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Cosmetics Europe Expanding To Meet Historic Challenges: 'There's Never Been A Time Like This'

by Ryan Nelson

Director-general John Chave discusses regulatory heavy-handedness in the EU, implications for animal testing, declining European investment, and Cosmetics Europe's message to policymakers going into the 2024 EU elections and beyond.

Aimed at achieving climate-neutrality by 2050, the European Green Deal is disrupting industries worldwide as regulations are rewritten and stakeholders scramble to keep up with coming changes.

In particular, the Chemicals Strategy for Sustainability (CSS) – adopted by the European Commission in October 2020, less than a year after the Green Deal launched – is having knock-on effects on chemicals regulations including Classification, Labeling and Packaging (CLP) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), as well as the Cosmetic Products Regulation (CPR).

John Chave, director-general at Cosmetics Europe, expects the revised CPR will have a precautionary flavor as it incorporates the generic approach to risk management put forward by the CSS. He believes the Scientific Committee on Consumer Safety will be folded into the European Chemicals Agency and a growing number of cosmetic ingredients will need defending in that forum, similar to substances classified as carcinogenic, mutagenic or reprotoxic under the current cosmetics regulatory framework. (Also see "*'Fully Caffeinated' Or Not, EU's Revision Of Cosmetic Products Regulation In Doubt Before 2024 Elections*" - HBW Insight, 12 Sep, 2023.)

Cosmetics Europe is expanding accordingly. "We now have more people in our public affairs department. Also, we're going to have to expand on the regulatory front. We've expanded

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recently in our international department, and we're going to have to do a lot more ingredient defense going forward," he said in a 5 September interview.

Chave added, "And all of that is on the human health side. In addition to that, for reasons coming out of the European Green Deal, we see defending ingredients, from an environmental perspective, as an area we can only grow."



COSMETICS EUROPE'S JOHN CHAVE

He noted the wide-ranging impacts the Green Deal and CSS are having, including in the nonprofit sector. "One of the consequences, which I'm not sure the Commission entirely foresaw, was that if you move forward on the basis of widespread regulation according to hazard characteristics, then that implies animal testing," Chave said.

That prospect has put animal welfare groups at odds with environmental NGOs calling for increased chemicals regulation and, as a consequence, testing.

A European Citizens Initiative spearheaded in August 2021 by Unilever PLC's Dove brand and Natura & Co.'s The Body Shop, titled "Save Cruelty-Free Cosmetics – Commit to a Europe without Animal

Testing," received more than 1.4m signatures demanding an end to the use of animals in cosmetics and other chemical tests. According to the cruelty-free brands and NGO partners, the CSS could mean "millions" more animal tests to fill information gaps for substances of concern.

The European Commission <u>responded</u> to the initiative in July with a roadmap to reduce animal testing and advance alternatives to animal testing, "with the aim to ultimately move to an animal-free regulatory system under chemicals legislation."

The Commission further noted two cases pending before the Court of Justice of the EU that pertain to the interface of the CPR, which prohibits the testing of cosmetic ingredients on animals, and REACH, which can require cosmetic substances to be tested on animals to assess risks to workers and the environment. (Also see "<u>Symrise Appealing REACH Animal Testing Mandates To EU High Court; Unilever, PETA To Intervene</u>" - HBW Insight, 30 Aug, 2021.)

"The Commission will consider the outcome of the court cases in view of any future potential legislative changes," it says.

Chave noted that the confluence of issues around animal testing has made it a priority once more

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for the European Commission. "There needs to be, I think, a clear shift of emphasis away from the traditional methods and towards more openness to alternative methods. And I think that idea has been fully taken on board," Chave said.

He continued, "What remains to be seen is the extent to which, when the CPR and REACH go through the lawmaking processes, the NGOs and other stakeholders try to change the regulations to accommodate some of their agenda. It could be around the cosmetics animal testing ban, could be around adoption and acceptance of alternative methods, etc. Even if the Commission says it doesn't really want to change the regulatory framework, I'd be very surprised if they [animal-welfare groups] didn't try and use the considerable amount of sympathy they have within European Parliament to change the law through that means. So that's going to be interesting to watch."

