

SPICE COMMITTEE 2 MEETING MINUTES

10.10.2018



Minutes written by: Quantis

In-person participants:

- Hélène Villecroze, Chanel
- Nicolas Mathieu, Chanel
- Jordan Rey, Clarins
- Philippe Briand, Clarins
- Nathalie Perroquin, Coty
- Aurore Fandard, Coty
- Thomas Eidloth, Heinz-Glas
- Henry Schubert, Heinz-Glas
- David Petit, Hermès Parfums
- Laurence Robbe, Hermès Parfums
- David Bayard, L'Occitane en Provence
- Camille Guillebastre, L'Occitane en Provence
- Philippe Bonningue, L'Oréal
- Alexandre Capelli, LVMH
- Tobias Koetter, Schwan Cosmetics
- Romain Reyx, Shiseido
- Kenji Ohashi, Shiseido
- Cédric Laplace, Sisley
- Solène Le Clère, Sisley
- Virginie d'Enfert, FEBEA
- Dimitri Caudrelier, Quantis
- Camille Rosay, Quantis
- François Witte, Quantis
- Thibault Compagnon, Quantis
- Caroline Ruiz Palmer, MWE

Remote participants:

- Mike Hercek, Avon
- Cherie Eugui, Avon

Could not attend the meeting:

- Julien Romestant, Cosmetic Valley

Description: The Members of the SPICE initiative - the Sustainable Packaging Initiative for CosmEtics - gather for a working session in view of the validation of the SPICE methodological guidelines, and of defining the initiative's next steps.

Opening of the meeting

Introduction

Dimitri Caudrelier (Quantis) welcomes all participants. He introduces himself as well as the SPICE project team: Camille Rosay, François Witte and Thibault Compagnon.

He informs participants that Julien Romestant (Cosmetic Valley) could not be available for this meeting, and that Tobias Koetter (Schwan Cosmetics) will join the session later because of transport delays.

Meeting agenda

Dimitri Caudrelier (Quantis) presents the meeting's agenda:

0. Antitrust Statement
1. Roundtable: (new) SPICE Members and their representatives
2. SPICE Methodology - Circularity & Packaging EoL
 - Recycled materials
 - Multiple use packaging
 - Take-back programs
 - Recycling disruptors
 - End-of-life streams by country
3. Communication - Sustainability in Packaging Conference
4. What's next in Year 1?
5. Prepare the future - SPICE priorities for Year 2
6. Timeline and next steps

0. Antitrust statement

Caroline Ruiz Palmer (MWE) introduces the antitrust statement that was signed by all participants:

While some initiatives among companies may be both legal and beneficial to their industry, group initiatives between competitors are often suspected to be anticompetitive and therefore illegal by National Competition Authorities.

In this respect, being a member of such an initiative, as being part of any formal or informal meetings, where other competitors are present, may involve risks, especially regarding the type of information likely to be shared around the table.

As a general rule, participants shall not exchange any sensitive information in relation to their business or company nor reach any understanding, expressed or implied, with the object or effect of restricting competition. Participants may only discuss the issues at hand in the agenda of the meeting. Therefore, it is the responsibility of each participant to avoid raising improper topics for discussion.

Participants to the meeting must not discuss topics such as:

- Prices, including any subject relating to prices or its components such as discounts, rebates, surcharges, price changes, price differentiation, profit margins, price increases, credit, or any other sales condition;
- Costs, including any component relating to costs such as production or distribution expenses, formulas for cost accounting, methods for cost calculation;
- Information relating to sales and company's production, especially production volumes, sales profits, operating capabilities, level of stocks or supplies;
- On-going non-public litigations;
- Any of a company's upcoming and confidential projects, including those relating to sales and to marketing strategy, along with production and technology, wage policy, R&D programs;
- Information relating to the relationship with customers/suppliers (including terms and conditions).

This applies not only to discussions in formal meetings but also to informal discussions before, during and after meetings.

Participants shall observe the below procedure for each meeting:

- The agenda of the meeting, including the name and position of each participant, must be submitted to legal review prior to the meeting.
- The meeting shall be conducted on the basis of the agreed agenda only.
- The antitrust statement may be read by each participant at the beginning of each meeting.
- If the discussions turn to improper subjects during a meeting, the concerned participants will be required to put an end to the discussion and to leave the meeting immediately.

- A comprehensive summary of all meetings shall be taken and shall be submitted to legal review prior to circulation.
- The summary shall be circulated to all members as soon as possible after the meeting.
- Any comment or request for amendment shall be notified as soon as possible following receipt of the summary.

She specifies that her role is to ensure that participants will not exchange commercially sensitive information as regards competition rules, and that it is the responsibility of each participant to avoid raising any improper subjects during the meeting. She develops the list of topics that are considered commercially sensitive from a competition law perspective.

