COSMETICS EUROPE
ANNUAL CONFERENCE 2018
ESSENTIALS FOR DAILY LIFE



Cosmetics Europe
the personal care association

CEAC 2018

POST-CONFERENCE REPORT

We personally care



INTRODUCTION

The cosmetics and personal care sector never stands still. From a commercial, regulatory and scientific perspective there is always something new in the pipeline. It can be difficult to keep on top of everything.

At CEAC 2018, we set out to address the broadest possible spectrum of issues facing our industry. We hugely expanded the range of topics and the number of speakers at our conference, in particular through a menu of single topic parallel sessions from which attendees could choose. But we realise that not everyone would have been able to attend all the sessions that interested them. So we have produced this short summary document to help you understand the main points of interest from the sessions. We would welcome your feedback for topics for parallel sessions next year, but in the meantime we hope you will find this short follow up to our conference helpful and informative.

See you in 2019!

John Chave, Director General, Cosmetics Europe

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DAY 1 - AM Parallel sessions

A. Environmental aspects of cosmetics: from ingredients to finished products

Speakers:

Professor Alistair Boxall, University of York

Veronique Poulsen, Head of Environmental Safety, L'Oréal

Mark Stalmans, Scientific External Relations, Procter & Gamble

The session aimed at discussing the current activities of the cosmetics industry regarding environmental safety assessment (with an overview of the current REACH Environmental Risk Assessment approach which covers environmental assessment of cosmetics), from an individual ingredients perspective (with a clear example of the science aspects involving the topic of microplastics), to the activities regarding moving towards a more sustainable future (in terms of the different cosmetic products). The session also included an overview of the current environmental topics the cosmetics industry is facing and future challenges where the industry needs to work on. Discussions during the session covered topics such as dedicated exposure models for cosmetics, how to communicate better with the scientific community on the work of the cosmetics industry regarding environmental aspects of cosmetics and where to improve.

B. Towards greater international regulatory convergence – associations' perspective on current actions and future challenges

Speakers:

John Humphreys, PhD Global Product Stewardship – IMEA and GDM GTM, Global B&G Regulatory Influencing, Procter & Gamble

Juan Carlos Castro Lozano, Executive Director, Cosmetics Chamber of Commerce, ANDI, Colombia

Francine Lamoriello, Executive Vice President Global Strategies, Personal Care Products Council

The session aimed to identify what the drivers of the regulators and the industry are when looking at regulatory international alignment as well as to share with the audience what the industry considers best international practices. The session further discussed the existing tools and fora where such international convergence can be promoted/influenced such as Free Trade Agreements (FTA), International Cooperation for Cosmetics Regulation (ICCR); International Standard Organisation (ISO) and International Association Cooperation (IAC), etc.

These days, we are paradoxically at a crossroad between more international alignment, as we can see through the numerous free trade agreements being negotiated across the word (TPP, NAFTA, Pacific Alliance, CETA...), and some countries becoming more and more protective. There is a need for the industry to remain the leader of promoting convergence and this can also be achieved through industry codes of conduct and self-discipline. However, the future of the convergence will certainly be driven by consumers themselves as they are nowadays much more connected (social media, mobile apps, etc,) and expect products with equivalent safety and efficacy no matter where they are purchased.

DAY 1 - AM Parallel sessions

C. Digital influencers – from myth to practice

Speakers:

Steffen Thejll-Moller, Founder and Director, Limehive

Jennifer Baker, EU Policy Reporter, Freelance/Independent, Author of the Brussels Geek

Birgit Huber, Deputy Director General, IKW

This parallel session attempted to bring the audience closer to the world of digital influencers by busting some myths surrounding them, sharing insights from a Brussels-based influencer and providing best practice examples straight from the cosmetics and personal care product industry.