Don't Count On The Courts

Amid mounting regulation of an increasingly precautionary bent, Chave said industry was heartened by an EU court decision in late 2022 that overturned titanium dioxide's classification as a cancer hazard by the European Commission. (Also see "*EU Court Shoots Down TiO2 Hazard Classification, Opening Door For Future Challenges*" - HBW Insight, 30 Dec, 2022.)

"I think most people on the industry side took that as a positive sign because there's a feeling generally that policymaking needs to be more science-based, and there's been, to an extent, a move away from that," he said.

While industry stakeholders may be tempted to look for more pushback from the EU courts as regulations pile up, Chave noted the challenges of bringing such cases, including potential reputational risks.

Microplastic is a good example. Since ECHA proposed a ban in January 2019 on intentionally added, non-biodegradable microplastic in cosmetic products, among many other products, industry has made plain its position that heaping 80% of the restriction's total estimated costs across all sectors on the cosmetics industry, which accounts for just 2% of targeted emissions, is eminently unfair and based on questionable science. But what company wants to fight publicly for microplastic in today's climate?

Th EU microplastic restriction will prohibit use of microplastic in rinse-off and leave-on cosmetic products in four years and six years, respectively, with the exception of makeup, lip and nail products, which must be microplastic-free in 12 years. Chave expects the restriction to be published in coming weeks.

"The restriction is so complex," he said. "There are vast areas which are just not fully understood and need to be worked out. The European Commission is going to produce a Q&A document in

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which they'll try to elucidate some of these issues. But of course that process will start when the clock is already ticking."

Chave fears that industry awareness of the microplastic restriction is still not where it needs to be. (Also see "*Beauty Without Microplastic: Consumer Expectations For Cosmetic Products May Have To Change*" - HBW Insight, 1 Dec, 2022.)

"While most if not all of the companies that operate multinationally understand what is coming and are getting prepared, I really wonder whether the whole cosmetics community, particularly SMEs in Europe, are fully prepared for what's coming and the potential impacts on their business. And that slightly keeps me awake at night," Chave said.

Declining European Investment

On current EU regulatory pressures, Chave remarked, "A few people in our community has been around here for up to a quarter of a century, and they say there's never been a time like this."

There may be a price to pay for so much disruption and regulatory heavy-handedness.

"So a talking point for Cosmetics Europe over the years has always been the European cosmetics market is the biggest in the world," Chave said. "Then last year, the US market drew neck and neck. So we were able to say, the European cosmetics market, together with the US, is the biggest in the world. And now the US has just left Europe in its wake, showed it a completely clean pair of heels – it's not even close."

While cosmetics is not the only US industry that has surpassed its European counterpart in recent years, Chave said cosmetics is a striking example that Cosmetic Europe intends to underscore in its advocacy going into the 2024 EU elections and beyond. "Europe should be a little bit alarmed and needs a wake-up call. Because all of this – the US leaving the European Union behind – is before these [new and revised] legislations have mostly kicked in," he said.

The Commission's view ostensibly is that the world will follow Europe's example as it traditionally has, giving a first-mover advantage to European industry, which will have already phased out use of those "most harmful" chemicals targeted by the CSS.

"I just wonder whether that's a really sustainable position, and I wonder whether, given the fairly radical approach in Europe, this traditional 'Brussels effect' will fully play out," Chave said. "You see it to an extent with microplastics in California. But I wonder whether some regions might just say, in this case, why should we follow Europe? Because Europe is basically banning safe products."

Cosmetics Europe is particularly concerned about prospects for small businesses, which it will



address in its message to policymakers.

Given that the EU already is falling behind, "is now really the time to be placing more handicaps on European business, more limitation to European competitiveness? Is this really the way we want to go as a continent? And all for what? Taking safe products off the market. Hopefully, we'll see a more realistic debate at the European and national levels about the trade offs that we're involved in when we adopt really heavy-handed regulations."