



CIP Sector Meeting

September 1, 2009 Mason, Ohio



The Sustainability Consortium is committed to facilitating a robust and open exchange of ideas and information among its participants on the wide range of subjects relevant to the Consortium's mission. However, to avoid any possible problem under the antitrust laws, all participants are reminded that statements, communications and exchanges of information at any Consortium-related proceeding should directly relate to sustainability issues. Conversely, and even more to the point, absent prior written approval from the Consortium, there shall be no statements, agreements or exchanges of information regarding (1) what price any participant has or may charge for its products or services; (2) decisions to enter or leave any market or to not compete for any customer; or (3) any invitation, recommendation or suggestion not to deal or do business with any person or entity.

Participants also should avoid disparaging any person or entity, whether or not present. Any conduct that any of you observe or hear that you think might create an issue under the antitrust or any other laws, we ask that you immediately let Consortium co-Directors Jay Golden or Jon Johnson know and, if you have any questions about any legal issue, please contact Lisa Loo (Arizona State University Office of General Counsel) or Scott Varady (General Counsel for the University of Arkansas).

Note: P&G General Counsel is Present Today

Sustainability Consortium

who is here today



CHURCH & DWIGHT CO., INC.



FMC Corporation

Alberto Culver



method products



COLGATE-PALMOLIVE





Dr. Len Sauers
Vice President
Global Sustainability
Procter & Gamble
“our host”



Have all of us come away with the same understanding on the vision and specifics:

- ❖ The Sustainable Product Index
- ❖ The Sustainability Consortium
- ❖ Advisory Councils & Steering Committee.
- ❖ Role and Alignment of the Retail Community
- ❖ Role of our Sector
- ❖ Progress to Date, Deliverables and
- ❖ Timelines
- ❖ Next Steps



Household Care & Personal Care 2nd Sector Meeting

When: September 1, 2009
Location: Procter & Gamble Mason Business Center
8700 Mason-Montgomery Road
Mason, Ohio 45040
RSVP & Contact: Debra.Harmon@asu.edu

September 1, 2009

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|---------------|--|
| 8:30 a.m. | Introductions and Anti-trust Statement |
| 8:50 | Welcome by Dr. Len Sauers, Vice President Global Sustainability P&G |
| 9:00-9:15 | Our Targets & Objectives for the Meeting |
| 9:15-10:30 | Updates <ul style="list-style-type: none">• Index and Consortium Updates• Product Indexing & Retailer Pilots• Consortium Operational Updates• Infrastructure Needs & Transparency Imperatives |
| 10:30:10:45 | Break |
| 10:45-12:00 | Personal Care / Household Care Pilot Project / Laundry <ul style="list-style-type: none">• Goals & Project Deliverables/ Timelines• Review Outcomes of Consensus Report |
| 12:00 – 12:30 | Lunch |
| 12:30 – 2:00 | Moderated Discussion on the Laundry Care Pilot <ul style="list-style-type: none">• Discuss Revisions to Questionnaire and Flow Chart• Finalize Revisions |
| 2:00-2:15 | Break |
| 2:15-3:30 | Continue Discussions <ul style="list-style-type: none">• Future Data Needs & Earthster Training• Alignment on Harmonizing Attributes• Selecting Next Product Category |
| 3:30-4:15 | Moving Forward <ul style="list-style-type: none">• Assignments and Timelines• Who Else Needs to be at the Table• Advisory Council Meeting |
| 4:15-4:30 | Wrap Up |

Meetings can be fluid, so the timelines are general guidelines. We will be free to modify the schedule as deemed appropriate, without going over time.

What is most important is an open 2-way dialogue so that all questions are answered and clarity and vision are explicit.

This meeting is more about discussion than it is about following slides.

Finally, what we are talking about today, to create an industry wide transparent process to quantify and communicate the sustainability of consumer products is a transcending process.

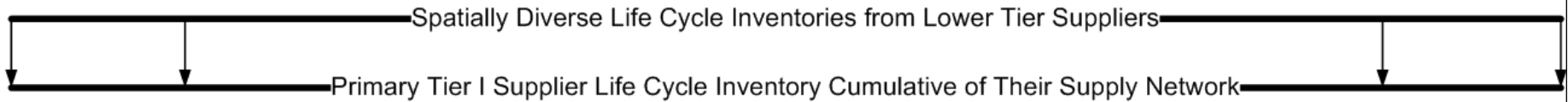
We believe it will significantly aid all of us to innovate to address environmental, economic and social imperatives. If done right, it will also reduce consumer confusion ie. *eco-bable*.

But, with many major initiatives there will be skepticism and angst, so lets work through those issues.

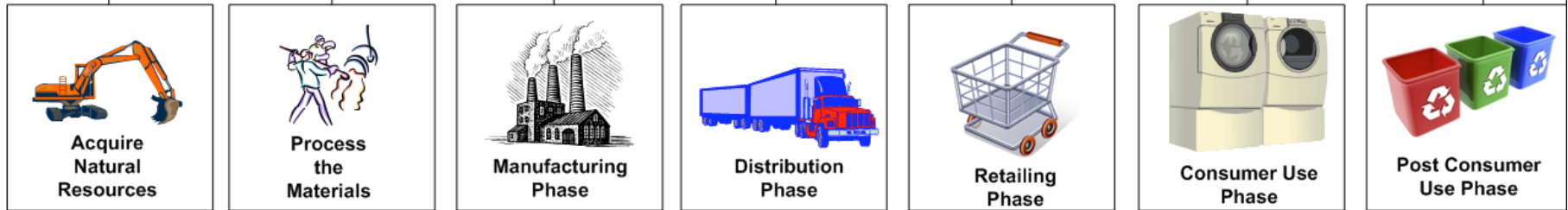
Background
Drivers, Scope & Timelines of the Index
Users and Governance

July 17, 2009 Walmart formally launched its support and movement on a unified and industry-wide index on the sustainability of consumer goods manufactured and sold around the world - *The Sustainable Index*

- ☀ This is NOT a Walmart index, it is intended to be much broader & the 15 questions sent out by WM is NOT the index.
- ☀ The first phase is to develop a transparent life cycle based methodology & tool to communicate product sustainability for all phases of the life cycle.



