

CLOSE-OUT REPORT**A.I.S.E. Laundry Sustainability Project # 1**
for Heavy Duty Low Suds Laundry Powder Detergents
(LSP-1)**A.I.S.E. 2006 / 2008 REPORT**

December 2009

A.I.S.E. LAUNDRY SUSTAINABILITY PROJECT # 1
for Heavy Duty Low Suds Laundry Powder Detergents
(LSP-1)

2006 - 2008 CLOSE-OUT REPORT

This report presents the results of the LSP-1 initiative, which aimed to minimize the environmental impact of Heavy Duty Low Suds powder detergents for household laundry. LSP-1 was initiated, promoted and deployed by A.I.S.E. with the support of its National Associations partners under criteria of full transparency making participation to the project fully voluntary whilst being open to any company (both members and non-members) wishing to participate. A.I.S.E. also provided “Manufacturing guidelines” and offered expert’s assistance on request to any company asking for technical assistance to prevent the possible exclusion of any company for technical reasons.

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1. Executive Summary

In 2006 A.I.S.E., the International Association for Soaps, Detergents and Maintenance Products, launched its first “*Laundry Sustainability Project*” (“LSP-1”)¹. This was a voluntary industry initiative aiming to minimize the environmental impact of Heavy Duty Low Suds powder detergents for household laundry, thus promoting sustainable production and consumption via compaction and concentration of such products together with adequate consumer information.

This initiative came within the framework of the Association’s agenda for sustainability and the industry’s commitment to reduce the environmental impact of detergents². LSP-1 was a direct follow-up of the A.I.S.E. “*Code of Good Environmental Practice*” (which became a European Commission Recommendation - 98/480/EC) and of the associated “*Washright*” campaign.

Before the 2004 enlargement of the European Union, many initiatives undertaken by A.I.S.E., e.g., the already mentioned “*Code of Good Environmental Practice*”, were focused on the then 15 EU Member States and on the four EFTA countries (Iceland, Liechtenstein, Norway and Switzerland).

The LSP-1 initiative represented an enlargement of the focus of A.I.S.E. and was open not only to the historical region (the now EU 27 + the four EFTA countries), but also to other surrounding countries (Albania, Bosnia & Herzegovina, Croatia, Republic of Macedonia - FYROM, Moldova, Montenegro and Serbia). In fact, the focus was placed on “Central and Eastern European” (CEE) countries, which had not undergone the compaction steps in the framework of the “*Code of Good Environmental Practice*” program.

The LSP-1 started on 1 January 2006 and ended on 31 December 2007 in the EU-27, EFTA and Moldova. During this period, companies were allowed to join the project and their compacted products were identifiable by the “*Euro-compact*” Logo (see below under 1.1.). Companies had an additional year (until end 2008) to sell off in these countries their stocks of products that were carrying the logo in the framework of the project. This made the whole project life to cover a three-year period from 1 January 2006 until 31 December 2008.

In the other countries, the project is still active and is expected to run until 31 December 2010, as the project could not be fully implemented as initially foreseen.

This report analyses the sustainability achievements of the project between the start of the project and 31 December 2008 for the following countries: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. To note that data from Moldova are not included, as we did not get a sufficiently reliable market analysis for that country.

1.1. Scope/Objectives

The project was open to all companies manufacturing or placing on the market regular low-suds heavy-duty powder detergents for household use. In total 17 companies joined. These companies represented around 85% of the market in the target region and were:

Ecolab GmbH & Co. OHG, Engrotus d.o.o., EVM Zrt., Ficosota Syntez LTD, Hayat Kimya San. S.A., Henkel,	Ineza 2M UAB, Jeronimo Martins Dystrybucja S.A, Johnson Diversey BV, Labud d.o.o., Maxima LT,	Mayeri Industries AS, Procter & Gamble, PZ Cussons S.A., Reckitt Benckiser, Saponia d.o.o., Unilever
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¹ See in Annex 1 the “*A.I.S.E. Laundry Sustainability Project #1*” project description document

² See www.aise.eu – (Voluntary Industry Initiatives)

The participants included large multinational companies, SMEs and private label manufacturing companies / retailers. Some I&I companies having products similar to the low-suds granular powder detergents for household use also joined in.

Each company that joined the LSP-1 had to commit to reduce the recommended dosage for a standard washing machine load by a minimum of 33% in weight and 25% in volume whilst maintaining at least the same washing efficiency. Both targets were to be judged against a baseline of the dosage declaration on January 2005.

In order to signal to consumers that the product was compacted, the pack of compacted detergents had to bear a distinctive logo:



A.I.S.E. made this logo available to all participating companies for use on their packs and other promotional material.

Importantly to reach the desired sustainability benefits, not only the manufacturers had to compact their products, but also consumers had to adapt their dosing habits to the new dosage instructions. It was therefore key that this message was conveyed in the proper way to consumers.

Therefore, A.I.S.E. and its member National Associations ran centrally a harmonized and intensive communication and educational campaign: “Clean up your laundry habits” to raise consumers’ awareness on how best to use the new products to achieve the desired environmental improvements. A non-branded TV advertising was aired in the countries where the project was fully deployed using centrally developed non-branded 15” and 30” TV spots. In addition, National Associations ran local PR activities in several countries.

A.I.S.E. developed also some specific ad-hoc material to be used with the trade, always with the objective of attracting consumers’ attention to the new compacted products and their new dosage instructions.

Here below are the Washing Machine “character” which became the symbol of the initiative and an example of a banner that was used in some retail shops.



In addition to consumers, also stakeholders were involved. In the context of the centrally coordinated PR campaign, A.I.S.E. and its National Associations informed about LSP-1 also the most relevant European and National authorities, as well as NGOs in the field of environment and consumer interest. Several GOs and NGOs in the countries where the project was fully deployed showed strong support to the initiative.

The central budget for the development of the LSP-1 initiative and the production of all communication material was over 800,000 Euro. The TV campaign was worth the equivalent of ca 15 million Euro “rate card” spending and it reached approximately 55 million consumers.

1.2. Overall environmental achievements

1.2.1. Expectations

In order to evaluate and assess the environmental positive potential of this planned LSP initiative, before launching the project, in 2005, A.I.S.E. commissioned an ISO compliant Life Cycle Assessment (LCA)³ in two representative countries, Poland and the Czech Republic. In addition, the A.I.S.E.'s Technical Project Team prepared a "Scientific dossier"⁴ setting the stage for the project.

The various calculations showed that the planned initiative had the potential to save close to 300,000 tons of detergents over the three-year lifetime of the project and would enable a decrease of ca 15,000 tons in the use of packaging materials. In both cases, these numbers represented a 20 to 25% decrease vs. the actual usage levels.

As a measure of the success of the project, we also set a target to reach a conversion rate higher than 80% in "Market Value shares".

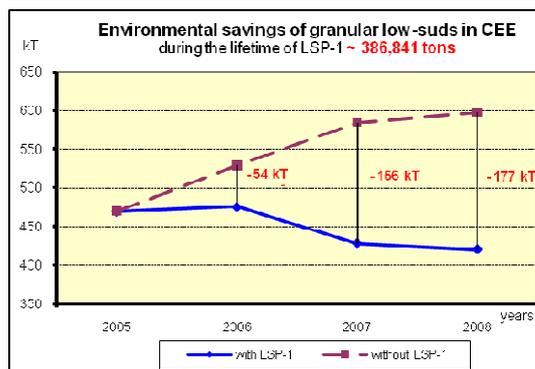
1.2.2. Achievements

At the end of the project lifetime, all indicators met and even surpassed the positive achievements expected prior to the launch of the project.

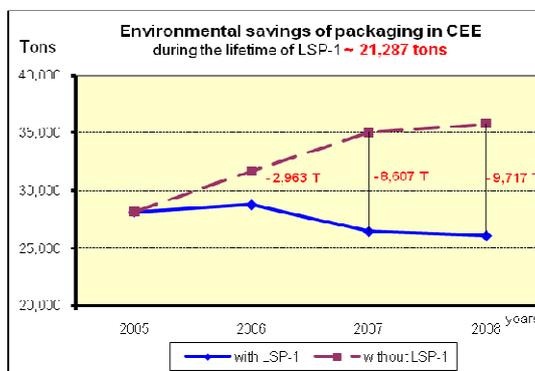
On average, in the countries covered by this report (including Croatia, but excluding Moldova), the conversion rate to "Euro-compact" products reached an average of 85% in market volume and 91% in market value terms.

Data collected from the participants of the project allowed to calculate that the environmental savings generated by the LSP-1 initiative for the period 2006-2008 in the area analysed were as follows:

- ca 387,000 tons in terms of chemicals, which represents a 30% reduction on a going basis as visualized in the graph below:



- ca 21,300 tons in terms of packaging materials' usage, which is a ca 28% reduction on a going basis, as visualized in the graph below:



³ Re. the "Comparative Life Cycle assessment of compacted with non-compacted heavy duty low suds detergent formulations in Poland and the Czech Republic" study prepared by Procter & Gamble, Brussels Innovation Center, Central Product Safety –Environmental (Joost Dewaele, Rana Pant) and critically reviewed by Ecobilan – PricewaterhouseCoopers (Philippe Osset) and Gingko 21 (Hélène Teulon)

This study is available upon request at A.I.S.E.

