

## PROJECT DESCRIPTION

### The new A.I.S.E. “*Product Resource Efficiency Project*” for liquid Fabric Conditioners (*PREP-FC*)

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 liquid Fabric Conditioners 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 liquid Fabric Conditioners (*PREP-FC*)

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.

So far these initiatives have been focussed on detergents for household laundry (both powders and liquids). These products represent in fact the largest category of “household cleaning and maintenance products” in Europe. Hence they have offered the largest potential for delivering substantial sustainability benefits.

There are however other product categories which are widely present in Europe and which can offer an opportunity for delivering important sustainability benefits. A.I.S.E. has identified the category of liquid Fabric Conditioners as one of those in particular for their similarity to the laundry liquid detergents which have been the object of a recently successfully concluded sustainability initiative (*LSP-L*).

Hence, A.I.S.E. decided that it would be appropriate to launch the first ever voluntary industry initiative in an area (“liquid Fabric Conditioners”) with great relevance to the consumers.

As a result, A.I.S.E. and its National Associations members are now launching this important initiative in the spirit of concrete action for a continual progress in terms of sustainable development in the field of household cleaning and maintenance products: the first “*Product Resource Efficiency Project*” for liquid Fabric Conditioners (*PREP-FC*).

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

Importantly, *PREP-FC* 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 liquid fabric conditioners (and its implementation timing).

More specifically *PREP-FC* wants to provide:

- In the field of sustainable production, a reduction of the environmental impact of the liquid Fabric Conditioners’ 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 level of performance delivered.

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

The *PREP-FC* initiative has been developed based on the conviction and the experience<sup>1</sup> that an Industry Association-led initiative is the most efficient way to make consumers’ habits move further towards even more sustainable patterns in the field of liquid household Fabric Conditioners. 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 Associations as a proactive and trusted partner for authorities and civil society in supporting sustainable development.

### **3. Product Scope**

The *PREP-FC* initiative is aimed at all liquid<sup>2</sup> Fabric Conditioners used for household laundry.

Also the liquid Fabric Conditioners 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.

### **4. Geographical Scope**

The *PREP-FC* 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.

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<sup>1</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>2</sup> A liquid Fabric Conditioner is an aqueous or non-aqueous fluid (where molecules can move freely among themselves) or a colloidal solution/dispersion (gel or any other non-solid/gas form) with suspended particles, meant to “condition” household laundry.

## 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 liquid household Fabric Conditioners 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 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>3</sup>                      | <u>01 July 2012</u> |
| • <u>Activation date</u> <sup>4</sup>                   | <u>01 July 2013</u> |
| • End of the "Industry Preparation" period <sup>5</sup> | 31 March 2014       |
| • <u>Closure date</u> <sup>6</sup>                      | <u>30 June 2014</u> |
| • Beginning of the "Exhaustion" period <sup>7</sup>     | 31 December 2014    |
| • End of the "Exhaustion" period <sup>8</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-FC* 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.*

Specifically, participating companies must ensure that **all** their liquid household Fabric Conditioners in a given country have the lowest recommended dosages for a normal load<sup>9</sup> in a 4-5 kg washing machine **not greater than 35 ml/wash**. If recommended dosages for the fabric conditioner vary with water hardness, the lowest recommended dosage for water of medium hardness, corresponding to 2,5 millimoles CaCO<sub>3</sub>/l should be used, again for a normal load in a 4-5 kg washing machine.

<sup>3</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>4</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>5</sup> After this date companies cannot apply to the project anymore.

<sup>6</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>7</sup> By this date participating companies must have stopped producing products using the "comparative" on-pack communication material.

<sup>8</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.

<sup>9</sup> A normal load here is defined as a full load of cotton or mixed cotton/synthetic fabrics.

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 35 ml/wash for a normal load.

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

This represents a significant reduction in the recommended dosages versus the most common situations for this type of products 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 are in line with the A.I.S.E. *Charter 2010 "Advanced Sustainability Profile" (ASP)* for the recommended dosage for this product category.

They allow also striking the right balance between a significant increase in concentration and the largest possible access to the project. In fact the required thresholds can be reached with well-known technologies that are easily accessible and already exploited in the market by the majority of the companies, 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) 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, remaining overall at least in line with current filling levels

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

Communication to consumers will focus on educating consumers to use more concentrated 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 concentrated 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-FC* 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 concentration 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 "Front label" 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 liquid household Fabric Conditioners 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).

