



Association Internationale de la Savonnerie, de la Détergence et des Produits d'Entretien  
International Association for Soaps, Detergents and Maintenance Products

**LETTER OF COMMITMENT**

**A.I.S.E. “Product Resource Efficiency Project for Laundry Powder Detergents” (PREP-P3)**

A COMMITMENT by \_\_\_\_\_  
(the “Company”) with a principal place of business at \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(“Headquarters’ Address”) to the “Product Resource Efficiency Project for Laundry Powder Detergents” (the “Project”) of A.I.S.E., the “Association Internationale de la Savonnerie, de la Détergence et des Produits d’Entretien aisbl” with its legal seat at 15A, avenue Herrmann Debroux 3<sup>rd</sup> floor, 1160 Brussels, Belgium (“A.I.S.E.”), dated \_\_\_\_\_, \_\_\_\_.

WHEREAS

- A.I.S.E. is an Industry Association of, among others, manufacturers of detergents in Europe, and together with its National Association Members it has a long and successful track record of voluntary initiatives in the environmental and sustainability area;
- A.I.S.E. has launched a sustainability initiative in the field of Laundry Powder Detergents placed on the market in Europe, called the A.I.S.E. “Product Resource Efficiency Project for Laundry Powder Detergents” - PREP-P3) (“Project”);
- The Project builds on the success of previous initiatives of the same nature, the “Laundry Sustainability Project” # 1 and # 2 for laundry powder detergents and a “Laundry Sustainability Project” for laundry liquid detergents (“LSP-1”, “LSP-2” and “LSP-L”). It aims to pursue the sustainability effort undertaken by the Detergent Industry with LSP-1 and LSP-2;
- The aim of the Project is to encourage further compaction of heavy-duty low suds powder detergents used for household laundry, also referred to as HDLS powders (“Products”);

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*Working together for a cleaner Europe*



- The scope of the *Project* includes all powder laundry detergents used for household laundry, as well as laundry powder detergents for the I&I (industrial and institutional) sector which are sold in C&C (Cash & Carry) markets and thus are easily available to consumers (even in the case where they are sold in large sizes);
- The compaction aimed at in the *Project* should lead, in the field of sustainable production, to a reduction of the environmental impact of the laundry products sector across the whole of Europe by promoting and encouraging the reduction of chemicals, packaging and energy used in product making, delivery and use, thus contributing to sustainability targets such as CO<sub>2</sub> emissions;
- *A.I.S.E.* will monitor progress throughout the initiative and will publish a “Close-out Report” at the end of the initiative to present the achievements of the *Project*;
- Further details on the principles and the aims of the *Project* are set out in the “*Project Description*” document, which is annexed to this document (see *Appendix 3*);
- The technical requirements defined for the *Project* aim to facilitate a balance between significant increase in compaction and the largest possible access to the *Project*, in particular since these requirements can be reached with well-known technologies, thus not representing a barrier to entry into the *Project* for any company (including SMEs) wishing to join the *Project*;
- Formulation of compacted laundry powder detergents reduces product volume, thereby allowing an overall reduction of the use of packaging materials and transport, which in itself constitutes an environmental gain. Such reduction of packaging shall be accompanied by efforts to optimise pack fill level to ensure full benefit for the environment and the consumer;
- In the field of sustainable consumption, consumers should still be encouraged to modify further the way they use laundry powder detergents through appropriate on-pack information on how to dose correctly the concentrated products;
- The *Project* officially “opens” as of 1 July 2012, which allows companies to sign this “*Letter of Commitment*” from that date onwards and will last until 30 June 2014 (“*Term*”). The date of “activation” of the *Project* is 1 July 2013. Signing up to the *Project* remains possible until 31 March 2014. The “activation date” is the date as of which companies are allowed to place *Products* on the market bearing the on-pack communication material specifically designed for the *Project* and allowed to publish or distribute other communication about the *Project* without confidentiality restrictions. The duration of the *Term* is deemed appropriate to allow companies to make the technical or financial internal adjustments, where necessary, to join the initiative. The *Project*’s schedule is presented in *Attachment 1* of the *Project Description*;
- The *Company* has applied to *A.I.S.E.* to be recognised as being a participant in the *Project* and has agreed to make the commitments set out below;
- *A.I.S.E.* is satisfied that the *Company* manufactures and/or places on the market *Products*, or intends to come on the market with such *Products*, in the European Union as well as Norway, Iceland, Switzerland and Liechtenstein (“*Territory*”), and as such meets the eligibility requirements of the *Project*;

- The *Project* is open to all companies which meet all applicable conditions of the *Project*, irrespective of their size and whether they are:
  - *A.I.S.E.* members or non-members;
  - members or non-members of the National Associations of the countries in the geographical scope;
  - manufacturers, distributors or importers where applicable (the *Project* addresses both branded products and private labels);
  - companies established within or outside the *Territory*;
  - companies intending to come on the market in the *Territory* with products meeting the *Project's* requirements.

The *Company* HEREBY COMMITS to the *Project* in respect of its *Products* placed on the market in specified countries within the *Territory* ( "*Commitment*" ).

WHEREBY the *Company* shall:

- Develop and place on the market optimized formulations that will enable consumers to achieve at the lower recommended dosages end-results at least equivalent to before.  
 "*Placing on the market*" shall be interpreted to mean the moment when the ownership of the *Products* transfers from the *Company* to the trade customer. It does not include the production of the *Products*.
- Select in which countries of the *Territory* to participate in the *Project* ("*Nominated Countries*") and communicate it to *A.I.S.E.* by filling in the list of "*Countries of interest*" annexed in *Appendix 2*.
- Reach a recommended dosage for a standard washing machine load<sup>1</sup> which is not greater than 75 g/wash and 115 ml/wash for ALL its *Products* in the *Nominated Countries*.
- Strive to optimise the use of packaging materials. In particular it will commit to reduce the packaging materials of the *Products* (both in the case of rigid and/or non-rigid containers) through the fill level remaining at least overall in line with the current filling levels. In particular for rigid containers, effective filling ratios should continue to be in any event no less than 70% of the maximum filling ratio.
- Communicate clearly to consumers about the correct use of its *Products*. The *Company* is strongly urged to use the *A.I.S.E.* non-branded material for on-pack communication which includes the elements ("*Comparative*" and "*Non-comparative patches*") as described in *Attachments 2* and *3* of the *Project Description*. In case a *Company* has already implemented reformulations of some of its *Products* prior to the launch of this *Project* such that they already comply with the requirements set in the *Project*, it can choose whether or not to use the communication elements (*Non-comparative patches*) shown in the *Attachment 3* of the *Project Description*.

Upon signature of this *Letter of Commitment*, the *Company* shall receive the technical information and the guidelines provided in the relevant attachments of the *Project Description* to be followed by the *Company* when implementing the on-pack communication material.

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<sup>1</sup> As defined in Annex VII of Regulation (EC) No 648/2004 on detergents which provides that "The standard washing machine loads are 4.5 kg dry fabric for heavy-duty detergents".

- The *A.I.S.E.* on-pack communication material (*Comparative patches*) shall be used according to the *Attachment 2* of the *Project description* on the *Products* until the end of the *Term* for *Products* being concentrated under the *Project*. However, the *Company* shall be entitled to replace it, if deemed appropriate (e.g., when the *Product* cannot be considered as new any longer) or necessary (e.g., to fulfil national legal requirements) by the on-pack communication material (*Non-comparative patches*) according to *Attachment 3* of the *Project description*. Accept and comply with the deadlines set in point 6 and in *Attachment 1* of the *Project description*. Specifically:
  - By 30 June 2014 (“*Closure*” of the *Project*), the *Company* must have started placing on the market the new products with the on-pack communication material.
  - By 30 June 2014, the *Company* must have stopped producing “pre-PREP” products.
  - By 31 December 2014, the *Company* must have stopped producing products using the “*Comparative*” on-pack communication material.
  - By 30 June 2015, the *Company* must have stopped placing on the market products using the “*Comparative*” and “*Non-comparative*” on-pack communication material.
- Ensure that the *Products* meet the safety and environmental requirements defined by law and applicable at the time of the *Project* using appropriate risk assessment as deemed relevant and appropriate by the *Company* in its sole discretion.
- Contribute to its fair share of costs (as calculated herein ) related to the *Project* and its PR campaign, to be designed and run by *A.I.S.E.* in cooperation with its National Associations members, both at central and national level, as laid down in *Appendix 1*. Contributions are to be calculated on the basis of a company’s “*value market share*” of the household laundry powder detergents’ market in the whole project region (for the central budget to cover the central costs) and on a country by country basis (for local budgets in each country where the communication campaign will run). Such “*value market share*” will be determined based on 2011 historic figures from an independent market research source. The final repartition will be determined at the end of the *Project* based on the final group of companies having joined the *Project*.
- Respond to requests for collection of data (in full confidentiality) made by *A.I.S.E.* or an appointed auditor with the aim to monitor progress achieved throughout the *Project* and help preparing the *Close-out report* at the end of the *Project*. The baselines for measuring the achievements of the Project the will be a picture of the status quo on January 1, 2012 and of the market during the 2011 calendar year. *A.I.S.E.* will provide the format for collection of data in a specific Excel document to be circulated to applicants with a cover letter and a template *Letter of Commitment*.