1. Roundtable: SPICE Members and their representatives

Camille Rosay (Quantis) presents current SPICE members. The initiative now gathers 12 Corporate Members:

- Avon
- Chanel
- Clarins
- Coty
- Heinz-Glas
- Hermès Parfums
- L'Occitane en Provence
- L'Oréal
- LVMH
- Schwan Cosmetics
- Shiseido
- Sisley

And 2 Associated Members:

- FEBEA
- Cosmetic Valley

Attendants are invited to present themselves, and to new members to express the reasons to join SPICE and their expectations. Today's participants are:

In Paris:

- Hélène Villecroze, Sustainability and Ecodesign Manager, Chanel
- Nicolas Mathieu, Innovation Packaging Engineer, Chanel
- Jordan Rey, Responsible Development Officer, Clarins
- Philippe Briand, Directeur Développement Packaging, Clarins
- Nathalie Perroquin, VP Corporate Sustainability, Coty
- Aurore Fandard, Packaging Conception Development Manager, Coty
- Thomas Eidloth, Sustainability Manager, Heinz-Glas
- Henry Schubert, Director of Global Product Development, Heinz-Glas
- David Petit, Responsable Développement Packaging, Hermès Parfums
- Laurence Robbe, R&D Manager, Hermès Parfums
- David Bayard, Directeur Développement Packaging, L'Occitane en Provence
- Camille Guillebastre, Chef de projets écoconception et réglementaire packaging, L'Occitane en Provence
- Philippe Bonningue, Global Director of Sustainable Packaging & Development, L'Oréal
- Romain Reyx, Value Analysis Manager, Shiseido
- Kenji Ohashi, Senior Specialist, Sustainability Strategy Department, Shiseido
- Cédric Laplace, Responsable Hygiène Sécurité et Environnement, Sisley
- Solène Le Clère, Chef de projet développement Packaging, Sisley
- Virginie d'Enfert, VP Economic, Environmental and International Affairs, FEBEA

In New York:

- Mike Hercek, Global Environmental Affairs, Avon
- Cherie Eugui, Senior Manager of Packaging Development, Avon

Camille recalls SPICE's Year 1 agenda and reminds the methodological topics discussed so far and those that remain to be validated by the Committee.

2. SPICE Methodology: Circularity and Packaging EOL

The 5 steps of the SPICE methodological guidance development process are:

1. Gather Members' inputs
2. Draft a proposed methodology
3. Submit to Members for review and questions
4. Vote to validate a common approach (the objective of today's meeting)
5. Publish the first step of the SPICE methodology

François Witte (Quantis) presents the methodological topics that will be submitted to the Committee's vote:

1. Recycled materials
2. Multiple use packaging
3. Take back programs
4. Recycling disruptors
5. End of Life by country

He recalls the following definitions, linked to the Circular Footprint Formula (CFF) – cf. Committee 1:

- R_1 is the proportion of material in the input to the production that has been recycled from a previous system
- R_2 is the proportion of the material in the product that will be recycled in a subsequent system

2.1. Recycled Materials

François Witte (Quantis) explains the ISO 14021 following definitions for the following types of recycled materials:

Post-Consumer Material: Material generated by households or by commercial, industrial and institutional facilities in their role as end-users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain.

Pre-Consumer Material: Material diverted from the waste stream during the manufacturing process. Excluded is reutilization of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it.

He explains that when assessing the environmental impacts of packaging using the Circular Footprint Formula, both pre-consumer and post-consumer materials can be considered for the recycled fraction (defined as “R1” in the CFF).

Philippe Bonningue (L’Oréal): is there really (based on what is shown) a difference between “post-industrial” and “pre-consumer” recycled materials?

François Witte (Quantis): we propose to stick to the ISO definition.

Philippe Bonningue (L’Oréal): We also need to agree on what we claim to the consumer: should we claim the same way for both kind of recycled materials?

Nathalie Perroquin (Coty): We should keep it as simple as possible for the consumer.

Philippe Bonningue (L’Oréal): Both simplicity and sincerity about what matters to the consumer (who essentially considers post-consumer household recycling, as it is where he/she can act) are important.

Cherie Eugui (Avon): Are we discussing the LCA approach or communication to consumers, beyond the methodology?

Dimitri Caudrelier (Quantis): These questions are challenging the claim and the communication on the packaging eco design, according to SPICE. For the methodology, the risk would be not to be aligned with ISO definition. Concerning the claim, the rule can be decided in a second time.

Hélène Villecroze (Chanel): Our mission is to do the best on both streams (pre and post-consumer): is it a question of wording (“pre” and “post-consumer” can be confusing) or a question of what is done with these materials?

Nathalie Perroquin (Coty): in any case, post-consumer materials are included in our definition.