To note that, contrary to laundry detergents, Fabric Conditioners are not legally required to indicate the number of “services” delivered by a given bottle. However A.I.S.E. is convinced that such information is very relevant for consumers, particularly in the context of a wider acceptance of the concept of “price per service” rather than “price per unit” (Kg or Litre). Therefore A.I.S.E. wants to take the opportunity of this initiative to implement this provision and has developed “Front label” patches carrying also the number of services. Accordingly participating companies are strongly encouraged to use those patches, whenever possible.

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

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*” showed 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 liquid Fabric Conditioners' brands (existing or those being introduced in the framework of this project) 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 liquid household Fabric Conditioners' 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-FC* 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 liquid household Fabric Conditioners' 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-FC* 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 liquid household Fabric Conditioners’ 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 liquid household Fabric Conditioners’ 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-FC* 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-FC* . 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.

## **11. Support**

In order to achieve success, A.I.S.E. stands ready to provide appropriate levels of resources (both centrally and in the various countries through its local National Associations).

Importantly A.I.S.E. stands also ready to provide technical assistance to those companies interested in joining the project and which might be requesting it to solve any difficulty to develop and produce more concentrated products.

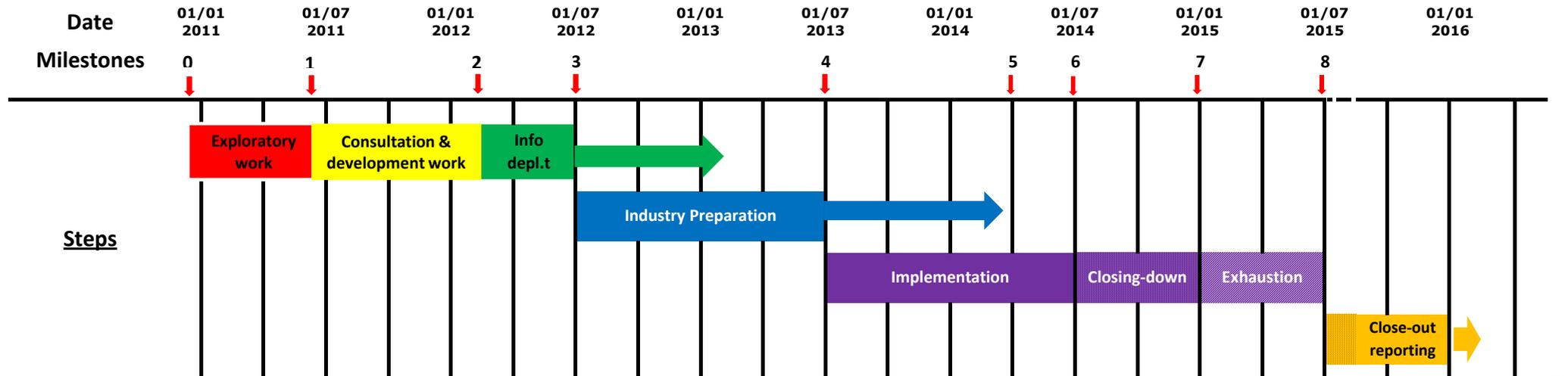
In parallel the National Associations undertake to interact with and explain to Governments, NGOs and consumers the background to the project and its benefits. This can be done via ad-hoc meetings and national PR campaigns.

# PREP-FC 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*

## PREP-FC – On-pack Communication Material

**Disclaimer:** this on-pack communication material has been developed by A.I.S.E. for the *PREP-FC* 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 CONCENTRATING THEIR LIQUID HOUSEHOLD FABRIC CONDITIONERS IN ORDER TO REDUCE THE STANDARD RECOMMENDED DOSE ≤ 35 ml/wash

#### 1. “Front label” patches

##### Overall Intent:

This patch, which is put on the front label, signals to the consumer that the product contained is a concentrated liquid Fabric Conditioner and that less product is needed than with non-concentrated products. Its colour and style is matched to other A.I.S.E. communication material (e.g., the “*Washright Panel*®”), indicating that this is an industry initiative under the auspices of the A.I.S.E. European Industry Association.