This *Commitment* shall remain in full force and effect until the end of the *Project* life (June 30, 2014). It may either be terminated:

- a. by the *Company* at any time serving not less than two (2) months’ written notice upon *A.I.S.E.* of its withdrawing its subscription to the *Project* or
- b. by *A.I.S.E.* serving not less than two (2) months’ prior notice upon the *Company* following the *Company*’s failure to meet the material requirements under the *Project* and/or this *Commitment*, provided, however, that *A.I.S.E.* must provide the *Company* with written notice to the Headquarters’ Address specifying the *Company*’s material failure or material breach.

The following procedure shall be followed:

- As soon as *A.I.S.E.* becomes aware of an alleged infringement by a *Company*, it will write to that *Company* giving full particulars of the event that might constitute an infringement of the *Commitment* taken, including the time period to remedy the infringement. The *Company* shall reply in writing within twenty-eight (28) days.
- In the event that the *Company* agrees its behaviour does constitute an infringement of its *Commitment*, it shall remedy the breach within sixty (60) days (not including the twenty-eight (28) days indicated above) as requested by *A.I.S.E.* in the letter referred to above. This remedy may include a requirement to cease use of the on-pack communication material on the products until the infringement has been remedied.
- If such failure/breach is cured by the *Company* within sixty (60) business days from receipt of such notice the termination by *A.I.S.E.* for the respective failure or breach shall be null and void.
- In the event that *A.I.S.E.* and the *Company* do not come to an agreement on the alleged infringement, *A.I.S.E.* will refer the matter to an independent verifier whose assessment will be definitive for the purpose of assessing the infringement.
- If the verification carried out shows proof of an infringement, *A.I.S.E.* reserves the right to charge the *Company* a fee covering the administrative expenses incurred by the *A.I.S.E.* for this verification up to ten thousand (10,000) Euros per country where one or more infringements are deemed to have taken place, payable within twenty-eight (28) days. Where the verifier confirms the infringement, the *Company* will be requested by *A.I.S.E.* to remedy the infringement within sixty (60) days. The remedy may include a requirement to cease use of the on-pack communication material on the infringing products until the infringement has been remedied.

Termination may also be sought for the *Project* if the breach is not remedied, in the country where the breach has taken place and has not been remedied, or for the whole *Project*. For the *Company* it shall signify the obligation to remove the *A.I.S.E.* on pack communication material from its *Products*, within two months from notification of termination by *A.I.S.E.*

The commitments and rights, duties and responsibilities of the *Company* and *A.I.S.E.* under this agreement shall continue in full force and effect during any notice period.

If any provision or term of this *Agreement* or any part thereof shall become or be declared illegal, invalid or unenforceable for any reason whatsoever such term or provision shall be divisible from this *Agreement* and shall be deemed to be deleted from this *Agreement* provided always that if such deletion substantially affects or alters the commercial basis of this *Agreement* the parties shall negotiate in good faith to amend and modify the provisions and terms of this *Agreement* as may be necessary or desirable in the circumstances.

Any *Company* dissatisfied with any decision made by *A.I.S.E.* in relation to the *Project* which may prejudice its interests, with the exclusion of decisions following which participation to the *Project* is not granted, may refer the matter to the *A.I.S.E.* Board who will render a decision, after considering the *Company's* representations.

If the *Company* wishes to challenge the decision rendered by the Board or an *A.I.S.E.* decision following which the *Company* is refused participation to the *Project*, the matter shall be submitted solely and exclusively to binding arbitration in accordance with the rules and procedure of the Belgian Center for Mediation and Arbitration (CEPANI).

The decision of the arbitrators shall be final and binding upon the parties and judgement upon award may be entered into and enforced by any court having jurisdiction thereof. It is further agreed between the parties, that any hearing shall be held in Brussels, Belgium.

In construing and interpreting this Agreement, the arbitrators shall be bound by and shall apply the laws of Belgium. It is also further agreed that the arbitral tribunal shall be composed of three (3) arbitrators, and that the proceedings shall be conducted in the English language.

Signed by:

Signature:.....

Name:.....

Position:.....

For and on behalf of the *Company*

Please indicate name, position, telephone number and e-mail of a contact person for communication between *A.I.S.E.* and the *Company* throughout the *Project*.

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## **Budgeting mechanism**

**Disclaimer:** All fees calculations are handled in full confidentiality directly with each individual company committing to the *PREP-P3* initiative and having signed a “*Letter of Commitment*”.

Budget contribution of each participating company for both central and local costs will be based on specific criteria outlined here below. Importantly the budget split mechanism has been designed so that smaller companies would not be penalized, to ensure that no company willing to join the initiative would be prevented to do so for financial considerations.

The final repartition will be determined based on the final group of companies joining the *Project* in the region and in any given country.

- **Central costs:**

*A.I.S.E.* has established a separate dedicated central budget to support all expenses related to this project. This budget will cover all the “central” expenses covering the development of the communication material, PR material, the LCA, technical support (where necessary) and the project management.

This budget will be financed by each participating company on the basis of its estimated regional “*Value Market Share*” (Regional *VMS* – see definition below) of the household laundry powder detergents’ market during year 2011 in the whole project region. Companies with a regional *VMS* in 2011 below 1.0% will contribute to the central costs with a flat fee of 1,000 euro.

- **Local costs:**

The “local” budget in a given country will cover any needed adaptation of the template communication PR Material developed centrally by *A.I.S.E.* and the roll out of the *Project* in a given country (e.g., PR campaign implementation).

These costs will be covered by all participating companies in that country on the basis of their estimated national “*Value Market Share*” (National *VMS* – see definition below) of the household laundry powder detergents’ market during year 2011. Participating companies with a national *VMS* in 2011 below 1.0% will not need to contribute.

Importantly all “*Value Market Shares*” will be based, wherever possible, on historical data collected by an independent third party (e.g., ACNielsen). Specific details on the contributions will be part of the licensing agreements.

### **Data – definitions:**

- **Value Market Share (VMS, %):** total share of the household laundry powder detergents’ market during calendar year 2011, collected by an independent data provider.
- **Market Size (Euro):** total value of the household laundry powder detergents’ market during calendar year 2011.
- **Regional share (%):** the *VMS* within the whole Region, weighted by countries’ Market Sizes.
- **National share (%):** the *VMS* within a given country.

- **Region (or Territory):** the group of countries defined in the geographical scope of the *Project* as defined under point 4 of this “*Project description*” document.
- **Timeline:** Companies, who join the *Project* at any time within its duration, need to contribute to the budget according to their respective “regional / national shares”, regardless of the date of joining.

### **Detailed split:**

	<b>Budget</b>	<b>Split between</b>	<b>Basis for split</b>
<b>CENTRAL COSTS</b>			
- Logo development	A.I.S.E.	All participating companies with a Regional VMS of the household laundry powder detergents market $\geq 1\%$	Regional VMS of the household laundry powder detergents' market in the region or flat fee (1,000 €)
- PR Template development			
- Media Plan (ex TV) development			
- LCA study			
- Legal support			
- Technical support			
- A.I.S.E. project management			
<b>LOCAL NATIONAL COSTS</b>			
Adaptation of PR material	Local N.A.	All participating companies with a National VMS of the household laundry powder detergents' market $\geq 1\%$	National VMS of the household laundry powder detergents' market in the specific country
Implementation of PR campaign	Local N.A.		
Local Legal support	Local N.A.		
Local consultants	Local N.A.		
N.A. project management	Local N.A.		

**Countries of interest for the Company (“Nominated Countries”)**

**Company:** .....

#	Country	Is committing to the <i>Project</i> in the following countries: (Please tick the appropriate boxes)	Has the following <i>Products</i> in the Nominated Countries <sup>2</sup> :  (Please give names of <i>Products</i> – including variants- for each of the Nominated Countries)
1	Austria		
2	Belgium		
3	Bulgaria		
4	Cyprus		
5	Czech Republic		
6	Denmark		
7	Estonia		
8	Finland		
9	France		
10	Germany		
11	Greece		
12	Hungary		
13	Iceland		
14	Ireland		
15	Italy		
16	Latvia		
17	Liechtenstein		
18	Lithuania		
19	Luxemburg		
20	Malta		
21	Norway		
22	Poland		
23	Portugal		
24	Romania		
25	Slovak Republic		
26	Slovenia		
27	Spain		
28	Sweden		
29	Switzerland		
30	The Netherlands		
31	United Kingdom		

<sup>2</sup> The elements to be mentioned in this column are for information only. However, the list of *Products* is to be updated by the *Company*.

