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Beauty Supply Chain Pains Haven't Snuffed Sustainability Push; 'The Opposite,' Says IBA

by [Ryan Nelson](#)

"There's a lot of creativity and innovation that's being forced" by supply chain challenges, according to Elizabeth Corrigan, recently appointed chairwoman of the Independent Beauty Association. IBA's Akemi Ooka says smaller companies looking to engage on sustainability can be well-served to start with supply chain assessment.

The global supply chain crisis facing the cosmetics sector shows that necessity truly is the mother of invention.

At a time of historic supply chain disruptions due to ongoing COVID impacts, one might think that beauty brands' environmental initiatives would take a distant back seat to more immediate business needs.

"The opposite," insisted Elizabeth Corrigan, recently appointed chairwoman of the Independent Beauty Association, in a 5 October interview. "There's a lot of creativity and innovation that's being forced [by supply chain challenges]."

Consider for example plastic resin shortages over the past 18 months due to manufacturing shutdowns and labor and logistics disruptions, as the pandemic, natural disasters, and a constellation of other factors wreaked havoc on supply networks worldwide. (Also see "[Supply Chain Crisis Impacting Beauty Companies Big And Small: 'It's The Great Equalizer,' IBA Says](#)" - HBW Insight, 18 Oct, 2021.)

On the one hand, environmentally conscious beauty brands looking to package with post-consumer recycled content, for example, are finding themselves in a jam.

“Even if you want it to have PCR material within a certain percentage, you're not necessarily going to get it. And if you are going to get it, you're going to pay an extraordinary upcharge on it. And your lead times are going to be longer, because you're going to have to get in queue,” said Corrigan, founder and CEO of Randolph, NJ-based The Complete Package.

At the same time, such obstacles are leading brands in new, innovative directions.



ELIZABETH CORRIGAN, IBA CHAIRWOMAN
Independent Beauty Association

Akemi Ooka, former VP, product, at J.R. Watkins and IBA's head of global supply chain resources since September, told HBW Insight, “There are companies who – because they can't get plastic packaging due to resin prices or availability – are asking, ‘What are my other packaging solutions? And is that a win-win from a sustainability standpoint? Can I move to paper packaging? Can I get rid of packaging altogether?’”

She added, “So it does provide incentive for innovation.” (Also see "[Independent Beauty Association Adds Global Supply-Chain Expertise; Cosmetics Appointments In Brief](#)" - HBW Insight, 19 Sep, 2021.)

Sustainability is a broad umbrella term with varying interpretations. For IBA members and their customers, sustainability aspects of greatest importance are eco-conscious packaging and plastic reduction, based on IBA survey work.

“Clean” product formulation is another high priority, but one that poses challenges at present.

“Clean specialty ingredients are extraordinarily difficult to come by,” Corrigan said. “You look at the sulfate-frees, you look at the preservatives that have to be used – it's across the board on single-source specialty ingredients. You're seeing shortages and delays and, quite frankly, global outages of quite a few of those.”

Ooka explained, “These materials tend to have very specific supply chains. Often they're derived from vegetable stock instead of fossil fuel stock. They may have more refining or sequestering steps, they may have really specific sourcing requirements. They often are heavily dependent on labor at the earliest stages of a supply chain. There often are only a few places that make them, so when there are factory outages, it's incredibly disruptive. If you're a brand that has one or two unique ingredients, you definitely should look at that as a risk and see if there's any mitigation or contingency planning you can do if you can't get them.”

Product-Centric Sustainability

Specialty ingredient scarcities are indeed problematic insofar as sustainability in the cosmetics space continues to be closely tied in consumers' minds to the product, as opposed to a company's larger operational impacts, the IBA leaders suggested.

"It's a much more straightforward story to tell the consumer," Ooka observed. "You can talk about plastic reduction, you can talk about environmentally friendly packaging or cleaner ingredients and where you source them. It's so much more translatable than, for example, carbon footprint improvement, energy use reporting, or water conservation offsets. That's a harder story to get across."

Even so, companies increasingly are exploring supply chain sustainability metrics, according to Ooka. "They find that tracking some of that information helps with efficiency and cost savings as well," she said.



AKEMI OOKA, HEAD OF SUPPLY CHAIN
RESOURCES IBA

Smaller companies looking to engage on sustainability can be well-served to start with supply chain assessment.

Per Corrigan, "It's just not what you're doing, but what your vendors are doing as well."

Ooka expanded, "That often is a really good place for companies to start, because so many suppliers now are capturing information on energy use, water use, transportation movement, so you can start to calculate carbon footprints."

She continued, "This ability to put sustainability metrics around your supply chain allows you to get some real data on what you're doing well, in terms of meeting your sustainability goals, and where you still need to focus some effort. And then you can figure out how this data enhances your brand's sustainability message around your product."

Announced in late September, leading beauty and personal-care firms including L'Oreal SA, Unilever PLC, and Natura & Co are developing a framework for scoring products on their environmental impacts "based on a common, science-based methodology." (Also see "[Leading Personal-Care Companies Building Platform For Scoring Products' Environmental Impacts](#)" - HBW Insight, 29 Sep, 2021.)

IBA expects the EU-based initiative to have global influence as sustainable competition escalates and legislation picks up to regulate the field in accordance with green policy goals and consumer expectations.