

SPICE YEAR 5 COMMITTEE 1 MEETING MINUTES MAY 23, 2023



Minutes written by: Quantis

Participants (online, unless stated):

- Albea, Gilles Swyngedauw (on site)
- Aptar, Christophe Marie (on site)
- Aptar, Benedicte Luisi (on site)
- Berry global, Elodie Roger
- Berry global, Thierry Bernet
- Berry global, Brian Lodge
- Bormioli Luigi, Silvia Bellicchi
- Chanel, Helene Villecroze (on site)
- Chanel, Virginie Recoura
- Coty, Aurore Fandard (on site)
- Coty, Mathilde Thiery (on site)
- Estée Lauder, Michael Christel
- Estée Lauder, Robert DiPalma
- Estée Lauder, Ana Espinosa
- Groupe Pochet, Nicolas Piffault
- 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
- Natura & Co, Bing Mei
- Natura & Co, Joanne Thomton
- N°7 Beauty Company, Emilia Matchett
- Puig, Joaquim Cons
- Shiseido, Kazue Takei
- Shiseido, Romain Reyx
- Sisley, Cédric Laplace
- Sisley, Jérôme Morel (on site)
- Texen, Christophe Cardi
- Toly, Chery Bezzina
- Toly, Olaf Kahra
- Unilever, Frédéric Dreux
- FEVE, Fabrice Rivet
- MWE, Caroline Noyrez (on site)
- Quantis, Anna Kounina
- Quantis, Anne Désérable
- Quantis, Anne-Florence Lécolier (on site)
- Quantis, Elsa Saouabi (on site)
- Quantis, Gabrielle Perier
- Quantis, Laura Peano
- Quantis, Victor Frontère (on site)
- Quantis, Valentine Patras

Excused SPICE Members:

- Clarins
- Schwan Cosmetics
- Canopy Planet
- CITEO
- Cosmetic Valley
- Detic
- FEBEA
- PCPC
- RecyClass

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

Opening of the meeting

Introduction

Victor Frontère (Quantis) welcomes all participants to the first committee of SPICE Year 5, 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. Launching Year 5
2. Review of Year 5 workstreams
3. Other initiative updates
4. 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. Launching Year 5

Membership, Y4 snapshot

Victor Frontère (Quantis) gives a snapshot of what happened during SPICE Year 4, with the arrival of Toly, a new corporate member. He also informs the members about Albéa joining the Steering committee. To finish, he summarizes all documents delivered by the initiative during the year.

No question or comment from SPICE members.

'Future of SPICE' project

Carolina Montealegre (Quantis) introduces recommendations following the *Future of SPICE* study. This project's aim is to **enhance the value proposition of the SPICE initiative** for the next few years and propose a relevant model that captures the changing needs in the market and accelerates the sustainable transformation of the value chain. Carolina shares the Insights from the SPICE members interviews, consolidated areas of improvement and new recommended principles for budget allocation.

Q. Benedicte Luisi (Aptar): What do you have in mind concerning the advocacy topic?

A. Carolina Montealegre (Quantis): We would do more thought leadership more than advocacy. SPICE would not do direct advocacy for example with regulators. The objective is to advise

based on science more generally, and be more visible by other stakeholders in the value chain, engage more with retailers or recyclers. Federations such as FEBEA or Cosmetics Europe could build on SPICE positions.

Q. Raqy Delos Reyes (Natura & Co): Could you please clarify the budget linked to the tool maintenance?

A. Victor Frontère (Quantis): The objective is to finance IT maintenance and developments through SPICE tool licenses only. Today a fraction of the membership fees is directed to the SPICE tool IT maintenance and development.

Q. Hélène Villecroze (Chanel): Could you please clarify the allocation of the EcoBeauty Score (EBS) revenues as of today?

A. Victor Frontère (Quantis): The EBS revenues are allocated to the database maintenance and dataset development in addition to the membership revenues.

Q. Philippe Bonningue (L'Oréal): How many licenses do we have for the SPICE Tool?

A. Victor Frontère (Quantis): Today we account for 10 SPICE tool licenses. We receive a lot of demand for information or demos linked to the website and the free tool. One of the blockers is the single pricing model, it may need to be reworked for next year. To finance all IT development we will need to increase revenues: either sell more licenses or revisit the pricing model.

