

SPICE YEAR 4 COMMITTEE 4 MEETING MINUTES FEBRUARY 16, 2023



Minutes written by: Quantis

Participants (online, unless stated):

- Albea, Gilles Swyngedauw (on site)
- Albea, Mariia Baranova
- Aptar, Christophe Marie
- Aptar, Benedicte Luisi (on site)
- Axilone, Reynald Trochel
- Berry global, Elodie Roger
- Chanel, Helene Villecroze (on site)
- Chanel, Nicolas Mathieu
- Chanel, Virginie Recoura
- Clarins, Guillaume Lascourreges
- Coty, Aurore Fandard (on site)
- Coty, Mathilde Thiery (on site)
- Estée Lauder, Michael Christel
- Groupe Pochet, Nicolas Piffault
- Heinz-Glas, Thomas Eidloth
- Heinz-Glas, Elisa Trebes
- Hermes Parfums, David Petit
- JPMS, Sean Ansett
- L'Oréal, Philippe Bonningue (on site)
- LVMH, Regine Fretard (on site)
- LVMH, Elsée Ekambi Eyoun
- Mary Kay Corp, Kristin Dasaro
- Mary Kay Corp, Kevin Menard

- Meiyume, Jan Porter
- Natura & Co, Raqy Delos Reyes
- Puig, Joaquim Cons
- Schwan Cosmetics, Tobias Koetter
- Shiseido, Lynne Caldwell
- Shiseido, Kenji Ohashi
- Sisley, Cédric Laplace
- Texen, Christophe Cardi
- Unilever, Frédéric Dreux
- Citeo, Valentin Fournel
- FEVE, Fabrice Rivet
- FEVE, Guilia Gallo
- MWE, Caroline Noyrez (on site)
- Quantis, Ana-Belen Moral-Balandin (on site)
- Quantis, Anna Kounina
- Quantis, Anne Désérable
- Quantis, Anne-Florence Lécolier (on site)
- Quantis, Auriane Bodivit
- Quantis, Clarisse Tual
- Quantis, Elsa Saouabi
- Quantis, Gabrielle Perier
- Quantis, Laura Peano
- Quantis, Victor Frontère (on site)

Excused SPICE Members:

- Bormioli Luigi
- Canopy Planet
- Cosmetic Valley
- Detic
- Elipso
- PCPC
- RecyClass

Description: The Members of the SPICE initiative - the Sustainable Packaging Initiative for CosmEtics - gather for the second committee of the fourth year of the initiative.

Opening of the meeting

Introduction

Victor Frontère (Quantis) welcomes all participants to the fourth committee of SPICE Year 4, presents the meeting's rules to ensure efficient discussions, and calls each member by company and name.

Meeting agenda

Victor Frontère (Quantis) presents the meeting's agenda:

- 0. Antitrust Statement**
- 1. Review of workstreams: Tool & Database, Recyclability**
- 2. Review of workstreams: Circularity/Waste case studies, Biodiversity risk guide**
- 3. SPICE Year 4 final budget allocation**
- 4. Year 5 roadmap proposition and budget**
- 5. Steering committee candidates**
- 6. Timeline and next steps**

0. 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.

He specifies that his 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. He develops the list of topics that are considered commercially sensitive from a competition law perspective (prices, costs, customer, general strategy, etc.).

1. Review of SPICE Workstreams: Tool, Database & Recyclability

SPICE Tool: Excel extraction & database update

Elsa Saouabi (Quantis) presents to SPICE members the deliverables produced during the year 4 of SPICE. Y4 deliverables include the *technical user guide*, the tool update including the excel extraction feature.

No question or comment from SPICE members.

SPICE Tool: Results page ergonomics update

Elsa Saouabi (Quantis) reminds members of the interviews conducted to identify key priorities to improve the ergonomics and interface of the SPICE tool. All problems were identified through interviews.

Q. Aurore Fandard (Coty): Will you cover all the list of features or how would you proceed?

A. Elsa Saouabi (Quantis): We will move by order or priority. The total features integrated will depend on the remaining budget.

A. Victor Frontère (Quantis): This is the list of all the features we want to implement but the budget to do so will depend on the renewal of the members for the new SPICE year. In any case, we got quite positive feedback on the new results page.