⁴ See in Annex 2 the "A.I.S.E. Laundry Sustainability Project #1 - Scientific Dossier Summary"

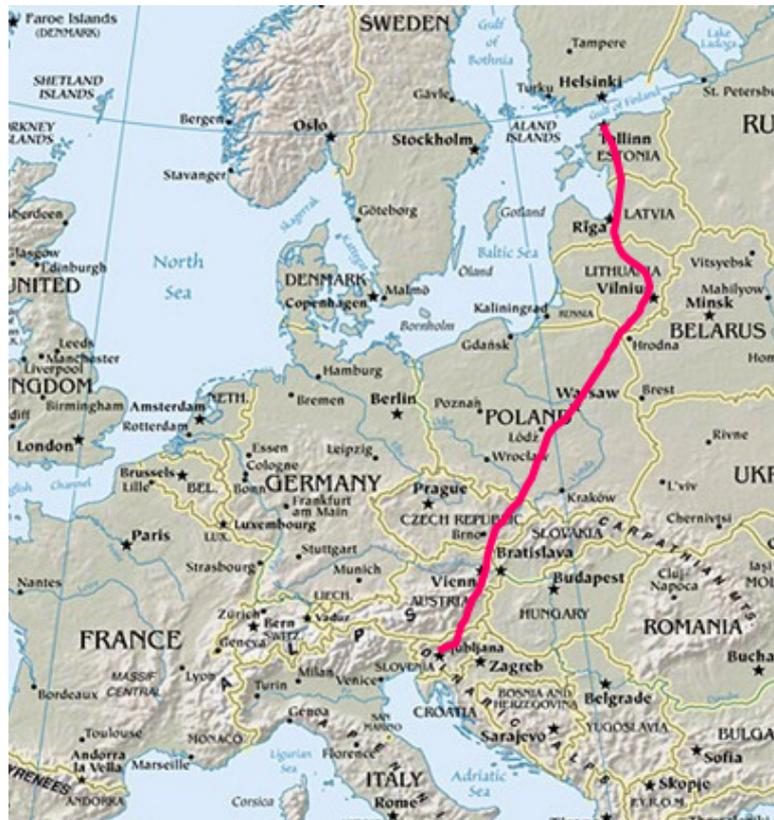
1.2.3. Fact Page — Sound-bites

To add some perspective, the environmental savings in product consumption⁵ equalled:

- ca 54,000 tons in the launch year 2006; this is equivalent to the consumption of low suds powder detergents of the Czech Republic in that year;
- ca 156,000 tons in 2007; this is equivalent to the consumption of the Czech Republic + the three Baltic countries + Bulgaria + Hungary in that year;
- ca 177,000 tons in the final year 2008: this is equivalent to the consumption of the Czech Republic + the three Baltic countries + Bulgaria + Hungary + Croatia in that year.

In total over the whole lifetime of the project, we have seen the following benefits:

- enough product was saved to avoid the transport of a “trucks’ convoy” of 17,580 trucks stretching from Tallinn (Estonia) to Ljubljana (Slovenia).



- enough packaging materials were saved to avoid the transport of a “garbage-trucks’ convoy” of 1,700 trucks stretching from Bratislava (Slovakia) to Budapest (Hungary).



⁵ See in annex 3 the explanations of the savings’ calculations

1.3. Conclusions

LSP-1 can be considered as a very positive step ahead in terms of sustainability.

If such an industry-wide initiative had not taken place, product consumption would have been substantially higher.

In fact, after the fall of the “Iron Curtain”, following the initial stabilization of the economical situation in the CEE region in the second half of the nineties, in the last decade the economy started to grow at a 5% rate on average, double in size compared to Western Europe. As a result, the national income improved noticeably and the same happened to the standard of living. Higher frequency of washing, larger penetration of washing machines, the switch from High Suds to Low Suds detergents were all factors leading to a continuous increase in the pro-capita consumption of Low Suds detergents. In 2005, the yearly pro-capita consumption of detergents on average across the CEE countries was less than 5 kg (significantly lower than in Western Europe) even if large variations existed across countries.

It had to be expected that this growth of detergent’s consumption would have continued in this economically prosperous time in CEE. In fact, this has not happened and we have seen on average a significant decrease. Although it is impossible to make a perfect correlation, we have every reason to believe that this was a direct consequence of the implementation of LSP-1.

The overall results at the end of the life of LSP-1 clearly show that:

a. the Detergent Industry as a whole clearly understood and appreciated the sustainability value and potential of such an industry-wide initiative. The large majority of companies joined and supported the project and its harmonised communication campaign, thus making it possible for such campaign to reach a very large number of consumers;

and

b. consumers seem to have adapted their dosage habits to the new reduced levels, thus suggesting that they have understood the messages transmitted by the educational PR-campaigns and the benefits of compacted detergents.

Importantly, none of the participants to LSP-1 moved back to producing regular powder detergents during the lifetime of the project and up to the time of preparing this report, thus maintaining and expanding over the years to come these sustainability benefits.

2. Full report

2.1. Background

In 2006 A.I.S.E., the International Association for Soaps, Detergents and Maintenance Products launched its first “*Laundry Sustainability Project*” (“LSP-1”), a voluntary industry initiative, which aims to minimize the environmental impact of household powder laundry detergents, thus promoting sustainable production and consumption via compaction and concentration of such products together with adequate consumer information.

Compacted detergents enable consumers to obtain equivalent performance and wash the same quantity of laundry at lower weight and volume recommended dosages. This can lead to important reductions of chemicals used (if detergents are dosed correctly), packaging material and logistic optimisations. For consumers, compaction has also a very direct benefit in their everyday life in terms of carrying and storing products since less product is necessary for the same number of washes.

The LSP-1 initiative came within the framework of the Association’s agenda for sustainability and the industry’s commitment to reduce the environmental impact of detergents. LSP-1 was a direct follow-up of the A.I.S.E. “*Code of Good Environmental Practice*” (which became a European Commission Recommendation - 98/480/EC) and the associated “*Washright*” campaign. These two initiatives have initiated a solid trend in the compaction of laundry powder detergents and have contributed widely to decreasing the environmental impact of detergents in the former EU 15 and EFTA countries (Iceland, Liechtenstein, Norway and Switzerland).

LSP-1 aims to continue, sustain and expand this trend. It has been designed for Europe with the focus being placed on “Central and Eastern European” (CEE) countries, which had not undergone the compaction steps in the framework of the “*Code of Good Environmental Practice*”.

This report analyses the sustainability achievements of the project between 1 January 2006 and 31 December 2008, start and end of the project for the following countries: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

2.1.1. Geographical scope and lifetime

The geographical scope of the project encompassed the EU 27 + EFTA countries (Iceland, Liechtenstein, Norway and Switzerland), as well as Albania, Bosnia & Herzegovina, Croatia, Republic of Macedonia (FYROM), Moldova, Montenegro and Serbia.

As expected, the Companies’ commitment focused on the CEE countries, which had not undergone the compaction steps in the framework of the “*Code of Good Environmental Practice*”.

The project opened on 1 January 2006 and closed on 31 December 2007 in the EU 27, the four EFTA countries and Moldova. In these countries, Companies were given an additional year, until 31 December 2008 to sell off their detergents which had been compacted in the context of the LSP-1 initiative and were bearing the “*Euro-compact*” Logo (see further below).

On this basis, we decided to report the results achieved until the end of the exhaustion period in order to take into account the sales of compacted products that were placed on the market “under the initiative”. To note however that data from Moldova are not included in this report as we did not get a reliable market analysis for that country.

In the other countries, the project is still active and is expected to run until 31 December 2010, as the project could not be fully implemented as initially foreseen. We expect to review and summarize the achievements in those countries at the end of the prolongation period (in the course of 2011).

2.1.2. Product Scope

LSP-1 is a voluntary industry initiative that aims to support the compaction of Heavy Duty Low Suds powder detergents used for household laundry and more specifically the so-called regular laundry powders for automatic washing machines, which recommended relatively high dosages (above 100 g/wash).

Those products were mainly present in the CEE countries, where regular powder detergents with dosages above 100g/wash (the typical dose/wash would easily reach 150g/wash) remained the dominant type of detergents. This was in contrast to the situation in the rest of “Western Europe”, where products had already undergone some compaction steps in the context of the “Code of Environmental Good Practice”.

2.1.3. Project Details

Furthermore, each company joining LSP-1 in a given country had to commit to reduce the dosage for a standard washing machine load by at least 33% in weight and by at least 25% in volume whilst maintaining at least the same washing efficiency. Both those targets were to be judged against a baseline of the dosage declaration on January 2005.

These levels of compaction were set as good balance between actual technological know-how and potential environmental savings, on the understanding that they could be achieved through state of the art conventional technology normally available to all companies (including SMEs). In any case, if a company asked for technical assistance, A.I.S.E. provided “Manufacturing guidelines” and offered expert’s assistance on request.

In order to signal to consumers that the product was compacted, the pack had to bear a distinctive logo:



A.I.S.E. made this logo available to all participating companies for use on their packs and other promotional material. In addition, A.I.S.E. encouraged Companies to write a “sustainability message” on the logo to explain to consumers about the changes in product/packs. An example is shown here below:



As a side benefit of LSP-1, companies also accelerated the introduction in the CEE countries of a more standardized way to communicate recommended dosages. In the Eastern European countries, which are not EU members, or in those that joined the EU in May 2004 or even later in January 2007, that notion was not well established and varied from country to country and from product to product within a country.