Q. Aurore Fandard (Coty): On the principle of thought leadership, it is a bit difficult to agree because we will need to have the list of topics SPICE would position on.

A. Victor Frontère (Quantis): Yes, some members also raised this point and it will be interesting to have your views on the pain points and barriers you face today as a member, on which you need a SPICE position aligned at industry level to unlock the sustainable transformations. For example some of you suggested the issue of small packaging sorting and recycling at scale, or the issues faced when attempting to deploy reuse solutions at scale at the different points of sales.

A. Victor Frontère (Quantis): To explain this differently, today at SPICE we align on technical points of view and publish guidelines with a technical tone of voice. Tomorrow aligning on technical points of view will be the founding stone for publishing SPICE positions with a more targeted and collaborative tone of voice.

Roadmap and budget

Victor Frontère (Quantis) presents the budget and opens the vote.

No question or comment from SPICE members.

VOTE: DO YOU APPROVE SPICE YEAR 5 BUDGET ALLOCATION?

Y/N

Company	Vote
Albea	Yes
Aptar	Yes
Axilone	Yes
Berry Global	Yes
Bormioli Luigi	Yes
Chanel	Yes
Clarins	-
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
Toly	Yes
Unilever Prestige	Yes

Voting result:

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

The SPICE Year 5 budget allocation has been approved.

2. Review of workstreams

Glass recyclability

Laura Peano (Quantis) shares results from pre-test campaign vs sorting results and describes the objectives and timeline of Year 5.

Q. Sean Ansett (JPMS): Is glass recyclability going to be tested for Europe, US and/ or global systems? What is the scope of recycling systems? My understanding is that glass regardless of color can be problematic at MRFs if not stream as it breaks. Also at least in the US, unfortunately, much glass ends up lining landfill layers.

A. Laura Peano (Quantis): The tests will be done in 2 testing centers in Europe. Some members would also need to have this assessment in the US. It is not in the scope of the taskforce for this year but could be studied for next year(s). In the meantime, members that have decided to perform tests in other countries, are invited to share those results with the members of the taskforce.

A. Victor Frontère (Quantis): As FERVER is part of the taskforce, it is easier to test it in Europe with them. But we would engage with you if you have some ideas. It is less centralized for other regions than for Europe so we will need your help to identify others able to do that.

Q. Jan Porter (Meiyume): For plastic recyclability, will the test be also applicable for recycling systems outside of Europe (China / US)?

A. Laura Peano (Quantis): Same, we are focusing on European tests for this year since these will be conducted by Recyclclass However, Recyclclass has already informed the taskforce that one of

their goals is to interact more with other organizations (extra-EU) in the future and they're already in contact with some of them.

Q. Cheryl Bezzina (Toly): For plastic recyclability, have tests already been carried out on rigid PET?

A. Laura Peano (Quantis): The tests that will be conducted will concern the list of topics shown on the slide: this list has been defined by Recyclclass taking into account the needs from SPICE members too.

A. Frédéric Dreux (Unilever Prestige): Rigid PET will be assessed as part of the rigid rolling packaging, but don't forget there is also the decoration issue associated with PET, that is why we have colored PET in the list.

SPICE Tool roadmap

Elsa Saouabi (Quantis) presents database and method updates, new datasets development and spice tool roadmap.

Q. Philippe Bonningue: Will Glass dataset be explained later?

A. Elsa Saouabi (Quantis): Yes it is with another specific budget that will be presented later in the committee.

A. Victor Frontère (Quantis): We will be able to gather some datasets fast, thanks to your push, but some will take really long.

Q. Christophe Cardi (Texen): Is it possible to talk about assembly? When we have 2 parts to assemble, we should be able to model it. I think it is really important, because the bottle can be injected in France but assembled in Tunisia.

A. Victor Frontère (Quantis): Point taken, maybe we can engage on that topic separately as there is a lot to anticipate on the tool structure.

