

SPICE YEAR 3 COMMITTEE 4 MEETING MINUTES DECEMBER 16, 2021



Minutes written by: Quantis

Participants (Virtual meeting):

- Aude Charbonneaux, Albea
- Gilles Swyngedauw, Albea
- Joseph Lemoine, Albea
- Michele Del Grosso, Aptar
- Bénédicte Luisi, Aptar
- Raqy Delos Reyes, Avon
- Elodie Roger, Berry Global
- Thierry Bernet, Berry Global
- Federico Montali, Bormioli Luigi
- Simone Baratta, Bormioli Luigi
- Hélène Villecroze, Chanel
- Nicolas Mathieu, Chanel
- Mathilde Harel, Clarins
- Aurore Fandard, Coty
- Mathilde Thiéry, Coty
- Robert DiPalma, Estee Lauder Company
- Michael Christel, Estee Lauder Company
- Ana Espinosa, Estee Lauder Company
- Thomas Eidloth, Heinz-Glas
- Elisa Trebes, Heinz-Glas
- David Petit, Hermès

- Chloé Pignerol, Groupe Pochet
- Nicolas Piffault, Groupe Pochet
- David Bayard, L'Occitane en Provence
- Philippe Bonningue, L'Oréal
- Philippe Thuvien, L'Oréal
- Alexandre Capelli, LVMH
- Régine Frétard, LVMH
- Kristin Dasaro, Mary Kay
- Keith Learn, Mary Kay
- Andrew Jenkins, N°7 Company
- Alejandro Garcia Echevarrieta, PUIG
- Joaquim Cons, PUIG
- Tobias Koetter, Schwan Cosmetics
- Kenji Ohashi, Shiseido
- Romain Reyx, Shiseido
- Cédric Laplace, Sisley
- Samantha Sauvestre, Sisley
- Frédéric Dreux, Unilever Prestige
- Elly Dinnadge, Canopy Planet
- Lafcadio Cortesi, Canopy Planet
- Elodie Fiscaro, FEBEA
- Fabrice Rivet, FEVE
- Thomas Myers, PCPC
- Fabrizio Di Gregorio, Recyclclass
- Adriana Olaya, Quantis
- Ana Belen Moral Balandin, Quantis
- Anne Désérable, Quantis
- Anne-Florence Lécolier, Quantis
- Auriane Bodivit, Quantis
- Victor Frontere, Quantis
- Caroline Noyrez, MWE

Excused SPICE Members:

- Axilone, Meiyume, CITEO, Cosmetics Valley, Elipso

Description: The Members of the SPICE initiative - the Sustainable Packaging Initiative for CosmEtics - gather for the 4th committee of the third year of the initiative.

Opening of the meeting

Introduction

Anne Désérable (Quantis) welcomes all participants, presents the meeting's rules to ensure efficient discussions and introduces the Quantis SPICE team.

Anne Désérable (Quantis) presents Victor Frontère to the SPICE member, the new Project manager of the initiative and invites him to present himself. He will be organizing one-to-one calls to all members of the initiative.

She then asks members to introduce themselves.

Meeting agenda

Anne Désérable (Quantis) presents the meeting's agenda:

0. Antitrust Statement
1. SPICE Y3 Workstreams review
2. SPICE Tool roll-out: snapshot after 1 year
3. SPICE Governance: Preparing Year 4
4. Third-party review outcomes
5. SPICE Year 4: roadmap proposition
6. Budget proposal

1. Antitrust statement

Caroline Noyrez (MWE) introduces the antitrust statement (antitrust and confidentiality undertakings) that was duly 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 commercial sensitive information as regards competition rules, and that SPICE is not used as a cover for an anticompetitive agreement. 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 (prices, costs, customer, general strategy, etc.).

2. SPICE Tool roll-out: snapshot after 1 year

1. Datasets development

Victor Frontere (Quantis) recalls the status of datasets development, highlighting datasets which remain under development, and datasets whose development was abandoned for lack of primary data or for lack of collaboration from suppliers.

Aude Charbonneaux (Albéa): Will the data produced in 2021 be checked all together before through the "preliminary presentation" as well?

Anne Désérable (Quantis): For now this has not been planned as we agreed to add a preliminary review step to the process for future developments. Yet, we can envision a preliminary presentation as well a preliminary presentation if deemed relevant by members.

Raqy Delos Reyes (Avon): There were discussions about splitting pumps between Fragrance pumps and lotion/mist pumps. Was that done?

Addendum: the refined datasets for 2 types of generic pumps will be developed and shared to members for validation before implementation.

Anne Désérable (Quantis): We will come back to you later on this topic to ensure we have all relevant information to share with you.