Q. Sean Ansett (JPMS): I was wondering how the prioritization was made as I can no longer see the recyclability topic. Could you explain why it has been removed and what the next steps are?

A. Victor Frontère (Quantis): To both assess the environmental impacts today and both to assess the recyclability issue. Last year we realized that the recyclability assessment can be very complex as it depends on the geography. This is not the purpose of this tool. If we are to implement recyclability assessment in the tool it will be with a partner. One example of possible partners identified is Recyda. It is an online tool under development, and mainly at EU level. More geographies are to come. The aim is not to have a European approach. We can study if this type of partnership is interesting in the future.

Elsa Saouabi (Quantis) presents the allocated budget for the SPICE tool in Y5 (70k€) which will be dedicated to:

- + The components library
- + The improvement of the ergonomics of the tool (by decreasing order of priority)

Datasets development

Elsa Saouabi introduces the datasets development plan to the SPICE members:

- 2 finishing processes have been added to the database: acid etching and PVD for glass
- Other datasets asked by members for year 5
- 11 datasets have been flagged as most needed, budget of 50k€, with a majority with good data quality and probable access

Elsa reminds the importance of sharing contacts which can provide data to develop more datasets.

Q. Christophe Marie (Aptar): Different technology to process pulps: which methodology will you use?

A. Elsa Saouabi (Quantis): For now, we consider all technologies (wet and dry) averaged in one dataset. If we have enough data for both technologies, we will be able to differentiate them. If you have any contact who has data for one or both, feel free to reach us.

Q. Frederic Dreux (Unilever): I may have a contact for you in this sense. In terms of plastic coloring I am not certain I fully understand but I think there is quite some data available.

A. Elsa Saouabi (Quantis): we prefer to leave the plastic coloring on the side, because of the limited time and focus on identified datasets. Frederic understands.

Q. Christophe Cardi (Texen) in the chat: you include in your future update varnishing of plastic parts : do you differentiate High solid varnish and not High Solid varnish or it's the

same for you ? About electroplating, do you prepare another update for electroplating with gold or not?

A. Elsa Saouabi (Quantis) in the chat: For now we do not plan to have the difference between *High solid varnish* and *not High solid varnish*. But if we have data we can differentiate them. If you have contacts which are able to provide data for both, we are happy to do it. For *electroplating*, we don't have electroplating with gold for now (just copper & nickel) but if you have some contact to provide, we are also happy to do it.

Glass dataset

Camille Mouly (Quantis) introduces the scope and work conducted to develop the cosmetic glass dataset. After discussions with SPICE stakeholders we have identified the 4 variability factors which will influence the environmental impacts of cosmetic glass:

- + Type of flaconnage
- + Formulation
- + Technology (Natural gas, hybrid, electric, etc.)
- + Geography

SPICE recommends developing 6 new datasets. Camille recalls the importance of the confidentiality topic in terms of NDA and contributors representativity.

Camille concludes with the presentation of the timeline and the allocated budget (60k€) for this workstream.

Q. Benedicte Luisi (Aptar): Do you intend to have 2 types of datasets: with and without recycled content? Or do you want to have an average recycled content?

A. Colin Jury (Quantis): In SPICE you can set the recycled content of glass. So yes, the calculation will take into account the amount of recycled glass.

A. Victor Frontère (Quantis): There are 2 questions here: the tool can adjust the post-consumer recycled content as for other materials. Then the question raised by Camille which is in pre-consumer recycled content. The objective is to put an average pre-consumer recycled content in the tool in order to simplify the way this is modeled in the tool and to help users input the data, as this parameter may be complicated to obtain. As always, we would like to have a compromise between the accuracy of the results and the user-friendliness. We will engage with brand owners to get local contacts and recommendations to get suppliers, mainly in the US and Asia.

A. Philippe Bonningue (L'Oréal): Suppliers who are not members will be asked from June based on the timeline. We can understand that the relationship may be harder/longer than with members. I think it would be better to start reaching out to them as soon as in March.

A. Victor Frontère (Quantis): We would prefer to start engaging with them once the approach is clear. This is why we had put it in June, but indeed it is a great idea. If we manage to have contacts before we will engage with them before June.