A. Elsa Saouabi (Quantis): Adding to Victor answer that assembly would not be a hotspot but transport could be increased significantly based on what you said.

Q. Christophe Cardi (Texen): Question on the molded pulp: There are several technologies, which ones will we be working on?

A. Victor Frontère (Quantis): For now, we have 3 suppliers with different technologies, 2 Dried and 1 Wet, we will do separate datasets if there are different technologies, and build the dataset that makes sense regarding reality. For pulp molding we are more in the investigation phase.

A. Elsa Saouabi (Quantis): We also have several feedstock used, based on results, we will see if it is needed to separate datasets or not. Same as for technology. If any company in the room has contacts to get more data, please share them with us, we would be happy to integrate additional data in the model.

Elsa then asks all members to contact her to share contacts for data for Silkscreen printing or Dry offset used for aerosol and tube or PETG material.

BREAK (15 mins)

Glass dataset

Valentine Patras (Quantis) reminds the SPICE members about our proposed approach regarding glass dataset before updating/ discussing with them on 4 identified topics:

- + Question about how to account for renewable electricity
- + Question about how to reflect the datasets in the tool?
- + Question about the internal cullets percentage
- + Identification of glass suppliers and confidentiality

Valentine finally reminds members that to ensure both representativity and confidentiality of contributors, it is important to establish a minimum of contributing actors for each dataset.

Q. Fabrice Rivet (FEVE): Where are the processes in the SPICE tool today?

A. Gabrielle Perier (Quantis): The process EF is an empty dataset today as we were not able to separate raw material from processes based on data provided. The material + processes is included in FEVE material EF.

Q. Jan Porter (Meyiume): Is the intention to use SPICE for external communication?

A. Victor Frontère Quantis): I can see two different topics in your questions: about claiming environmental performance based on SPICE Tool results, this has been a long-time demand, high-level recommendations are available in the SPICE Claims Guidelines document but will need to be refined in the context of the upcoming EU green claim directive. This will be tackled today at the end of this committee. About the conditions proposed here for accounting renewable electricity, these would be framed as a SPICE position and the recommendation would appear as guidelines in the SPICE Tool for the user.

Q. Fabrice Rivet (FEVE): Why do you want to split material from process? Do you intend to consult the FEVE after the data collection? Do you plan any verification regarding the data provided outside the EU?

A. Gabrielle Perier (Quantis): The separation of the raw materials and the process would enable the user to select the material in question (glass for jar, glass for perfume bottle) and then the technology used (standard or hybrid or electric furnace, in a specific country). This would be more user-friendly, rather than a list of pre-selected combinations in the 'material type' input. This is also how the SPICE Tool interface is built for all materials: glass material production and conversion steps occur at the same location and stage, but this is a particular case compared to other materials like plastics or metals. We don't want to create a specific entry interface for glass and prefer to adapt to the current one

A. Victor Frontere (Quantis): About data verification: a quality and coherence check is run when we receive data from suppliers. We plan to consult FEVE and glass supplier members of SPICE on the finalized approach and datasets split, before launching the actual data collection with suppliers. A third-party review with an LCA expert remains an option in this process.

Q. Kenji Ohashi Shiseido: Is it possible to have some types of glass packaging such as soda-lime, borosilicate glass, crystal glass, recycled cullet rich glass?

A: Gabrielle Perier & Victor Frontère (Quantis): It would depend on the data available from suppliers. At that stage, we would like to better reflect the actual situation of production but SPICE will remain a screening tool and we probably won't have all the above types. To our knowledge, soda-lime glass represents the vast majority of cosmetic glass so we will continue focusing on it.

Ecodesign and circularity

Anna Kounina (Quantis) presents the circularity deliverables and reminds members that a more detailed session will take place on the 1st of June. Please read the presentation and test the excel before coming to the meeting to take and bring as much value from it.

Q. Sean Ansett (JPMS): On circularity was the Cradle to Cradle Certification referenced?

A. Anna Kounina (Quantis): Not yet something added in the guide, but we added some information on circularity certifications in the slides that will be presented on June 1st.