# Project description

## PROJECT DESCRIPTION

### The new A.I.S.E. “*Product Resource Efficiency Project*” for Laundry Powder Detergents (*PREP-P3*)

This document provides the details of a new sustainability initiative launched by A.I.S.E. (the International Association for Soaps, Detergents and Maintenance products), specifically addressed at heavy duty powder detergents<sup>1</sup> used for household laundry in Europe.

This project is promoted by A.I.S.E. and will be implemented with the support of its local National Associations.

#### 1. Introduction

Since its foundation in 1952, A.I.S.E. and its members have been committed to act responsibly in a consumer-oriented way – taking into account all elements of Sustainable Development. Importantly, Sustainable Development comprises three balanced pillars: economic development, social responsibility and environmental protection.

In the recent past, A.I.S.E. has extended this dialogue process with key stakeholders into a much broader range of activities concerning both sustainable production and sustainable consumption.

Examples of this A.I.S.E. approach are given in *Appendix A*. These initiatives have been covering a broad span of objectives, including and combining significant improvements of the environmental profile and the sustainable consumption of laundry detergents.

#### 2. The new “*Product Resource Efficiency Project*” for Laundry Powder Detergents (*PREP-P3*)

Continuing to build on the first ever A.I.S.E. Sustainability initiative (the “*Code of Good Environmental Practice*”) and energized by the successful implementation of several “*Laundry Sustainability Projects*” (*LSPs*), A.I.S.E. recognises that there is an opportunity to continue to extend the sustainability benefits of such type of initiatives. Therefore it decided that it would be appropriate to take another step towards a more sustainable future by launching a third voluntary industry initiative in an area (“*Heavy Duty Low Suds*” household laundry powder detergents) with still great relevance to the consumers.

As a result, A.I.S.E. and its National Associations members are now launching another important initiative in the spirit of concrete action for a continual progress in terms of sustainable development in the field of laundry powder detergents: the third “*Product Resource Efficiency Project*” for household laundry powder detergents (*PREP-P3*).

<sup>1</sup> As defined in Annex VIIB of the EU Regulation (EC) No 648/2004 of the European Parliament and of the Council of 31 March 2004 on detergents.

In order to avoid any confusion in light of the relation of the *LSP* initiatives with the *Charter* and retain the concept of “sustainability” solely for the *Charter*, it has been decided to replace the definition of “*Laundry Sustainability Projects*” (*LSPs*) with the new definition of “*Product Resource Efficiency Projects*” with “*PREP*” as the acronym. In the case of this *PREP-P3* initiative, the last “*P*” stands for “*powders*” and the “*3*” is a reminder that this is the third project of this kind for this product category in Europe.

The objective of *PREP-P3* is to continue to deliver significant benefits concerning the aspects of sustainability in the field of the household laundry process.

Importantly, *PREP-P3* is carried out in coherence with *Charter 2010* so as not to undermine the efficiency and the positioning of the *Charter* scheme as the main A.I.S.E. sustainability framework and the “most advanced sustainability scheme for the industry”. It takes into account the requirements for the *Charter 2010 Advanced Sustainability Profile (ASP)* for laundry powder detergents (and its implementation timing).

More specifically *PREP-P3* wants to provide:

- In the field of sustainable production, a reduction of the environmental impact of the laundry powder detergent sector in Europe by promoting and encouraging the reduction of chemicals, packaging and energy used in product making, delivery and use, thus contributing to sustainability targets such as CO<sub>2</sub> emissions.
- In the field of sustainable consumption, an encouragement to consumers to optimize further the way they use products, through a harmonised consumer communications campaign. This will provide consumers with important information on how to reduce product usage whilst maintaining the cleanliness delivered.

Also in the context of *PREP-P3*, A.I.S.E. together with the National Industry Associations in the relevant countries will continue to undertake significant action to inform and guide consumers about compacted products and their new dosages (*See point 7.b.*).

The *PREP-P3* initiative has been developed based on the conviction and the experience<sup>2</sup> that only an Industry Association-led initiative could make consumers’ habits move further towards even more sustainable patterns in the field of household laundry powder detergents. This is because such an approach can build on and benefit from a coordinated communication campaign that can only be possible in such a context.

Furthermore, this initiative will ultimately continue to strengthen the reputation of the detergent industry represented by A.I.S.E. and its National Industry Associations as a proactive and trusted partner for authorities and civil society in supporting sustainable development.

### 3. **Product Scope**

The *PREP-P3* initiative is aimed at all Heavy Duty<sup>3</sup> Low Suds (HDLS) powder detergents used for household laundry.

Also the HDLS laundry powder detergents for the I&I (Industrial & Institutional) sector which are sold in C&C (Cash & Carry) markets and thus are easily available to consumers (even in the case they are sold in large sizes) are, inter alia, included in the scope of this project.

<sup>2</sup> Similar initiatives in the field of both powder and liquid household laundry detergents have delivered encouraging results. *Appendix A* provides more details on these initiatives that have been run over the years in Europe by A.I.S.E. with the support and cooperation of the National Industry Associations in the individual countries. In fact some of those initiatives are still underway.

<sup>3</sup> A so called “Heavy Duty” detergent is one which is meant to wash “normal” laundry as opposed to those detergents for delicate fabrics. According to the already mentioned Annex VIII of the EU Regulation (EC) No 648/2004 of the European Parliament and of the Council of 31 March 2004 on detergents, “a detergent shall be considered to be a heavy-duty detergent unless the claims of the manufacturer predominantly promote fabric care i.e. low temperature wash, delicate fibres and colours.”

The classification of a detergent in one or in the other category is normally made by the manufacturer and can be clearly identified from the way the legally required “number of standard washes” is calculated. In fact the same annex states: “The packaging of detergents sold to the general public intended to be used as laundry detergents shall bear the following information:

- For heavy-duty detergents, the number of standard washing machine loads of ‘normally soiled’ fabrics, and, for detergents for delicate fabrics, the number of standard washing machine loads of lightly-soiled fabrics, that can be washed with the contents of the package using water of medium hardness (...). ”

#### 4. **Geographical Scope**

The *PREP-P3* initiative runs in the following countries:

- European Union + Iceland, Liechtenstein, Norway and Switzerland.

In case a country becomes a new member of the EU during the lifetime of the project, it will be included automatically in the geographical scope as well.

Companies can choose the countries for which they wish to commit.

#### 5. **Criteria of participation**

The project addresses both branded products and private labels. It is open to companies manufacturing and/or placing on the market within the defined geographical scope HDLS laundry powder detergents which include, if all the other applicable conditions are met:

- companies active in the markets within the geographical scope;
- members and non-members of A.I.S.E.;
- members and non-members of the National Industry Associations of the countries within the geographical scope;
- manufacturers, distributors, and importers where applicable;
- companies established within and/or outside of the geographical scope;
- companies intending to come on the market within the geographical scope with products meeting the project's requirements.

#### 6. **Timing**

The key dates for the *PREP-P3* initiative are as follows:

- |   |                     |
|---|---------------------|
| • Approval by the A.I.S.E. Board                        | 09 February 2012    |
| • <u>Opening date</u> <sup>4</sup>                      | <u>01 July 2012</u> |
| • <u>Activation date</u> <sup>5</sup>                   | <u>01 July 2013</u> |
| • End of the "Industry Preparation" period <sup>6</sup> | 31 March 2014       |
| • <u>Closure date</u> <sup>7</sup>                      | <u>30 June 2014</u> |
| • Beginning of the "Exhaustion" period <sup>8</sup>     | 31 December 2014    |
| • End of the "Exhaustion" period <sup>9</sup>           | 30 June 2015        |

A detailed "timetable" with all the milestones and the specific conditions to be followed is also shown in *Attachment 1*.

#### 7. **Companies' Commitment**

Each Company adhering to the *PREP-P3* initiative commits to take concrete specific steps towards achieving the objectives of the project.

In particular companies participating in this initiative commit to:

- 7.a. *Develop and place on the market optimized formulations that enable consumers to achieve at the lower recommended dosages end-results equivalent to before.*

<sup>4</sup> Beginning of the "Industry Preparation" period. By this date companies can start to sign-in, but no product with the on-pack communication material can be "placed on the market".

