

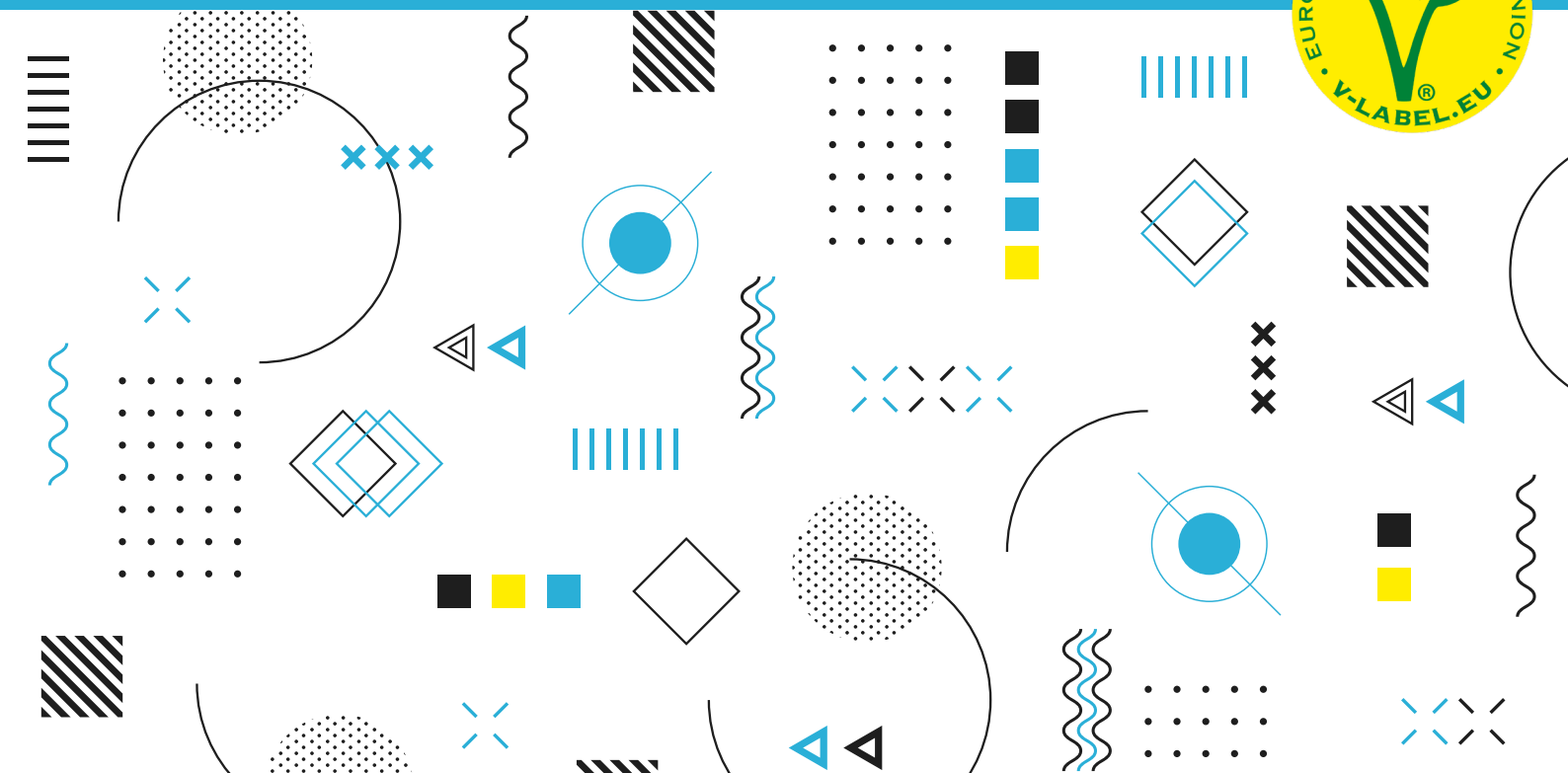


*V-LABEL WHITE PAPER*

*The future seems smooth (and fair!):*

# SKINCARE, HYGIENE AND OTHER OPPORTUNITIES IN THE VEGAN COSMETICS SCENE

*World's leading vegan & vegetarian trademark*





## PART OF THE **V-LABEL INSIDERS** SERIES

In this day and age, we often look for that one piece of wisdom that quality social media or articles can provide. And maybe it's just us, but often, a nudge is not enough. As change-makers, hand in hand with our partner organizations such as ProVeg International, Swissveg or Fundación Vegetarianos Hoy, we want to roll up our sleeves and get into the specifics. If you seek such content, keep your eyes on our White Paper series: something that's written for experts, by experts, and takes you from A to Z in a given niche without losing an inch of your attention.