Speakers elaborated on what an influencer is and what his/her influence might mean to us. They discussed the usefulness of influencer marketing and stressed the importance of the process of vetting and finding the right fit. Some examples of influencer engagement for different goals were provided as well as observations on some pre-requisites of a good cooperation from the perspective of an influencer. The questions of trust and credibility were brought up as crucial to influencers' work. A best practice example of cooperation with beauty influencers in Germany was discussed in detail and benefits of such collaboration were highlighted.

D. Better Regulation three years later – is it really working?

Speakers:

Thomas Van Cangh, Policy Officer, Impact Assessment, Secretariat General, European Commission

Aaron Mcloughlin, Public Affairs and Sustainability Committee Executive Director, CEFIC

The panellists discussed the definition of Better regulation in EU policy development and provided practical insights from their experience working with the Better regulation toolbox. Better regulation is about reaching the policy objectives in the most effective and efficient ways, through a thorough planning of the policy cycle and through evidence-based and transparent policy making. Several tools are at the disposal of the regulator through the Better regulation toolbox, including impact assessments and REFIT evaluations. The Regulatory Scrutiny Board oversees and validates impact assessments. Both panellists agreed that the Better regulation agenda has changed the ways of working of the institutions and of stakeholders. Discussing improvements to the process, Aaron McLoughlin noted that increased transparency in voting processes in committees was essential. Thomas Van Cangh stressed that an improved quality of stakeholders' contributions in public consultations would enhance evidence-based policy making. Proportionality remains key in impact assessments. The audience discussed the difficulty of interpreting the concept of significant impact, which governs the need for an impact assessment and remains at the discretion of the policy maker to interpret. On the question whether the system may be by-passed when politics become involved, both panellists reminded that decisions will always be political but that the better regulation toolbox offers the right and legitim approach to ensure proposals are proportionate and properly assessed.

The panel was moderated by Emma Trogen, Director of Legal Affairs, Cosmetics Europe.

DAY 1 - AM Parallel sessions

E. Alternatives to animal testing - basics for non-scientists

Speakers:

Valérie Zuang , Scientific Officer, Directorate General Joint Research Centre, European Commission

Mirjam Luijten, Senior Research Scientist, National Institute of Public Health (RIVM), The Netherlands

Rob Taalman, Director Science and Research, Cosmetics Europe

The session offered key insights for non-scientists into the use of alternative testing methods.

Moving away from animal testing is not just motivated by the EU Cosmetics Regulation – also from the scientific angle it makes sense, as toxicologists now understand much better how adverse effects from exposure to substances (natural or synthetic) come about. Effects observed in animals are not always relevant for humans, therefore, testing substances in human derived cell cultures to predict unintended effects seems logic. Another important element of course is ethics and the 3Rs principle which dates already from 1959 and has been the basis for scientists to explore alternative ways for safety testing. Relying on data from alternatives also needs a change in mindset from a box ticking exercise into a fit for purpose hypothesis driven strategy for generating relevant data. However, both testing in animals and in vitro has limitations and we will have to manage uncertainty as we will never be able to obtain 100% accurate prediction.

The proof is of course in the application of alternatives as to date there has not been a single regulatory dossier that has only relied on them. But we are getting closer and case studies to test whether alternatives can do the job are on their way (CE LRSS). These will show how far we are and what still needs to be done.

DAY 1 - PM Parallel sessions

A. Regulatory ingredient risk management: does the EU system need improving?

Speakers:

Karin Gromann, Head of Department Food Safety and Consumer Protection, Ministry for Labour, Social Affairs, Health and Consumer Protection, Austria

Petra Leroy Čadová, Policy Officer, DG GROW, European Commission

The session was aimed at taking a deeper look in the way that the EU addresses and manages ingredient regulation. A short introduction was given on the historic policy environment and discussions in 1976, that led to the current mixed approach in which some classes of ingredients are used under the responsibility of the company, whereas others have a harmonised EU wide restriction or require pre-market authorisation. The second presentation provided an insight into the administrative processes and steps that underlie the EU risk management of cosmetic ingredients. The third presentation explained the position of member states competent authorities and the public pressures they find themselves under, in case the regulation of an ingredient is perceived as moving too slow.