Q. Hélène Villecroze (Chanel): Does it mean that we are jumping into step 2 without step 1?

A. Victor Frontère (Quantis): As Philippe suggests we could try to engage with suppliers before June. And yes it means what you say.

B. Hélène Villecroze (Chanel): I thought we would have to choose between step 1 and 2. Do we have to vote for that?

A. Victor Frontère (Quantis): Before developing the dataset we will vote. It will happen at the Y5 1st committee. Before that committee we are going to work in the approach and try to contact other suppliers. We will also refine the budget and propose everything for voting at the next committee.

B. Raqy delos Reyes (Natura): How are we going to ensure that confidentiality is respected in terms of number of suppliers per dataset?

A. Victor Frontère (Quantis): We think we will try to have a minimum of 3 suppliers per dataset. Fabrice Rivet from FEVE says that they recommend 5. We might not get to that level in terms of data availability. Again we will need to reassess this when we will get the data. It is not 100% clear, but we think that 3 is a good compromise.

Q. Aurore Fandard (Coty): Do we expect any difference between the 6 datasets which we intend to have?

A. Colin Jury (Quantis): If we want to answer the question we need to conduct the assessment. We cannot reply to this until we have the results. If in the end results are negligible, we can reduce the number of datasets updated to the database. But I think that important differences are to be expected in terms of the energy and flaconnage (jar vs. bottle).

A. Victor Frontière (Quantis): if glass suppliers would like to have a word go ahead.

Q. Fabrice Rivet (FEVE): I think the approach makes sense. My first question, I don't have the answer. I am afraid we might not get 3 electric furnaces for cosmetic glass. We need to verify if it is feasible. What I also miss in the approach is the geographical location. I do not know how you are going to tackle that aspect.

A. Colin Jury (Quantis): The geography is considered in the tool when you select the geography in terms of electricity. We do not need to produce a dataset for a specific region. The geography variation will depend on the total electricity consumption and the electricity emission factor of the location.

A. Victor Frontère (Quantis): This is like the SPICE tool built for other datasets. This is a balance between how the tool is structured and how we can adapt it for the glass production. This will allow us to reflect reality.

Recyclability task forces: update

Ana Moral (Quantis) introduces the team changes for the recyclability workstream and let the members know that she is leaving Quantis but let them know that Laura Peano remains part of the team with Benoit Piette who will join the task forces. A new person dedicated to the task forces will join the team. We will keep you informed.

Ana Moral then presents the Y4 achievements of the plastic taskforce and the objectives for the Y5, focusing on working with recyclers and recycling associations.

Then Laura Peano recalls the achievements of the glass task force during Y4 and the objectives for Y5, focusing on the test campaign for opaque glass.

Q. Aurore Fandard (Coty): If we know the criteria that you would like to test (maybe it is already decided). For members who are not part of the taskforce can we have access to the support and documentation?

A. Laura Peano (Quantis): Regarding the first questions, yes we have already decided which samples are going to be tested with the members of the taskforce. It was decided during the last meeting that we had together in terms of colors and decorations.

A. Ana Moral (Quantis): Yes, and to complete on that, we are mainly working with samples specifically produced for the testing campaign, not with products. This is why we have not requested any samples from members.

A. Laura Peano (Quantis): Regarding the second question, sessions are recorded and all documentation is published in the shared folder.

A. Victor Frontère (Quantis): Indeed, you have access to that information via the shared platform.

Victor Frontère (Quantis) recalls there are 2 approaches for the recyclability taskforce. First thing is to collaborate with existing initiatives to not redo the work. In a second step, whenever there is missing information and tests conducted specifically for cosmetics we will invest in testing and other assessment campaigns.

Victor Frontère (Quantis) thanks Ana for the great work done during the past 2 years with the SPICE recyclability taskforce.

2. Review of workstreams: Circularity/Leakage case studies & Biodiversity risk guide

Circularity/Leakage case studies

Anna Kounina (Quantis) recalls the different phases that happened this year for this workstream:

- + Phase 1: state of the art
- + Phase 2: leverage SPHERE framework
- + Methodological deep dive and 1 additional case was added.

