



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. "Laundry Sustainability Project for Heavy Duty Liquids" (LSP- L)**

A COMMITMENT by \_\_\_\_\_

(the "Company") with a principal place of business at \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(“Headquarters’ Address”) to the “Laundry Sustainability Project for Heavy Duty Liquids” (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 another sustainability initiative in the field of heavy-duty low suds liquid detergents used for household laundry and placed on the market in Europe, called the A.I.S.E. “Laundry Sustainability Project for Heavy Duty Liquids” (LSP-L)
- The *Project* builds on the success of previous projects of the same nature, the Laundry Sustainability Projects 1 and 2 (“LSP 1” and “LSP 2”). It aims to pursue the sustainability effort undertaken by the Detergent industry with LSP1 and LSP2 by extending it to the household heavy duty liquid detergents.
- The aim of the *Project* is to encourage concentration of heavy-duty low suds liquid detergents used for household laundry, also referred to as HD-L liquid detergents (the “Products”). For the Project “HD-Liquid detergents” are defined as:
  - Heavy-Duty (detergents): detergents which are meant to wash “normally” soiled laundry (as opposed to detergents which are meant to wash delicate fabrics/lightly-soiled fabrics), as defined in Annex VII B of Regulation (EC) N° 648/2004 of 31 March 2004 on detergents, Further, a detergent shall be considered to be a heavy-duty detergent unless the manufacturer claims it to be aimed at delicate /lightly soiled fabric.

AND

*Working together for a cleaner Europe*



- Liquid (detergents): aqueous or non-aqueous fluids (where molecules can move freely among themselves) or colloidal solutions/dispersions (gel or any other non solid/gas form) with suspended particles, meant to wash household laundry.

The project scope includes, inter alia, the following product executions of heavy-duty liquid detergents:

- Liquid detergents sold in traditional containers (e.g. bottles)
  - Liquid detergents sold in “mono-doses”;
  - Liquid detergents for household laundry which are sold solely in large containers to be used exclusively by retailers for selling products to consumers in refillable bottles;
  - Liquid 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 concentration aimed at in the Project should lead, in the field of sustainable production, to a reduction of the environmental impact of the laundry detergent 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 project and will publish a close-out report at the end of the project 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 conventional technologies.
  - Formulation of compacted HD Liquids detergent products 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 be encouraged to modify further the way they use liquid detergent products through appropriate on-pack information on how to dose correctly the concentrated product.
  - The *Project* will be officially “open” on 1 July 2009 which allows companies to sign this Commitment Letter. The Project will then be “activated” on 1 July 2010. 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 Project will last until June 30, 2011 and companies will be able to join during the whole lifetime of the project. The defined timing of the Project is deemed appropriate to allow companies to make the technical or financial internal adjustments, where necessary, to join the initiative.
  - 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* in the European Union as well as Norway, Iceland, Switzerland and Liechtenstein (the “*Territory*”), and as such meets the Eligibility Requirements of the *Project*.
- The *Project* is open to all companies who 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 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*.

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

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.
- Select in which countries of the *Territory* to participate in the *LSP- L* initiative and communicate it to *A.I.S.E.* by filling in the list annexed in Appendix 2.
- Reach a recommended dosage for a standard washing machine load<sup>1</sup> which is not greater than 75 ml/wash in the countries for which the *Company* commits, and for ALL its *Products*.
- Strive to optimise the use of packaging materials. In particular it will commit to reduce the packaging materials of the *Products* through the fill level remaining at least overall in line with the current filling levels.
- Communicate clearly to consumers about the correct use of its *Products* through on-pack communication, using the *A.I.S.E.* non-branded material which includes the elements as described in Appendix 3 of the *Project Description*, to be used all together. However, in case a company has already implemented some reformulations 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 shown in the appendices.

Upon signature of this *Commitment Letter*, the *Company* shall use the technical information for the artwork provided by *A.I.S.E.* and the guidelines provided in the relevant Appendices of the *Project Description* that have been designed to help the *Company* implement the on-pack communication material.