Input Inventory Considerations
Energy & Climate • Nature & Resources • Material Efficiencies • People & Community



Outputs & Emission Impacts
Energy & Climate • Nature & Resources • Material Efficiencies • People & Community

Inventories Feed Into a Quantitative Life Cycle Analysis Developed, Weighted & Vetted by the Sustainability Consortium

OUTCOMES INCLUDE:

A Unified & Transparent Approach to Indexing the Sustainability of Consumer Products

Establishes Product Category Averages & Means to Validate "Green" Claims

Verifiable & Auditable Data

Technological & Organizational Innovations

Science to Support National & Global Sustainability Imperatives

Science to Support Consumer Facing, Labeling or Certifications

Educating Consumers, Manufacturers and Policy Makers

1. **Transparency** for consumers, retailers and manufacturers.
2. Allows buyers to make purchasing decisions based on a **scientifically validated** standard transparent data available to all manufacturers.
3. **Reduces burden** on supply network / manufacturers by not having to address multitude of different sustainability reporting systems.
4. All working with the **same definitions, metrics & attributes**
5. Drives **product quality**
6. Process that drives **innovation**
7. Find opportunities in the **full life cycle** to reduce impacts and provide insights to consumers and policy makers.
8. **Leverages** existing scientifically valid & transparent attributes

this is a partial list.

Sustainability Consortium Overview



A global partnership of leading researchers of various disciplines.

Formed and supported to provide an independent and non-partisan scientific approach to support the development and implementation of the global sustainable index.

Sustainability Consortium

The Consortium



WHAT STARTS HERE CHANGES THE WORLD

THE UNIVERSITY OF TEXAS AT AUSTIN



800 YEARS
1209-2009



MISSION STATEMENT

The **Sustainability Consortium** is an independent organization of diverse global participants that work collaboratively to build a scientific foundation that drives innovation to improve consumer product sustainability.

WHAT WE DO

The **Sustainability Consortium** develops transparent methodologies, tools and strategies to drive a new generation of products and supply networks that address environmental, social and economic imperatives. The Sustainability Consortium advocates for a transparent process and system, not individuals or organizations.

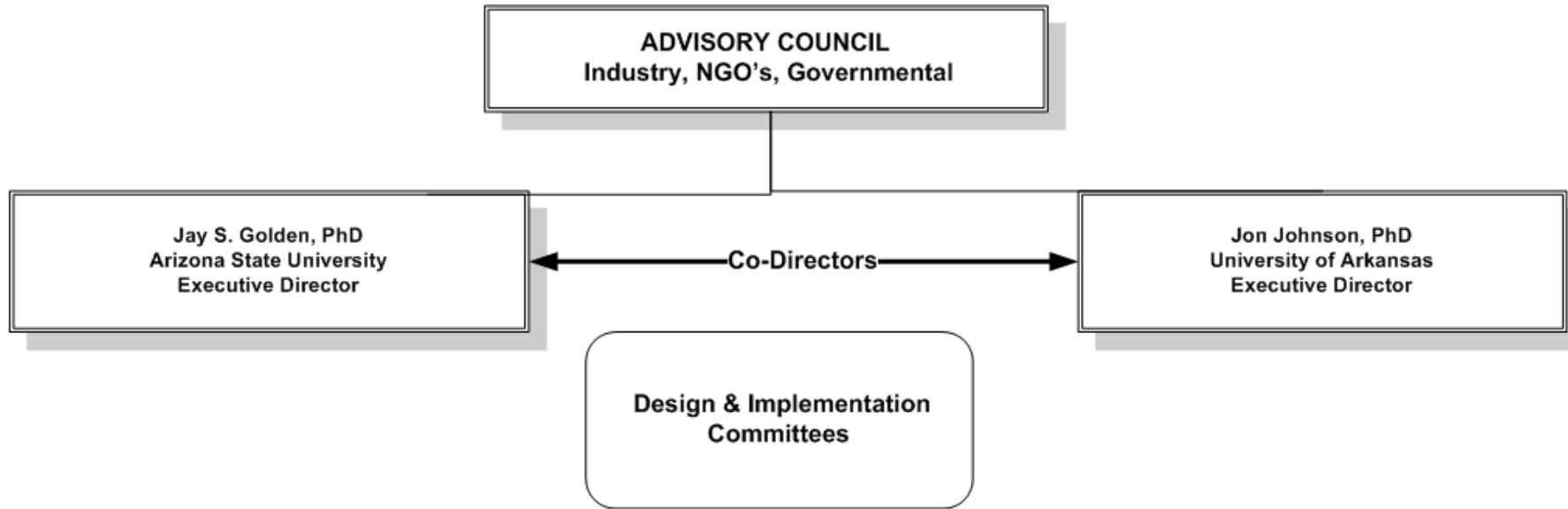
HOW WE DO IT - The Sustainability Consortium:

- ❖ supports a fully transparent process and system for all data, methods, and algorithms; participants will know how metrics are used to evaluate respective environmental and social impacts are derived (data explicitly acknowledges and reports uncertainty in a standardized way).
- ❖ leads a scientifically grounded approach to measuring, communicating and educating on the environmental, economic and social impacts of consumer goods and will identify opportunities for innovation across the entire product life cycle.
- ❖ organizing the user community of this data with new tools that empowers them.
- ❖ seeks to balance rapid growth, broad enrollment, cost effectiveness, and data/methods development; underlying databases will be widely accessible, affordable, validated, transparent and designed for continuous improvement.
- ❖ engages in modeling how innovations and changes in manufacturing and consumer use of products can address pressing sustainability imperatives around the globe.