In the following discussion among panellists and with the audience, the following questions were addressed:

- Is the 'mixed model' still the best way to manage ingredients? Should we abandon all positive negative lists? Should we have a comprehensive positive or negative list approach for all ingredients?

  There was an overwhelming position in keeping the current approach.

- Is there a need to improve the Risk Assessment & Management process (transparency, efficiency, speed, roles and responsibilities, decision making pawer, ...) to ensure trust of stakeholders at both, local and EU level?

  The discussion confirmed that several stakeholders find the process too slow. This is also due to the fact that stakeholders may not be aware of the administrative steps that are imposed by the EU legislation. More transparency on the process and progress of individual ingredient legislations could increase public trust in the system.

- Are the principles of precaution and proportionality adequately implemented in the EU risk management of ingredients?

  There was not enough time to go deeply into this topic. Participants felt, it could be the theme of a separate breakout session at a future event.

DAY 1 - PM Parallel sessions

B. The digital ingredients list: preliminary results of the CE pilot

Speakers:

Anne Laissus-Leclerc, Sub-contracting, Technical and Regulatory Affairs Director, LVMH

Christophe Jourdain, Managing Director, IFOP

Manuela Coroama, Senior Manager, Cosmetics Europe

The general revolution in communication means and technologies offers opportunities for delivering information on cosmetic products in ways that better meet the needs of consumers and of the various other stakeholders. Consumer behaviour is changing too, preferences moving from material to digital supports, from literal to more visual modes of communication. Cosmetics Europe has explored, through a pilot, the consumers' response to the future digital list of cosmetic product ingredients and its technical feasibility for companies and retailers. Insights into the preliminary results of the pilot were presented and discussed in this session. The survey of large demographically-representative and statistically-significant consumer panels in five EU Member States (Belgium, Bulgaria, Germany, Italy and Sweden) showed a consistent picture of consumer perceptions and habits towards the ingredients list. It also showed that product packaging is the main source of ingredient information, but not the only one: 43% of consumers already obtain ingredient-related information on the internet. The digital ingredients list was appreciated by both regular internet-users and non-users of internet, as having a real advantage over the on-pack list in terms of usage, modernity, innovation and environment and it generated enthusiasm regardless of age or gender. Regarding the technical feasibility of the digital ingredients list, the participating companies and retailers were satisfied with the outcome of the pilot and can see themselves extending the digital ingredients list to the entire range of cosmetic products that they manufacture and sell, respectively. Cosmetics Europe will issue a pilot report after the summer and will develop a proposal for the voluntary implementation of the digital ingredients list to be submitted to its Board of Directors in December 2018.

C. Crisis communications: strategies for success

Speakers:

Philippe Borremans, Independent Public Relations Consultant

Debbie Hunter, Director of Commercial Affairs, CTPA

This session focused on the insights into the role of crisis communication in protecting and defending the reputation and positive image of an organisation. Among various theoretical and practical considerations that were shared, stress was put on such aspects as crisis preparedness, monitoring, strong stakeholder management, importance of timely response, speaking with one voice.

Speakers provided examples of strategies to approach a crisis situation. They spoke about building trust; which will pay in the future, forming strong alliances with stakeholders as well as the need for a more strategic planning for a crisis. The importance of the language and careful selection of words were also underlined.

The sessions finished with an animated exchange of questions and answers between the speakers and the audience.

DAY 1 - PM Parallel sessions

D. Is Africa the next Asia?

Speakers:

Olivier Coupleux, Head of Section Economics and Governance, DG TRADE, European Commission

Jean-Paul Dechesne, Worldwide Director Regulatory Affairs, Colgate Palmolive

Elsa Dietrich, International Relations Manager, Cosmetics Europe

The session aimed to discuss the opportunities and challenges faced by the cosmetic industry in Africa and identify synergies between industry aspiration for regulatory convergence and the European Commission workplan.