<sup>5</sup> Beginning of the "Implementation" period. Companies can continue to sign-in and after this date they can start "placing on the market" products with the on-pack communication material.

<sup>6</sup> After this date companies cannot apply to the project anymore.

<sup>7</sup> Beginning of the "Closing down" period. By this date participating companies must have started "placing on the market" the new products with the on-pack communication material and must have stopped producing pre-PREP products.

<sup>8</sup> By this date participating companies must have stopped producing products using the "comparative" on-pack communication material.

<sup>9</sup> By this date participating companies must have stopped "placing on the market" products using "comparative" and "non-comparative" on-pack communication material.

**N.B.** "Placing on the market" shall be interpreted to mean the moment when the ownership of the products transfers from the company to the trade customer.

Specifically, participating companies must ensure that **all** their HDLS household laundry powder detergents in a given country have recommended dosages **not greater than 75 g/wash and 115 ml/wash** for a standard washing machine load<sup>10</sup> of “normally soiled” fabrics to be washed using water of medium hardness.

Importantly when used at these lower dosages, detergents should deliver in the use phase washing end-results equivalent to those the consumer is expecting from previous experience.

In case a participating company introduces a new product during the lifetime of the project, the commitment should be to have also for these new products recommended dosages which are not greater than 75 g/wash and 115 ml/wash for a standard washing machine load of “normally soiled” fabrics to be washed using water of medium hardness.

The 75g/115ml per wash maximum limits were selected based on an industry consultation which confirmed their technical feasibility, even if the aspiration of the Project Team had been to set those limits at 70g/110ml per wash. Nevertheless even these higher limits represent a significant reduction in the recommended dosages versus the most common situations for this type of detergents that existed on January 1, 2012. In fact an initial LCA shows that this minimum level to reach allows significant environmental benefits.

*Appendix B* provides a brief summary of this initial LCA and presents an overview of the potential benefits in terms of reductions of raw materials, packaging materials and transport.

It must be noted that companies are free to decide in which countries they want to participate to the initiative and in which they may choose to stay out.

The above requirements also allow striking the right balance between a significant increase in compaction and the largest possible access to the project. It is in fact expected that the required thresholds can be reached with conventional technologies, thus not representing a barrier to entry into the project for any company (including SMEs) wishing to join the project. In any case A.I.S.E. will make available (upon request) “Technical Guidelines” to compaction or even expert’s technical advice if necessary.

#### **7.b. Optimize the usage of packaging materials.**

Participating companies must continue to strive to optimize the usage of packaging materials for the new products.

As the new formulations entail a reduced volume per wash, companies will commit to a reduction of packaging materials, both in the case of rigid (e.g., cartons) and non-rigid (e.g., bags) containers, remaining overall at least in line with current filling levels. In particular, for individual rigid containers, effective filling ratios should continue to be in any event no less than 70% of the maximum filling ratio<sup>11 12</sup>.

#### **7.c. Communicate clearly to consumers how best to achieve the intended sustainability improvements by encouraging the correct use of the new products.**

<sup>10</sup> As defined in Annex VII of the Regulation (EC) No 648/2004 of the European Parliament and of the Council of 31 March 2004 on detergents.

<sup>11</sup> As defined in test method DIN 55 540 dated May 1978 where the product density ( $\delta$ ) measured in g/l is either shown on the pack or can be easily derived from the relation between recommended dosages in weight and in volume. This density should not be lower than the average Repour Cup bulk density of the powder which can be obtained with the ISO 3424 test method using samples of on-shelf product and taking into account the density variations of the powder over a one month period of production.

According to this test method the bulk densities are measured by the non-compacted repour cup density method. This method uses an apparatus consisting of a funnel mounted above a 500 ml cup, the distance from the base of the funnel to the top of the cup being 50 mm. The cup is filled to overflowing with product from the funnel (through an aperture of 40 mm diameter). Without tapping the cup, excess product is removed by scraping away excess by means of a straight edge across the top of the cup. The net weight of product is then measured and recorded, and bulk density is calculated according to the volume of the cup.

<sup>12</sup> In case the container has been designed to contain a dosing devise (scoop or beaker), its “useful capacity” is decreased by 200 ml.

Communication to consumers will focus on educating consumers to use more compacted products and to apply the correct dosage, through on packs communication, using the A.I.S.E. non-branded material.

A.I.S.E. has developed a consumer communication package, including harmonised, non-branded material which aims to raise awareness among consumers about the benefits of using more compacted products.

This material will be made available to all participating companies in due time before the start of the activation period.

The requirements for consumer communication for *PREP-P3* are essentially but not exclusively related to on-pack activities. The objective of such communications is to provide a uniform approach to consumer information regarding the compaction of the product.

Importantly this communication aims to ensure that consumers have the information needed to dose correctly and are aware of the right consumer behaviours to follow in order to maximize the sustainability benefits.

In order for this to be achieved, companies are strongly urged to include two on-pack elements:

1. A “*Top of the pack*” patch,
2. A “*Dosing table*” patch to be added close to the dosing instruction table.

Two versions of these patches (comparative and non-comparative) are shown in *Attachment 2 and Attachment 3* respectively.

In case a participating company has already implemented some reformulations of its HDLS household laundry powder detergents prior to the launch of this project bringing them to be already complying with the requirements set in the above paragraphs, it can (but is not compelled to) use the appropriate communication elements shown in the appendices, but not earlier than the “*activation*” date (July 1, 2013).

For new products being introduced during the lifetime of the project, the company can use the appropriate communication elements shown in the appendices, but not earlier than the “*activation*” date (July 1, 2013).

Companies committing to the scheme should adhere to the guidelines for such communication related to products, which are provided in *Attachment 4*.

Importantly companies participating into *PREP-P3* are particularly encouraged to (continue to) use the A.I.S.E. “*Washright Panel*®” (see *Appendix C*). The A.I.S.E. “*Washright Panel*®” is a pillar of A.I.S.E. sustainability commitment and it clarifies further how consumers should do their laundry in order to reduce water and energy use, saving money and CO<sub>2</sub> emissions.

National Associations in certain countries may consider complementing the above communication program with additional campaigns involving specific media (e.g., TV and/or radio) which have large coverage and audience. Upon receiving such requests, A.I.S.E. will start developing the appropriate material in line with the overall A.I.S.E. Sustainability communication, subject to available funding.

**7.d. Adhere to all conditions set in this document and in the “Letter of Commitment”.**

The “*Letter of Commitment*” and the “*Timetable*” shown in *Attachment 1* list some specific conditions to be followed with regard to the milestones of the project. In case a company does not honour those commitments, A.I.S.E. will take the following actions:

- a. As soon as A.I.S.E. becomes aware of an alleged infringement by a company, it will write to that company giving full particulars of the event that might constitute an infringement of the commitments taken, including the time period to remedy the infringement.

The company shall reply in writing within twenty-eight (28) days.

- b. In the event that the company agrees its behaviour does constitute an infringement of its commitment, it shall remedy the breach within sixty (60) days (not including the twenty-eight (28) days indicated above) as requested by A.I.S.E. in the letter referred to above. This remedy may include a requirement to cease use of the on-pack communication material on the products until the infringement has been remedied.
- c. In the event that A.I.S.E. and the company do not come to an agreement on the alleged infringement, A.I.S.E. will refer the matter to an independent verifier whose assessment will be definitive for the purpose of assessing the infringement.

If the verification carried out shows proof of an infringement, A.I.S.E. reserves the right to charge the company a fee covering the administrative expenses incurred by the A.I.S.E. for this verification up to ten thousand (10,000) Euros per country where one or more infringements are deemed to have taken place, payable within twenty-eight (28) days. This fee aims at covering A.I.S.E. expenses generated by independent expertise to look into possible infringement which can be threefold: on-pack communication, recommended dosage, performance (requiring testing). Where the verifier confirms the infringement, the company will be requested by A.I.S.E. to remedy the infringement within 60 days.

The remedy may include a requirement to cease use of the on-pack communication material on the infringing products until the infringement has been remedied.

**All the above steps should be implemented by companies whilst ensuring that detergents placed on the market meet the safety and environmental requirements defined by law at the time of the project.**

By signing-in to the project, a company commits to achieve the above sustainability objectives on all its HDLS household laundry powder detergents brands in one or more of the countries of the geographical scope as defined above.

In order to join the project, companies shall sign a "*Letter of Commitment*" that will be provided by A.I.S.E. In turn A.I.S.E. will provide the communication material to be used on the packs. Such on-pack communication material can only be used by companies (including for their products on shelves) once they have committed to the project by signing the "*Letter of Commitment*". Once the "*Letter of Commitment*" is signed, such on-pack communication material cannot appear on products on shelves before the "*activation*" date (July 1, 2013).