First, the initial focus of this effort is to create the mechanisms to quantify & report the sustainability of CPG's between you the manufacturer and retailers (yes plural).

To make sure this process has value to all parties and is grounded in scientific and operational truths, we have created sector working groups to pilot / develop this process.

- Early access and training on tools used for product sustainability reporting
- Opportunity to provide feedback on product sustainability reporting systems as they evolve
- Interactions with retailers and governmental agencies engaged in indexing process
- Gain early access to data that contributes to innovations such as consumer use phase data
- Early insights that lead to innovation for your organization
- Leverage existing industry attributes and;
- Research programs undertaken by your organization / sector and;
- Advise the Consortium as we develop and distribute scientific recommendations on designing of ultimate retail indexing



RESEARCH DOMAIN Energy & Climate Material Efficiency	SECTORS Chemical Intensive Products Electronics	Specialty Foci Consumer Use Phase Post Consumer Use Consumer Facing & Education Systems Policy	RESEARCH DOMAIN Nature & Resources People & Community	SECTORS Food & Ag Textiles	FOCI Standards Validation Training Dist. / Retail Phase
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PARTNERS & GEOGRAPHIES
 Cambridge (UK/EU), Duke, Harvard, Stanford, U.C. Berkeley,
 Minnesota, Texas, Tec de Monterrey (Mexico), Chinese Academy
 of Sciences

Draft By Laws Steering Committee

- 4.4a Comprised of a single representative from each Tier 1 Founder Level.
- 4.4b In addition, at least 10% of the Steering Committee shall be comprised of persons from either NGO or Governmental agencies. These individuals shall be recommended by members of the Steering Committee.
- 4.4c Members will seek to provide guidance to the Directors of the Consortium in establishing the research and education priorities of the Sustainability Consortium.
- 4.4d Will seek to meet twice a year as a Council, no quorum is required.
- 4.4e Will seek to meet annually with academic members.
- 4.4f Prioritize sector research projects and provide annually to the Co-Directors.
- 4.4g Agreement on the prioritization shall be by a simple majority of submitted rankings.
- 4.4h Prioritize educational programs and provide annually to the Co-Directors.
- 4.4i Agreement on the prioritization shall be by a simple majority of submitted rankings.
- 4.4j Review progress of on-going research and education projects
- 4.4k **Review and provide written recommendation reports from the Consortium including sector working groups to the Index Advisory Council & other appropriate external organizations.**

1st Advisory Council Meeting to be October in Washington DC

Sector Focus

background

project status updates

life cycle inventory discussions

attributes

earthster training

moving forward



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Specific Outcomes Desired

1. Alignment on the Product Category Average
2. Alignment on the LCA flow for the product
3. Agreement on most efficient way to immediately acquire missing inventory data where deemed of value
4. Input on appropriate indicators and attributes
5. Date for the Consortium to finalize the LCA for the full index process
6. Alignment on determining hot spots
7. Training for sector on Earthster and confidential (no reporting) of your own products as compared to pilot PCA.
8. Walk away with 1-2 additional PCA's related to CIP to immediately pilot.

Mission: To bring together various stakeholders within the Chemical Intensive Product (CIP) sector to create a unified and consistent approach for evaluating product sustainability.

How do we achieve this? By identifying the gaps in existing data systems, developing the data gathering methodology that is applicable across markets, guiding the development of the Sustainable Product Index, and driving future thinking.

Pilot Objective: To create a robust, scientifically grounded, transparent and consensus-based methodology to quantify the sustainability of multiple CIP products throughout the life cycle using the best available sustainability metrics.

At our first sector meeting hosted by Unilever, it was collectively agreed upon that the initial product category was:

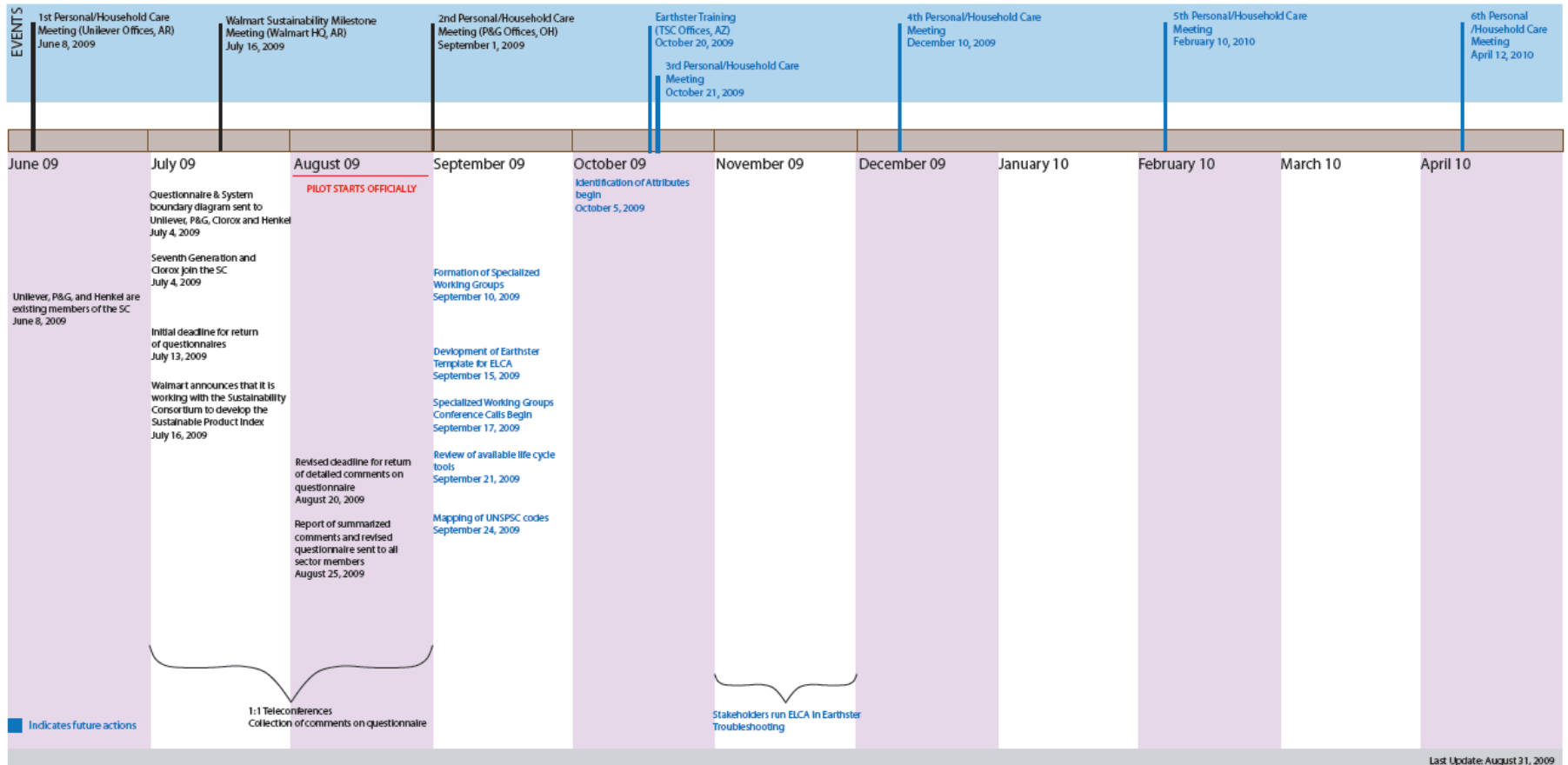
AATCC 1x liquid detergent 50oz

The Sustainability Consortium sector team (led by Joby Carlson and Vairavan Subramanian) worked with sector partners in developing full lca process flows, gap analysis and data requests.