Henry Schubert (Heinz-Glas): for the glass industry, these are two very different situations. Post-consumer recycling is much more complicated since you need to collect, wash the glass, etc.

David Bayard (L’Occitane): For me recycling pre-consumer waste, since it is a waste, is the best option. Do we have a concrete example to guide us?

Jordan Rey (Clarins): As I understand the definition, post-consumer can also cover industry and retail waste. For me, we should take this fraction into account as I don’t really understand where pre-consumer could come from. Considering both would be more challenging (compare

things that cannot be compared). We have to take care about post-industrial waste because it represents a lot, but in a different way and without claiming that it is a real improvement.

Dimitri Caudrelier (Quantis): could an example be shared?

Tobias Koetter (Schwan): We are using for example grinding or scraps, it is not post-consumer material.

Nicolas Mathieu (Chanel): Thermoformed trays we use during the manufacturing process may be considered as pre-consumer recycling.

François Witte (Quantis): This specific case could be considered as post-consumer material, as the definition includes material streams from industry in their role as end-user of the trays.

Philippe Bonningue (L'Oréal): for time purposes, it would be easier to solve the issue when we discuss communication and claim to consumer. For us, the "Grail" and challenge is using post-consumer households' materials. Of course, a "waste is a waste", but post-consumer should be the priority as it is what the consumer focuses on, nowadays. It is also aligned with the Ellen McArthur's/Ocean/... approaches; we should align with EMcA for all definitions as well. We should differentiate post-consumer households and post-consumer industrial for the benefits of the consumer's understanding.

Aurore Fandard (Coty): industrial waste is not systematically due to a lack of efficiency.

Dimitri Caudrelier (Quantis): We are aligned on the fact that post-consumer is the "Grail" but we need to have a clear definition and statement. For that, we would need to have other examples to clarify that.

He asks Members if they would be ready to vote the proposition as it is now (including both pre and post-consumer). At least 4 vote against. The definition is proposed to the vote according to the following adapted formulation, before Quantis makes it clear for the pre-consumer material part:

When assessing the environmental impacts of packaging using the Circular Footprint Formula, post-consumer materials are considered for the recycled fraction (defined as "R1" in the CFF).

VOTE RESULTS: 11 votes for, 1 against.

Philippe Bonningue (L'Oréal): we should be able to mention if the material is recycled, and also differentiate the "quality standard": recycled materials coming from households are "5 stars" recycled materials (in terms of public waste management, stake and challenges today) while waste from industry are "2 stars" materials (as streams may exist in an easier way). The goal is to make sure that the consumer can understand when recycling materials come from households and where his/her action is.

François Witte (Quantis): Maybe an option would be to make a distinction between accountability (include both types of recycled materials) and claiming (claim on post-consumer materials only).

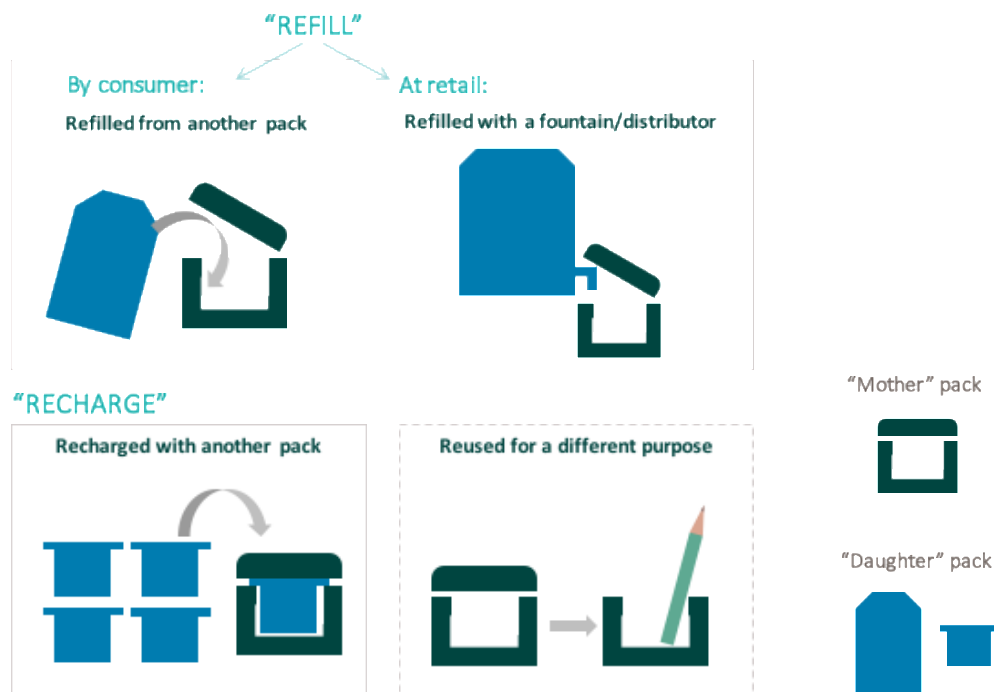
Members agree that things should be kept simple and not to differentiate the approach.