2. Chemical recycling LCA review

Auriane Bodivit (Quantis) recalls the work conducted in this workstream including:

- A consolidated review of existing studies adopting a life cycle assessment approach to assess chemical recycling technologies and feedstock (.doc)
- A webinar open to members and their collaborators to detail highlights of the study, and to answer questions

She also highlights the main limits of the studies and current regulatory and political evolutions on the topic. Both lead to recommending not to further the work on chemical recycling in year 4 for the time being.

3. Recycled Content

Auriane Bodivit (Quantis) recalls the timeline and the progress done on the workstream, and thanks members for their feedback. Ana Moral-Balandin (Quantis) then presents remaining comments including:

- clarifications on recycled content and post-consumer recycled content wording
- clarifications on waste and by-products wording

Ana Moral-Balandin (Quantis) recalls that the SPICE positioning is that any claims should be based upon 'post-consumer recycled content'. It is suggested that if any claims refer to recycled content as per ISO 14021 definition, there should be a clear mention to pre-consumer and post-consumer content. Two options can be envisioned:

- OPTION 1 - 40% post-consumer recycled content
- OPTION 2 - 60* Recycled content (40% post-consumer - 20% pre-consumer)

Fabrice Rivet (FEVE): Thank you for having considered members' feedback. The fact that you say that only post-consumer material in the CFF formula, how much is this aligned with the Product Environmental Footprint developed by the European Commission?

Ana Moral-Balandin (Quantis): When the PEF developed the Circular Footprint Formula, they mentioned recycled content and did not make any distinction between pre- and post-consumer recycled content. Yet, considering only post-consumer recycled content is a position that was defined by SPICE members in Year 1 and integrated to the SPICE Methodological Guidelines.

Frédéric Dreux (Unilever): I believe that the Option 2 gives a lot of flexibility, being compliant with the SPICE Initiative positioning and with the SPICE Tool approach, while being compliant with the ISO norm. You could restrict yourself to Option 1, but also open the possibility to use Option 2 if there is a willingness to communicate further.

Philippe Bonningue (L'Oréal): The sentence of Option 2 is very long, and this can be problematic to communicate to the consumer due to available room on packaging. It can also be confusing for the consumer to distinguish between post-consumer and pre-consumer recycled content. We believe that Option 1 would be the most appropriate specifying post-consumer recycled content. We would be fine with communicating 40% recycled content when this is post-consumer.

Frédéric Dreux (Unilever): I believe that we are aligned. I agree that communicating on recycled content, Option 1 would be best suited. Yet, I believe that communicating on pre-consumer, Option 2 would be interesting, especially for some materials' streams, such as metal and glass.

Philippe Bonningue (L'Oréal): We could say that Option 1 would be for plastics stream, and using Option 2 for other materials.

Frédéric Dreux (Unilever): If we have a Plastics that is only from pre-consumer, you could still use and communicate on a percentage which would not be recycled content, but pre-consumer recycled content.

Philippe Bonningue (L'Oréal): A chance to have pre-consumer recycled plastics seems indeed less likely. A way to move ahead could be to clearly state that Option 1 could be applied in the case of plastics, but for other materials, Option 2 would be preferred to be transparent on pre-consumer use, and to ensure it is not claimed as recycled content per SPICE standards.

Andrew Jenkins (N°7 Company): I assume the Recycled content claims Option 1 and 2 are for guidance only. Is that correct?

Aude Charbonneaux (Albea): Should we distinguish: "criteria for LCA calculation (CFF & LCA benefit of using PCR)" & "criteria for consumer claim"? Our 1st focus should be on LCA methodology, I believe.

Auriane Bodivit (Quantis): Indeed the two options presented and the wording relate to how to communicate to consumers on the topic. The Recycled Content appendix goal is to focus on clarifying the distinction between pre-consumer and post-consumer recycled content from a technical and operational perspective. It is tightly linked to the SPICE Claims Guidelines document that was published in Year 2, and refines the position on the topic. As here we focus on claims and communication, a specific mention including the two options could be added to the SPICE Claims Guidelines.

Auriane Bodivit (Quantis): Would it be acceptable to members to integrate Option 1 and Option 2, specifying cases in which each option can be used, and integrating the example of plastics and other materials' streams.

Philippe Bonningue (L'Oréal): Yes

Aurore Fandard (Coty): I would prefer to remain generic with the two options, and then leave companies to decide ultimately. I do not see the added value of specifying for which material stream each option applies.

Auriane Bodivit (Quantis): You will have the opportunity to vote later on. We suggest integrating the remarks and the two options, highlighting examples and cases (i.e. plastics, other material streams) in which each option can apply.

Kenji Ohashi (Shiseido): The footprint of PIR depends on the manufacturer. If it is difficult to prepare the PIR dataset in the SPICE tool, how about preparing the function that can import the primary inventory dataset of PIR?