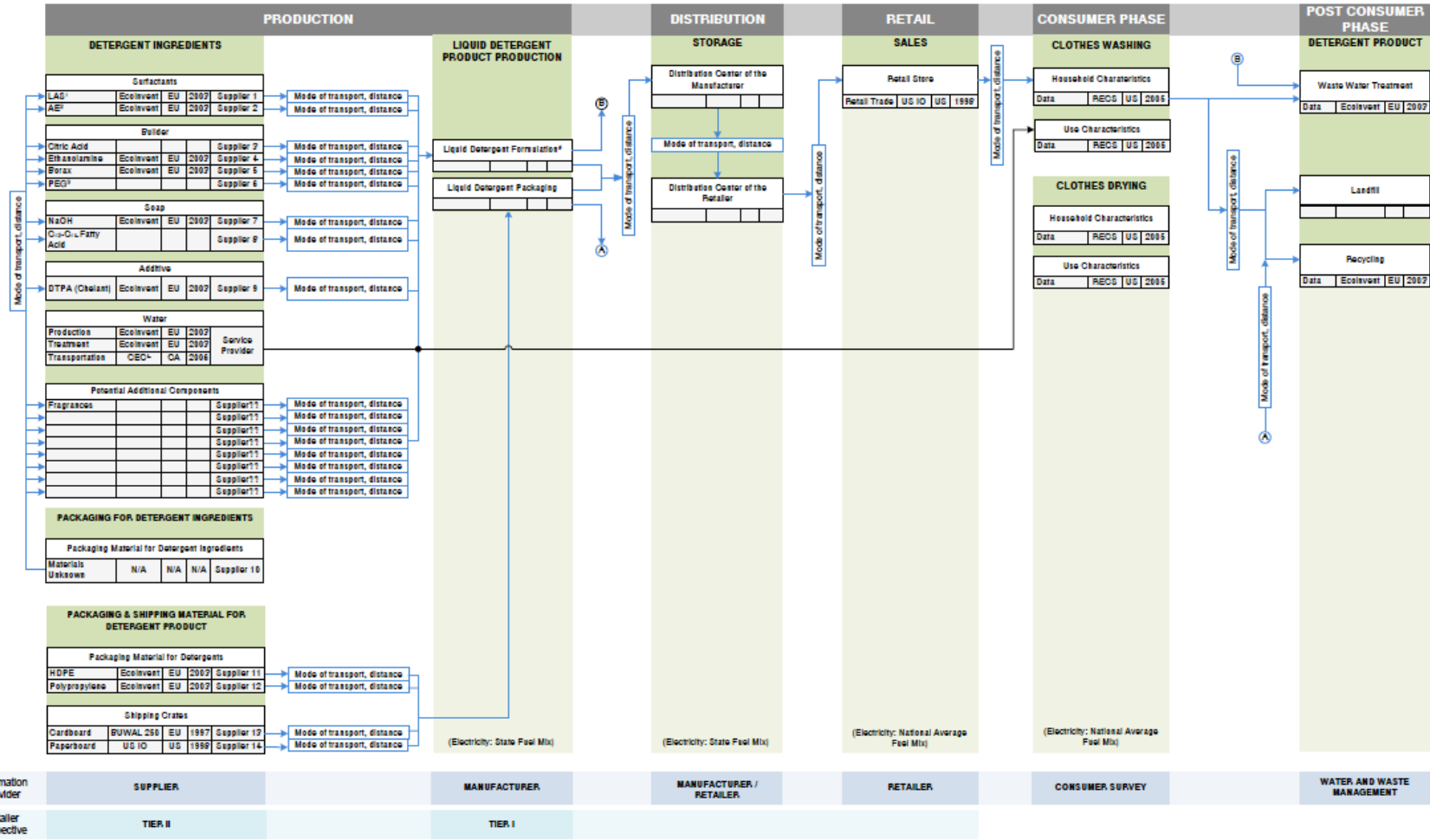
discussion led by Joby Carlson

Pilot Project: Liquid Laundry Detergents | Timeline



SUSTAINABLE PRODUCT INDEX

Pilot Project: Liquid Laundry Detergents | System Boundary: United States | Unit of Measurement: Single Load of Laundry



¹Unilever Alkylbenzene Sulfonate
²Alcohol Ethoxylate
³California Energy Commission