|                                   | With the basket and the # of washes   | W/o the basket and the # of washes  |
|-----------------------------------|---|---|
| <b><u>Silent version</u></b>      |  |  |
| <b><u>Monolingual version</u></b> |  |  |

##### Guidelines:

| Element     | Recommended minimum<br>(as per example above)   | Optional<br>(at discretion of individual companies)   |
|-------------|---|---|
| Wash basket | Positioned on the left hand side, this icon indicates the number of services contained in the bottle of Fabric Conditioners.  | Companies may use their own basket logo to ensure graphical consistency or can use the version w/o wash-basket. |
| Caps icon   | Positioned on the right hand side; lines, colours and arrow should be consistent.   | Companies may use their own cap shape, but should not vary the design.  |
| Wording     | “ <i>More Concentrated</i> ”  | No wording  |
| Colours     | Green background, white text; outline should match that used on other A.I.S.E. communication material (e.g., the “ <i>Washright Panel</i> ®”).<br>The colour of the product in the “old” cap should be a lighter version of the colour of the product in the “new” cap. | 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 other A.I.S.E. communication material (e.g., the “*Washright Panel*®”) and “*Front label*” 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:

**Guidelines:**

| <b>Element</b> | <b>Recommended minimum</b><br><i>(as per example above)</i>   | <b>Optional</b><br><i>(at discretion of individual companies)</i>   |
|----------------|---|---|
| Dosage         | Must be clearly indicated and next to the “new” cap.  | None.   |
| Caps icon      | Positioned on the left hand side; lines, colours and arrow should be consistent.  | Companies may use their own cap shape, but should not vary the design.  |
| Wording        | No specific wording is required.  |   |
| Positioning    | Dosage amount must be clearly indicated and next to the “new” cap.  | 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 other A.I.S.E. communication material (e.g., the “ <i>Washright Panel</i> ®”) and “ <i>Front label</i> ” patch. The colour of the product in the “old” cap should be a lighter version of the colour of the product in the “new” cap. | A black & white version of the patch may also be used.  |
| © A.I.S.E.     | On the top right hand side.   | None.   |

## PREP-FC – On-pack Communication Material

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### “Non-comparative patches”

FOR COMPANIES/BRANDS THAT ARE NOT CONCENTRATING THEIR LIQUID FABRIC CONDITIONER, BUT DID SO BEFORE THE LAUNCH OF THIS PROJECT AND STILL MEET THE *PREP-FC* CRITERIA, (i.e. their standard dose remains unchanged at  $\leq 35$  ml/wash and their packaging materials usage is optimized).

### 1. “Front label” patches

#### Overall Intent:

This patch, which is put on the front label, signals to the consumer that the product contained is a concentrated liquid Fabric Conditioner and that less product is needed than with non-concentrated products. Its colour and style is matched to other A.I.S.E. communication material (e.g., the “*Washright Panel*®”), indicating that this is an industry initiative under the auspices of the A.I.S.E. European Industry Association.

|                                   | With the basket and the # of washes   | W/o the basket and the # of washes  |
|-----------------------------------|---|---|
| <b><u>Silent version</u></b>      |  |  |
| <b><u>Monolingual version</u></b> |  |  |

#### Guidelines:

| Element     | Recommended minimum<br>(as per example above)  | Optional<br>(at discretion of individual companies)                      |
|-------------|--|--|
| Wash basket | Positioned on the left hand side, this icon indicates the number of services contained in the bottle of Fabric Conditioners.                   | Companies may use their own basket logo to ensure graphical consistency. |
| Scoops icon | Positioned on the right hand side; lines, colours and arrow should be consistent.  | Companies may use their own cap shape, but should not vary the design.   |
| Wording     | “ <i>Concentrated</i> ”  | No wording   |
| Colours     | Green background, white text; outline should match that used on other A.I.S.E. communication material (e.g., 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 other A.I.S.E. communication material (e.g., the “*Washright Panel*®”) and “*Front label*” 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:

**Guidelines:**

| <b>Element</b> | <b>Recommended minimum</b><br><i>(as per example above)</i>  | <b>Optional</b><br><i>(at discretion of individual companies)</i>   |
|----------------|--|---|
| Dosage         | Must be clearly indicated next to the cap.   | None.   |
| Cap icon       | Positioned on the left hand side; lines, colours and arrow should be consistent.   | Companies may use their own cap 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 cap.  | 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 other A.I.S.E. communication material (e.g., the “ <i>Washright Panel</i> ®”) and “ <i>Front label</i> ” patch | 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-FC – On-pack Communication Material****Guidelines on the on-pack communication elements**