Ana Moral-Balandin (Quantis): Pre-consumer recycled content is considered as virgin material in the SPICE Tool currently. This means that there is no specific dataset integrating pre-consumer material.

Kenji Ohashi (Shiseido): I believe this would be a very user-friendly option to add this possibility to the SPICE Tool.

Ana Moral-Balandin (Quantis): It is not integrated into the SPICE Tool as this is aligned with the SPICE Initiative positioning such as stated in the SPICE Methodological Guidelines.

Andrew Jenkins (N°7 Company): We have to be careful about alignment with regulations such as the UK Plastics Tax which allows for PCR and pre consumer recycled content.

Michael Christel (ELC): If option 2, are we recognizing pre-consumer as equal or close to equal in value to post-consumer in all or some materials, or are we only speaking about claims?

Gilles Swyngedauw (Albea): We can find pre-consumer recycled plastic on the market, this is why EMF was clear on claiming only PCR use.

Thierry Bernet (Berry Global): Not being a glass packaging specialist, forgive me the question. What kind of "pre-consumer" recycled glass are so special to be considered in the claimed recycled content? I keep on thinking that considering only "post-consumer recycling" will pull (push) more innovators and investors in the circular economy .

Frédéric Dreux (Unilever): Not sure as if we separate both it is also a way to differentiate them, one could say they are equal forms of avoiding virgin sources but they are not equal form the circularity and the consumer impact points of view?

Philippe Bonningue (L'Oréal): Concerning recycled content, for sincerity to the consumer, what we want to avoid is to use 'recycled' as a general term, without saying clearly and specifically that there is a part made of 'pre-consumer' when there is a 'pre-consumer' part in the recycled content.

Frédéric Dreux (Unilever): I agree with L'Oréal.

Michael Christel (ELC): I think paper could also be post-consumer only along with plastic. Thoughts?

Frédéric Dreux (Unilever): It makes sense but option 2 can also be applied, the most important is that when pre-consumer material is used, it should be made explicit when claimed. If not explicit then claims should be limited to post-consumer.

Michael Christel (ELC): We agree as well with this statement.

4. Recyclability appendix

Auriane Bodivit (Quantis) and Ana Moral-Balandin (Quantis) recall the three priorities on recyclability for Year 3, and give an update on the current status of development:

- *Conducting tests on specific packaging features*: lack of product references to conduct the tests, leading Quantis to prepare a list of potentially disruptive features that need to be assessed further to guide members in suggesting packaging references to the initiative.
- *Extending the recyclability status overview to other geographies* (North America, Asia): design for recyclability guidelines for the North American market were integrated to the Recyclability Appendix using Association of Plastics Recyclers guidelines. For the Asia region, there was a review of existing guidelines for Japan, China and South Korea. Only one was directly available in English. A next step for Year 4 could be to translate other resources for integration into the Recyclability Appendix, if relevant.
- *Consolidating the Recyclability Appendix to support the use of the SPICE Tool*: additional remarks sent by members will be included in the Recyclability appendix document regarding the “improvement possibilities” slides.

[Conducting tests on specific packaging features section]

Hélène Villecroze (Chanel): Concerning the tests, should the packaging proposed enter one of the 6 cases studied or can it be something else ?

Aude Charbonneaux (Albea): What type of sorting are you planning? where?

Luiz Campos (Avon): Where will the tests be conducted?

Aude Charbonneaux (Albea): Will they focus on trommel only or also integrate ejection?

Ana Espinosa (ELC): Where will the sorting be done? Would this be including other recyclers outside of the EU?

Ana Moral-Balandin (Quantis): Considering the number of questions linked to the tests to be conducted, we suggest sending an email to all members following the committee to give more information on the tests scope and requirements.

[Consolidating the Recyclability Appendix to support the use of the SPICE Tool]

Aude Charbonneaux (Albea): *[regarding the “improvement possibilities” slides, where examples provided are sometimes made of different materials]* I would recommend having specific case studies on other raw material packaging (ex: specific study on Alu tube, paper lipstick recyclability...) *[instead of proposing other material packaging in the improvement possibilities]*. We believe it is important to highlight what can be improved, but we believe that making recommendations for switching from one material to another would require conducting an additional study.

Nicolas Mathieu (Chanel): We agree with Albea.

Nicolas Piffault (Groupe Pochet): We also agree.

Lynne Caldwell (Shiseido): We also agree.

Victor Frontere (Quantis): Maybe we can add a disclaimer insisting on the fact that these recommendations must be supported by the use of the SPICE Tool; that an LCA must always been conducted in parallel and be used *[prior to preferring one material solution over another from an environmental point of view]*.