Q. Fabrice Rivet (FEVE): In the xls file you sent there is one tab with different materials, is it aligned with PEF? I see for glass materials you have one generic entry for glass material and then 0 is the recycling rate: why?

A. Elsa Saoudi (Quantis): These values are taken from the PEF (Annex C) reference table for the European market. We keep 0 for packs not included in the other categories: the glass unspecified color, colorless, green and amber colors. The 0 value is not used for glass containers.

Victor Frontère reminds members to attend the specific meeting on ecodesign and circularity planned June 1th.

How to address reuse in SPICE?

Victor Frontère (Quantis) presents the challenges of packaging re-use assessment, proposes an approach for SPICE and presents the opportunity to put in common the different members' approaches within SPICE.

Q. Philippe Bonningue (L'Oréal): When discussing the different approaches for Reuse some members developed, it will be important to understand how deep each went on re-use understanding and assessment. That's the key question for SPICE members to answer to, as the tool L'Oreal developed (wip) is based on true and comprehensive env-impact, including 'all' configurations (at home, in store) with broad list of options (distance, washing, refilling system/fountain,...). The point is to know what was dug-in, not just "spoken about".

A. Michael Christe (Estée Lauder): We brought the question of accurate accounting for re-use previously, to make sure we are not favoring greenwashing claims on this topic. We would like to collaborate on it and combine thoughts. It could be also included in a thought-leadership paper.

A. Victor Frontère (Quantis): The first step will be to refine the understanding of environmental levers of the different reuse solutions at the design stage. It would be the first layer of recommendations and SPICE position on this topic. Then to your point Michael on accounting and claiming reuse figures at company level, it could be a different and second layer of recommendations.

Q. Michael Christe (Estée Lauder): Are we including the cleaning and transportation steps in this conversation too?

A. Victor Frontère (Quantis): Indeed. For now, the reuse assessment in SPICE Tool is very high level, it accounts for the avoided raw materials and transformation due to the number of reuse cycles. Other lifecycle steps such as washing, sanitization, logistics segments for deposit models, etc. will have to be included to reflect the reality of innovative reuse models and recommend the less impacting reuse solutions.

Q. Christophe Marie (Aptar): Will you apply the same type of assumptions to all models? Are you going to assess the cleaning part at home by the consumer? No data on this to my knowledge.

A. Victor Frontère (Quantis): Yes, this will be assessed too. The question is more on how much we want to restrict the different assumptions and how many scenarios we want to define. The idea is to refine as much as possible the assessment while defining common hypotheses for different scenarios.

Q. Aurore Fandard (Coty): When do we expect to have results on this topic?

A. Victor Frontère (Quantis): We want to first gather members' feedback and assess the available knowledge from you, to frame the approach as best as possible. We will send a brief survey on the topic, so we don't expect to start working on the topic before September.

3. Other initiative updates

Rules for SPICE database sharing

Victor Frontère (Quantis) reminds the SPICE Members that depending on their needs, SPICE members have been using either the SPICE Tool or other eco-design tools, often specifically developed and integrated in their own IT environment. More companies want to integrate ecodesign tools to their development processes and ecosystem of IT tools. That is why accessing the SPICE database directly and not necessarily through the SPICE Tool becomes a need from members. Victor reminds the shared property of the SPICE database and presents principles rules for sharing it with SPICE members, summarized in a 1-pager document that members receiving the database will be requested to sign.

Q. Philippe Bonningue (L'Oréal): If dataset are given from a SPICE-member to a third-party (in order to develop their internal tool/way), are we sure that an existing NDA/protection is enough to protect the confidentiality and usage of these database from third-parties, in order to prevent this third-party to sell it to anyone else (and making business/profit on this SPICE dataset)? Sharing is key (of course) but this is to be done with the most control and monitor. This should be dug in with MWE.

A. Caroline Noyrez (MWE): We just want to make sure that the database is used by members and their third-party providers for internal purposes and in accordance with the SPICE methodology and objectives. There is no specific contract format, we can discuss and adjust.