## **8. Internal promotion and communication with stakeholders**

A.I.S.E. and its National Associations will be responsible for the promotion of this initiative to the whole of the industry, both members and non-members of A.I.S.E.

In addition, National Associations (with the support of A.I.S.E., as appropriate) will interact with National bodies, Governments, NGOs and consumers to present and explain the background of the project and its benefits. This will be done via ad-hoc communication programs to be run centrally and locally, including national PR campaigns and harmonised, non-branded on-pack communication which will aim to engage consumers and attempt to persuade them of the benefits of modifying behaviour.

These activities will be led by the National Associations and specifics and timings for such campaigns will be decided both at A.I.S.E. and in the various National Associations.

Preliminary contact with authorities at national level by the National Associations is however encouraged to take place as early as possible.

## **9. Financing the initiative**

A.I.S.E. will establish a separate dedicated budget to support all central expenses related to this project. In parallel, National Associations will also establish local budgets to cover local expenses related to the communication events.

The budget contribution of each participating company for both central and local expenses is based on its estimated “Value Market Share” (*VMS*) of the HDLS household laundry powder detergents’ market during year 2011 in the whole project region (for the central budget) and on a country by country basis (for local budgets).

The final repartition is determined based on the final group of companies joining the *PREP-P3* initiative in any given country.

- **Central contributions** (*to be paid to A.I.S.E.*): all companies joining the project contribute to the central costs according to their “regional share” of the HDLS household laundry powder detergents’ market during year 2011 (their national *VMS*, weighted by the countries’ market size).

Companies with a “regional share” in year 2011 below 1.0% contribute to the central costs with a flat fee of 1,000 euro.

All estimated *VMS* are collected on a confidential basis by the A.I.S.E. secretariat and are based on historical data provided by independent third parties (e.g., ACNielsen, GFK, Euromonitor).

The “Region” is defined as the whole group of countries indicated in the geographical scope of the *PREP-P3* initiative (See point 4. above).

- **Local contributions** (*to be paid in each country to the local National Association*): all companies joining the project in a given country with a national *VMS* in year 2011 in that country above 1.0% contribute to the local expenses, according to their national share of the HDLS household laundry powder detergents’ market during year 2011 (their *VMS* within a given country).

In case the National Association in a given country decides to run a national TV campaign, the advertising space on TV is bought directly by the companies joining the project in that country on the basis of their combined estimated “Share of Voice” (*SOV*) and “Value Market Share” (*VMS*) in year 2011 of the laundry powder detergents’ market in that country where TV advertising is aired. Importantly this split will be calculated in “Gross Rating Points” (*GRPs*) rather than in currency for confidentiality reasons.

Specific details on the contributions are shown in *Attachment 5* and will be part of the “*Letter of Commitment*”.

## **10. Quantification of the Benefits**

The *PREP-P3* initiative has the potential for delivering environmental benefits as well as enabling consumers to obtain the same performance for less raw materials and energy usage. As the execution of this project is expected to follow the model established in previous similar projects, A.I.S.E can expect a significant reduction in raw materials and packaging in line with what was achieved before.

A system of auditing and measuring progress is in place, based on the collection of individual company data (in full confidentiality) and their consolidation in order to calculate the environmental load reduction achieved at the end of the project versus the situations in the market on January 1, 2012.

The data will normally be extracted from market tracking data provided by independent third parties (e.g., ACNielsen, GFK, Euromonitor) to A.I.S.E. Companies participating into *PREP-P3*. The collection and the consolidation of the data will be managed by the A.I.S.E. Secretariat on a confidential basis and participating companies must commit to cooperate with this process.

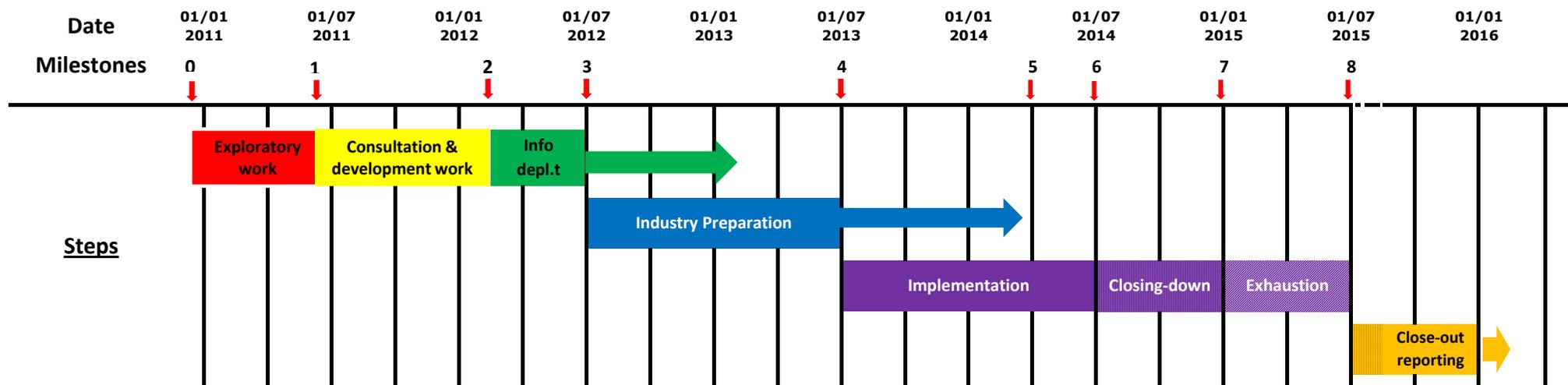
A.I.S.E. undertakes to publish a close-out report at the end of the project, (mid 2015) which it will make available to all stakeholders. This report will present the results obtained through this project.

# PREP-P3 Timetable

Attachment 1

The project's key dates are as follows:

- Approval of the project 09 February 2012
- Opening of the project 01 July 2012
- Activation of the project 01 July 2013
- Closure of the project 30 June 2014



- Milestones:**
- 0 = The idea of a new PREP initiative emerges
  - 1 = In principle agreement by the Board
  - 2 = "Approval" of the project *(Final approval and "Go ahead" by the Board)*  
*Beginning of information deployment to companies - both members and non-members (including Trade Chains)*
  - 3 = "Opening" of the project  
*Beginning of the "Industry Preparation" period*  
*By this date companies can start to sign-in, but no product with the on-pack communication material can be "placed on the market"<sup>1</sup>*
  - 4 = "Activation" of the project  
*Beginning of the "Implementation" period*  
*Companies can continue to sign-in and after this date they can start "placing on the market"<sup>1</sup> products with the on-pack communication material*
  - 5 =  
*End of the "Industry Preparation" period*  
*After this date companies cannot apply to the project anymore*
  - 6 = "Closure" of the project  
*Beginning of the "Closing down" period*  
*By this date participating companies **must have started** "placing on the market"<sup>1</sup> the new products with the on-pack communication material*  
*By this date participating companies **must have stopped** producing pre-PREP products*
  - 7 =  
*Beginning of the "Exhaustion" period*  
*By this date participating companies **must have stopped** producing products using the "comparative" on-pack communication material*
  - 8 =  
*End of the "Exhaustion" period*  
*By this date participating companies **must have stopped** "placing on the market"<sup>1</sup> products using "comparative" and "non-comparative" on-pack communication material*

**Note:** <sup>1</sup> "Placing on the market" shall be interpreted to mean the moment when the ownership of the products transfers from the company to the trade customer

## PREP-P3 – On-pack Communication Material

**Disclaimer:** this on-pack communication material has been developed by A.I.S.E. for the PREP-P3 initiative. It can only be used by Companies committing to this initiative and upon signature of a “Letter of Commitment”.

### “Comparative patches”

FOR COMPANIES/BRANDS THAT ARE COMPACTING/ CONCENTRATING THEIR LAUNDRY POWDER DETERGENTS IN ORDER TO REDUCE THE STANDARD RECOMMENDED DOSE  $\leq 75$  g/wash / 115 ml/wash

#### 1. “Top of Pack” patches

##### Overall Intent:

This patch, which is put on the top of the pack, signals to the consumer that the product contained is a concentrated compact HDLS laundry powder and that less product is needed than with non-concentrated laundry powders. Its colour and style is matched to the A.I.S.E. “Washright Panel<sup>®</sup>”, indicating that this is an industry initiative under the auspices of the A.I.S.E. European Industry Association.