For more information about V-Label and additional business and consumer insights resources please visit our website.

[www.v-label.eu/resources](http://www.v-label.eu/resources)



**As consumers are becoming more educated on the matter of healthy living, they are more cautious about what they put in their bodies as well as on their bodies. The trend is clear: they want fewer chemicals and animal-based ingredients. Health and safety are their major concerns when it comes to both humans and animals. What innovations are happening? How exactly did consumer preferences change? What obstacles do vegan cosmetics face?**

## **SELF-CARE HABITS TOOK A MAJOR TURN, ACCELERATED BY THE COVID-19 PANDEMIC**

Fun fact: ***Did you know that one of the products that decreased the most in usage during the pandemic was deodorant?***

On the contrary, there was a major increase in the usage of soap products. Overall, people used fewer products, yet started to pay more attention to what they do use – they think about their choices and how it affects the future. The main reason consumers switch to vegan products is health and wellbeing.

This presents huge opportunities for companies to innovate their products, replace traditional ingredients with vegan alternatives, and make their processes more sustainable for the environment. Being labelled as a 100% vegan (or vegetarian) brand or product is considered an added selling point and a point of difference. That's where V-Label comes in – when buying vegan or vegetarian products, 91% of customers prefer products with a certificate, according to our consumer survey with 23,000 respondents.

“Shoppers are also actively looking for functional ingredients, instead of just avoiding certain ingredients like they were in the past,” states the SPINS in their article on trends in 2021. The most sought-after cosmetic ingredients currently are turmeric, probiotics, and charcoal. This trend originated in seeking immune system-boosting food and beverages that provide extra nutritional benefits, which is exactly what consumers want from their body care items as well.

In the post-COVID world, we can expect functional ingredients to become even more of a staple in skin care as consumers become more cautious of what they put on





their skin and where they spend their money. Companies are going to need to adjust their marketing as well. Gone are the days of out-dated beauty standards and aspirational messaging – today's customer wants authenticity and is armed with knowledge.

***“Consumers today are extremely well-informed, enlightened shoppers. They want to engage with companies that align with their own values, and many refuse to consider purchasing from brands that unnecessarily cause harm to animals or the planet,”*** says Dionne Lois Cullen, Vice President of brand at DECIEM, parent company of The Ordinary, which is 100% vegan, and cruelty free.

## THE VEGAN COSMETICS MARKET IS FLOURISHING

The global vegan cosmetics market size is projected to reach US \$20.8 billion by 2025, growing at a CAGR of 6.3% during the forecast period. Amid the COVID-19 pandemic, the global market was estimated at US \$15.1 billion in 2020. At the moment, vegan cosmetics is only 2% of the whole market, so there is a lot of room for growth and plenty of opportunities for businesses. The largest market is Asia-Pacific (more than 40%), followed by North America (24%) and Europe (22%).

**Why is it that cosmetics as a segment experiences such rapid growth? Unlike food, it's an easier entry point for consumers to become vegan, because they don't buy cosmetics three to five times a day. There's less pressure to get it right and more time for research, which helps make the transition a much smoother journey.**


Watch a recording of our past webinar **“The Future of the Beauty Industry: Challenges, Trends, and Vegan Cosmetics”**.

V-Label Virtual Event

**THE FUTURE OF THE BEAUTY INDUSTRY: CHALLENGES, TRENDS, AND VEGAN COSMETICS**

May, 27th 2021 | 3:00 pm - 4:30 pm

**REGISTER NOW**





Not to mention, millennials and gen Z's are going to make up 70% of the global population in 2030. These two generations are the leaders of change, not willing to settle for the status quo. According to Cushman and Wakefield RED, **we can expect to see a big shift from animal-based products to plant-based products in every segment.**

## SKIN CARE

Skin care is the largest product category in the vegan cosmetics market and is growing at a record 5.6% CAGR, expected to reach US \$7.8 Billion by 2027. In 2019, skincare occupied about 35% of the vegan cosmetics market. And according to 1010data, online sales of vegan beauty products exceeded \$342 million in 2020 and grew 83% from the previous year.