Camille Rosay (Quantis): as it appears that we cannot align today on the way this should be communicated, this topic will be at the agenda of the 3rd committee in order to:

- Clarify examples of pre-consumer recycling situations
- Define the final wording to be validated in the guidance

2.2. Multiple Use Packaging

François Witte (Quantis) describes the different types of packaging that are designed to be used multiple times:



He specifies that the objective here is only to define these categories for calculation purpose, and not on the way to brand it to the consumer.

The total environmental impact is the sum of the mother's environmental impact plus N times daughters' environmental impact, while the number of units of services (i.e. functional units) is the number of units of services of the mother (provided that the

mother is completely filled) plus N times the ones of the daughter. All the potential operations required to recharge/refill the packaging have to be taken into account.

By default, the following hypothesis are proposed:

- RECHARGE: 1 mother, 1 recharge, 1 new recharge (N=2)
- REFILL BY CONSUMER: 1 mother, 1 refill (N=1)
- REFILL AT RETAIL: 1 mother, 0 refill (N=0)

A higher number of recharges/refills should be proven through relevant metrics that demonstrate the actual number of recharge/refill.

Packaging reused for a different purpose shall not be considered as reuse or recycling.

Philippe Briand (Clarins): For instance, Thierry Mugler perfume can be refilled at retail. What is the reason for considering 0 refill at retail?

François Witte (Quantis): This is a conservative assumption as the actual ratio is unknown without observation.

Several opinions in favor of a N=1 assumption for refill at retail.

François Witte (Quantis) explains that to specify these default values, proof should be based on actual, up-to-date and significant metrics such as sales data. Depending on the product's stage of development, different situations can be envisioned:

- Pre-launch:
 - Ratio based on a similar product (if available)
 - New type of design: where no data describing a similar product is available, statement on the product's benefits should clearly mention the underlying assumption (e.g. for 1 refill of the initial packaging, for 2 recharges, etc.)
- Post-launch: the number of recharge / refill should be based on actual and significant sales data

Other precisions are required by participants:

Hélène Villecroze (Chanel): do we assume the mother packaging as empty or already full?

Quantis: for recharge: the mother is empty (bought with a full recharge); for refill: the mother is full.

David Bayard (L'Occitane): can we clarify how to take into account the impacts of the fountain itself, and the case where the fountain itself needs to be refilled?

François Witte (Quantis): if the consumer does 1 refill at the store, we need to account for 1 mother + the corresponding "fraction" of the fountain. We will add the specific case of the fountain's refill.

Cherie Eugui (Avon): although the terms “refillable, rechargeable, and reusable” need to be differentiated for purposes of life cycle analysis, all of these terms can be considered “reusable” in a different context.

The following proposition is submitted to the vote. It will be completed with the calculation method to take the impacts of the fountain and of its refill into account.

Recharge and refill:

- The total environmental impact is the sum of the mother’s environmental impact plus N times daughters’ environmental impact,
- while the number of units of services (i.e. functional units) is the number of units of services of the mother (provided that the mother is completely filled) plus N times the ones of the daughter.
- All the potential operations required to recharge/refill the packaging have to be taken into account.

By default,

- > RECHARGE: 1 (empty) mother, 1 recharge, 1 new recharge (N=2)
- > REFILL BY CONSUMER: 1 (full) mother, 1 refill (N=1)
- > REFILL AT RETAIL: 1 (full) mother, 1 refill (N=1)

A higher number of recharges/refills should be proven through relevant metrics that demonstrate the actual number of recharge/refill.

Reuse for a different purpose: Packaging reused for a different purpose shall not be considered as reuse or recycling.

VOTE RESULTS: 12 votes for, 0 against.

2.3. Take Back Programs

François Witte (Quantis):

Take-back for reuse

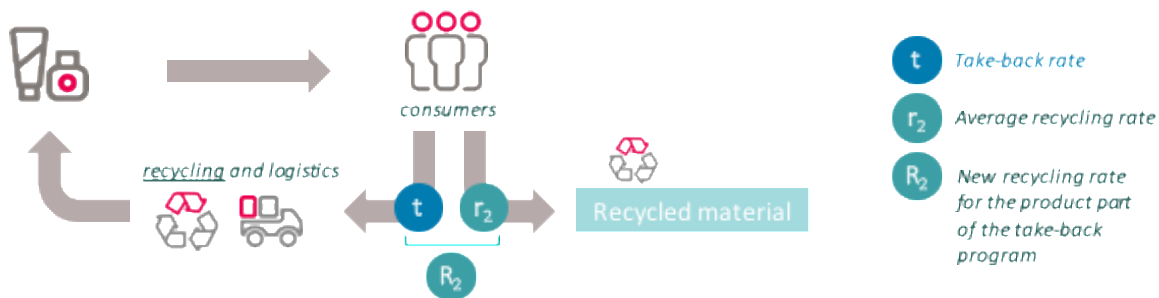


In order to account for take-back programs for reuse, one can divide the impacts of the pack by the amount of cycles it goes through, under the following conditions:

- the packaging was briefed, designed, communicated and checked as part of a take-back program for reuse,
- relevant metrics demonstrate that customers actually use the take-back program for reuse, and
- relevant metrics demonstrate the amount of cycles for the packaging, i.e. how many times the company will reuse the packaging,

At each cycle, several operations are required to be able to reuse the packaging, e.g. the transport from consumer home to retail, the washing or refurbishing of the pack and its refill. All these operations have to be included in the assessment of a pack that is part of a take-back program.

Take-back for recycling



The environmental impacts and benefits of take-back programs for recycling should take into account the specific recycling rate of the packaging (“R2” of the Circular Footprint Formula), under the following conditions:

- the packaging was briefed, designed, communicated and checked as part of a take-back program for recycling,
- relevant metrics demonstrate how much customers actually use the take-back program for recycling.

The new recycling rate combines the average recycling rate and actual take-back rate.

Several participants comment that take-back programs may be put in place even though the packaging has not been “briefed, designed, communicated and checked as part of a take-back program”. It is proposed to withdraw this sentence.

Nathalie Perroquin (Coty): will the impact of taking this into consideration be seen at the end of life?

François Witte (Quantis): Yes, for take-back for recycling the final recycling rate will be higher than the average recycling rate, since we can ensure that the packaging collected through the take-back program will be recycled.

Kenji Ohashi (Shiseido): Can we include chemical recycling?

François Witte (Quantis): Yes, you still have secondary materials at the end. It is a stream of recycling so it has to be accounted.

The following proposition is submitted to the Committee's vote:

Take-back for reuse

In order to account for take-back programs for reuse, one can divide the impacts of the pack by the amount of cycles it goes through, under the following conditions:

- relevant metrics demonstrate that customers actually use the take-back program for reuse, and
- relevant metrics demonstrate the amount of cycles for the packaging, i.e. how many times the company will reuse the packaging,

At each cycle, several operations are required to be able to reuse the packaging, e.g. the transport from consumer home to retail, the washing or refurbishing of the pack and its refill. All these operations have to be included in the assessment of a pack that is part of a take-back program.

Take-back for recycling

The environmental impacts and benefits of take-back programs for recycling should take into account the specific recycling rate of the packaging ("R2" of the Circular Footprint Formula), under the following condition:

- relevant metrics demonstrate how much customers actually use the take-back program for recycling.

The new recycling rate combines the average recycling rate and actual take-back rate.

VOTE RESULTS: 12 votes for, 0 against.

2.4. Recycling Disruptors

François Witte (Quantis): A disruptor corresponds, for a given packaging, to a material that is incompatible with existing sorting and/or recycling systems or that can impact the final quality of recycled materials. The reality of what is considered as a recycling disruptor can vary significantly from one country to another, because it is related to the recycling technologies used in each country.

A disruptors matrix was developed based on reports or direct communication from:

- The APR
- CITEO
- Greeblue
- Expra
- The FEVE

			Disruptors															
			Material (different than PP/HDPE) with d<1	Material (different than PET) with d>1	Silicone	PLA	Waxed paper	Plastic	Steel	Aluminium	Other metals	Rubber	Ceramic	Foil safety seals that leave foil or remnants or attaching adhesive	Lead crystal	More than 2% of opacifying additives	Black color (colorant or covering sleeve)	Full body sleeve (made of a different material than the packaging main material)
Main material	Plastics	PET																
		PP																
		HDPE																
	Paper/ cardboard	Paper/ cardboard																
	Metals	Aluminium																
		Steel																
	Glass	-																

Virginie d'Enfert (FEBEA): what is the geographical coverage of Greenblue?

François Witte (Quantis): mostly US and UK.

Cherie Eugui (Avon): some cases mentioned in the APR guideline do not seem to appear in this matrix; do we take the size of the packaging into consideration here or only material compatibility?

François Witte (Quantis): according to APR, different levels of recyclability are possible (it is either completely impossible to recycle, or it leads to lower the quality). In this matrix, the most conservative approach is adopted (i.e. cases where everyone agrees that recycling is possible).

If different materials can be separated, then recycling will not be disrupted.

David Petit (Hermès Parfums): How do you define the main material?

François Witte (Quantis): above 50% in mass. If there is no main material, it cannot be considered as recyclable.