The LSP-1 implementation has allowed bringing a common basis for defining this concept, much to the benefit of consumers. For that purpose, reference was made to the definition of “recommended dosage”, laid down in the EU Regulation No 648/2004 (the ‘Detergent Regulation’) which legally applies in the EU Member States.

2.1.4. Participants

LSP-1, as an industry voluntary initiative was open to any company manufacturing and/or placing on the market Heavy Duty Low Suds household powder detergents in the defined geographical scope of the project. There was no distinction whatsoever in terms of A.I.S.E. membership or National Association membership or size of the companies.

On 31 December 2007, the number of adhering companies totalled seventeen, which represented approximately 85% of the market. A representative mix of multinational and local companies, big players and small and medium sized enterprises joined the project. Worth mentioning, four private labels manufacturers and retailers (Maxima LT and Ineza 2M UAB in Lithuania, Jeronimo Martins Dystrybucja S.A. in Poland, and Engrotuš d.o.o. in Slovenia) also joined in. Similarly, two international companies specialised in Industrial and Institutional products (Ecolab GmbH & Co. OHG and Johnson Diversey BV) entered the project with regard to some of their products similar to detergents for domestic use and sold in Cash & Carry.

The table below provides the complete list of companies, which joined the project in the various countries:

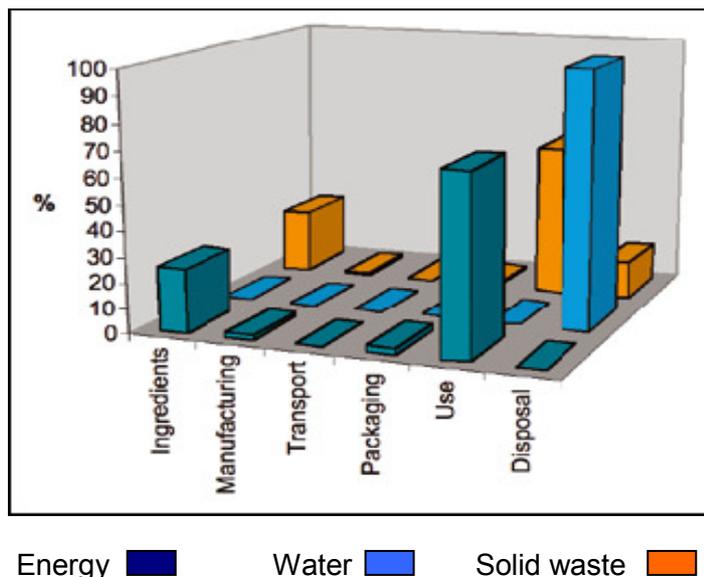
LSP-1 participants	
Bulgaria	Ecolab, Ficosota Syntez, Hayat, Henkel, Johnson Diversey, Procter & Gamble
Croatia	Ecolab, Henkel, Johnson Diversey, Labud, Procter & Gamble, Saponia
Czech Republic	Ecolab, Henkel, Johnson Diversey, Procter & Gamble, Reckitt Benckiser
Estonia	PZ Cussons, Ecolab, Henkel, Mayeri, Maxima, Procter & Gamble, Reckitt Benckiser
Hungary	Ecolab, EVM, Henkel, Johnson Diversey, Procter & Gamble, Reckitt Benckiser
Latvia	PZ Cussons, Ecolab, Henkel, Johnson Diversey, Maxima, Procter & Gamble, Reckitt Benckiser
Lithuania	PZ Cussons, Ecolab, Henkel, Johnson Diversey, Ineza 2M, Maxima, Procter & Gamble, Reckitt Benckiser
Moldova	Ecolab, Ficosota Syntez, Hayat, Henkel, Johnson Diversey, Procter & Gamble, Unilever
Poland	PZ Cussons, Ecolab, Henkel, J. Martins Dystrybucja, Johnson Diversey, Procter & Gamble, Reckitt Benckiser
Romania	Ecolab, Ficosota Syntez, Hayat, Henkel, Johnson Diversey, Procter & Gamble, Unilever
Slovakia	Ecolab, Henkel, Johnson Diversey, Procter & Gamble, Reckitt Benckiser
Slovenia	Ecolab, Engrotuš, Henkel, Johnson Diversey, Procter & Gamble, Reckitt Benckiser, Saponia,

2.1.5. Consumer campaign “Clean up your laundry habits”

At the time of the development of the “Code of Good Environmental Practice”, A.I.S.E. commissioned a general Life Cycle Assessment (LCA)⁶ on laundry washing powders covering the whole washing process to get an understanding of the environmental impacts of the various stages of a detergent production and use.

This study identified the most significant environmental parameters associated with laundry detergents. The table below presents the key findings.

Life Cycle Analysis of Compact Fabric washing powder & main wash process
(Source: A.I.S.E. LCA Task Force)



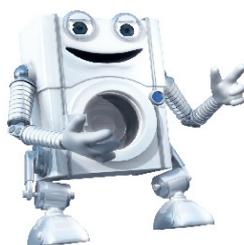
As the graph shows, the Life Cycle Analysis indicates that the largest part of the laundry detergent impact occurs during the use and disposal phases of household laundry detergents. As a result, any reduction in consumption volumes would reduce the impacts of production and transport energy, packaging and solid waste - and therefore overall environmental impacts. This underlines the need to encourage sustainable design as well as consumption.

Translating these findings in the context of an LSP-type initiative, this showed that it makes sense to try to act on the use phase in addition to targeting the product formulation. The Industry can indeed act directly on the formulations, however it cannot control directly consumer habits in order to minimise the impact on the environment of the use phase. On the other hand, the Industry can try to influence washing behaviours by informing and educating consumers. Therefore an LSP-type project should include a whole set of actions that aim to inform and educate consumers on how to wash with a lesser impact on the environment.

Therefore the LSP-1 initiative included, in addition to the use of the logo on the packs of the compacted products, an information campaign to motivate consumers to take some easy steps when doing their laundry, such as dosing right when using compacted detergents (need for less product), using the lowest recommended washing temperature and avoiding under-filling the washing machine. This campaign built on the experience drawn from the “Code of Good Environmental Practice” and its associated “Washright” campaign.

⁶ “A.I.S.E. Code of Good Environmental Practice: Final Report to the European Commission 1996-2001” (IBM Global Services - 2002)

A.I.S.E. hired an Advertising agency (TBWA) to develop an “Industry campaign”. They created all the material and in particular a “character” as the reoccurring element of the whole campaign.



The resulting LSP-1 campaign was implemented in the most relevant media under the “Clean up your laundry habits” theme. This campaign was built around a non-branded 15” and 30” TV advertising spot, “Eurowasher” which gave the right boost to the launch of the project.



In addition, the A.I.S.E.’s National Association members with the support of a reputable PR agency (Mmd), released several Press Communiqués and obtained important radio and TV contributions. Also POS (“Point of Sale”) material was made available to the Trade and used to complement the consumer communication campaign in the shops.



The campaign was run in all the countries where companies showed interest in the project (where products appeared on shelves), namely in all CEE countries. All companies participating to the project contributed to the financing of the campaign according to their weight in the market.

The central budget for the development of the LSP-1 initiative and the production of all communication material was over 800,000 Euro. The TV campaign was worth the equivalent of ca 15 million Euro “rate card” spending and it reached approximately 55 million consumers.

A campaign on such scale could never have been achieved without the A.I.S.E.’s network of National Detergent Industry Associations and the participation of the large majority of the companies operating in the various countries.

2.1.6. Presentation to GOs and NGOs

In addition to consumers, also stakeholders were involved. In the context of the centrally coordinated PR campaign, A.I.S.E. and its National Associations informed about LSP-1 also the most relevant European and National authorities, as well as NGOs in the field of environment and consumer interest.

Prior to its deployment, A.I.S.E. presented the project to the Secretariat General of the EU Commission, to DG Enterprise and Industry, and to the COREPER (Comity of Permanent Representatives). All these institutions received those presentations very positively.

At local level, the various National Associations presented the project to relevant ministries and governmental and non-governmental organisations in the various countries where companies had committed to LSP-1. Virtually everywhere, the Ministries of Economy, Ministries of Environment, Public Health and Consumer Protection authorities showed an active interest in the project. They supported it in particular in its launch phase, by attending the initial press conferences and/or by providing endorsing references in the LSP-1 TV clips, as for instance it happened in Hungary. Authorities also scrutinized in detail the information on potential environmental savings. The authorities in Romania even requested a specific LCA for their country.

Virtually everywhere in the countries where the project was fully deployed, it received very good support from both public institutions and NGOs.

The table below provides an overview of the key “sponsors” of the initiative at national level, following their engagement by the local National associations.