### History of skin care: Back to ancient wisdom

The archeologists found the earliest mentions of skin care products in Ancient Egypt and Greece. Back in the days of the Egyptian empire, skin care was an important part of people's daily routine. They used ingredients such as castor, moringa, sesame, or olive oils for moisturizing, clay mixtures to cleanse their skin, or sea salts to exfoliate. Ancient Greeks also relied heavily on plant-based skin remedies using olive oils and fresh berries. Both nations also used milk in their regiment as a great moisturizer, and Greeks also used yogurt.

In the 1700s, skin care was an art form. Popular treatments were saunas and milk baths. Sadly during the 1800s, skin care became a privilege for the highest classes. Skin care products were expensive and hard to obtain. Using products to lighten the skin to be perceived as higher class was largely popular. To achieve a lighter skin tone, many people used items like harsh cleaners, oatmeal, lemon juice, and egg yolks.

Luckily, when the 1900s rolled out, skin care started to become more available and affordable for people of all economic backgrounds. During this time, we've learned that harsh chemicals don't serve us well, so we are gradually finding a way to care for our skin with more natural ingredients like the civilisations before us used to do.



## Innovations in skin care are on the rise

It used to be challenging to find alternatives to animal-derived ingredients, but science and technology have progressed so fast that we now have good plant or synthetic alternatives available. ***“Many of these technologies are able to very effectively mimic the effects of animal-sourced ingredients, meaning that the results seen by the consumer can match or even exceed those of a non-vegan formula,”*** explained Dionne Lois Cullen, Vice President of Brand at DECIEM, parent company of The Ordinary. ***“Brands are now always looking for these new sources of technology to improve their products and bring them into the vegan space—it’s about constant evolution.”*** Advances in science have created new possibilities.

There are various key innovations paving the way of vegan-friendly skin care – **CBD, mushrooms, retinoids, stevia, and PHENOBIO™**.

- **Cannabidiol (CBD)** is one of the many naturally occurring chemical compounds found in the cannabis plant. Cannabidiol-based cosmetics are rapidly gaining popularity due to their **anti-inflammatory, antioxidant, and anti-anxiety benefits**. CBD is used in skin care products such as **facial serums, creams, moisturizers, masks, body lotions or lip balms**. Among the benefits is redness reduction, improved skin tightness, and promoted collagen production. It’s used to **replace beeswax** in vegan products.
- **Mushrooms** are one of the most popular and widely used ingredients in vegan skin care products. Shiitake, tremella, reishi, chaga and other adaptogens have a positive side effect on our skin – helping to **hydrate, soothe, and purify**.
- **Retinoids** are a very effective anti-aging agent, and in the case of skin care, it’s of **synthetic origin** because it’s impossible to get a stable, bio-available retinol from natural sources. Retinoids can be a problematic ingredient, as not everyone reacts to it well.
- **PHENOBIO™** is a **subcritical water technology**, an extraction methodology recently incorporated into Lipotec™ Active Ingredients’ portfolio. The birthplace of this technology is the Bordeaux region. This technology



helps obtain **eco-conscious enriched botanical extracts** as it recovers a broad spectrum of the plant's phyto actives without using harmful chemical solvents that may damage the environment.

- **Stevia** is also used as a **skin-smoothing and anti-wrinkle remedy**. It can be considered a gentler and more **natural alternative to retinoids**. The Stevia plant is native to the South American continent, but can also be found in other places such as the Bordeaux region in France. Applying the PHENOBIO™ subcritical water technology to organic stevia leaves from the Bordeaux region, STEVISSE™, an advanced botanical ingredient, was created as a **vegan-friendly ingredient with a retinoid-like mechanism** that minimizes the appearance of wrinkles.

## Skin care business opportunities are endless

Vegan skin care is no longer just an alternative category of cosmetics. Vegan beauty products are **now sold at mainstream retailers** like Sephora, Ulta Beauty, and Target. It's also filling the shelves of upscale boutiques like Bluemercury.

Established brands have started transforming their product portfolios. The Body Shop is leading the change amongst established businesses, with over three million vegan products in 2018 and around half of their product range now being classified as vegan. Lush has around 80% of their products classified as vegan.

As the world realizes how harmful traditional sunscreens are to both our skin and the environment, there are companies like V-Label certified Biosolis who invented vegan-friendly suncare.

The range of certified organic sun protection for the whole family from Biosolis.





The Typology brand, which has a cult following in the UK and France, introduced a minimalistic vegan beauty brand in the USA in February. In addition to being vegan, the brand is genderless, cruelty-free, and ethically sourced.

**Vegan-friendly perfumes are gaining popularity as well. V-Label certified Delisea** is producing unique perfumes inspired by the Mediterranean Sea. This innovative company came up with a unique way to package their product – in a plantable, biodegradable seed paper.



