduce reliance on petroleum. USDA estimates over 40,000 biobased products are available in the United States. Within ACI's membership, 12 chemical suppliers make bio-preferred ingredients, and 14 formulators have bio-preferred cleaning products available.





## VALUING OUR PLANET

### Operational Water and Waste

Maintaining efficient operations, including conserving water and tackling waste, is crucial for combating climate change. While these potential operational impacts may not be key drivers of our industry's overall water and waste footprints, they are clearly within the control of each individual company and should be managed and reduced to the greatest extent possible.

Between 2008 and 2017, product formulators reduced water use by more than 25 percent. However, chemical producers have not shown a discernible trend. Between 2012 and 2017, no clear trend was apparent with waste reduction per unit metric ton of production. We are, though, starting to see a shift toward increased internal recycling and recovery, especially from product formulators, striving to send less waste to landfills. Although we have seen advances, there is much room for improvement as we drive for the most environmentally efficient operations.

# 61%

**of waste generated during product formulation is reused or recycled**



### Together for Sustainability

Together for Sustainability (TfS), founded in 2011, is a joint initiative of 23 chemical companies. It has developed and implemented a global program to assess, audit and improve sustainability practices within the supply chains of the chemical industry. With this in mind, TfS has established a standard approach for evaluating and improving the sustainability performance of this industry's suppliers. Assessments and audits are conducted to a predefined set of criteria and then shared across TfS members, improving efficiency for all involved.

A number of our member companies participate in the TfS program, including: **Arkema, BASF, Brenntag, Clariant, DuPont, Eastman, Evonik, Henkel, IFF, Solvay and Wacker.**