Official Endorsers of the LSP-1		
Country	GO / NGO	Support
Bulgaria	- Bulgarian Consumer Federation	Guest-speaker at the Press conference
Croatia	- Fund for Environmental Protection - Croatian Association of Consumer Protection - Ministry of Economy	Endorsing statements + Guest-speakers at the Press conference
Czech Republic	- Minister of Environment	Video message at the Press conference
	- University of Prague	Guest-speaker at the Press conference
Estonia	- Ministry of Environment	Joint Press conference
Hungary	- Ministry of Environment	Guest-speaker at the Press conference + Endorsing TV campaign
Latvia	- Ministry of Environment/Chemical Department	Guest-speaker at the Press conference
	- Latvian Consumer Right ProtectionCentre	Guest-speaker at the Press conference
Lithuania	- Ministry of Environment	Joint Press conference
Poland	- Ministry of Environment/Department of Ecology	Guest-speaker at the Press conference
	- Polish Consumer Federation	Guest-speaker at the Press conference
	- Nasza Ziemia Foundation	Guest-speaker at the Press conference
Romania	- Ministry of Environment	Guest-speaker at the Press conference
Slovakia	- Ministry of Environment	Joint press release
Slovenia	- Ministry of Health / Chemical Bureau	Guest-speaker at the Press conference
	- Ministry of Environment	

2.2. Environmental Achievements

2.2.1. Methodology and expected sustainability benefits

After the implementation of the “Code of Good Environmental Practice”, A.I.S.E. started to consider the idea of developing an LSP initiative, building on the scientific observations provided by the Life Cycle Analysis (LCA) that had been run at the time. That study identified the phases in which the main environmental impact of laundry detergents occurred, mainly product formulation and use phase. From those findings, it was clear that any reduction in consumption volumes and/ or wash temperatures would reduce the impacts of production and transport energy, packaging, and solid waste – and therefore the overall environmental impacts.

In order to evaluate and assess the environmental positive potential of such an LSP initiative, before launching the project, in 2005, A.I.S.E. commissioned an ISO compliant Life Cycle Assessment (LCA) in two representative countries, Poland and the Czech Republic. In addition, the A.I.S.E.’s Technical Project Team prepared a “Scientific dossier” setting the stage for the project and providing an advanced estimate of the potential environmental savings of such an initiative.

The Project Team chose the product and packaging volumes in calendar year 2004 as the baseline against which to calculate those environmental savings. A.I.S.E. collected all the data per country from companies (in full confidentiality), with also the support of an independent data provider.

The various calculations showed that the planned initiative had the potential to save close to 300,000 tons of detergents over the three-year lifetime of the project and would enable a decrease of ca 15,000 tons in the use of packaging materials. In both cases, these numbers represented a 20 to 25% decrease versus the actual usage levels.

As a measure of the success of the project, we also set a target to reach a conversion rate higher than 80% in “Market Value shares”, and A.I.S.E. committed to draft a close-out report, after the conclusion of the project, to verify the actual environmental savings achieved through LSP-1 vs. the originally expected environmental savings.

In preparing such close-out report (this document) at the end of the project, all market share, volumes and other data calculations were made using publically available information. Where sensitive information was required from the participating companies, those data were provided to A.I.S.E. in accordance to and using the guidelines and a standard form developed and adapted by A.I.S.E.’s Secretariat. A.I.S.E. then aggregated and “de-sensitized” this information before using, re-circulating and eventually publishing it. The data were handled in full confidentiality.

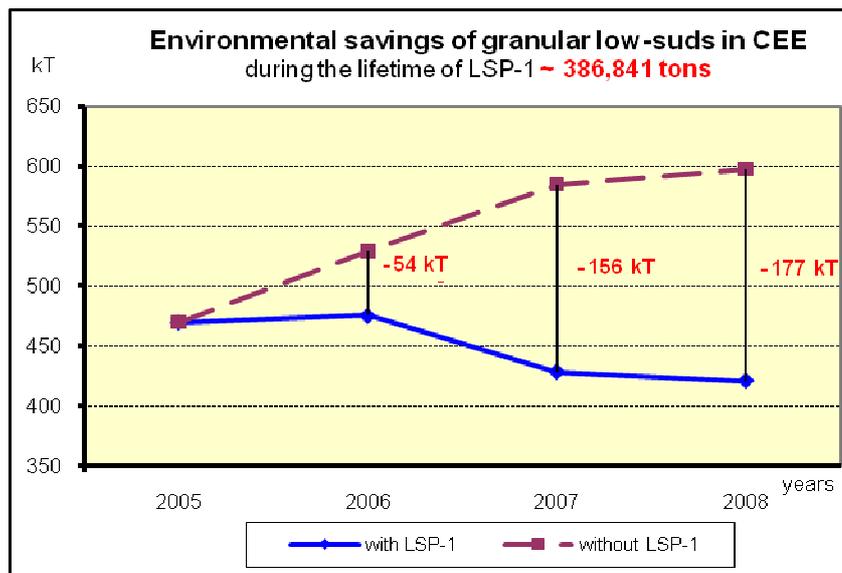
2.2.2. Overall achievements

At the end of the project lifetime, all indicators met and even surpassed the positive achievements expected prior to the launch of the project.

The data received from the companies and from external independent sources confirmed that over the period from 1 January 2006 to 31 December 2008:

- On average, in the countries covered by this report (including Croatia), the conversion from old “regular” products (typically with a recommended dosage above 100 g/wash) to the new more compacted “Euro-compact” products along the lines of the LSP-1 reached an average of 85% in market volume and 91% in market value terms.
- Environmental savings in terms of detergent products reached ca 387,000 tons of chemicals, namely 53,840 tons in the launch year 2006, 156,420 tons in 2007 and 176,580 tons in the final year 2008.

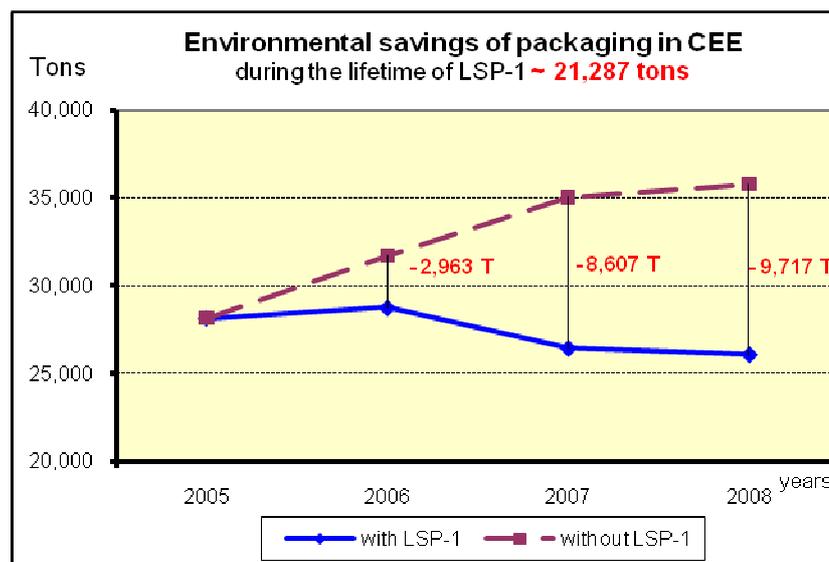
This is close to a 30% reduction on a going basis, and is visualized in the graph below:



To add some perspective, the environmental savings in product consumption⁷ achieved can be expressed as follows:

- The 53,840 tons in the launch year 2006 are equivalent to the consumption of low suds powder detergents of the Czech Republic in that year;
 - The 156,420 tons in 2007 are equivalent to the consumption of the Czech Republic + the three Baltic countries + Bulgaria + Hungary in that year;
 - The 176,580 tons in the final year 2008 are equivalent to the consumption of the Czech Republic + the three Baltic countries + Bulgaria + Hungary + Croatia in that year.
- Environmental savings in terms of packaging materials' usage, reached ca 21,300 tons, namely 2,963 tons in 2006, 8,607 tons in 2007 and 9,717 tons in 2008.

This is a ca 28% reduction and is visualized in the graph below:



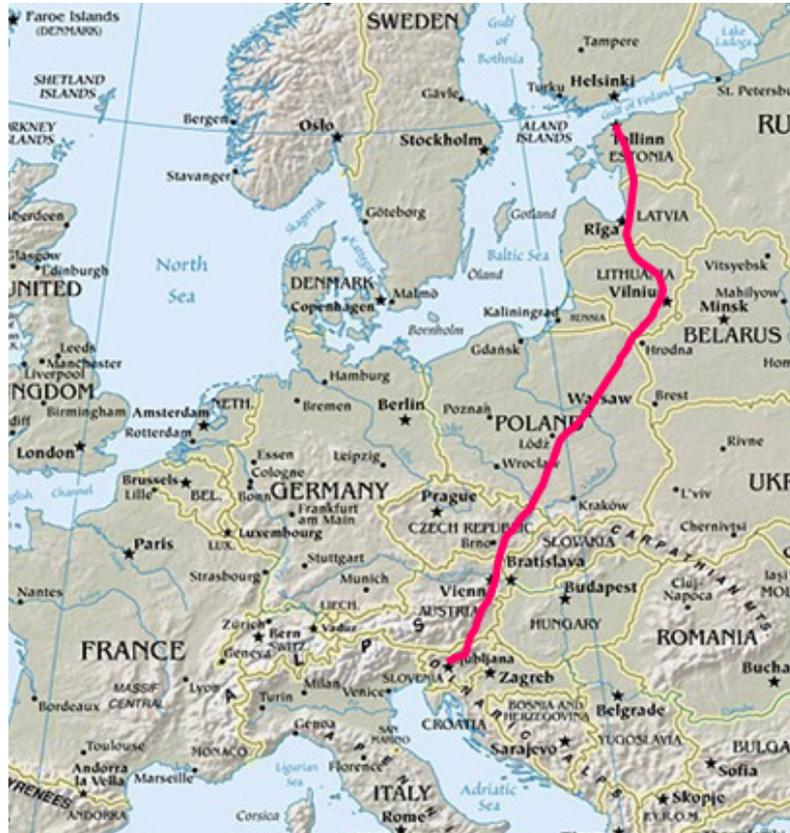
⁷ See in annex 3 the explanations of the savings' calculations

2.2.3. Fact Page — Sound-bites

In total over the whole lifetime of the project, we have seen the following benefits⁸:

- enough product was saved to avoid the transport of a “trucks’ convoy” of 17,580 trucks stretching from Tallinn (Estonia) to Ljubljana (Slovenia).