## HAIR CARE

The vegan hair care segment is currently **growing at 5.1% CAGR**. In 2019, **skincare occupied about 20% of the vegan cosmetics market**.

History of hair care: the hairy past is catching up to us

While the way we care for our hair has changed drastically, one thing remains the same – our hair is our crown and we want it to make an impression. Ancient Sumarians, as far as we know, used simple soaps to wash their hair and oils to make it smooth and silky. To mask odors, women used perfumes. In Ancient China, people used to wash their hair with a fragrant wooded plant called cedrela, which is now used to make cigar boxes. The Egyptians opted for an easier solution – to not wash their hair at all, instead to shave it off





completely to avoid lice, and to wear wigs which they washed using citrus juice. The Greeks used vinegar to clean and lighten their hair and olive oil to soften it.

During the Middle Ages, taking baths and washing one's hair was considered too much work and even unhealthy if done often. In some parts of Europe, women were encouraged to mix burnt barley bread, salt, and bear fat together and put that on their hair in order to make it grow faster. Some women preferred to make a tea with goat milk and water, and use elm bark, reed, or willow root to create a mixture to wash their hair with. Other hair-washing ingredients included vinegar, rosemary water, nettles, mint, thyme, and several other herbs. Fast forward to the Renaissance period, washing your hair with lye soap and conditioning it with bacon and licorice was a thing!

During the 1700s and 1800s, powdered wigs became popular among higher classes, and regular folks just used lye soap to cleanse it. In the Victorian era, people started to use eggs to wash their hair instead of lye soap, and we saw a comeback of more frequent bathing. In 1859, William Procter and James Gamble invented the P&G's "Ivory Soap". Castile soap was another popular option to wash one's hair and Macassar oil (made of coconut and palm oils, and ylang-ylang flower oil) was used as a popular conditioner.

The year 1930 brought us a revolution in hair care as the first shampoo was invented and sold commercially. In Springfield, Massachusetts, Dr. John H. Breck founded Breck Shampoo, and by 1950, his shampoo was everywhere. The campaign for his shampoo was so popular that it created the cultural expectation of frequent hair washing. Ever since, we've seen a rise in businesses offering hair care products and we became accustomed to caring for our hair several times per week.

## The shiny opportunities in vegan hair care

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A revolution in hair care is brewing! Consumers are demanding **natural and cruelty-free products**, and many businesses are rising to the occasion with **innovations that are taking vegan hair care to the next level**.

**Keratin** is among the most widely used shampoo and conditioner ingredients. The problem? It comes from the



hairs and horns of animals, so in vegan products, it's often replaced by soya protein and almond oil. The vegan-friendly brand Mayraki came up with an innovation – **wheat-driven keratin replacement** as an alternative to the already existing solutions.

**Lanolin is used as a softener in hair products and comes from sheep wool. Vegan alternatives can be sourced from plant oils (coconut or olive) and butters (shea or coconut).**

Vegan hair coloring is no longer reduced to one option – using henna. The brand Tints of nature sells natural hair dyes containing over 95% naturally derived and 75% certified organic ingredients; with no ammonia, propylene glycol, or other harsh chemicals, it's even vegan-friendly and cruelty-free.

## MAKE-UP & COLOR COSMETICS

The make-up segment is estimated to reach 4.2% CAGR. The leading markets include USA, Canada, Japan, China, and Europe - and these regional markets account for **a combined market size of \$3 billion**. The Asian-Pacific area is the fastest growing part, led by countries such as Australia, India, and South Korea. The forecast is for this area to **reach \$2.9 billion** by the year 2027. Latin America is the next runner up, **expected to grow at 5.6% CAGR** in the following years.

### History of make-up: it's as colorful as you can imagine

Why did we start wearing make-up? Let's take a trip down memory lane, starting in ancient Egypt. Wearing make-up was a marker of wealth and a way to please the gods, or so they believed. Both women and men wore the characteristic eye liner together with kohl, rouge, malachite eyeshadow, and white powder to lighten the skin.

Both the Old and New Testament in the Bible connected wearing make-up as a disguise of evil. In the Ancient Roman empire, both women and men used cosmetics to enhance their looks. The Stoic ideal was prevalent in this era, favoring the goodness of the soul over physical beauty. Despite that, people continued to rouge their cheeks, whiten their skins,



and line their eyes.