	Scoop with handle	Scoop w/o handle
<b><u>Silent version</u></b>		
<b><u>Monolingual version</u></b>		

##### Guidelines:

Element	Recommended minimum (as per example above)	Optional (at discretion of individual companies)
Wash basket	Positioned on the left hand side, the icon indicates the number of loads contained in the box of detergent (repeating the number of washes indicated on the front of pack).	Companies may use their own basket logo to ensure graphical consistency.
Scoops icon	Either the variant with or w/o handle can be used and should be positioned on the right hand side; lines, colours and arrow should be consistent.	Companies may use their own scoop shape, but should not vary the design.
Wording	“ <i>More Concentrated</i> ” or “ <i>More Compact(ed)</i> ” * Translation dependent	No wording
Colours	Green background, white text; outline should match that used on the “Washright Panel <sup>®</sup> ”. The colour of the product in the “old” scoop should be a lighter version of the colour of the product in the “new” scoop.	A black & white version of the patch may also be used.
© A.I.S.E.	On the top right hand side.	None.

**2. “Dosing table” patches****Overall Intent:**

This patch, which is added to the dosing instruction table, re-emphasises the importance of appropriate dosage to the consumer. Its colour and style is matched to the A.I.S.E. “Washright Panel<sup>®</sup>” and “Top of pack” patch, indicating that this is an industry initiative under the auspices of the A.I.S.E. European Industry Association.

Due to the significant variations in different companies’ dosing table artwork, the specific layout of this information is open to more flexibility, as specified below:

Scoop with handle	Scoop w/o handle
	

**Guidelines:**

<b>Element</b>	<b>Recommended minimum</b> <i>(as per example above)</i>	<b>Optional</b> <i>(at discretion of individual companies)</i>
Dosage	Must be clearly indicated and next to the “new” scoop.	None.
Scoops icon	Either the variant with or w/o handle can be used and should be positioned on left hand side; lines, colours and arrow should be consistent.	Companies may use their own scoop shape, but should not vary the design.
Wording	No specific wording is required.	
Positioning	Dosage amount must be clearly indicated on the right hand side next to the “new” scoop.	Positioning of words and icon at the companies’ discretion. This allows optimal fit with different dosing instructions layouts.
Colours	Green background, black text; outline should match that used on the “Washright Panel <sup>®</sup> ”. The colour of the product in the “old” scoop should be a lighter version of the colour of the product in the “new” scoop.	A black & white version of the patch may also be used.
© A.I.S.E.	On the top right hand side.	None.

## PREP-P3 – On-pack Communication Material

**Disclaimer:** this on-pack communication material has been developed by A.I.S.E. for the *PREP-P3* initiative. It can only be used by Companies committing to this initiative and upon signature of a “*Letter of Commitment*”.

### “Non-comparative patches”

FOR COMPANIES/BRANDS THAT ARE NOT COMPACTING/ CONCENTRATING THEIR POWDERS, BUT DID SO BEFORE THE LAUNCH OF THIS PROJECT AND STILL MEET THE *PREP-P3* CRITERIA, (i.e. their standard dose remains unchanged at  $\leq 75$  g/wash / 115 ml/wash and their packaging materials usage is optimized).

#### 1. “Top of Pack” patches

##### Overall Intent:

This patch, which is put on the top of the pack, signals to the consumer that the product contained is a concentrated compact HDLS laundry powder and that less product is needed than with non-concentrated laundry powders. Its colour and style is matched to the A.I.S.E. “*Washright Panel*®”, indicating that this is an industry initiative under the auspices of the A.I.S.E. European Industry Association.

	Scoop with handle	Scoop w/o handle
<b><u>Silent version</u></b>		
<b><u>Monolingual version</u></b>		

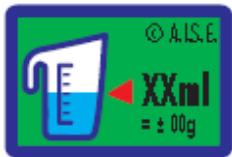
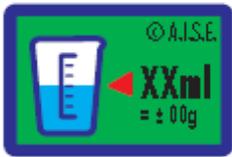
##### Guidelines:

Element	Recommended minimum (as per example above)	Optional (at discretion of individual companies)
Wash basket	Positioned on the left hand side, the icon indicates the number of loads contained in the box of detergent (repeating the number of washes indicated on the front of pack).	Companies may use their own basket logo to ensure graphical consistency.
Scoops icon	Either the variant with or w/o handle can be used and should be positioned on the right hand side; lines, colours and arrow should be consistent.	Companies may use their own scoop shape, but should not vary the design.
Wording	“ <i>Concentrated</i> ” or “ <i>Compact{ed}</i> ” * Translation dependent	No wording
Colours	Green background, white text; outline should match that used on the “ <i>Washright Panel</i> ®”.	A black & white version of the patch may also be used.
© A.I.S.E.	On the top right hand side.	None.

**2. “Dosing table” patches****Overall Intent:**

This patch, which is added to the dosing instruction table, re-emphasises the importance of appropriate dosage to the consumer. Its colour and style is matched to the A.I.S.E. “*Washright Panel*®” and “*Top of pack*” patch, indicating that this is an industry initiative under the auspices of the A.I.S.E. European Industry Association.

Due to the significant variations in different companies’ dosing table artwork, the specific layout of this information is open to more flexibility, as specified below:

Scoop with handle	Scoop w/o handle
	

**Guidelines:**

<b>Element</b>	<b>Recommended minimum</b> <i>(as per example above)</i>	<b>Optional</b> <i>(at discretion of individual companies)</i>
Dosage	Must be clearly indicated and next to the scoop.	None.
Scoops icon	Either the variant with or w/o handle can be used and should be positioned on the left hand side; lines, colours and arrow should be consistent.	Companies may use their own scoop shape, but should not vary the design.
Wording	No specific wording is required.	
Positioning	Dosage amount must be clearly indicated on the right hand side next to scoop.	Positioning of words and icon at the companies’ discretion. This allows optimal fit with different dosing instructions layouts.
Colours	Green background, black text; outline should match that used on the “ <i>Washright Panel</i> ®”.	A black & white version of the patch may also be used.
© A.I.S.E.	On the top right hand side.	None.

**Attachment 4****PREP-P3 – On-pack Communication Material****Guidelines on the on-pack communication elements**

1. Patches may not be mixed:
  - Top-of-pack patch 1 of *Attachment 2* can only be used in association with patch 2 of *Attachment 2*.
  - Top-of-pack patch 1 of *Attachment 3* can only be used in association with patch 2 of *Attachment 3*.
2. Should a company choose to compact and/or concentrate further a powder that already met the *PREP-P3* criteria before the “activation” date of the *PREP-P3* initiative, they must still use patches 1 and 2 of *Attachment 2*.
3. For new products placed on the market with a recommended dosage in line with the requirements of *PREP-P3*, the use of patches 1 and 2 of *Attachment 3* is optional.
4. A company is free to amend its artwork from patches 1 and 2 of *Attachment 2* to patches 1 and 2 of *Attachment 3* after a minimum of 6 months following actual compaction and on pack communication using patches 1 and 2 of *Attachment 2*.
5. A company is free to remove the on-pack patches after a minimum of 6 months from the initial placement on the market of the more compacted products, if it feels that consumers are well aware that the product is compacted and that dosage has changed.
6. Note that the indication “00” in the laundry basket shown in patches 1 of *Attachment 2* and *Attachment 3* must reflect the actual number of standard washing machine loads of ‘normally soiled’ fabrics that can be washed with the contents of the package using water of medium hardness as defined in Annex VIIB of the EU Regulation (EC) No 648/2004 of the European Parliament and of the Council of 31 March 2004 on detergents.
7. Note that the indication “XXXml = +/- XXg” shown in patches 2 of *Attachment 2* and *Attachment 3* must reflect the actual recommended dosage. Companies are entirely free to compact / concentrate their powder beyond the maximum recommended weight of 75 g/wash or the maximum recommended volume of 115 ml/wash. In those cases, this must be reflected in the actual figures shown in their patches.

**PREP-P3 – Budgeting mechanism**

**Disclaimer:** All fees calculations are handled in full confidentiality directly with each individual company committing to the *PREP-P3* initiative and having signed a “*Letter of Commitment*”.

Budget contribution of each participating company for both central and local costs will be based on specific criteria outlined here below. Importantly the budget split mechanism has been designed so that smaller companies would not be penalized, to ensure that no company willing to join the initiative would be prevented to do so for financial considerations.

The final repartition will be determined based on the final group of companies joining this A.I.S.E. *PREP-P3* initiative in the region and in any given country.

- **Central costs:**

A.I.S.E. has established a separate dedicated central budget to support all expenses related to this project. This budget will cover all the “central” expenses covering the development of the communication material (excluding TV copy development), PR material, the LCA, technical support (where necessary) and the project management.