This would be equivalent also to a line of parked trucks of 281 km equivalent to almost the distance between Riga (Latvia) and Vilnius (Lithuania).



- enough packaging materials were saved to avoid the transport of a “garbage-trucks’ convoy” of 1,700 trucks stretching from Bratislava (Slovakia) to Budapest (Hungary).



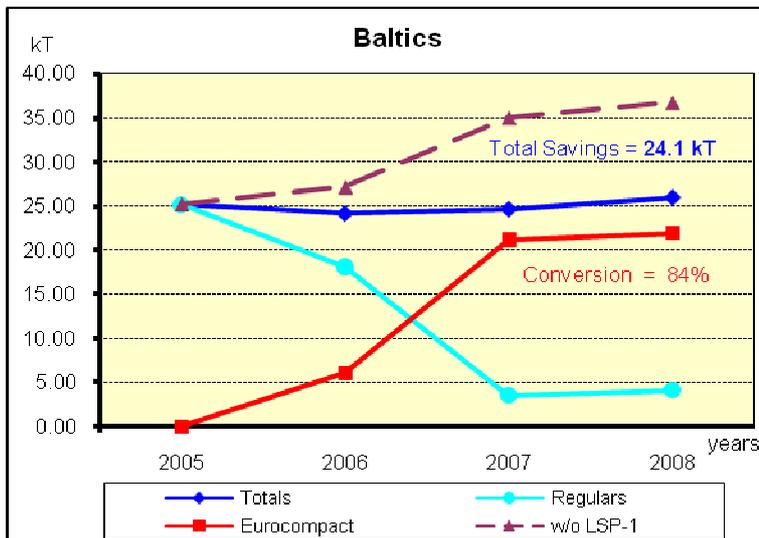
⁸ See in annex 3 the explanations of the savings’ calculations

2.2.4. Achievements / Report per Country

- **Baltic countries (Estonia, Latvia, Lithuania)**

The market data in the three Baltic countries are consolidated and indicate a conversion of 84% in market volume terms and 89% in market value.

The key data are shown in the graph below:

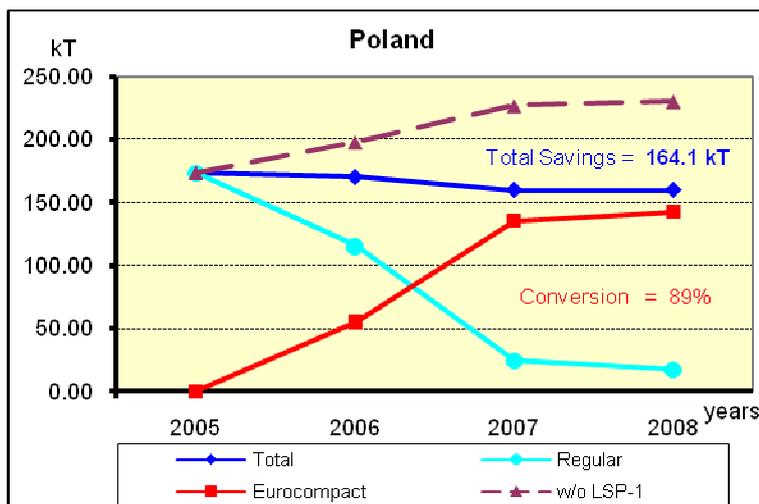


The local Estonian company Mayeri S.A. was an important partner of the project as well as two retail companies in Lithuania (Ineza 2M, Maxima LT). In the three Baltic countries, the conversion was also helped by the fact that consumers could find now and then concentrated granular detergents imported from Scandinavia.

- **Poland**

The market data in Poland indicate a conversion of 84% in market volume terms and 92% in market value.

The key data are shown in the graph below:

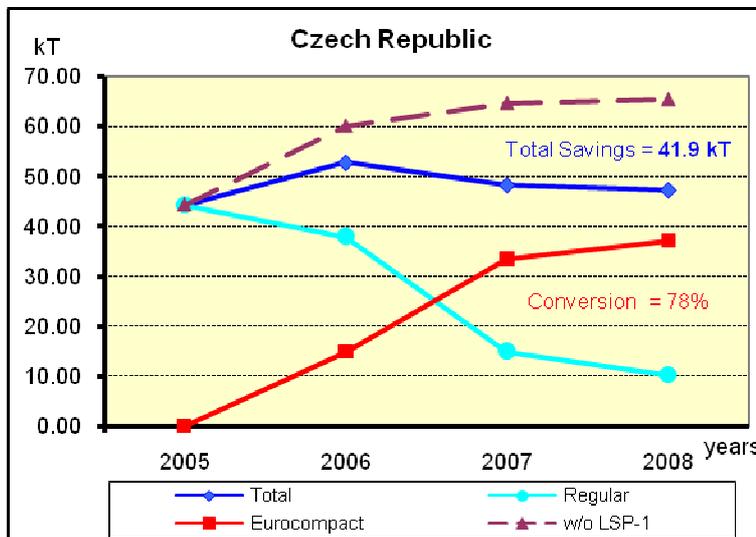


Poland was a traditional regular powder country. After a few starting hurdles the LSP-1 initiative progressed rapidly. Virtually all key companies in Poland joined the project and this was the country with the earliest date of the start of the appearance of the new concentrated products on the market. Among the participants, there was also an important local retail company (J. Martins S.A.).

- **Czech Republic**

The market data in the Czech Republic indicate a conversion of only 78% in market volume terms even if this figure rose to 90% in market value.

The key data are shown in the graph below:

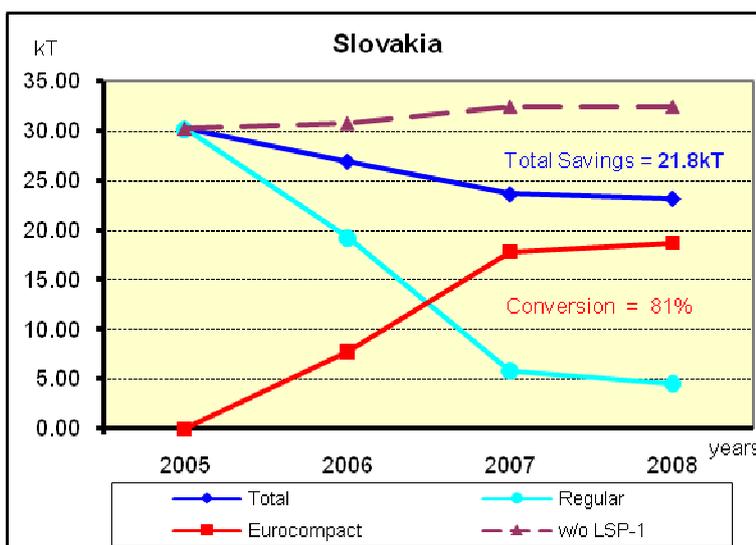


In the Czech Republic, unfortunately an important local manufacturer (with also a significant business in Slovakia) did not join the project. In spite of this though, the rest of the industry managed to achieve a successful progress with significant sustainability gains.

- **Slovakia**

The market data in Slovakia indicate a conversion of only 81% in market volume terms even if this figure rose to 90% in market value.

The key data are shown in the graph below:



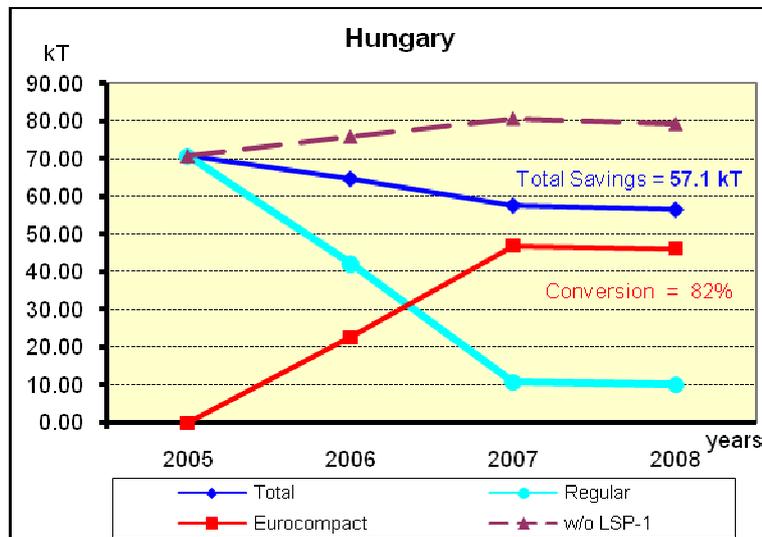
The situation in Slovakia evolved very similarly to what has happened in the Czech Republic for the reasons indicated above.