1. Patches may not be mixed:
  - Front label patch 1 of *Attachment 2* can only be used in association with patch 2 of *Attachment 2*.
  - Front label patch 1 of *Attachment 3* can only be used in association with patch 2 of *Attachment 3*.
2. Should a company choose to concentrate further a liquid Fabric Conditioner that already met the *PREP-FC* criteria before the “activation” date of the *PREP-FC* 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-FC*, 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 concentration 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 concentrated products, if it feels that consumers are well aware that the product is concentrated 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 normal loads<sup>10</sup> in a 4-5 kg washing machine that can be washed with the contents of the package using water of medium hardness corresponding to 2,5 millimoles CaCO<sub>3</sub>/l.
7. Note that the indication “XXml” shown in patches 2 of *Attachment 2* and *Attachment 3* must reflect the actual recommended dosage. Companies are entirely free to concentrate their liquid Fabric Conditioners beyond the maximum recommended volume of 35 ml/wash. In those cases, this must be reflected in the actual figures shown in their patches.

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<sup>10</sup> A normal load here is defined as a full load of cotton or mixed cotton/synthetic fabrics.

**PREP-FC – Budgeting mechanism**

**Disclaimer:** All fees calculations are handled in full confidentiality directly with each individual company committing to the *PREP-FC* 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-FC* 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 liquid household Fabric Conditioners’ 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 liquid household Fabric Conditioners’ 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 liquid household Fabric Conditioners’ 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 liquid household Fabric Conditioners' market during year 2011.
- **Value Market Share (VMS, %):** total share of the liquid household Fabric Conditioners' market during year 2011, collected by an independent data provider.
- **Share of Voice (SOV, %):** total share of the liquid household Fabric Conditioners' 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-FC initiative as defined under point 4 of this "Project description" document.
- **Timeline:** Companies, who join the PREP-FC 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 of the liquid household Fabric Conditioners' market $\geq 1\%$ | Regional VMS of the liquid household Fabric Conditioners' 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>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 liquid household Fabric Conditioners' 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 liquid household Fabric Conditioners' 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 liquid household Fabric Conditioners' market in the country where TV advertising is aired       |
| <b>LOCAL NATIONAL COSTS</b>          |   |  |  |
| Adaptation of PR material            | Local N.A.                                  | All participating companies with a National VMS of the liquid household Fabric Conditioners' market $\geq 1\%$ | National VMS of the liquid household Fabric Conditioners' 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.                                  |  |  |

## 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>11</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 detergents have a better environmental profile has been proved by several “Life Cycle Assessment” (LCA) studies conducted over the years<sup>12,13,14</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 “compacted” 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>15</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>16</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>11</sup> [Rationale and Technical Appendices on the A.I.S.E. Code of Good Environmental Practice](#) (A.I.S.E. - Nov. 1997)

<sup>12</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>13</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>14</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>15</sup> [A.I.S.E. Code of Good Environmental Practice: Final Report to the European Commission 1996-2001](#) (IBM Global Services - 2002)

<sup>16</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>17</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>18</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 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 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>17</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>18</sup> [The A.I.S.E. Laundry Sustainability Project – Scientific Dossier](#) (A.I.S.E. – Nov. 2005)

**PREP-FC - 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-FC*.

An LCA Expert Working Group has developed a preliminary evaluation based on the hypothesis of compacting and concentrating the current “regular” liquid Fabric Conditioners to a level that would allow obtaining a performance equivalent to today’s products with dosages which are not greater than 35 ml/wash. This hypothesis is fully in line with the minimum commitments that a company participating to *PREP-FC* would have to fulfil.

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

|  |                       |
|--|-----------------------|
| Total European <sup>19</sup> liquid household Fabric Conditioners’ market (2010) | 1,5 M tonnes          |
| Reduction of raw materials   | 245,000 tonnes        |
| Reduction of packaging materials (primary packaging only)                        | 9,800 tonnes          |
| Reduction of transport   | 12,100 truck journeys |

For perspective, this compares favourably with 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.

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<sup>19</sup> This refers to the countries covered by the geographical scope of the *PREP-FC* initiative (see point 4)