This budget will be financed by each participating company on the basis of its estimated regional “*Value Market Share*” (Regional *VMS* – see definition below) of the HDLS household laundry powder detergents’ market during year 2011 in the whole project region. Companies with a regional *VMS* in year 2011 below 1.0% will contribute to the central costs with a flat fee of 1,000 euro.

With regard to the expenses related to the development of TV copy (if needed and upon request by National Associations), those will be covered by the participating companies in the countries where the copy will be aired on the basis of the average of the *VMS* and the “*Share of Voice*” (National *SOV* – see definition below) in year 2011 in those countries.

- **Local costs:**

The “local” budget in a given country will cover any needed adaptation of the template communication PR Material developed centrally by A.I.S.E. and the roll out of the project in a given country (e.g., PR campaign implementation). TV space will not be included in this budget (see below).

These costs will be covered by all participating companies in that country on the basis of their estimated national “*Value Market Share*” (National *VMS* – see definition below) of the HDLS household laundry powder detergents’ market during year 2011. Participating companies with a national *VMS* in year 2011 below 1.0% will not need to contribute.

In case the National Association in a given country decides to run a national TV campaign, the advertising space on TV will be bought by the companies joining the project in that country on the basis of their combined estimated *SOV* and *VMS* of the laundry powder detergents’ market in year 2011 in that country where TV advertising is aired. Importantly this split will be calculated in *GRPs* rather than in currency for confidentiality reasons. Participating companies with a national *SOV* in year 2011 below 1.0% will not be part of this split.

Importantly all “*Value Market Shares*” and “*Shares of Voice*” will be collected on a confidential basis by the A.I.S.E. secretariat and will be based on historical data provided by independent third parties (e.g., ACNielsen, GFK, Euromonitor).

Specific details on the contributions will be part of the licensing agreements.

**Attachment 5 (cont'd)****Data – definitions:**

- **Market Size (Euro):** total value of the HDLS household laundry powder detergents' market during year 2011.
- **Value Market Share (VMS, %):** total share of the HDLS household laundry powder detergents' market during year 2011, collected by an independent data provider.
- **Share of Voice (SOV, %):** total share of the HDLS laundry powder detergents' TV advertising in year 2011, rated for 30" TV copy, collected by independent data provider.
- **Regional share (%):** the VMS within the whole Region, weighted by countries' Market Sizes.
- **National share (%):** the VMS within a given country.
- **Region (or Territory):** the group of countries defined in the geographical scope of the PREP-P3 initiative as defined under point 4 of this "Project description" document.
- **Timeline:** Companies, who join the PREP-P3 initiative at any time within its duration, need to contribute to the budget according to their respective "regional / national shares", regardless of the date of joining.

**Detailed split:**

	<b>Budget</b>	<b>Split between</b>	<b>Basis for split</b>
<b>CENTRAL COSTS (ex TV)</b>			
- Logo development	A.I.S.E.	All participating companies with a Regional VMS $\geq$ 1%	Regional VMS or flat fee (1,000 €)
- PR Template development			
- Media Plan (ex TV) development			
- LCA study			
- Legal support			
- Technical support			
- A.I.S.E. project management			
<b>TV COSTS</b>			
- TV Copy development	A.I.S.E.	All participating companies with a SOV $\geq$ 1% across the countries where TV advertising is aired	Combined estimated 2011 SOV and VMS of the HDLS laundry powder detergents' market across the countries where TV advertising is aired
- National TV Media Plan development	Local N.A.	All participating companies with a SOV $\geq$ 1% in the specific country where TV advertising is aired	Combined estimated 2011 SOV and VMS of the HDLS laundry powder detergents' market in the country where TV advertising is aired
- National TV advertising space	Bought directly by companies on a GRP basis	All participating companies with a SOV $\geq$ 1% in the specific country where TV advertising is aired	Combined estimated 2011 SOV and VMS of the HDLS laundry powder detergents' market in the country where TV advertising is aired
<b>LOCAL NATIONAL COSTS</b>			
Adaptation of PR material	Local N.A.	All Companies which are marketing laundry powder detergents in the specific country	National VMS in the specific country
Implementation of PR campaign	Local N.A.		
Local Legal support	Local N.A.		
Local consultants	Local N.A.		
N.A. project management	Local N.A.		

## **Examples of the A.I.S.E. initiatives in the field of Sustainable Development**

- In the late 1980s A.I.S.E. promoted a novel “*Ingredient labelling*” approach in partnership with the EU Commission, which resulted in a Commission Recommendation (CEE 89/542).
- In January 1997, A.I.S.E. adopted its “*Code of Good Environmental Practice*” (“*Code*”) for Household Laundry Detergents in the EU (at the time 15) + Iceland, Liechtenstein, Norway and Switzerland. This program was endorsed by the EU Commission through a Recommendation (98/480/EC) published on July 22, 1998. The “*Code*” was a voluntary initiative designed to promote more sustainable consumption of laundry detergents. The “*Code*” established targets for reductions in per capita consumption of laundry detergents, packaging and poorly biodegradable organic ingredients (all by 10% over a five year period) and a reduction of the energy per wash (thus washing temperature) by 5%. These targets were established based upon the findings of a peered-reviewed LCA<sup>7</sup> of the overall laundry-washing process.

Companies which committed to the “*Code*” undertook to apply human and environmental risk assessment methodology to the design and production of their products and to strive to design products to contribute to a reduction in consumption. Furthermore, companies undertook to communicate standard information to consumers on how best to use products through the “*Washright Panel*®” instructions, in order to educate consumers towards more sustainable consumption.

Progress towards achieving reductions in consumption of raw materials, packaging and wash temperature was delivered through progressive compaction of products, coupled with a strong communication campaign.

The fact that more concentrated compact detergents have a better environmental profile has been proved by several “Life Cycle Assessment” (LCA) studies conducted over the years<sup>8,9,10</sup>. Based upon this, the majority of the detergent manufacturers in Western Europe have progressively compacted their laundry granules over the last 20 plus years since more “compact” formulae allow consumers to achieve the same cleaning performance at lower weight and volume dosages, provided that consumers use and dose the product as recommended.

In parallel, A.I.S.E. developed a very strong consumer communication campaign in order to engage the public in applying the most appropriate “best use practices” when using laundry detergents. The so-called “*Washright*®” campaign was deployed by companies, committed to the “*Code*” and was distributed via the most relevant media: TV, radio, press, Internet. Additionally it was promoted through the activities of A.I.S.E.’s National Industry Associations. A dedicated [www.washright.com](http://www.washright.com) website was posted by A.I.S.E. and publicized successfully.

The “*Code*” program came to an official end in 2001. A final report<sup>11</sup> summarizing the results was prepared by IBM, as an independent auditor and shared with the EU Commission and all other relevant stakeholders. A.I.S.E. provided additional perspective on these with an accompanying report<sup>12</sup> that was also shared widely. It was estimated that over the “*Code*” lifetime, 250,000 tonnes of detergents and 13,000 tonnes of packaging were saved in the concerned region with an obvious positive effect on the environment.

<sup>7</sup> [Rationale and Technical Appendices on the A.I.S.E. Code of Good Environmental Practice](#) (A.I.S.E. - Nov. 1997)

<sup>8</sup> [The Effect of Compact Formulations on the Environmental Profile of Northern European Granular Laundry Detergents - Part I: Environmental Risk Assessment](#) (Saouter E; Van Hoof G; Pittinger CA; Feijtel TCJ) - International Journal of Life Cycle Assessment - 2001; pages from/to: 363-372

<sup>9</sup> [The Effect of Compact Formulations on the Environmental Profile of Northern European Granular Laundry Detergents - Part II: Life Cycle Assessment](#) (Saouter E; Van Hoof G; Feijtel TCJ; Owens JW) - International Journal of Life Cycle Assessment – 2002; pages from/to: 27-38

<sup>10</sup> [A Database for the Life-cycle Assessment of Procter & Gamble Laundry Detergents](#) (Saouter E; Van Hoof G) - International Journal of Life Cycle Assessment – 2002; pages from/to: 103-114

<sup>11</sup> [A.I.S.E. Code of Good Environmental Practice: Final Report to the European Commission 1996-2001](#) (IBM Global Services - 2002)

<sup>12</sup> [Implementation of the A.I.S.E. Code of Good Environmental Practice for household laundry detergents in Europe – A.I.S.E. 1996/2001 Final Report](#) (A.I.S.E. - Jan. 2003)

- In 2004, A.I.S.E. developed another sustainability initiative, the “*Charter for Sustainable Cleaning*” a life-cycle based scheme, which requires the verification of clearly set criteria by an external verifier and demonstrates changes by stringent annual reporting. It was officially introduced on December 1, 2004 and since then has spread across the whole of Europe (EU 27 + Iceland, Liechtenstein, Norway and Switzerland). By now more than 100 companies, either manufacturers of detergents or distributors have subscribed to the “*Charter*” and A.I.S.E. has already published several official yearly “Sustainability Reports” presenting the progress made so far.