⁴AATOC 2003 Reference Liquid Laundry Detergent

July 2009

SUSTAINABLE PRODUCT INDEX (SPI)

Pilot Project: Liquid Laundry Detergents

Inventory Questionnaire:
Production and Distribution Phases

AATCC 2003 Liquid Detergent Formulation

Questionnaire

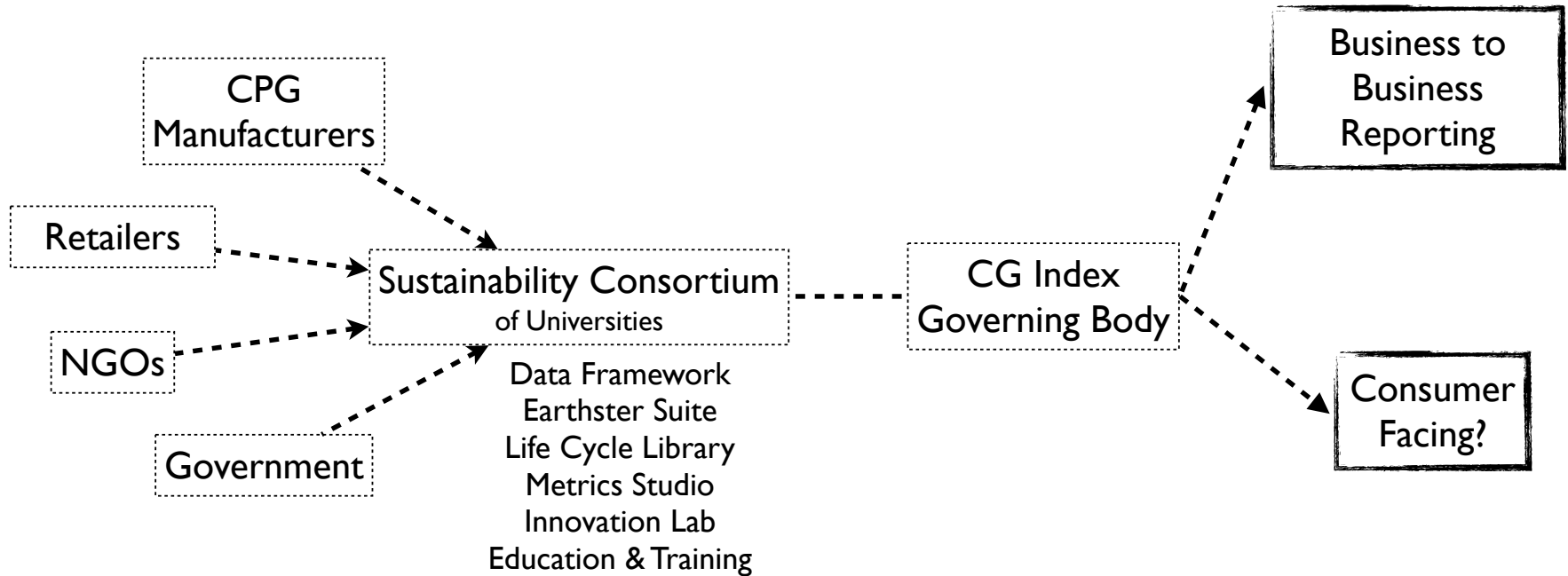
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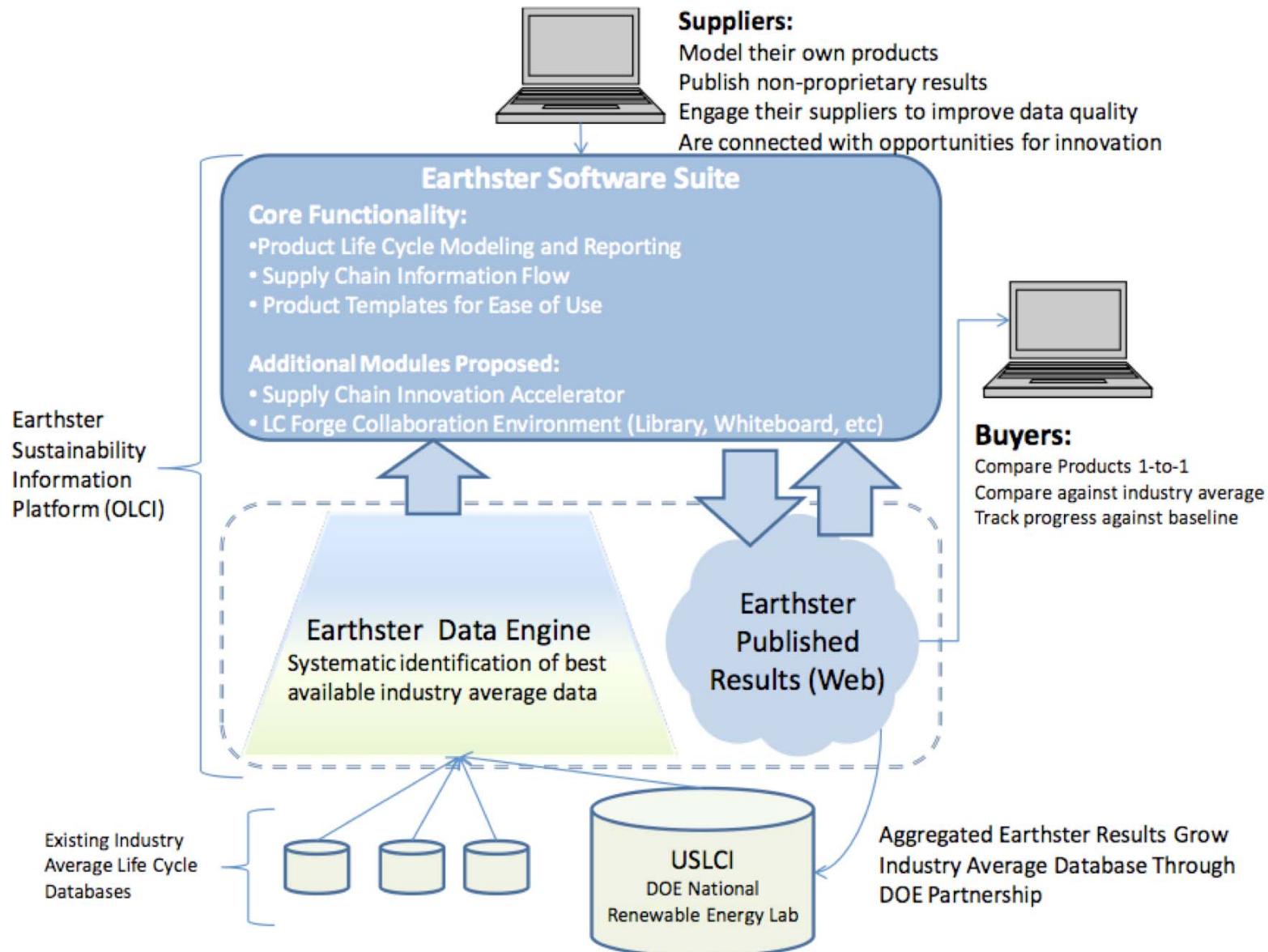