Gilles Swyngedauw (Albea): The problem is that there is no proof to support recommendations that would advise to shift from one material to another. We should compare options within the same material stream, and not run comparisons across streams. Why not have a paper lipstick in the paper stream, and not in the plastics streams improvement opportunities?

Raay Delos Reyes (Avon): We agree with Albea.

Anne Désérable (Quantis): This is well noted, we could make a clear distinction between the streams instead of referring to other material streams in the improvement options section.

Frédéric Dreux (Unilever): We can make recommendations on the same material eco-design options, and not integrate to these recommendations a mention to other material streams.

Gilles Swyngedauw (Albea): Yes, that is the point and the objective.

Simon Barrata (Bormioli Luigi): I think it can be the case to rethink the choice of critical cases, because the final message is not clear.

Fabrice Rivet (FEVE): We appreciate the efforts made to review the document. However, we are still uncomfortable with the document as it is and we have two main comments. First, we are not at ease with presenting a glass case study that represents a fraction of the market, while the vast majority of glass packaging produced in the EU will be recycled as glass. And glass is one of the most recycled materials. Therefore, from a communication perspective, publishing such document can be harmful. The second comment we have is linked to the mention of colors. We believe there is a contradiction within the document as we say that color is not a

problem, and yet we give a warning on some specific colors. We believe that there would be a need for some time to reassess the approach, and present a more generic case.

David Petit (Hermès): I agree with FEVE.

Nicolas Mathieu (Chanel): We agree with both of FEVE's comments.

Ana Espinosa (ELC): We also agree with FEVE and Bormioli Luigi comments.

Raqy Delos Reyes (Avon): We agree with FEVE.

Fabien Leclerq (PUIG): We also do.

Frédéric Dreux (Unilever): I believe the remark you make on the glass is true for other cases. I believe that the approach is to focus on cases which can be potentially problematic. I think you will agree with me that opaque or low-light transmittance glass in perfume is not so uncommon. My reality of the day to day is that, when assessing the recyclability of my glass packaging, design for recyclability guidelines warn on the color of glass, highlighting that they could imply some limits to the recyclability of this material. We believe that it is a set of best practices, and it is not because we perform well that we should not seek to improve. There is no good volume to apply good practices.

Fabrice Rivet (FEVE): We have understood that it is a worst case and that we can always improve. I am concerned upon the communication perspective when readers will interpret the document. Regarding the colors, we have discussed with our members and there is no problem with colors. Sorting by color is perfectly fine, and all colors can be integrated into the green stream. The volume of cosmetics packaging is really low compared to the volume of glass packaging in Europe. We can confirm there is no issue with glass colors.

Fabrizio Di Gregorio (Recyclclass): However, dilution is not always the solution.

Anne Désérable (Quantis): We should remind ourselves of the objectives of this document at first. The objective was to focus on specific challenging cases. If this exercise is questioned, this leads to challenging the decision-making process within the initiative, which consists in agreeing collectively on objectives of a study. We did take into account most of the members' comments when aligned with available resources and science. We see that some members support your position, and thus it appears that we could postpone the vote if needed to discuss again on the wording or more largely the objective of the document.

Frédéric Dreux (Unilever): The benefits of a brand from increasing the volume of recyclable packaging, are also to have more secondary raw materials to integrate to packaging. There are some restrictions of glass manufacturers on the color of the glass. The glass industry is certainly moving ahead quickly, but a way to accelerate this process is also for companies to design glass packaging in a way that maximizes opportunities for recycling.

Thomas Eidloth (HeinzGlas): On slide 36 of the document, it is stated that every color is recyclable, and then, there is a warning on a list of colors. This is confusing for the reader. The color is not critical, the transparency is.

Frédéric Dreux (Unilever): I fully agree with your comment that transparency is key as this is the utmost go/no go case. Color is more a booster for further increasing post-consumer recycled content.

Anne suggests having a dedicated session where the feedback of members is collected in regards to the Recyclability appendix document. The voting session for this document will be postponed after the framing session and the subsequent modifications of the document.

Philippe Thuvien (L'Oréal): We agree to work again on this sensitive topic and to vote later.

Philippe Boningue (L'Oréal): If there are some incoherences in the document, we should of course correct them. Yet, it would be helpful for glass manufacturers to go through the document to share their perspective on how their companies could be able to include for example 75% post-consumer glass in their packaging in the future to answer to one client request. What would be the quality of the waste required in that case for them to be able to match their client's expectations? If, in order to match 75% Post-consumer, any waste is ok, that's good but this has to be agreed upon by the glass manufacturers. If some waste can't match this expectation, then we can't say 'all glass can be recycled'. Understanding this would allow us to work towards a closed loop approach.

Fabrice Rivet (FEVE): I am not sure we understand the question. We see the packaging glass industry at large, and not focusing only on cosmetics. That is why there is no issue with the color of cosmetics glass packaging. If everyone was using blue glass, then there would be a sorting to set in place.