Anna then shares with SPICE members the synthesis and recommended next steps following the survey that was shared to members of the workstream; Given that the focus in SPICE is on ecodesign actions, we recommend considering the MCI as a complementary indicator to the SPICE single score.

Anna concludes by introducing the objective of the ecodesign and MCI integration toolbox.

Q. Sean Ansett (JPMS): What was the recycled content for the aluminum bottle?

A. Anna Kounina (Quantis): We had 85% recycled content (PCR) for the aluminum bottle.

Q. Philippe Bonningue (L'Oréal): I personally think the methodology is not mature enough (uncertainty not assessed in the main methodological guidance and should be investigated) but the vote is the vote and I respect it. Last time we said that we were going to evaluate the consequences of the PCR within the shown simulations. Did we do that?

A. Victor Frontère (Quantis): We have isolated the different parameters (like the PCR). This is going to be part of the refinement analysis. Regarding the uncertainty, we will investigate whether there is uncertainty or not in the MCI. In any case, all environmental indicators in the SPICE tool have a certain level of uncertainty, despite being scientifically robust. We would like to further explore that and at the same time investigate the MCI. There is no documentation for the MCI regarding this. The MCI index is a key index evaluating circularity developed by EMF, and has wide public acceptance and recognition. Other indicators are for instance the WBCSD Circular Transition Indicators (CTI) framework and will be mentioned in the ecodesign guide. We plan to provide more explanations on the level uncertainty of this indicator in the ecodesign guide, to express clearly the limits.

Q. Raqy delos Reyes (Natura): Will we have access to the MCI score only through the SPICE tool?

A. Victor Frontère (Quantis): No, it would be a separate excel tool as it will be cheaper and easier to develop. Integrating it in the tool would be more expensive. It is not possible to include this option in the budget for now. Therefore, we propose to go step by step and start with the excel tool.

Biodiversity risk guide update

Auriane Bodivit (Quantis) recalls the objective, content and added value of the biodiversity risk guide. She shares with members the timeline with the successive iterations conducted to review the document (4 iterations).

Clarisse Tual introduces the main changes implemented in the deliverable.

No question or comment from SPICE members.

VOTE: DO YOU APPROVE TO OPEN THE STEERCO TO SUPPLIERS AND RESERVE 1 SEAT IN PRIORITY?

Y/N

Company	Vote
Albea	Yes
Aptar	Yes
Axilone	Yes
Berry Global	-
Bormioli Luigi	-
Chanel	Yes
Clarins	Yes
Coty	Yes
Estee Lauder	Yes
Groupe Pochet	Yes
Heinz-Glas	Yes

Hermes Parfums	Yes
JPMS	Yes
L'Oreal	Yes
LVMH	Yes
Mary Kay	Yes
Meiyume	Yes
Natura & Co	Yes
Puig	Yes
Schwan Cosmetics	-
Shiseido	Yes
Sisley	Yes
Texen	Yes
Unilever Prestige	Yes

Voting result:

Option A 100% - Option B 0% of voting corporate members

The document has been approved for publication.

3. SPICE Year 4 final budget

Victor Frontère (Quantis) presents to the members the final budget of SPICE Year 4.

No question or comment from SPICE members.

BREAK (15 mins)

4. Year 5 roadmap position

Victor Frontère (Quantis) welcomes back everyone after the break for the second part of the committee, enumerates the remaining points of the agenda of the day, presents the roadmap proposition for Year 5 and details the two new topics proposed for Year 5.

Reuse workstream proposal

The objective of this workstream would be to go beyond the current methodology, to assess new reuse models that are currently being tested by some members. The workstream would proceed in three steps, by gathering members' knowledge, producing relevant case studies to highlight re-use levers and hotspots, and modify the SPICE Tool calculations. L'Oréal is working on a broad simulation-tool for Reuse and we'll see how it evolves and how L'Oreal might/could share it.

Integration of the SPICE tool to companies

The objective of this workstream would be to setup the SPICE Tool for better integration into companies, members of licensees. Two main directions are proposed for Year 5: to allow the possibility to input data from companies' packaging specification tools, and to make mass extractions of SPICE Tool results.