- * You choose the products to be accessed by your organization (2x, 3x, cold water, etc).
- * Identify System Boundary (existing 3rd party evaluators)
- * Agreement on standards for collecting industry specific data (allocation rules)- create product category rule for laundry sector.
- * Select the impact categories to be accessed
- * Engage multiple tiers
- * What are the other sustainability assessment tools you are using beyond LCA explicit that can be used?
- * Social indicators at the product level
- * Form working groups

Jeff Rice
University of Arkansas



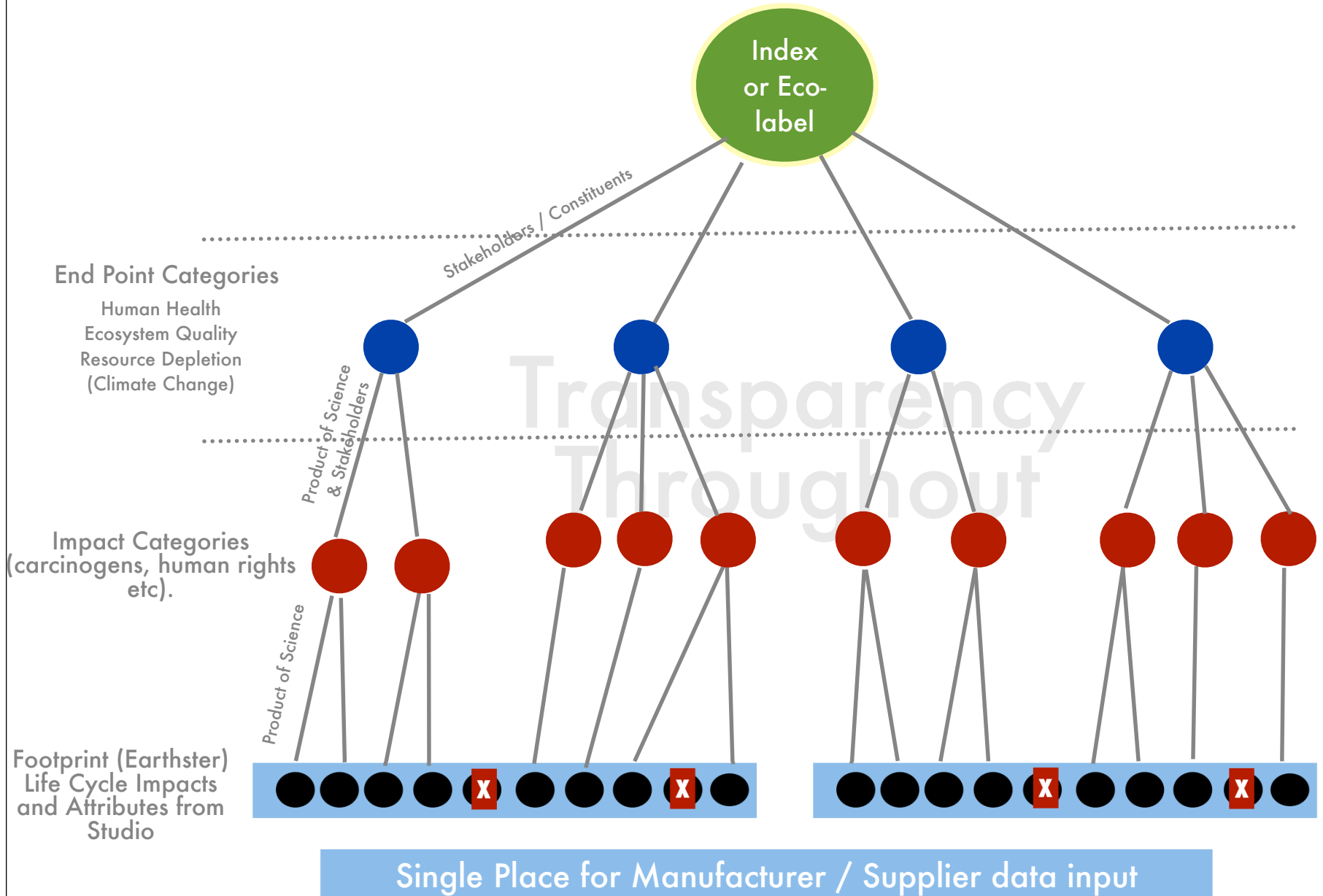




The system enables reporting of impacts **and attributes** of products and supply chains.

EPEAT – System of attributes under 8 impact categories:

- ❖ Reduction / elimination of sensitive materials
- ❖ Material selection
- ❖ Design for end-of-life
- ❖ Product longevity / life cycle extension
- ❖ Energy conservation
- ❖ ...



deliverables

value

Industry Average Database Framework
 UN Standard Product and Service Classification
 UNSPSC Codes (20,000 existing)

Easy Efficient LCA by SKU when linked to Earthster
 Empowered LCI data users

Open Input Output - Environment (US) (Global)
 Open Input Output - Social (Global)

competitors Maplecroft for social OIO

Feeds industry average and identifies "hot spots" in
 product categories. At the heart of OLCI data. LCA
 Attribute on CSR. Essential to Efficient LCA by SKU

Life Cycle Studio

Calculator / can print off as a pdf and
 export into whiteboard

Whiteboard / interactive can take existing
 calculator LCA and modify inputs "what if"
 assumptions

Archives / prior LCA's and peer reviewed articles

Full LCA (ie. consumer use phase)
 Quantify product & system innovations and
 opportunities.