Africa cannot be seen as a single market; a regional or country by country approach is much more relevant. If Africa can claim to be the continent of the future with a growing middle class, it is also the continent of the uncertainties with different economic and political contexts, sometime instable, and heterogeneous regulatory regimes hard to decrypt for companies. Some African countries do not even have any regulation for cosmetics.

The cosmetic industry objective is not only to guarantee an easy access to the market but, first and foremost, ensure a high level of safety for the consumers. No regulation is therefore not a response. Therefore, Cosmetics Europe main objective is to work closely with the authorities in different countries to share with them the best regulatory practices This will (1) help to work towards highest possible consumer safety, (2) allow EU industry to rely on a regulatory system aligned with international practices (3) encourage local manufacturers to progressively adopt those best practices and by meeting the international requirements stimulate their export at the international level.

DAY 2 - AM Parallel sessions

A. The CE Product Preservation Programme – preserving the future

Speakers:

Ian Watt, Global Regulatory Sciences and Product Sustainability Dow Microbial Control, Product Stewardship and Regulatory Manager, Dow Chemical Company

Sylvie Cupferman, International Director Microbiology, L'Oréal

Pamela Bloor, Global Regulatory Affairs Manager, Unilever

During this parallel session, three speakers introduced Cosmetics Europe Preservation Programme and the need to keep a wide palette of preservatives to ensure product safety and consumers safety. The challenges were presented from both the product manufacturers and ingredient suppliers sides, especially when it comes to future innovations for cosmetics products preservation. One of the key aspect of the discussion was the communication on the concept of Product Preservation between the different stakeholders. This applies for the consumer; but is as equally important for internal communication in companies, where negative perceptions regarding the use of preservatives are exacerbated by the use of 'free from' claims. In addition, the industry needs to keep a good dialogue with the European Commission to ensure the ability to maintain a wide palette of preservatives. Some options were mentioned such as an alternative to the Annex V. The last key point was to make sure Europe keeps a global vision on product preservation, and that the Cosmetic Industry always interacts with other industries. In summary, communication, education and global vision are the main topics that will be key to preserve the future of preservatives and ensure continued product/consumer safety.

B. Public affairs in Brussels and national capitals

Speakers:

Martin Bresson, Managing Partner Brussels Europe, Rudd Pedersen

Peter-Boris Schmitt, Head of EU Office and Senior Manager, Political Environment and Product Affairs, Henkel

Stefano Dorato, Director Regulatory and Scientific Relations, Cosmetica Italia

Andrea Bonetti, Policy Officer, Federchimica Delegation to the EU

In an ever changing and challenging external environment, the session set out to explore the role of integrated public affairs activities at EU and national level in achieving successful outcomes for business. The scene was set with a definition of what is public affairs and why it is important to business. The speakers looked at the challenges from different perspectives: from the political dynamics that influence policies, impact and connectivity, the corporate angle and the modus operandi from a national association with an EU Brussels-based office. It was clear from the session that the external political and policy environment is far more dynamic than it used to be and that the traditional approach to public affairs with national level only addressing local environments and EU/EU – the traditional "layer cake" – needs to be reconsidered. The two levels are highly interconnected and interaction at both levels with aligned incentives are pivotal. To manage the perfect storm in the outside world PA and comms has to adapt. Specific work from PA experts means timely, coordinated, collaborative actions and coherency between associations and companies. Contextualising the

impact for national markets is important to make the link between EU and national level. As part of daily work, PA must understand the different institutions, how they work, and how/ if they do they talk to each other. The tool-box of tactics has to be adapted to the particular situation: one size does not fit all. Politics is local and the national factor should always be a key element at EU level. Understand dynamics, make the connections and articulate the impact were key takeaways.