Nevertheless, also in this country, the commitment of the majority of the companies lead to a significant level of conversion and thus to important environmental savings.

- **Hungary**

The market data in Hungary indicate a conversion of only 82% in market volume terms even if this figure rose to 91% in market value.

The key data are shown in the graph below:

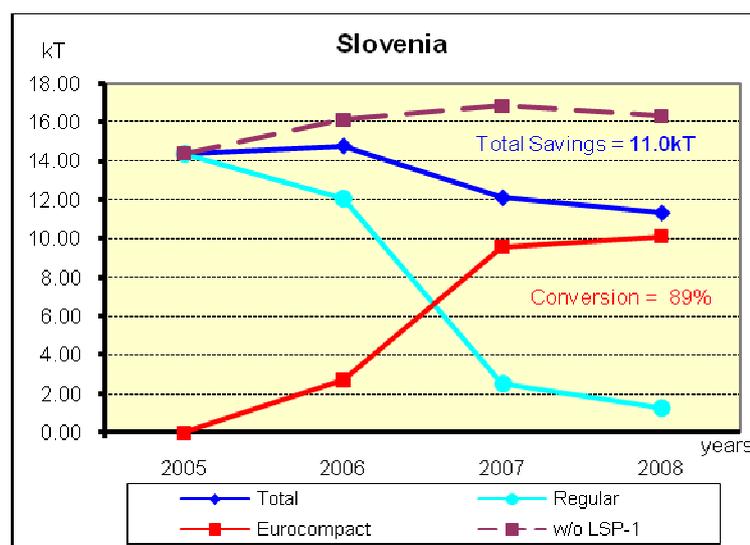


An important characteristic of the Hungarian market is a clear consumer interest for Heavy Duty Liquid detergents, which have gained significant share over the recent years. In the period of the LSP-1 lifetime, manufacturers introduced several new liquid detergents in Hungary. Importantly those were already in concentrated forms with dosages more or less in line with those of the new compacted powder detergents developed in the context of the LSP-1 initiative. This trend could therefore be seen as a fall out of LSP-1, with positive consequences for the environment.

- **Slovenia**

The market data in Slovenia indicate a conversion of 89% in market volume terms and of over 95% in market value.

The key data are shown in the graph below:



The Slovenian detergent market is very similar to the Western European ones. Private label producers and retailers have become important players and their participation to the initiative was important for its success.

One of these local companies, Engrotus (former Tus) joined the project directly, whereas the biggest one, Mercator, although very positive to the LSP-1 initiative, did not participate directly in the project, even if they decided to compact their low suds powder detergents along the same lines as the other companies.

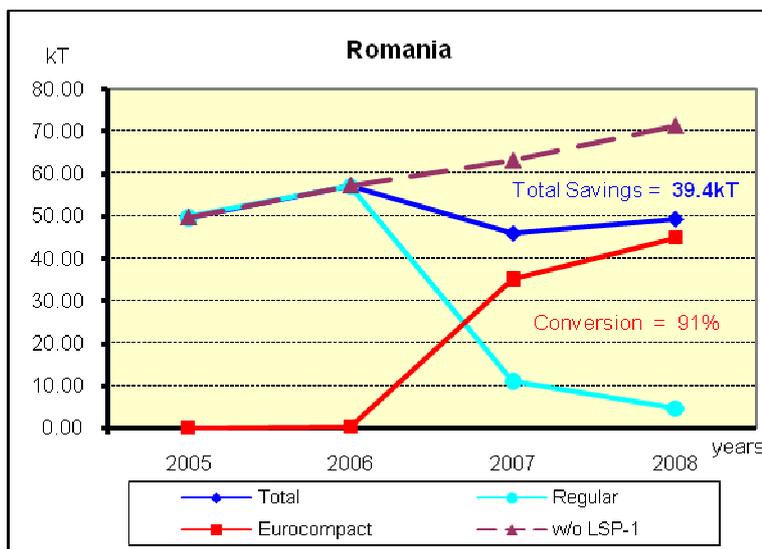
Another characteristic of the Slovenian detergent market goes hand in hand with Hungary. As already mentioned, in both these markets, consumers favour more and more heavy duty liquid detergents which are sold in concentrated form only, with recommended dosages in line with those of the LSP-1 powder detergents. Again, this is a further indirect positive achievement of LSP-1 in terms of sustainability benefits.

- **Romania**

In Romania, the youngest EU Member States (together with Bulgaria), the LSP-1 initiative started much later (October 2006) than in the majority of the other countries, but progress has been fact fast and the initiative reached very high levels of conversion.

In fact, the market data in Romania indicate a conversion of 91% in market volume terms and over 95% in market value. This makes Romania the country with the highest conversion both in market volume and market value terms.

The key data are shown in the graph below:



Virtually all key manufacturers present on the market in Romania (including Ficosota Syntez and Hayat) joined and supported the project. Furthermore, the implementation of LSP-1 in Romania was “expanded” also into Moldova, where we estimate a similar level of conversion, even if no actual data are available, as we did not get a reliable market analysis for that country.

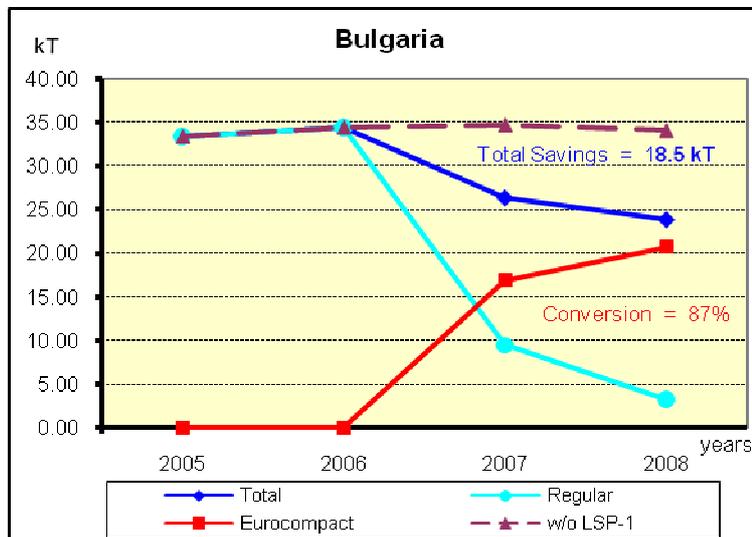
The participation to the project in these countries of a Turkish company has also facilitated the export of this type of project into Turkey, where a similar initiative was launched in October 2008 (see more details in the “Conclusions”).

Worth noting that in those countries, in parallel to the implementation of LSP-1, there has been a fast movement away from hand-wash with a significant increase of the penetration of the washing machines. This has translated into a shift from Heavy Duty High Suds to Heavy Duty Low Suds detergents. The presence on the market of the new compacted detergents has therefore offered a key opportunity for those new consumers to start with the best products from an environmental point of view.

- **Bulgaria**

Bulgaria, similarly to Romania, launched the project rather late, in October 2006 but implemented it quickly, and also in this country, progress was fast and conversion levels high. In fact, the market data in Bulgaria indicate a conversion of 87% in market volume terms and 90% in market value.

The key data are shown in the graph below:

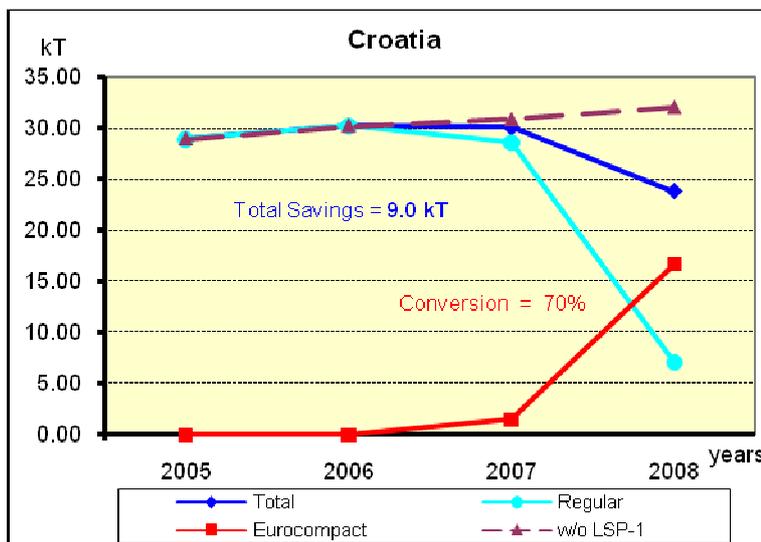


Also Bulgaria switched from a classical Heavy Duty High Suds powder detergent market into a market of compacted low suds detergent powders similarly to what has happened in Romania.

- **Croatia**

The market data in Croatia indicate a conversion of 70% in market volume terms and 80% in market value.

The key data are shown in the graph below:



Although a local company started quite early working on its transition to compacted powder detergents, overall the implementation of the project in Croatia started even later than Bulgaria / Romania in October 2007. This is the reason why at the end of 2008, the conversion levels were much lower than in the other countries. However because the development has been quite fast, results in this country have been included in this report.

To note that Croatia is part of the region where the LSP-1 initiative has been prolonged until the end 2010.