Philippe Bonningue (L'Oréal): Disruptors are for the LCA assessment (recycling %) and we should see how then to communicate the 'recyclability of the product' to the consumer (when there is disruption). The question of the claim should also be discussed.

David Bayard (L'Occitane): What about PETG (as a main material) as CITEO is giving a malus on this material?

François Witte (Quantis): if the material itself is not recyclable it is not considered as a main material in the disruptors matrix.

Solène Le Clère (Sisley): what about black color, it is not possible to recycle?

François Witte (Quantis): Yes, because it prevents the pack from being properly identified by optical sorting.

Tobias Koetter (Schwan Cosmetics): Do you consider multi-layer materials?

François Witte (Quantis): in this matrix for example you will find aluminium + plastic, then you are in a disruptor case. Usually multi-layer materials are not recyclable.

Dimitri Caudrelier (Quantis): If there is a need for more clarity and examples we can ask you what would be the best photo or bill of materials.

The following proposition, to be completed with further examples, is submitted to the vote:

A material is considered as a disruptor if:

- it is present (no weight threshold unless mentioned otherwise in the table) in the packaging, and
- if it is not separable of the rest of the packaging (i.e. a user cannot or does not separate it from the rest of the packaging during a "normal" use or when throwing the packaging away).

When assessing the environmental impacts of a packaging that contains a disruptor, the end-of-life scenario of this packaging should not consider any recycling (i.e. a recycling rate of 0%).

VOTE RESULTS: 6 votes for, 5 against, 1 abstention.

The proposition is therefore not validated, it will be submitted to the vote with an updated proposition and the following comments are noted:

- a more complete table is needed

- the table will need to be regularly updated
- an example of multi-layer material would be helpful

Dimitri Caudrelier and François Witte (Quantis) recall that this information is not intended to replace local analysis or internal information, but to provide default hypothesis. The idea is to have the most common table across the different available sources, as a tool to be able to see what are the common rules for a portfolio of product. But for specific analysis in a given country it is indeed not precise enough.

2.5. End-of-life streams by country

Camille Rosay (Quantis): Depending on the type of pack, its materials and the country where it is used, the average scenario (i.e. the percentage of each end-of-life route that these packaging follow) will differ.

The different possible routes are:

- Recycling
- Landfilling
- Incineration with energy recovery
- Incineration without energy recovery
- Composting
- Littering

According to the following sources:

- European countries > PEF Guidance 6.3 (Annex C) data
- Canada / Japan / United-States of America > National country data
- Other non-European countries > UNSTAT data
- Remaining countries (not covered by UNSTAT) > a 100% landfill scenario is considered

It is possible to collect average % of landfilling, incineration with and without energy recovery and recycling across 100 countries. The following proposition is submitted to members:

When applying the Circular Footprint Formula, the end-of-life scenario should at least consider the following end-of-life treatments:

- Landfilling,
- Incineration (with and without energy recovery),
- Recycling.

In case of compostable packaging, the impact of the composting process can be added.

The end-of-life scenarios should reflect the probable fate of the packaging, not the intended fate.

End-of-life scenarios should be specific for each of these material categories:

- Glass,
- Metal,
- Wood,
- Paper/Cardboard,
- Plastic,
- Non-recyclable Materials.

Virginie d'Enfert (FEBEA): we should have a precise definition of what can be considered as “compostable” depending on the different treatment techniques (domestic, industrial).

It is specified that the Ellen MacArthur Foundation proposes such definitions.

Philippe Bonningue (L'Oréal): Ellen MacArthur Foundation's definitions should/could be followed in the framework of SPICE (at least to know where the gaps might be).

Camille Rosay (Quantis) confirms that such definitions can be provided.

Nathalie Perroquin (Coty): what is the difference between landfill and littering?

Camille Rosay (Quantis): in the case of landfill, the waste is managed, while for littering the waste is in the environment. There is currently no LCA methodology to take these environmental impacts into account.

Jordan Rey (Clarins): How do we take into account the separability of packaging elements for recycling (e.g. a glass jar and plastic cap).

Camille Rosay (Quantis): this question comes prior to defining the EoL streams: once both elements are separated, the glass scenario should be applied to the jar and the plastic scenario applied to the cap.

VOTE RESULTS: 11 votes for, 0 against, 1 abstention.

Coffee Break

Dimitri Caudrelier (Quantis) recalls that all the methodological elements voted are meant to define a set of voluntary-based guidelines. In practice, and from a legal perspective, SPICE Members are not required to apply all the principles that are in the guideline.

To complete the first roundtable, Tobias Koetter (Schwan Cosmetics) presents himself and his company.

3. Communication: Sustainability in Packaging Conference

Camille Rosay (Quantis): SPICE could enjoy great visibility as the launch press release was widely shared.

It is recalled that it is still possible for SPICE members to add quotes on the open-spice.com website.