C. SCCS insights and activities

Speakers:

Federica de Gaetano, Scientific Officer, Cosmetics Unit, DG GROW, European Commission

Natacha Grenier, Policy Officer, Country Knowledge & Scientific Committees, DG SANTE, European Commission

The session provided an update on current and near future SCCS activities.

Interaction between industry and SCCS is on specific ingredients and on revisions of the SCCS notes of guidance (NoG). Dialogue between the applicant and SCCS, pre and post submission of a dossier, has been discussed previously with industry asking for more dialogue as it would lead to more clarity and efficiency both for the applicant and SCCS. However, SCCS is somewhat reluctant as resources are limited and independence/integrity of the committee needs to be assured, therefore the SCCS view is that interactions should only be when it is really needed. SCCS urged applicants to consult the revised check list to ensure that dossiers are complete. For planning reasons, they would like to be informed on how many dossiers industry has in the pipeline.

The ongoing work by the European Commission on the Glossary raised quite a few questions and a plea was made to avoid inconsistencies between CosIng, INCI names and CPR annexes as this would lead to a lot of uncertainties for the industry.

Finally the forthcoming revisions of the NoG were highlighted – the 10th revision is minor and will be ready by the end of this year. Planning for the 11th version (to be finalised 2020) has started. This version will also cover in how far risk assessment can be done without animal testing.

D. In-market control and enforcement of the cosmetics regulation: challenges and trends

Speakers:

Birgit Huber, Deputy Director General, IKW

Eva-Maria Kratz, Specialist Cosmetics and REACH, Chemical and Veterinary Investigation Laboratory (CVUA) Karlsruhe

The speakers introduced the German in-market control approach for cosmetics, highlighting the good collaboration between authorities and industry, which has led to common understanding and expectations on key enforcement aspects.

How to address 'unavoidable traces of banned materials' is challenge for both industry and control authorities. The presentation explained how Germany addresses the issue by defining 'trigger levels' for individual trace. These levels are set in a way that 90% of products produced under GMP will be below the trigger level. Products above these levels can still be considered as fully compliant, but

control authorities will require a reasoned argumentation from the company on why the level is considered as unavoidable.

In the discussion, questions were raised how to choose appropriate analytical methods in the in-market control (Germany has introduced methods to ISO for this purpose).

Recent trends in the in-market control were explained, such as a focus on drug ingredients, cosmetic toys or GMP for personalised products mixed in stores. A clearer and workable definition of nanomaterials was identified as an important need.

Enforcement of e-commerce products remains a difficult task that will need to be addressed horizontally rather than through sector-specific legislation.

The representative of the German control authorities also confirmed the need for efficient enforcement that is based on risk prioritisation and the principle of proportionality. The objective of enforcement is not the punishment of non-compliant products, but to achieve compliance. In this respect, control authorities also have a strong educational role.

A. Future of travel retail

Speakers:

Julie Lassaigne, Deputy Secretary General, European Travel Retail Association

Isabelle Martin, Vice President Government Affairs, The Estée Lauder Companies

The aim of the travel retail session was to update attendees on commercial developments and innovations in the travel retail channel.

The key points from the session were:

- The value of the global travel retail market was 68 billion dollars in 2017;
- Cosmetics represent the biggest proportion of sales;
- Global sales are projected to rise to 120 billion by 2025, driven by Asia Pacific;
- Travel retail outlets are developing online sales as part of the travel experience;
- Some regulatory challenges remain – there are increasing demands for product information at regional and national level, but it is impossible to e.g. meet all language requirements for labelling in a travel retail environment;
- ETRC is developing a pilot project which aims to allow consumers to check product information in their own language via a digital platform.
- We need to closely follow the developments in this area, particularly in the Asia Pacific region
- We need to share learnings between our digital ingredients list pilot and the ETRC pilot
- In general, we need to work closely with ERTC to monitor developments