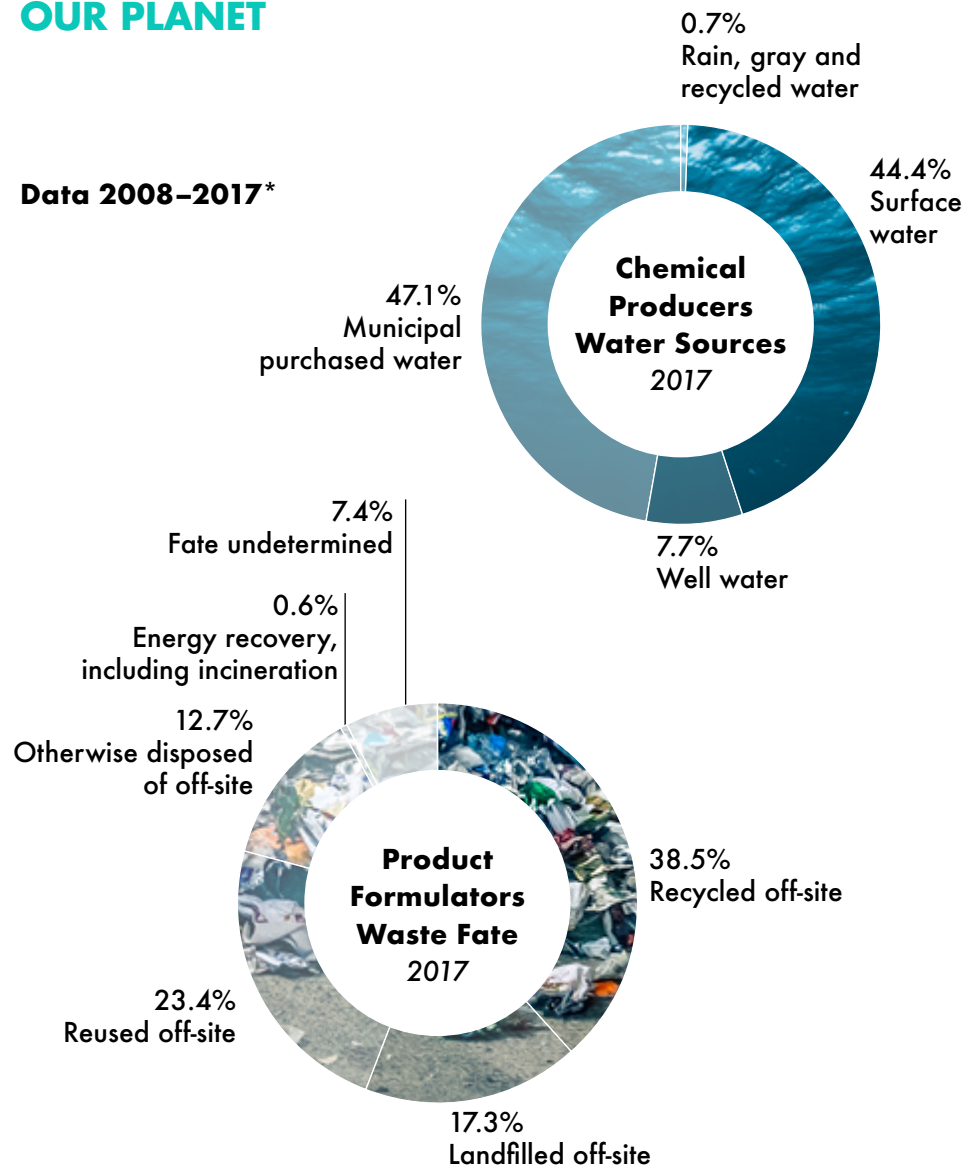






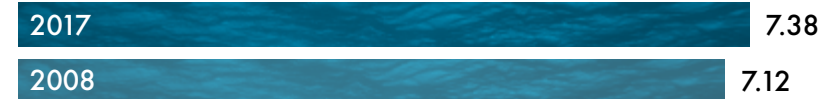
## VALUING OUR PLANET

Data 2008–2017\*

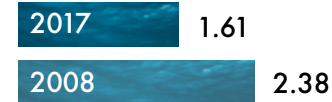


### Water Use (m<sup>3</sup>/MT)

Chemical Producers

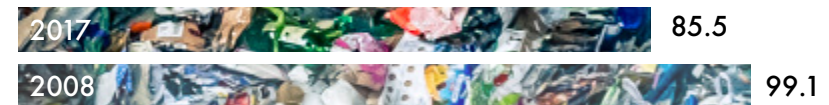


Product Formulators

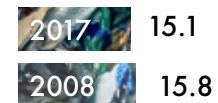


### Solid Waste Generation (kg/MT)

Chemical Producers



Product Formulators



\*2017 data are the most recent available



# INVESTING IN OUR SHARED FUTURE

The world belongs to all of us, and the global challenges we face can only be met through everyone working together. The UN Sustainable Development Goals (SDGs) provide a clear path to make a real impact for good across the globe.





# SUPPORTING GLOBAL FRAMEWORKS FOR A FAIRER, MORE SUSTAINABLE WORLD

## We have a collective responsibility to support multi-stakeholder initiatives that contribute to sustainable business success and a better future for everyone.

The [UN SDGs](#) and their predecessors, the Millennium Development Goals, have led the way in achieving some impressive results. Since 2000, the maternal mortality rate in sub-Saharan Africa has fallen by 35 percent and the mortality rate for children under-five by 50 percent. In the least developed countries, the proportion of people with access to electricity has more than doubled. Globally, unemployment has fallen and labor productivity risen.

The SDGs are therefore making a real impact on improving livelihoods for the poorest and most vulnerable in society, making us proud to support them. But we know there is a lot more to do to achieve the Goals by 2030. Billions of people still lack basic sanitation, nearly a billion have no electricity and air pollution affects 90 percent of people who live in cities.

The diversity of the cleaning product value chain means our members all have their own critical sustainability issues and opportunities to contribute to the greater good. But by aligning activities and targets with the SDGs and by working together across and beyond the industry, we can maximize our impact for good, and do our part to create a better world.



## 29%

**of ACI members have aligned their sustainability strategies with the SDGs**



### Clean the World

As a cleaning products industry, we naturally support efforts to promote cleaning – and its benefits for health, hygiene and well-being – for those in need. That's why we join together to accelerate the work of [Clean the World](#).