Philippe Bonningue (L'Oréal): The question would be for the glass makers, if your client wanted to have glass with 75% of post-consumer recycled waste, what would be the quality of the waste that you would accept.

Simon Barrata (Bormioli Luigi): We agree with L'Oréal.

Frédéric Dreux (Unilever): Making an analogy with plastics for which the value is in the market. What would be the value needed of the recycled glass to start the market that is mainly focused on flint glass for now.

Fabrice Rivet (FEVE): We will think about the question, but there is a need to think about the quality requirements. If you reduce the quality of your product in terms of transparency, etc. we could include more post-consumer recycled content. It is also a discussion to have to find a balance.

Michael Christel (ELC): When we rewrite/tweak, let's think about the audience (average consumer and the average retailer) and the overall messaging we want to put forward. We should keep this in mind for all of the case studies, not only the glass.

Addendum - Design criteria for recyclability are to be provided by recyclers and EPRs (Citeo, FERVER, ...).

It is important that these organizations clarify their position on the impact of the waste volume of cosmetics glass packaging on secondary material quality. If the fraction of cosmetics glass packaging in the total glass waste stream is small, implying that its impact on the quality of the secondary material is negligible.

It is planned to approach FERVER and other glass recycling organizations in year 4 to obtain official guidelines on this issue.

5. Marketing & Thought Leadership: Packaging Labels & certifications

Adriana first recalls the five training webinar sessions organized at the beginning of Year 3, to go through the Environmental Claims guidelines document. She highlights the figures of member's participation and the success of those training sessions.

She then moves to the Packaging Labels & certifications workstream, reminding the timeline. She mentions that no comments were received on the v1 document sent to Members in September 2021. The final document was sent to members on Dec 6th ahead of the Dec 16th committee vote for publication. One comment was received on the week of the committee: an associate member raised their concerns about publishing Label #10 on Sustainable Forest Initiative. This label is the only paper certification appearing in the document, while not being considered as the most representative and robust. Adriana suggests that during the vote members will decide whether to maintain the section or to remove it from the document to be published, in light of antitrust regulation. She concludes with suggesting to review additional labels and certifications next year and enrich the document.

Lafcadio Cortesi (Canopy): I would like to insist again that label #10 should be removed prior to publication since the SFI standard is only applicable to the North American region. Members should have a more comprehensive approach to the forestry sector. Initiatives such as FSC should be further considered in the document. This document should be kept internal, the logic behind publishing this document is unclear to me.

Anne Désérable (Quantis): The document was not meant to be recommendations by SPICE but more to give a better understanding of how to understand the different labels and certifications. The document should be enriched in the future with the addition of other labels.

Andrew Jenkins (N°7 Company): I am not in favour of publishing the document since it can be perceived as if some labels were preferred to others. I am concerned this might have a negative effect on the industry.

Anne désérable (Quantis) recalls that the document contains a disclaimer specifying “the aim of this document is not to provide SPICE position towards one label or another”. The aim of the document is that everyone can understand the limits of each certification and understand the meaning of each label.

Adriana Olaya (Quantis): there is no document where companies can go and see the differences between all certifications and labels, the type of use which can be done. Please, keep in mind that we would like to keep enlarging this document.

Anne Désérable (Quantis) recalls that not mentioning one label or certification does not mean that it is not recommended by SPICE, but rather that it has not been assessed yet.

Lafcadio Cortesi (Canopy): The document is not mature enough. The document provides relevant information for SPICE members, such as the biomass section, but I do not agree on publishing the document.

Aude Charbonneaux (Albea): are we "legally" ok to publish claim recommendations on some private initiatives (vs other competitive claim systems)?

Andrew Jenkins (N°7 Company): I find the labels document of limited use and could give the impression that the cosmetics industry only supports certain types of labels. Therefore we do not support this in its current form. **Agree with Canopy's position**

Elly Dinnadge (Canopy): to reiterate Lafcadio's point, we'd recommend that SFI is removed from this current document as it is not globally representative. We would like to support the addition of FSC (and PEFC) next year for forest certification. We also see this as an internal document.

Robert DiPalma (Estee Lauder): we agree with Canopy's position. Thank you for raising it.

Before starting the voting sessions, Auriane Bodivit recalls the updates which will be taken into account in the final version of the Recycled content document:

- Examples of claims on recycled content (Proposed options 1 and 2) differentiating between pre- and post-consumer material, depending on the material stream
- Aligning with the by-product definition of the legislation and adding a section with the different definition of waste by the Waste Framework Directive and the standards

Anne Désérable recalls that only the recycled content and the labels and certification documents will be voted upon, not the recyclability appendix.