2.3. Conclusions

This first A.I.S.E. Laundry Sustainability Project (LSP-1) fully reached its objective to reduce the environmental impact of regular Heavy Duty Low Suds powder detergents for household use, with an environmental saving of close to 400,000 tons of chemicals over the initial three-year period. The conversion of the markets where companies committed to the project reached 85% in market volume terms and was over 91% in market value terms.

In addition, environmental savings in packaging materials, in energy consumption for manufacturing products as well as in product use, in logistics including transport are evident and lead to a significant decrease of CO₂ emissions.

If such an industry-wide initiative had not taken place, product consumption would have been substantially higher. In fact, the environmental benefits of this initiative would not have been reached without the industry-wide consumer education campaign and the participation of the quasi totality of the industry, which was made possible also by the availability of expert manufacturing advice to SMEs.

Furthermore, one can consider that, after the fall of the "Iron Curtain", following the initial stabilization of the economical situation in the CEE region in the second half of the nineties, in the last decade the economy started to grow at a 5% rate on average, double in size compared to Western Europe. As a result, the national income improved noticeably and the same happened to the standard of living. Higher frequency of washing, larger penetration of washing machines, the switch from High Suds to Low Suds detergents were all factors leading to a continuous increase in the pro-capita consumption of Low Suds detergents. In 2005, the yearly pro-capita consumption of detergents on average across the CEE countries was less than 5 kg (significantly lower than in Western Europe) even if large variations existed across countries.

It had to be expected that this growth of detergent's consumption would have continued in this economically prosperous time in CEE. In fact, this has not happened and we have seen on average a significant decrease. Although it is impossible to make a perfect correlation, we have every reason to believe that this was a direct consequence of the implementation of LSP-1.

The overall results at the end of the life of LSP-1 clearly show that:

a. the Detergent Industry as a whole clearly understood and appreciated the sustainability value and potential of such an industry-wide initiative. The large majority of companies joined and supported the project and its harmonised communication campaign, thus making it possible for such campaign to reach a very large number of consumers.

and

b. the large majority of consumers understood and have been sensitive to the sustainability messages inherent in this campaign. In fact, they seem to have adapted their dosage habits to the new reduced levels, thus suggesting that they have understood the messages transmitted by the educational PR-campaigns and the benefits of compacted detergents.

This proves that such a campaign is therefore a necessary and useful tool in such a project.

Importantly, it appears that at the time of drafting this report none of the participants to LSP-1 moved back to producing regular powder detergents during the lifetime of the project and after its end, thus maintain and expanding over the years to come these sustainability benefits.

These results achieved in the 2006-2008 period give hope that the project will achieve similarly good results in the countries where it was prolonged.

Worth noting that, encouraged by the successful implementation of the first Laundry Sustainability Project, A.I.S.E. is deploying similar initiatives in and outside Europe:

- The LSP-Turkey initiative was launched on 01 October 2008 and will end 30 September 2010;
- An LSP-2 is continuing to expand the concept of compaction for household laundry granular detergents in the EU 27 + 4 region. It opened for companies' commitment on 01 January 2009 and will last until 31 December 2010;
- An LSP-L initiative for Heavy Duty Liquid laundry detergents opened to companies' commitment on 1 July 2009 in the EU + 4 region. The project will last until 30 June 2011;
- The LSP-MENA initiative for the Middle East & North Africa is also focussing on the concept of compaction for household laundry granular detergents. It has been launched on 01 May 2009 and will last until 31 October 2011;
- And finally there is an LSP type initiative for Eastern Europe and the Caucasian & Central Asian Republics which is currently under discussion.

3. Annexes

3.1. Annex 1: “A.I.S.E. Laundry Sustainability Project” Description



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

Dec. 1, 2005

“A.I.S.E. Laundry Sustainability”
Project description

This document provides the details of a new Sustainability initiative launched by A.I.S.E. (Association Internationale de la Savonnerie, de la Détergence et des Produits d'Entretien), specifically addressed at low suds heavy-duty granular detergents used for domestic laundry in the European region i.e. in the European Economic Area member states (EU 25 + EFTA 3), plus Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Former Yugoslav Republic of Macedonia, Republic of Moldova, Romania, Serbia & Montenegro and Switzerland.

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

Introduction

Sustainable Development was defined by the Brundtland report⁹ as “*Development that meets the needs of the present without compromising the ability of future generations to meet their own needs*” and was translated by the UK Government¹⁰ into the more understandable concept that “*it is about ensuring a better quality of life for everyone now and for generations to come*”.

Sustainable Development comprises three balanced pillars: economic development, social responsibility and environmental protection. The EU Commission published a Sustainable Development Strategy in 2001 and in 2004 held a public consultation with a view to revising it in 2005. The Commission has also proposed a number of legislative initiatives to implement the strategy; amongst them is the Commission Communication on Integrated Product Policy which suggests a series of tools for future action. In addition, the World Business Council for Sustainable Development (WBCSD) report has introduced seven keys for improving lives through the market.

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 the environment. A.I.S.E. has always been proactive in engaging in constructive and continuous dialogue with the EU stakeholders and in the Member States at local Government and NGO level via the network of National Associations to ensure that Industry’s longstanding and extensive know-how and expertise is heard in the development of technical regulation. In the recent past, A.I.S.E. has extended this dialogue process with key stakeholders into a much broader range of activities concerning Sustainability.

⁹ [Our common Future](#) (World Commission on Environment and Development – 1987 – Oxford University Press – Oxford, U.K.)

¹⁰ [Opportunities for Change](#) (UK Department of the Environment Transport and the Regions (DETR), 1998)

Examples of this A.I.S.E. approach are given below:

- 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 then EU and EFTA countries. 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 peer-reviewed LCA¹¹ of the overall laundry-washing process.

Companies who 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*” 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 LCA studies conducted over the years^{12,13,14} and based upon this, the majority of the Detergent manufacturers in Western Europe have progressively compacted their laundry granules over the last 7 years since more “compact” formulae allow consumers to achieve the same cleaning performance at lower weight and volume recommended dosages, provided that consumers use the product as recommended. The various compaction steps taken by the Industry over the lifetime of the Code and beyond have in fact led to a “win-win” situation for the consumer, the environment and both the trade and the industry.

To enable the latter to be realized, 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 using the most relevant media: TV, radio, press, Internet and was augmented through the activities of A.I.S.E.’s National Associations. A dedicated www.washright.com website was designed and publicized successfully.

The Code program came to an official end in 2001. A final report¹⁵ 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 report¹⁶ that was also shared widely. It was estimated that over the Code

¹¹ [Rationale and Technical Appendices on the A.I.S.E. Code of Good Environmental Practice](#) (A.I.S.E. - Nov. 1997)

¹² [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

¹³ [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

¹⁴ [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

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

¹⁶ [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)

lifetime, 250,000 tons of detergents and 13,000 tons of packaging were saved in the concerned region with an obvious positive effect on the environment.

- A.I.S.E. did not stop there, but has continued its journey along the sustainability path with the HERA project. This project was developed by A.I.S.E. in co-operation with CEFIC, in a way that brings downstream users and suppliers together in a collaborative partnership, to show with real examples that:
 - ◆ the HERA risk assessment concept can provide **relevant safety evaluation** concerning detergent and cleaning products and their ingredients, to Authorities and to the public in a fast, effective and transparent way
 - ◆ the HERA project can contribute in a useful and practical way to a **risk-based legislative approach**
 - ◆ chemical management should in the first place be based on **risk assessment** rather than on hazard only.

Details on this project can be found in the dedicated website www.heraproject.com.

- More recently A.I.S.E. has developed another initiative, the “Charter for Sustainable Cleaning” that was introduced officially on December 1, 2004 and is currently in process of being deployed across the whole of the European Economic Area member states (EU 25 + EFTA 3). Further information on this project can be found in the dedicated website www.sustainable-cleaning.com.

The new “A.I.S.E. Laundry Sustainability” project

A.I.S.E. and its National Associations members are now launching another important initiative in the spirit of concrete action for Sustainability: the “**A.I.S.E. Laundry Sustainability**” project.

A.I.S.E. recognised that whilst the A.I.S.E. Code of Good Environmental Practice; the associated “*Washright*” campaign and the HERA project were widely contributed to in the former EEA, there is an opportunity to extend the sustainability benefits of these initiatives across the entire European area. It, therefore, decided that it would be appropriate to reinvigorate a key element of the Code as another move towards a more sustainable future by launching a voluntary initiative open to all companies whether from inside or outside the region or members of A.I.S.E. and its National Associations or not.

The objective of this project is 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 dossier¹⁷ already prepared by A.I.S.E. More specifically it wants to provide:

- 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 CO₂ emissions.
- Encouragement to consumers to modify the way they use products, through a harmonised consumer communications campaign. This will provide consumers with important information on how to reduce product and energy usage and thus also costs whilst maintaining the cleanliness delivered.
- Strengthen the reputation of the detergent industry represented by A.I.S.E. as a proactive and trusted partner for European Institutions and civil society in the advancement of sustainable development.

¹⁷ [The A.I.S.E. Laundry Sustainability Project – Scientific Dossier](#) (A.I.S.E. – Nov. 2005)

The Scope

The “A.I.S.E. Laundry Sustainability” project is aimed at all low suds granular heavy-duty detergents used for domestic laundry placed on the market in Europe, but focuses particularly on the so called regular laundry powders (referred to as “*automat*” in some countries) for automatic washing machines, which still recommend relatively high dosages (e.g. 150 g/wash) of product. These are mainly, but not exclusively, present in the Central and Eastern part of Europe, where most benefit is expected to accrue from compaction. The communication campaign, to ensure comprehensive dosage information, will therefore be concentrated in this area.