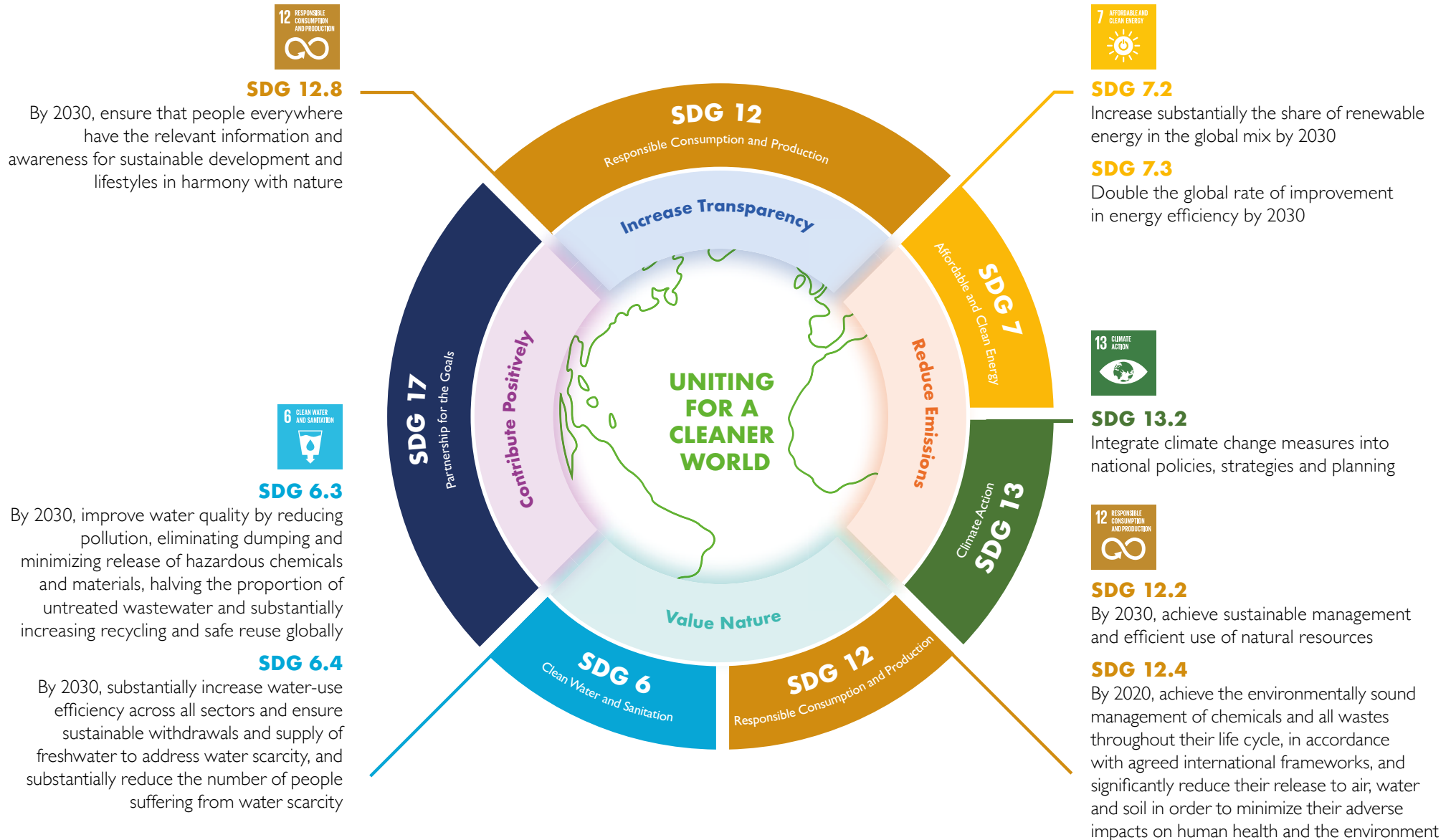
Clean the World is a social enterprise that aims to improve the quality of life for vulnerable communities across the globe. It provides sustainable resources and education programs to raise awareness of the need for clean water, sanitation and hygiene, helping people affected by poverty or homelessness, or by humanitarian or natural crises. Encouraging hotels to implement waste-reduction programs, Clean the World collects discarded soap bars, shampoos, conditioners and other hygiene products from thousands of hotels around the world, then redistributes them to communities to help them improve hygiene and health. More than \$80,000 has been donated to Clean the World by ACI and its member companies since 2018.



Clean the World®



## SUPPORTING GLOBAL FRAMEWORKS FOR A FAIRER, MORE SUSTAINABLE WORLD







# MAKING A POSITIVE CONTRIBUTION

## Goal: Contribute positively to our shared future through supporting the UN SDGs.

The SDGs provide an ideal framework in which we can come together with other industries, governments and organizations to drive positive impact.