The *Company* shall use the *A.I.S.E.* on-pack communication material according to the points 1 in Appendix 3a and Appendix 3b of the “*Project description*” document on its *Products* until the end of the duration of the project for liquids 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 according to the

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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”.

points 2 in Appendix 3a and Appendix 3b of the "Project description" document. In any case the *Company* may continue placing on the market Products bearing the A.I.S.E. on-pack communication material according to point 1 in Appendix 3a and Appendix 3b for an additional period of up to one year after the end of the duration of the project (June 30, 2012).

A.I.S.E. shall not object to the *Company* continuing the usage of the on-pack communication material described in points 2 in Appendix 3a and Appendix 3b of the "Project description" document after the end of the project.

A.I.S.E. and the relevant National Associations shall be kept informed by the *Company* of any changes in the use of the on-pack communication material.

Additional requirements for use of the on-pack communication material are laid down in Appendix 3 of the Project Description.

- Ensure that the *Products* are safe for man and the environment using appropriate risk assessment.

Contribute to its fair share of costs 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 HD-L 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 2008 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 LSP-L initiative.

Communicate to A.I.S.E. the eventual limited quantities of non compliant products that will continue to be placed on the market for a short period of time after Products start to appear on shelves and the estimated deadline for their exhaustion.

- 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 establish the close-out report at the end of the Project. The baseline for measuring the achievements of the Project will be January 1, 2009. 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, 2011). 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.

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. Termination shall be sought in the country where the breach has taken place. 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.

Any company dissatisfied with any decision made by *A.I.S.E.* in relation to *LSP-L* 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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### LSP-L - Budgeting mechanism

Budget contribution of each company for both central and local costs will be based on its estimated “Value Market Share” (VMS) of the laundry liquid detergents’ market during year 2008 in the whole project region (for the central budget) and on a country by country basis (for local budgets). The figures will be collected through an independent source and will be handled so as to preserve the confidentiality of the data.

The final repartition will be determined based on the final group of companies joining this A.I.S.E. LSP-L initiative in any given country.

	Split based on	Budget	Contribution collected by
<b>CENTRAL COSTS</b>			
PR Template development	regional share	A.I.S.E.	A.I.S.E.
A.I.S.E. costs: legal, logistics, project management, etc.	regional share	A.I.S.E.	A.I.S.E.
PR Campaign country adaptation	national share	A.I.S.E.	A.I.S.E.
<b>LOCAL COSTS</b>			
PR Campaign country execution	national share	National Association	National Association
Media: e.g. Print Campaign (if judged appropriate)	national share	National Association	National Association
N.A. logistics	national share	National Association	National Association

#### **Data – definitions:**

- **Value Market Share (VMS, %):** total share of the laundry liquid detergents’ market, calendar year 2008, collected by an independent data provider.
- **Market Size (Euro):** total value of laundry liquid detergents’ market, calendar year 2008, collected by an independent data provider.
- **Regional share (%):** the VMS, weighted by Market Size.
- **National share (%):** the VMS within a given country.
- **Region (or Territory):** the group of countries defined in the geographical scope of the LSP-L initiative (EU 27 + Iceland, Liechtenstein, Norway and Switzerland).
- **Timeline:** Companies, who join the Project at any time within its duration, need to contribute to the Project according to their respective “regional / national shares”, regardless of the date of joining.

- **Central contributions:** all companies who join the project need to contribute to the central costs according to their “regional share” (see definition above). Companies below 1.0% regional share need to contribute to the central costs with a flat fee of 1,000 euro.
- **Local contributions:** all companies with a national value share in 2008 above 1.0% need to contribute to the local costs, according to their “national share”.

**LSP-L - Countries of interest for the Company**

Company: .....

#	Country	Is committing to the LSP-L in the following countries:  (Please tick the appropriate boxes)	Has the following <i>Products</i> in the countries in which it has chosen to commit <sup>2</sup> :  (Please give names of <i>Products</i> for each of the chosen 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*.

*Appendix 3*  
Project description