More recently, in 2010, A.I.S.E. has modernized this scheme. The *Charter update 2010*, the first major upgrade, introduces a product dimension, enabling companies to give a sustainability assurance for individual products, with an enhanced Charter logo. These can be obtained by companies committed to the *Charter update 2010* through voluntary compliance with the new *Advanced Sustainability Profiles (ASPs)* for product several categories.

Further information on this project can be found in the dedicated website [www.sustainable-cleaning.com](http://www.sustainable-cleaning.com).

- In 2006, A.I.S.E. launched its first “*Laundry Sustainability Project*” (*LSP-1*) as a direct follow-up of the “*Code of Good Environmental Practice*” and its associated “*Washright*®” campaign in Europe (EU 27 + Iceland, Liechtenstein, Norway and Switzerland). The *LSP-1* initiative was particularly beneficial to many of the CEE countries in the EU where the “*Code*” had originally not been implemented and hence laundry detergents were still relatively diluted. The objective of this project - which ended in December 2007<sup>13</sup> - has been to continue to deliver significant benefits concerning the aspects of sustainability in the field of laundry detergents for domestic use, as set out in a scientific dossier<sup>14</sup> already prepared by A.I.S.E.
- In June 2006, A.I.S.E. launched the “*Save Energy and Water Project*” which is focused on domestic automatic dishwashing detergents and aims primarily at modifying consumer behaviour. The aim of the project is to encourage consumers to use the “auto”, “55°C” or “50°C” wash cycles in order to save energy and water – and to make this a habit, thus achieving among other benefits also a reduction in CO2 emissions that contribute to climate change. This project became in 2006 a “partner” project to the European Commission’s Sustainable Energy Europe campaign. More details on this project can be found in the dedicated website [www.saveenergyandwater.com](http://www.saveenergyandwater.com).
- In September 2008, A.I.S.E. launched a new “*Laundry Sustainability Project*” (*LSP-TR*) specifically focused on Turkey. The local National Industry Association (at the time *S.D.S.D.* now *K.T.S.D.*) has been following directly the implementation of this initiative. This project ended at the end of August 2010. The objectives of this project were the same of those of *LSP-1*, but focussed on Turkey.
- In January 2009, A.I.S.E. launched another “*Laundry Sustainability Project*” (*LSP-2*). This initiative continued to build on the “*Code*” and on *LSP-1* across the whole of Europe (EU 27 + Iceland, Liechtenstein, Norway and Switzerland). It aims to encourage to use more concentrated compact powder products. This initiative will run until the end of March 2012.
- In July 2009, A.I.S.E. launched yet another “*Laundry Sustainability Project*” (*LSP-L*). This “*Laundry Sustainability Project for Heavy Duty Liquids*” aimed to promote the compaction / concentration of heavy-duty low suds (HDLS) liquid detergents used for household laundry, placed on the market in Europe (EU 27 + Iceland, Liechtenstein, Norway and Switzerland). This initiative closed-out on June 30, 2011 and a close-out report is under preparation.
- Also the website [www.cleanright.eu](http://www.cleanright.eu) developed by A.I.S.E. together with CEFIC represents a step towards a continual progress in enduring the most appropriate information to consumers on detergents, cleaners and maintenance products for use in the home. Building on this information consumers can improve further the sustainable use and consumption of those products.

<sup>13</sup> In fact the project was prolonged until Dec. 31, 2009 in a limited number of non-EU countries in the original region to maximize the possibilities to reach the originally envisaged sustainability benefits.

<sup>14</sup> [The A.I.S.E. Laundry Sustainability Project – Scientific Dossier](#) (A.I.S.E. – Nov. 2005)

### **PREP-P3 - Potential Sustainability benefits**

Based on the existing experience with the previous A.I.S.E. *LSP* initiatives (e.g., *LSP-1*, *LSP-2*, *LSP-L*), and on the LCA studies that have been run in that context we can expect significant level of sustainability benefits also from *PREP-P3*.

An LCA Expert Working Group has developed a preliminary evaluation based on the hypothesis of compacting and concentrating the current “regular” powder detergents to a level that would allow obtaining a performance equivalent to today’s products with dosages which are not greater than 75 g/wash and 115 ml/wash. This hypothesis is fully in line with the minimum commitments that a company participating to *PREP-P3* would have to fulfil.

The results of this evaluation based on our best estimate of a HDLS liquid detergents’ market in the whole region covered in the scope of this project indicated the following expected potential environmental load reductions:

Total European <sup>15</sup> HDLS powder detergents’ market (2010)	1.57 M tonnes
Reduction of ingredients	116,000 tonnes
Reduction of packaging materials (primary packaging only)	8,300 tonnes
Reduction of transport	5,900 truck journeys

To note that the starting point for this compaction varies significantly when one considers the WE countries versus the CEE region of the EU. This influences the potential benefits in the various countries. Nevertheless significant benefits can be expected in the majority of the European countries.

For perspective, these numbers, although still significant, are lower than the *LSP-2* expected environmental load reductions, which are:

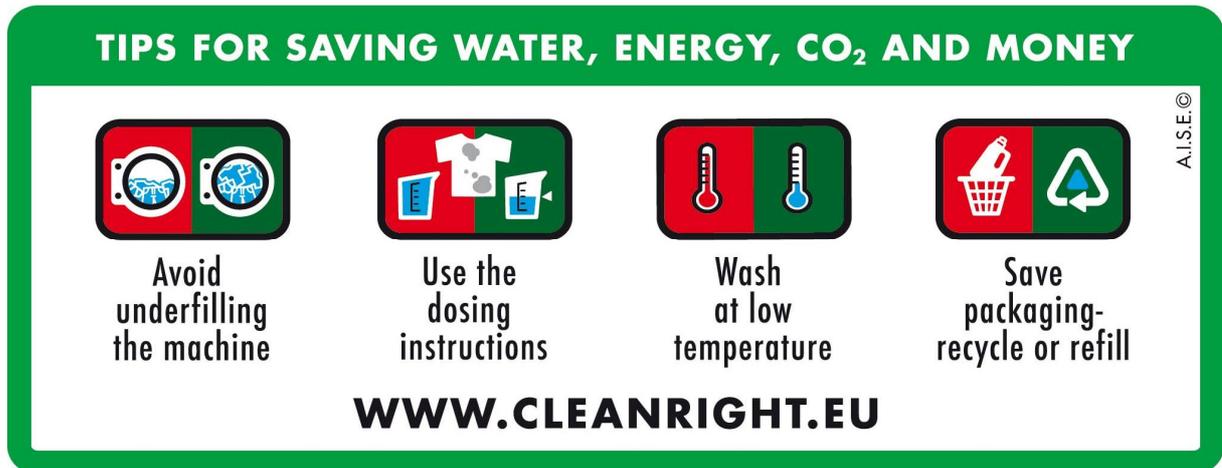
- About 200,000 tonnes of less raw materials;
- About 13,000 tonnes of less packaging materials;
- About 10,000 fewer truck journeys.

<sup>15</sup> This refers to the countries covered by the geographical scope of the *PREP-P3* initiative (see point 4)

## A.I.S.E. “Washright Panel©”

### Overall Intent:

This updated version of the A.I.S.E. “Washright Panel©” further clarifies how consumers should do their laundry in order to reduce water and energy use, saving money and CO<sub>2</sub> emissions.



### Guidelines

Element	Recommended minimum	Optional <i>(at discretion of individual companies)</i>
Wording	Revised wording should be used wherever possible: <ul style="list-style-type: none"> <li>- “<i>Tips for saving water, energy, CO<sub>2</sub> and money</i>”</li> <li>- “<i>Avoid underfilling the machine</i>”</li> <li>- “<i>Use the dosing instructions</i>”</li> <li>- “<i>Wash at low temperature</i>”</li> <li>- “<i>Save packaging – recycle or refill</i>”</li> <li>- “<i>A.I.S.E. ©</i>”</li> <li>- “<i>www.cleanright.eu</i>”</li> </ul>	For small packs, “silent” version of panel may be used (i.e. without words), however the elements: <ul style="list-style-type: none"> <li>- “<i>A.I.S.E. ©</i>”</li> <li>- “<i>www.cleanright.eu</i>”</li> </ul> should still be present.
Positioning	Wording positioning may be varied to best suit pack layout.	None
Graphical layout	Only small variations are acceptable. Note that panel may be horizontal (see examples above) or vertical with the icons underneath each other.	None
Colour	Green background, white text and black/white outline.	A black and white version may be used.