The SPICE initiative will be presented on the occasion of the Sustainability in Packaging Conference that will take place in Barcelona on 30-31 October 2018.

Schedule: October 31st, 1.40pm

Co-Speakers:

- Philippe Bonningue, L'Oréal
- Armel Yver, Shiseido
- Camille Rosay, Quantis

Agenda:

1. Context: the Cosmetics Industry and the Sustainable Packaging challenge (Quantis)
2. Co-Founding the Initiative (L'Oréal)
3. What is SPICE? (Quantis)
4. Being a SPICE Member: Shiseido's International Context and reasons to join SPICE (Shiseido)

4. What's next in Year 1?

Camille Rosay (Quantis) explains that new members joining the initiative mean that an additional budget (€50,000) needs to be allocated, either for the current year or the next year of the initiative. It should be noted that other potential new members are likely to join by the next committee in January.

Quantis will make propositions Members will be able to discuss and vote.

Proposition 1: case study(ies) to apply the SPICE methodology to one or several cosmetics products. Anticipated budget: €10k / product.

Proposition 2: Training on a specific topic that has raised questions (e.g. Planetary Boundaries). Anticipated budget: €8k / training session.

Proposition 3: Communication (participation to conferences, articles, event to present the final SPICE methodology...) to increase the visibility of the initiative. Budget would depend on the type of event or media.

Proposition 4: Plastic pollution workshop, to understand what is at stake on this topic. Anticipated budget: €12k for the workshop preparation and organization.

Tobias Koetter (Schwan Cosmetics): Can we invest this budget into research (for instance, new recycling technologies)?

Camille Rosay (Quantis): This could be an option as long as it enables us to grow mutually and provide SPICE Members with knowledge on the considered field. We would first need to identify the best partner and domain (technology, material...) so it would make it difficult to be envisioned as early as year 1.

She specifies that SPICE is in contact with CITEO in France and that it would be interesting to have contact in other countries such as Germany.

Philippe Bonningue (L'Oreal): proposes to invest in a more country-specific mapping of disruptors since it was not possible to align on the disruptors matrix that was proposed.

Mike Hercek and Cherie Eugui (Avon) approve this proposition.

Hélène Villecroze (Chanel): proposes to conduct case studies that would help clarify topics that have been discussed so far to help decision-making.

Nathalie Perroquin (Coty): proposes to use this budget for internal training, in order to cascade the knowledge developed through SPICE into the companies.

The following propositions are added for Members' prioritization:

Proposition 5: case studies (for decision-making)

Proposition 6: enhanced disruptors matrix

Proposition 7: internal training

Members are invited to select their 3 first priorities among these 7 propositions.

Dimitri Caudrelier (Quantis): after considering the results, proposes to allocate the budget to the following tasks:

- **Case studies** that should help understand 2 questions identified so far, taking the example of a generic product:
 - Planetary Boundaries vs. Panel-Based weighting factors
 - Inclusion of Pre-Consumer recycling
- **Disruptors Matrix:** there is really a need on this topic. The idea would be to study more in-depth local recycling rules, and maybe ask SPICE members for resources when needed (for instance, to benefit from Shiseido's knowledge of the Asian market). We will then need to define more precisely the amount of work that will be necessary to complete this task.

VOTE RESULTS: 11 votes for, 0 against, 1 abstention.

Camille Rosay (Quantis) recalls that the discussion on the scope for Year 2 will follow, and that it remains possible to have new member join SPICE this year.

5. Prepare the Future: SPICE's Priorities for Year 2

Dimitri Caudrelier (Quantis): presents the different possibilities identified and shared by the Members for the 2nd year of the initiative. The goal is to propose some possible options to identify which options raise interest and should be developed.

During Committee 3 (January), Quantis will present more detailed and priced propositions.

During Committee 4 (April), the Committee will vote to validate the work perimeter for Year 2.

1. Keep the SPICE Methodology alive
2. Expand the SPICE Methodology's scope: POS display materials
3. SPICE Methodology pilots
4. Internal Stakeholders
5. Influence throughout the Supply Chain
6. Marketing: SPICE as a catalyst to build brand value
7. Communication
8. Regulatory Watch
9. Strategy

He mentions that developing a “SPICE Tool” can appear critical for some companies, and on the other hand would require that Members share the same needs and specifications. This possibility has not been included among the options for Year 2, but remains open to discussion.

Philippe Bonningue (L'Oréal): beyond the marketing topic, would like to add a 10th proposition: developing “claiming rules”, notably for example to define how different types of recycled materials used in the packaging should be communicated to the consumer. It is clear that ‘claim with sincerity’ is a topic where alignment is needed and beneficial.

David Bayard (L'Occitane): understands it may be difficult to develop a tool, but what should companies do if they need to assess products according to the SPICE methodology? Is there a recommended tool Members should use?