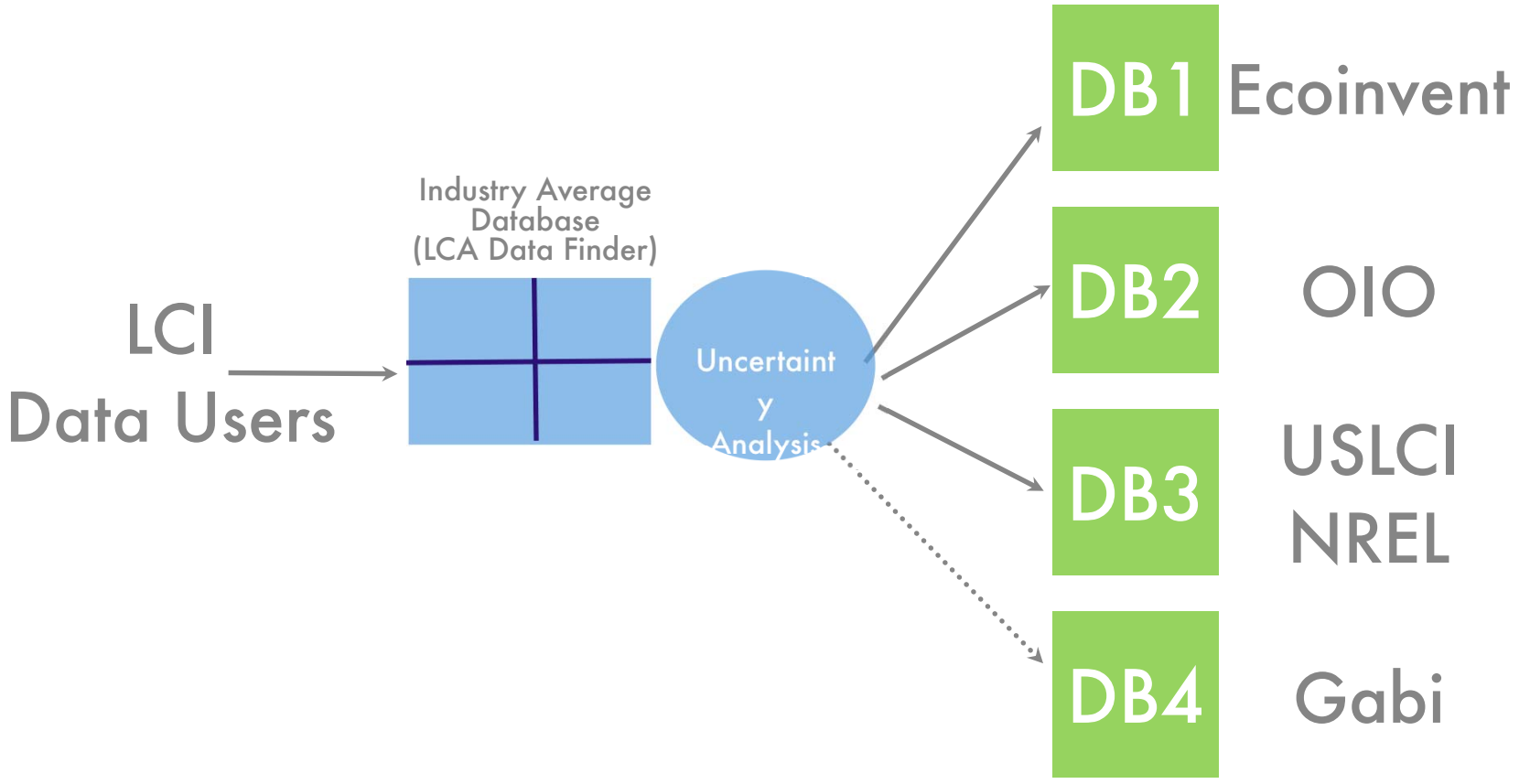
Super Accelerated

Consumer & Policy Maker Education
 Credibility/ISO Police (Bogus LCA's)

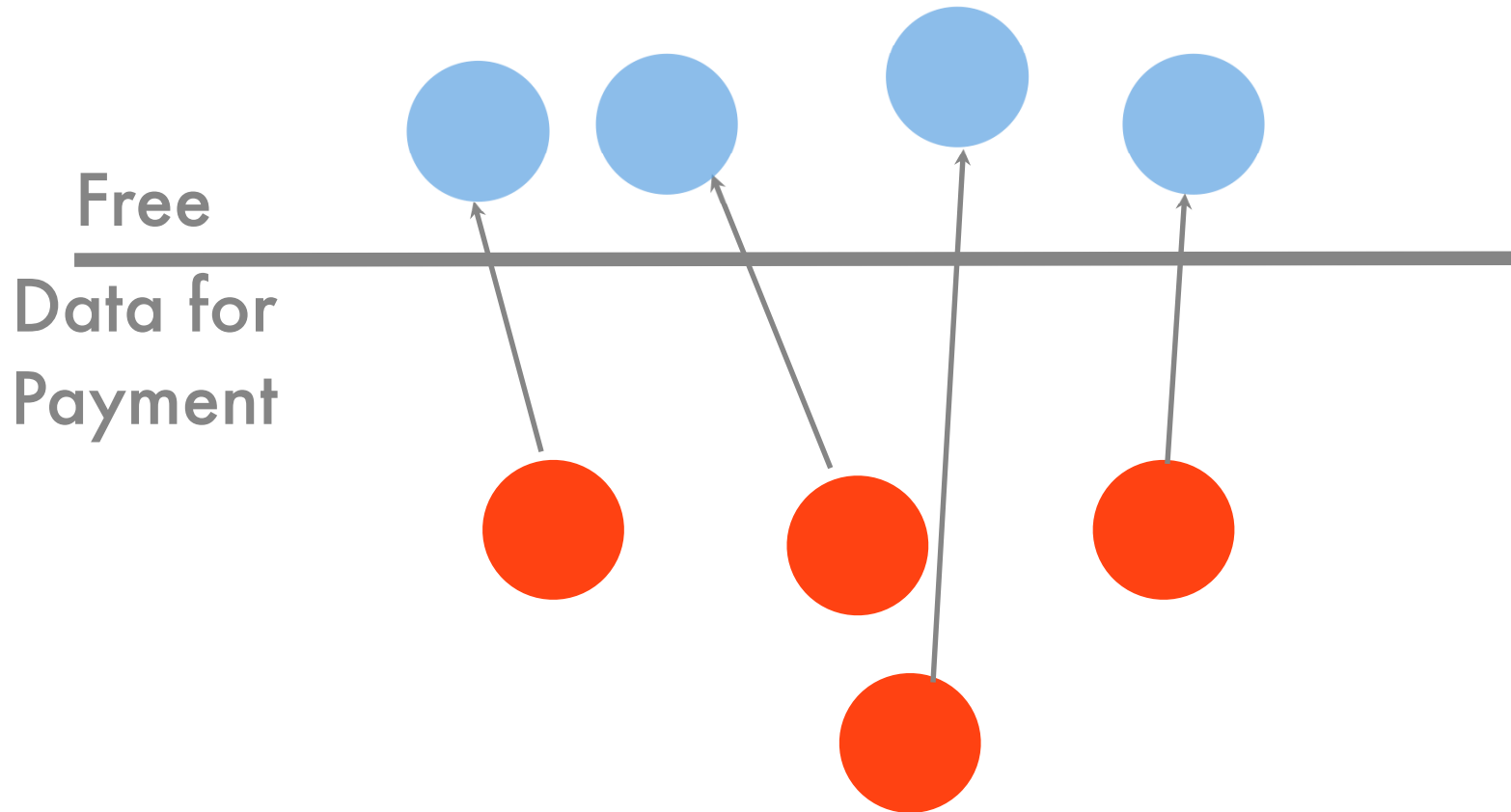
Earthster 2.0 - scalable open source core,
 data standards etc.

Calculate & Publish SKU footprint
 Supply Chain Specific Results (links to specific
 suppliers not industry averages)

TSC only connects to transparent databases



this data made available by
GMA



What should our next products to pilot be?

Scheduling Earthster training and indexing testing - Tempe, AZ

Suggestions on how best to continue to work together?

Steering Committee Meeting.