Anne Désérable opens the voting session.

VOTE

Members are asked if they agree to publish:

1. Recycled Content Appendix
2. Labels & Certification review

Albea: No ; No

Aptar: Yes ; No

Avon: Yes ; No

Axilone: Excused

Berry Global: Yes ; Yes (without case n°10)

Bormioli Luigi: No (Option 1 preferred) ; No

Chanel: Yes ; No (the first intention of the workstream was to explore labels members did not know well, it was not intended for publication, now it is more an overview of what exists and should include best-in-class examples)

Clarins: Yes (Option 1 preferred) ; No

Coty: Yes ; No (the first intention of the workstream was to explore labels members did not know well, it was not intended for publication, now it is more an overview of what exists and should include best-in-class examples)

ELC: Yes ; No

Heinz Glass: No ; No

Hermes: Yes ; No

Groupe Pochet: No ; No

L'Occitane: Yes ; Yes

L'Oréal: Yes ; Yes

LVMH: Yes ; No

Mary Kay: Yes ; No

Meiyume: Excused

PUIG: Yes (Option 1 preferred) ; No

Schwan Cosmetics: Yes (Option 1 preferred) ; Yes (provided that we insist on the fact that this is not recommendation nor ranking system)

Shiseido: No ; No

Sisley: Yes ; Yes (excluding Label 10)

Unilever: Yes ; Yes (if indeed disclaimer to clarify that it is not a recommendation)

Walgreens Boots Alliance: No ; No

- 1. 16 votes in favor - 6 vote against - 2 absentees**
- 2. 6 votes in favor - 16 vote against - 2 absentees**

Both propositions are disapproved.

6. SPICE Tool update (1 year after the launch)

Victor Frontère presents a summary of the SPICE Tool's business development initiatives conducted over the last year. He reminds the different launch webinars and online trainings, and details the number of leads and opportunities generated. He highlights the 7 cosmetic companies which have subscribed a SPICE Tool PRO license, and shows the Tool's usage statistics, the number of registered companies, active companies and projects carried out with the SPICE tool. He recalls that members will be contacted individually along the next weeks to understand how they use the SPICE Tool, how it should be further improved to fit their needs. He also mentions that SPICE Tool training will be proposed for next Year to engage Members' internal teams.

3. SPICE Governance: Preparing Year 4

Anne Désérable (Quantis) presents the budget of SPICE Year 3 and explains the differences between the budget agreed upon during the voting in October 2020 and the final budget allocated for each task. Anne details some of the differences between both figures, such as the peer review, which was planned in the current year and was not foreseen during the first budget approval. Then she reminds the members of the Year 3 timeline, including the transition to Year 4 and presents the new governance of the SPICE initiative from Year 4 onwards. She then hands over to the candidates for the Steering Committee, asking them to briefly present their motivations and objectives.

Raay Delos Reyes (Avon) explains why Avon wants to join the steering committee to contribute to leading sustainability efforts, and to bring the view of mass-market brands.

Aurore Fandard (Coty) recalls Coty commitments on sustainability, and presents an overview of the way Coty plans on engaging in the next steps of the initiative.

Robert DiPalma (ELC) explains why Estee Lauder would be a good fit to the Steering Committee candidacy, and how they would plan on engaging further. through participating in the SteerCo, to promote SPICE initiative goals.

Cédric Laplace (Sisley) explains that their eco-design team is really motivated with the project and they have resources to be shared with the steering committee.

Anne Désérable: the vote will be anonymous and will be available from December 17th to January 7th. Members who have not yet sent the person representing the company for the voting are invited to send this information to Quantis

Addendum: a candidate to the Steering Committee informed after the end of the committee that they will need further validation from their management before confirming their candidacy. It has been thus decided to postpone the vote to the week of January 17th, 2022.

Aude Charbonneaux (Albea): SPICE 24 members include 9 suppliers. Just questioning why not having suppliers in the steerco as well. Are we all aligned not to have any representative of the packaging industry? (associated or members)

Nicolas Mathieu (Chanel): We are aligned with Albea, that was one of our questions: with 10 suppliers & 14 brands, we are convinced that suppliers should be also part of the Steering Committee. The recent experience/discussion have shown that their input and expertise was key.

Romain Reyx (Shiseido): We agree with you, this is a point that we should all have validated together.

Fabien Leclercq (PUIG): We agree on previous points

Anne Désérable (Quantis): We showed that governance proposition during the 3rd Committee, and sent details on the governance planned to all members following the previous committee. 90% of the members gave approval on the topic during the online members' survey.

Gilles Swyndgedaux (Albea): Why was it not covered during a vote in Committee? We believe that it is important to include the expertise of suppliers to the topics covered in the SPICE Initiative.