Q. Raqy Delos Reyes (Natura & Co): Is there a way to see this 1-pager document?

A. Caroline Noyrez (MWE): Yes, it will be shared after the committee

Q. Elsée Ekambi Eyoum (LVMH): What does it mean if we have an update of methodology or database version?

A. Victor Frontère (Quantis): For now, a new update of the database means a new excel extract. If a company owns an ecodesign tool, it should have an agreement with ecoinvent but conditions of use should be checked case-by-case.

Q. Helene Villecroze (Chanel): We should be careful that third-parties, even though tied by NDAs, don't resell the SPICE database which remains the SPICE property.

A. Victor Frontère (Quantis): you're right, the SPICE database is a co-property of the initiative and its members, thus a third-party provider doing so would breach the NDA in place with its client, here a SPICE member.

Q. Philippe Bonningue (L'Oréal): We should be careful and not be too naive here.

A. Caroline Noyrez (MWE): If we look this way, you could argue that whatever agreement you have, it is not a full guarantee to prevent breach. We will add safeguards in the 1-pager, which we will share to the initiative.

Q. Frédéric Dreux (Unilever Prestige): I see a profusion of providers with ecotools, wanting to commercialize it without necessarily mentioning where it comes from, thus I wanted to go back to the API topic (Note: API is a protocol to link different IT tools). My understanding is that an API is the best guarantee and best pragmatic way to use the database.

A. Victor Frontère (Quantis): I agree with you, for now the discussion we have is limited to SPICE members only. If we look in the mid-term and especially how to grow the revenues to finance the SPICE Tool developments, we could license the SPICE database access through an API to finance other activities. This would grow the diffusion and use of SPICE data.

A. Victor Frontère (Quantis): From the beginning, the aim was to have one single source of trust with the SPICE Tool, so as to allow comparison with the same database and hypothesis. But we understand that having its own tool allows users to include other things such as formulas. The advantage of SPICE is that companies are able to have the same hypothesis when comparing different packaging solutions, and also to have a common assessment between brand-owners and suppliers.

Q. Philippe Bonningue (L'Oréal): If companies only use the database (not the SPICE methodology), will they be able to claim it is "aligned with SPICE"? the results may be different, so we should not allow such claim if not both dataset+method are used.

A. Victor Frontère (Quantis): You are right, we can clarify the framework in the 1-pager to sign.

Addendum: Caroline Noyrez (MWE): in any event, the sharing of the database does not entitle Members or their third party providers to claim that the database is "approved", "verified" or otherwise endorsed by SPICE. This will be clarified in the 1-pager to sign by members willing to receive the SPICE database.

Collaboration with EBS: methodological differences

Victor Frontère (Quantis) presents differences with EBS methodologies and the possible changes in the future for EBS and SPICE.

No question or comment from SPICE members.

Biodiversity webinar

Anne-Florence Lécolier (Quantis) introduces some statistics of the Biodiversity webinar that was held recently with the aim to introduce the recently published SPICE biodiversity Risks Guide. She also informs the members that SPICE will be presented during the next Sustainability in Packaging Conference in Barcelona and invites members to raise their hands if they are going and want to take part of the speech.

No question or comment from SPICE members.

Focus on EU Green Claim Directive draft

Valentine Patras (Quantis) presents the EU green claim Directive, its objectives and timeline.

Q. Philippe Bonningue (L'Oréal): As shown on the slide, we can't claim an improvement on a packaging (eg) for a shampoo product because the use phase is the most impactful, and thus, any pkg improvement will be lower than the written threshold (80%)? So, we will never reach 80% by just including the PCR, for example. This is to be dug in as an interpretation of this article in PPWR.

A. Victor Frontère (Quantis): It depends if you make a claim on packaging, you would be able. But not on the product.

A. Helene Villecroze (Chanel): it would be the same for make-up.

A. Valentine Patras (Quantis): we will investigate further.

Q. Frederic Dreux (Unilever Prestige): Based on the new EU directive, will the Third-party review of SPICE be considered as a verification?

A. Victor Frontère (Quantis): We hope so but it may not be sufficient and an additional verification may be needed by another third-party to verify the entry data. The directive is still a draft and we should get more clarity in the following months.

4. 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 September 14th, 2-6pm CET for the members' committee #1, Year 5.

Closing of the meeting