The Timing

The “A.I.S.E. Laundry Sustainability” project will be launched on 1st January 2006 and is intended to last for a two year period, until 31st December 2007. Companies will be able to join during the whole lifetime of the project and will be allowed to use the “Trade Mark” (see below) for an additional year (until 31st December 2008) if they wish so, provided they comply with all principles of such project.

A period of two years is judged appropriate to allow companies, which are keen to join the project to do so and participate in it. This is to allow sufficient time for companies that wish to participate to adapt. This should allow for companies to plan for any investment that may be required and participate according to their own business strategy.

The additional 12 month period may serve for exhaustion of potential stocks, thus avoiding any unnecessary throw away of finished product and/or packing materials which would represent a burden both economically and importantly for the environment.

The Quantification of the Benefits

The “A.I.S.E. Laundry Sustainability” project has the potential for delivering environmental benefits as well as enabling consumers to obtain the same performance for less chemicals and cost in terms of energy usage. As the execution of this project is expected to follow the model established in Western Europe in the context of the Code, we can expect a significant environmental saving in chemicals and packaging in line with what was achieved in the original Code project.

A.I.S.E. has developed a scientific dossier, as already mentioned before, that estimates the environmental benefits of this project and projects its maximum potential where there is complete participation by all manufacturers.

A.I.S.E. undertakes to publish a close-out report at the end of the project, which it will make available to all stakeholders. This report will present the results obtained through this project. A description of how these results will be measured is included in the scientific dossier.

The Commitment

Each Company adhering to the “A.I.S.E. Laundry Sustainability” project will commit to take concrete specific steps towards achieving the objectives of the project.

In particular, companies participating in this initiative will commit to:

- Strive to ensure that its detergent products are safe for man and the environment using risk assessment.
- Reduce by a minimum of 33% (in weight) the recommended dosage for a standard washing machine load¹⁸. Reduce by a minimum of 25% the volume of the dose for a standard washing machine load, both these targets to be judged against a baseline of the dosage declaration made in January 2005.

¹⁸ [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](#)

- Communicate clearly to consumers how best to achieve the intended sustainability improvements, encouraging the correct use of the new products.

Any manufacturer who commits to achieve the above sustainability objectives on all its low suds household laundry powder brands in one or more countries shall provide a written declaration to A.I.S.E. In return, the manufacturer will be licensed by A.I.S.E. to the use of a distinctive logo (the "*Trade Mark*", which has been developed by A.I.S.E.) in the relevant countries, enabling the licensee to place the "*Trade Mark*" on packs, scoops, advertising and promotional material within a defined framework for the brands in the countries for which the license has been granted. All this will also help consumers and the trade companies to better recognize those new detergents that contribute to a sustainable development in the detergent area.

A License agreement (the "*Agreement*") has been prepared accordingly, where-under A.I.S.E. will grant to the Licensee "*a non-exclusive royalty free license*" to use the Trade Mark "*in those countries within the Territory the Licensee participates on its Materials and in its Corporate Communication Materials*" (See provisions 1.4, 1.5 and 2.1 of the Agreement).

This Agreement is "*conditional upon the Licensee complying with the requirements of the "A.I.S.E. Laundry Sustainability" project within the Territory during the entire term of this Agreement*" (See provision 2.2 of the Agreement).

A.I.S.E. and its National Associations on behalf of the Industry will undertake to explain to Governments, NGO's and consumers the background to the project and its benefits (See provisions 3.2 and 3.3 of the Agreement).

A.I.S.E. is planning a consumer communication package, including harmonised, non-branded advertising which will aim to engage consumers and attempt to persuade them of the benefits of modifying behaviour.

Financing the initiative

A.I.S.E. will establish a separate dedicated budget to support all expenses related to this project. This budget will be financed by all participating companies on the basis of a split based on the average of their "*share of voice*" and "*market value shares*" during calendar year 2004 on a country by country basis. All "*market shares*" and "*share of voice*" will be based on historical data collected by an independent third party (e.g. ACNielsen). Specific details on the contributions will be part of the licensing agreements.

The Plan

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

Charles Laroche
A.I.S.E. President

Susanne Zänker
A.I.S.E. Director-General

**3.2. Annex 2: “A.I.S.E. Laundry Sustainability Project”
Scientific dossier summary**



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

Nov. 11, 2005

“A.I.S.E. Laundry Sustainability Project”

Scientific Dossier Summary

The A.I.S.E. Code of Good Environmental Practice (the “Code”) used Life Cycle Assessment (LCA) to select a number of measurable indicators which, if they are reduced over time, can demonstrate that the sustainability of the Laundry process (including the products involved) is improved. These indicators are:

- the energy used per wash.
- the amount of detergent used (by weight) per capita
- the packaging used (by weight) per capita
- the poorly biodegradable ingredients used (by weight) per capita

Although all except the first were measured on a per capita basis, a main driver for all indicators is the design measure per wash (ie what is foreseen for a wash cycle).

The new Laundry Sustainability Project requires of joining companies that one of these design measures – namely the weight of detergent recommended per wash – is reduced by at least 33% versus the January 2005 baseline. Also, the corresponding detergent volume recommended per wash must be decreased by at least 25% versus the same baseline.

This will directly reduce the amount of detergent used per capita, and indirectly reduce two other indicators (packaging used per capita, and energy used per wash in the production of detergent), compared with a “business as usual” scenario where the amount of detergent used per wash is not reduced.

By reducing these indicators, the Laundry Sustainability Project demonstrates its sustainability credentials.

The reductions per wash in the design measures are predicted to be as follows:

- reduction in energy use in detergent and packaging production & distribution 15-20%
- reduction in detergent use (requirement) 33% by weight
- reduction in packaging weight (including transport packaging) 10-20%

An up-to-date (2005) screening LCA, considering powder compaction/concentration by 33% (by weight) in two representative countries (Poland and Czech Republic), provides a cross check that the work done at the start of the Code is still valid today. To confirm these initial results, a full scale LCA compliant with the standards on LCA set by the International Standard Organisation is in preparation.

Powder compaction/concentration of 33% is therefore in itself a demonstrably sustainable step.

The indicator for success of the project will be the market value share of the low suds powder market which converts to the 33% compacted/concentrated form.

Market value (rather than tons) is chosen because it represents more closely the number of washes being sold - eg 3kg costing X and giving Y washes now, moves to 2kg costing X and giving Y washes when compacted/concentrated. The measure will be country-by-country, for those countries having a significant number of their producers joining the project. The data can be extracted from market tracking data already provided (eg Nielsen), collated by A.I.S.E.

It is expected that at least 80% of the market in countries not covered by the former Code will convert during the measured lifespan of the project (1 January 2006 to 31 December 2007).

3.3. Annex 3: Explanation of sustainability benefits' calculations

This explanatory annex is meant for illustration only – to put environmental savings into a language comprehensible for everybody.

The tables below shows the basis for the statements made.

Product Environmental Savings	
Total product saving	Product saving equivalent to:
Product saving: 386,841 tons over the three-year period <ul style="list-style-type: none"> • 2006 : 54,000 t • 2007 : 156,000 t • 2008 : 177,000 t 	Total annual consumption of <ul style="list-style-type: none"> • Czech Republic in 2006 → ca 53,000 t • Check Republic + the three Baltic countries + Bulgaria + Hungary in 2007 → ca 156,000 t • Check Republic + the three Baltic countries + Bulgaria + Hungary + Croatia in 2008 → ca 177,000 t
<p>This can be expressed over the three year period also in terms of:</p> <ul style="list-style-type: none"> • 17,584 less truck journeys • A line of parked trucks of 281 km equivalent to almost the distance between Vilnius and Riga • A moving “trucks’ convoy” 2,040 km long, which is equivalent to almost the distance between Tallinn and Ljubljana <p>* 1 truck load = 22 tons; length of a truck = 16 m; Road space taken by a moving truck = 100 + 16 m</p>	

Packaging Environmental Savings		
Packaging saving: 21,287 tons over the three-year period		
• 2006 : 2,963 t	• 2007 : 8,607 t	• 2008 : 9,717 t
Assumptions		
Total packaging use in grams per wash	Regular (non-compact) 1 wash = 150 g	Eurocompact 1 wash = 100 g
<i>Primary packaging</i>		
- LDPE flexible bag	1.275	1.085
<i>Transport packaging</i>		
- Cardboard case	7.540	5.030
- Corr. Flute tie sheet	0.089	0.060
- LDPE stretch foil	<u>0.078</u>	<u>0.052</u>
Total (excl. pallets)	8.982	6.227
Total packaging used (kg/per ton of product)	59.88	62.27
<p>This can be expressed over the three year period also in terms of:</p> <ul style="list-style-type: none"> • 1,703 less garbage-truck journeys • A line of parked trucks of 17 km • A moving “trucks’ convoy” 187 km long, which is equivalent to almost the distance between Bratislava and Budapest <p>* 1 garbage-truck load = 12.5 tons; length of a garbage-truck = 10 m; Road space taken by a moving garbage-truck = 100 + 10 m</p>		