Anne Désérable (Quantis): The question was asked to all members. We must, respecting the voting process, accept the outcome of that vote and implement it. We may open the question to a committee in the coming year, this is an open question that may be addressed. I would like to insist on one point: the Steering Committee is not meant to take decisions for the entire group of members. It is meant to facilitate alignment on topics to cover based on all members'

feedback. The Steering Committee is also meant to facilitate representation of the initiative externally.

Hélène Villecroze (Chanel): We agree with Albea. We voted Yes for the governance but with the question of the presence of suppliers to the steering co, has it been comptabilized as a yes ?

Addendum: When the presence of suppliers was raised as a question, this was accounted as “with questions”: 2 answers out of 20 corporate members, and 21 respondents.

Nicolas Piffault (Groupe Pochet): Agree too

David Petit (Hermès): I think it should be voted

Addendum: the willingness of members to re-discuss the composition of the new Steering Committee, with the question to include suppliers, is well noted. As raised during the committee, the current new governance will be maintained for the year 4 as it was approved by 90% of corporate members during the online survey. The Steering Committee’s composition will be re-discussed within the Member's Committee and voted again for the next Year of the initiative.

4. Third-party review outcomes

Anne Désérable (Quantis) recalls the objective of the third-party review, as well as the material and deliverables which were reviewed as part of this review. The objectives consist in:

- Review and refine the SPICE methodology, tool, and specific datasets
- Integrate latest methodological updates (e.g. PEF EF3.0 indicators)
- Get external approval to increase recognition
- International panel to ensure global coverage and regional feedback

This includes the following documents:

- SPICE Methodological Guidelines
- SPICE Tool & SPICE Tool Technical Appendix
- SPICE Database

Philippe Osset (Solinnen - guest), president of the third-party review panel, presents the main take-aways from the review. He underlines strengths and opportunities for improvement for the three main pillars listed above.

The SPICE methodology for LCA is very robust. Its main strengths are the alignment with the PEF guidelines and current level of LCA science, the streamlined approach for global cosmetics players, and the accessible background information (documents, videos) for non-experts. Opportunities for improvement for the methodology include further and more comprehensive

documentation for experts, update with PEF 3.0 methodological guidelines, as well as add regionalization options.

The strength of the database is its harmonization at industry level. Improvements options include update of the ecoinvent database, clarification of some datasets' assumptions, as well as data quality assessment addendum to LCI descriptions.

Finally, concerning the SPICE Tool, strengths are the intuitive and user-friendly footprinting tool, and the right fit for packaging designers without LCA expertise. Recommendations for improvements include some changes in ergonomics to support use of the results by the user, as well as reduction of the focus on the single score.

Bénédicte Luisi (Aptar): Did you plan to update guidelines in accordance with ISCC updated one's?

Addendum: A key pillar of the methodology is to follow as close as possible to the PEF guidance, which is product-oriented and multicriteria. There is no plan to aim to follow other standards.

David Petit (Hermès) & Aude Charbonneaux (Albéa): Would it be possible to have more details on the 7 datasets to be clarified?

Anne Désérable (Quantis): Yes, we will send to the members additional details.

Lafcadio Cortesi (Canopy Planet): What new datasets for broadening the methodology did the reviewers suggest?

Philippe Osset (Solinnen): To take into account the most recent available choices for regionalization.

Anne Désérable (Quantis): We will tackle that further ahead as we suggest some priorities for Year 4. Reviewing some features of the SPICE Tool will be included.

Mathilde Thiéry (Coty): You made one comment on ecoinvent and updating this - can you expand? is this in the future or have you seen some elements not up to date. What is Quantis' plan on this ?

Philippe Osset: the current version used is Ecoinvent 3.5, which was published in 2018. Ecoinvent made some corrections of datasets available in V.3.5 into version 3.8. These changes will have an influence on the results. If some elements which have been updated on the ecoinvent version are used in products, this will have an impact. It would be recommended to conduct a gap analysis comparing the two versions for the same product.

Mathilde Thiéry (Coty): We agree, there would be a need for a gap analysis

Kenji Ohashi (Shiseido): Do you have a plan to update to PEF 3.0 for the SPICE Tool?

Victor Frontère (Quantis) presents the proposed roadmap to include experts' panel comments in the SPICE methodology, database and tool. Based on the recommendations, short-term, mid-term and long-term improvement options are proposed to members for discussion.

Short-term priorities should be integrated by the end of the experts' review and the next iteration with the panel. This includes the update of the methodology with PEF 3.0 guidelines, the revision of the SPICE Methodological documentation in line with ISO structure, the update of the database with Ecoinvent 3.8 version, and the answer to comments on datasets. Mid-term priorities proposed are to introduce regionalization features for sourcing of highly-impacting raw materials (e.g. aluminum), improve ergonomics for the results Page of the Tool. Long-term actions and challenges raised by the panel are to continue increase flexibility on regionalization, to ensure regular maintenance of the Methodology, Database, and Tool over the years, and to develop features to facilitate integration and scalability of the Tool within companies' processes.