Q. Aurore Fandard (Coty): Concerning the API, could we engage in discussions with our internal IT partner? I am not technical and I think we need to involve them.

A. Victor Frontère (Quantis): Indeed, the objective is to have first the Quantis Digital team talking to some SPICE Members internal digital teams to scope the integration of the SPICE Tool and refine the proposal. Please note that these first discussions are included in the scope, further discussion with members on actual integration to their company's system would be a separate budget and not SPICE budget.

Victor Frontère (Quantis) then presents the proposed budget allocation for Year 5 and recalls some important points:

- + The budget for the glass datasets is conservative. The final cost could be higher.
- + It has not been included in the budget yet, but SPICE should receive a fee from the EcoBeauty Score consortium for using the SPICE packaging database as agreed end-2022.

Q. Philippe Bonningue (L'Oréal): We discussed with Helène regarding the MCI and the 10k€ budget to make it an Excel tool. The conclusions regarding the robustness analysis, where they already paid and is it why we do not see it here?

A. Victor Frontère (Quantis): This is included in the budget for putting together the documents (20k€) + 5k€ in case we run a webinar on the final document.

Q. Helene Villecroze (Chanel): Maybe we should do it step by step. First excel tool before we are going to pay for the integration in the SPICE tool. We still have many questions and we still need to further investigate results before deciding if integrating it into the tool.

A. Victor Frontère (Quantis): Yes this is indeed the proposed approach. In addition it is not possible yet to include the full integration of the MCI in the SPICE Tool for budget reasons. As a reminder, the cost for SPICE Tool licenses is 12k€ per company. It is a low fee to make it available for as many companies as possible, while IT development is costly. We have not discussed it yet, but we could implement different pricing for different companies depending on the size. It is an open question. We would not go lower than 12k€ for the standard fee.

Q. Aurore Fandard (Coty): If the tool has more functionalities, it would make sense to pay more. But the tool needs to remain competitive in terms of performance.

A. Victor Frontère (Quantis): We will maintain a fee accessible for small companies, but indeed this is something which we can discuss.

Q. Helène Villecroze (Chanel): For the next committee could we have a compilation or all the budget which has been invested in the tool from the beginning of the initiative? A recap to have an overall view.

A. Victor Frontère (Quantis): Definitely. We could also provide you - anonymously - how many people are active in the tool, the number of projects, etc.

Q. Aurore Fandard (Coty): How do you ensure that the SPICE tool remains competitive in terms of performance in the market? I think it would be interesting to have a benchmark regarding the performance of the tool compared to existing tools. Also regarding the price.

A. Victor Frontère (Quantis): A first assessment was done at the launch of the tool but we can update it. There are very basic and very complex LCA tools. The SPICE tool is in between, we would need to compare it with similar tools.

Q. Aurore Fandard (Coty): We also talked about a logo for the SPICE tool logo. This could help us when communicating. It is important to differentiate between the initiative and the SPICE tool.

A. Anne-Florence Lécolier (Quantis): We are working on the logo. We would present it to you during the next committee.

5. Steering committee candidates

Victor Frontère (Quantis) finally presents the procedure for renewing the steering committee members. He recalls that for the next year 5, 3 seats will be allocated to brand-owners and 1 seat to suppliers beyond the 2 seats for the 2 co-founders.

Brand-owners candidates (3 seats)

Estée Lauder, Puig & Coty

There will be no election for brand owners as 3 places are available no additional applications are received.

Suppliers candidates (1 seat)

Heinz-Glas, Albéa & Aptar

Victor reminds the members that they have until the day after the committee to present their candidacy.

Q. Aurore Fandard (Coty): Do you confirm that we will continue with the old topics and that we need to validate the new topics at the next committee?

A. Victor Frontère (Quantis): Indeed, we need to have your confirmation to participate in SPICE Year 5 to be able to confirm the final budget and then to vote the budget allocation for continued and new topics.

6. Timeline and next steps

Victor Frontère (Quantis) finally presents the planning and next steps towards SPICE Year 5.

Victor thanks all members for their votes and active participation during this committee. He reminds of the next steps and suggest to hold May 25th, 2-6pm CET for the members' committee #1, Year 5.

Closing of the meeting