### Aligning in Support of the SDGs

The development of our *Uniting for a Cleaner World* framework has been driven by the concept and vision of a sustainable world. While our framework lays out the role the cleaning industry can play, it shares the same aspiration set forth by the SDGs. As such, we have been able to draw direct alignments from the SDGs to our own goals.

Ultimately, we expect our industry commitments will extend the specific SDG targets noted today, and possibly add support for additional SDGs and their respective targets. In many cases, achievement of the SDGs is critical to the future success of the industry.

## Collaborating for Greater Impact

Individually aligning business priorities and sustainability strategies with the SDGs is a critical next step. Already, 43 ACI companies have started to align their strategies with the SDGs or are reporting their impact in helping achieve the SDG targets. Where members do not currently have aligned strategies, we will be encouraging them to do so. This will include sharing valuable tools such as the chemical sector SDG Roadmap, a collaborative initiative to help the sector contribute to the achievement of the Goals.

Additionally, while members will each have different priorities, impacts and opportunities, collaboration can unlock answers that benefit everyone. Many of the SDGs need more attention, and by combining our collective resources and expertise, there may be real possibilities to make a greater impact than we could do individually. Given the scale and reach of our industry, that impact could be considerable indeed, making a real and lasting difference.





# REPORT DETAILS

## We Look to the Future

As a collective voice for the industry, ACI has both a role and a responsibility to help our members forward on issues that matter to us all, in a way that amplifies the individual actions they can – and do – take to progress sustainability. Sustainability challenges are enormous and global, and among the most important issues facing the planet. Only collective action at scale can truly tackle them and create the sustainable, cleaner, healthier world we all want. We therefore support and foster collaboration between members and externally with multi-stakeholder initiatives and other key partners to maximize the impact for good we can make.

Our members tell us they want us to continue driving the industry and providing a space where they can convene with peers, suppliers, customers and other stakeholders to agree on the joint actions we need to take. ACI will continue to fulfill this role, to track and promote our members' innovations, and help them find new ways of tackling the challenges ahead, as we help build a cleaner future.

## About This Report

This report is ACI's fifth Sustainability Report for the cleaning products industry, covering the period from early 2017 to early 2019.

Metric data within this report (for GHG emissions, energy, water use, waste generation/disposal, and health and safety) represent aggregated performance of a set of ACI

member companies participating in the ACI Sustainability Metrics Program in 2018. To maintain long-term comparability and provide confidence in trend analysis, a Baseline Maintenance Method is used to dampen year-to-year data volatility due to changes in members' participation. Because of these adjustments, caution should be used when making comparisons with ACI's previous sustainability reports.

## Our Material Issues

In 2015, ACI undertook a comprehensive evaluation of the risks and opportunities most significant to a company's success. We were one of the first organizations to do so on an industry-wide basis. The information we gathered ensures we adopt an appropriate strategy and targets, and are able to make meaningful progress.

Our materiality evaluation found over 30 relevant issues, of which the most important were identified as:

- Materials
- Disclosure and transparency
- Climate change/greenhouse gases
- Ecological impacts
- Water
- Workplace health and safety

ACI prioritizes our sustainability activities around these key issues, tracking our industry's performance and providing members with the tools, advice, support and guidance they need to make real, meaningful progress.

[See our full materiality matrix here.](#)

## Acknowledging Our People

We especially thank our member representatives for their contributions: Committee Chair Chris Hammond (Stepan), Committee Vice-Chair Elizabeth Kinney (P&G), and Board Liaisons Rick Hanson (Croda) and Wayne Ashton (DuPont).

## Sustainability Strategy and Content Development

A special thanks to Environmental Resources Management (ERM) for their work in support of the ACI Metrics Program, Framework LLC for their help in aligning our strategies and practices with social, environmental and economic needs, and Flag Communication for the design and production of our 2019 Sustainability Report.

## Stay in Touch

Please reach out if you have any questions, comments or would like to help us reach our goals.

Email: [sustainability@cleaninginstitute.org](mailto:sustainability@cleaninginstitute.org)





# OUR MEMBER COMPANIES

The following companies participate in our Metrics Program.  
Visit our [website](#) to view the full list of members.





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