He then presents the overall timeline of updates for the methodology, database and SPICE Tool.

Lafacadio Cortesi (Canopy Planet): Is the scope of the tool sufficient ? - should scope 3 emissions and impacts be considered in the long term?

Victor Frontère (Quantis): I believe there might be a confusion between carbon footprint and LCA approach at the product level. The aim of the SPICE Tool is to focus on environmental footprint at the product level, so carbon emissions from the product life cycle are already included.

5. SPICE Year 4: roadmap proposition

Anne Désérable (Quantis) presents the outcome of the survey circulated with members to collect members' priorities for Year 4 topics.

Main priorities listed by members include:

1. REINFORCE DATABASE
2. STRENGTHEN SPICE INFLUENCE ON RECYCLING STREAMS
3. STRENGTHEN SPICE METHODOLOGY
4. TRAINING TEAMS ON THE TOOL
5. IMPROVE TOOL UX
6. ENGAGE BEYOND PKG TEAMS

Based on the list of collected priorities, Anne Désérable (Quantis) presents the suggested roadmap for Year 4 topics. She underlines new topics that are suggested to be added to the list of work streams including Biodiversity footprint and Plastics footprint.

Kenji Ohashi (Shiseido): Does biodiversity mean Potentially Disappeared Fraction (PDF)?

Anne Désérable (Quantis): Yes, potentially, but not necessarily, there will be a need to discuss the topic as methodological frameworks are currently being discussed and refined.

Aurore Fandard (Coty): Webinar on recycled content could be useful as well

Anne Désérable (Quantis): This is well noted, this could be indeed included.

Anne Désérable (Quantis) then presents suggestions of updates for datasets development.

Ana Moral-Balandin (Quantis) details the priorities collected in the survey from members on recyclability topics, as well as suggested steps to cover the needs listed by members.

Anne Désérable (Quantis): presents the new features which will be implemented in the tool. Propositions regarding tool ergonomics will be validated by members prior to implementation in the tool.

Aude Charbonneaux (Albéa): Should we focus tests on the sorting step (rather than recycling step) ? ie: ok for size sorting, but doubt about direct printing, metal parts in HDPE. It could be good to align and maybe discuss with Recyclclass.

Ana Moral-Balandin (Quantis): We will come back to all of you on the recycling test topic with detailed information regarding the aim of each test, the organisms and the type of information required from your side

Kenji Ohashi (Shiseido): I prefer the previous interface that shows 16 PEFs in one screen.

Victor Frontere (Quantis): The 16 PEF indicators will still be shown in 1 screen, we will add new displays after or aside.

Aurore Fandard (Coty): Do we have an estimated roadmap for all the modifications proposed?

Victor Frontere (Quantis): We will detail the roadmap and timings in Committee 1 Y4, we will refine with today's discussions on recyclability in particular, Q1 will address in priority all 3rd party comments implementation (and also updated Recyclability document following our discussion today)

Elly Dinnadge (Canopy Planet): We support the focus on biodiversity for next year and look forward to sharing our expertise in this area, as it relates to paper packaging sourcing.

Michael Christel (ELC): We like the idea of the separate plastic leakage indicator and would like more details on that, if available.

Bénédicte Luisi (Aptar): Plastics Footprint intégration: could you specify plastic "pollution"? The wording is misleading.

Anne Désérable (Quantis): This refers to plastics leakage in the environment along the value chain.

6. Year 4 proposed budget

Anne Désérable (Quantis) gives an update on the total budget of the project and proceeds to voting.

VOTE

Members are asked if they agree with suggested budget for Year 4:

Albea: Yes

Aptar: Yes

Avon: Yes, but we would need to add LATAM region in stakeholders

Axilone: Excused

Berry Global: Yes

Bormioli Luigi: Excused

Chanel: No, we would require more time to review the budget and have more information on the PM and consortium topics.

Clarins: Excused

Coty: Yes

ELC: Yes

Heinz Glass: Yes

Hermes: Yes

Groupe Pochet: No, we would require more time to review budget details

L'Occitane en Provence: No, we would require more time to review budget details

L'Oréal: Yes

LVMH: No, we would require more time to review budget details

Mary Kay: Yes

Meiyume: Excused

PUIG: Yes

Schwan Cosmetics: Yes

Shiseido: Yes

Sisley: No, we would require more time to review budget details

Unilever: Yes

WAB: Yes

3. 15 votes in favor - 5 votes on-hold - 4 absentees

Closing of the meeting