Dimitri Caudrelier (Quantis): Some companies already use a tool for products assessment. The methodology can help by updating such tools based on the guidelines – in whole or in parts. Of course, by doing so, it is not guaranteed to obtain the same results (as SPICE is a voluntary-based initiative we cannot impose to Members to apply it integrally).

Another option could be to develop a generic tool based on the SPICE methodology, but we need to be careful from a competition perspective.

Caroline Ruiz Palmer (MWE): from a competition perspective, on the possibility and consequences to develop a tool by the initiative, I need to look into this into greater detail.

Nathalie Perroquin (Coty): about case studies, we would be interested in the development of specific pilots on new types of materials.

Dimitri Caudrelier (Quantis): proposes to have a roundtable to have everyone mention what would be the priorities among the following options:

1. Keep the SPICE Methodology alive
2. Expand the SPICE Methodology's scope: POS display materials
3. SPICE Methodology pilots
4. Internal Stakeholders
5. Influence throughout the Supply Chain
6. Marketing: SPICE as a catalyst to build brand value
7. Communication
8. Regulatory Watch
9. Strategy
10. Claims
11. Tool

Avon: 7, 8, 9 and 10 (as claims are important for us)

Heinz-Glas: 3

Coty: 1, 5 and 3 (for new materials assessment)

Clarins: 1, 2 and 11 would be very important for us

Sisley: 1, 3, 11 and 4 as we need to involve our internal stakeholders to spread the information and good practices.

Chanel: 1, 3 (we need to move forward on the SPICE methodology with pilots on new materials) and 5 (we need the help of everyone on the value chain)

Hermès Parfums: 1, 2, 4 and 11

L'Occitane: 1, 5, 10 and 11

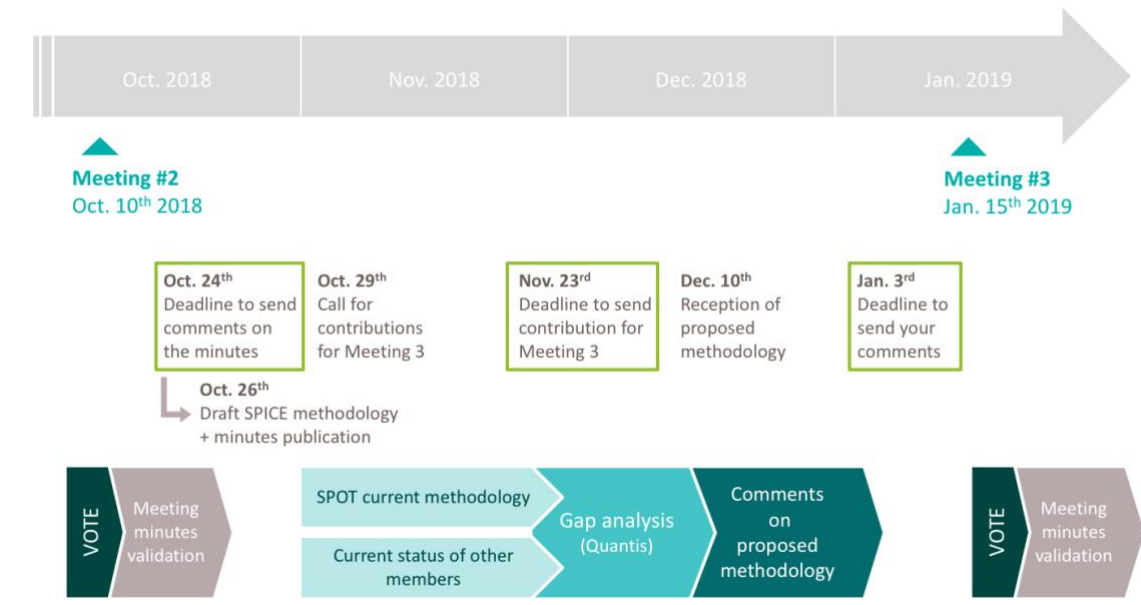
Shiseido: 3 and 11. We need to keep in mind that the benefit for the consumer should be visible on each topic.

L'Oréal: 1, 5 and 10.

Dimitri Caudrelier (Quantis): Thanks for your contribution and we will let you know, during Committee 3, more detailed and priced propositions on different options which raised your interest.

6. Timeline and Next Steps

Camille Rosay (Quantis) recalls what are the next steps of the initiative, and presents the calendar until the next meeting:



Philippe Bonningue (L'Oréal): asks if comments were received through the web platform.

Camille Rosay (Quantis): We have received no comments on the methodology itself through the platform, but many contacts and expressions of interest for the initiative. The list of contacts received can be shared with members who would be interested.

She thanks everyone and closes the meeting.

Closing of the meeting