The Byzantine Empire became famous for their love of make-up and gained international reputation for being vain. The renaissance era embraced physical beauty: there was an increased interest in elevating one's beauty by skin lightening, make-up, and colorful wigs. In the mid-19th century, when Britain's Queen Victoria declared makeup to be vulgar, cosmetics once again went out of fashion. The 1920s brought us the red lipstick and black eyeliner trends that are now considered a sign of a classic beauty look. Nowadays, we see a plethora of cosmetic options; advertisers have cunningly convinced women that cosmetics are a necessity, but we might soon see a lot of changes.

## The opportunities are colorful

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**While conventional brands and stores are adding vegan products as separate lines next to regular products, other brands are gaining traction for going all in and having a 100% vegan product portfolio.**

Sephora added a whole vegan section to their selection of products. Lush has 80% of their products suitable for vegans and has always been dedicated to making cruelty-free products. Charlotte Tilbury has mostly vegan-friendly products in her portfolio.

In the USA, companies that have 100% vegan product portfolios include Milk Makeup and Pacifica. Over in Europe, Love, Beauty & Planet is a V-Label certified line that can be bought in DM drugstores.

Packaging innovations are the current hot trend. Companies like Inglot Cosmetics are changing the industry by reducing waste thanks to their innovative Freedom System – a palette that the customer can create and reuse. Everything from eye shadows, blushes, or powders: you buy the packaging once and then just order filling. The French Boho Green Cosmetics is also very creative with ecological packaging solutions – parts of their product packaging are made of paper or wood with PEFC and FSC certifications.



## WHAT'S THE DIFFERENCE BETWEEN VEGAN, CRUELTY-FREE, OR NATURAL? LET'S FIND OUT!

With green-washing practices on the rise, consumers are becoming more confused about the true meaning of the terms used in marking cosmetics and are careful about trusting brands.

According to the 2021 V-Label survey, conducted on more than 23,000 participants worldwide, **85% prefer products with a certificate such as V-Label when buying vegan or vegetarian products**, half of which say they definitely opt for such products. This is where the importance of certifications come in – **customers want guarantees that what they buy is the real deal without having to research every single ingredient and its origin.**

### VEGAN

No animal product or part of the animal has been used.

### VEGETARIAN

The product cannot contain anything that used to be a part of an animal, but could contain something that was made by an animal (honey, milk, beeswax, lanolin, etc.).

### CRUELTY-FREE

No animal should be harmed (banned animal testing, but there are limits). Products bearing the V-Label symbol are not allowed to be (or have been) tested on animals — neither by the manufacturer nor on their behalf. In the EU, a general ban on animal testing for cosmetics and their import from other EU countries has been in force since 2004. V-Label extends this condition to products tested before 2004 and to those imported from outside the EU. Companies may also not use animals to test a product's individual components with regard to the final product. They are furthermore obliged to immediately notify V-Label of any changes made in this respect. Compliance with the V-Label criteria is checked annually. If the criteria can no longer be met (for example, in the case of animal testing for non-EU markets), the V-Label certification will be revoked.

### NATURAL

Doesn't have to be vegan or even vegetarian (may include e.g. insects in carmine). V-Label is the first certification for vegetarian cosmetics and body care products, providing additional guidance on natural cosmetics, as the criteria used for the certification of these do not exclude the use





## PLANT-BASED

## GMO-FREE

of insects and other invertebrates. They may, for example, contain the colorant carmine, which is made from lice, or jellyfish-based collagen.

Definition is unclear (for some it means free from animals, for others contains MOSTLY but not exclusively plants).

Among other things, V-Label pays close attention to manufacturing practices, limiting the need for listing trace amounts of unwanted ingredients on the product. V-Label products are also free of genetically modified organisms (GMO) subject to declaration. To deliver its promised services and uphold its credibility, V-Label carries out a number of quality assurance activities, which start with a strict audit of the main and supplier companies.



## KEY TAKEAWAYS

- We are seeing a trend to come back to ancient wisdom of plant-based beauty sources. Nature is a powerful source of incredible ingredients that help us maintain our skin, hair, and beauty.
- The vegan market is still full of uncharted waters. Businesses have an opportunity to jump in before it's full of sharks and it's much harder to claim your territory. Now is the best time to jump in. Are you ready?
- Consider certifying your products to increase trust. Not all consumers are willing to put in the time and effort to research every single ingredient and its origin. For consumers, a certification is a guarantee of quality and principles, which they trust more than just the brand and its reputation (which can be easily manipulated through social media and PR campaigns).



## GET IN TOUCH TODAY

Transparency is in our DNA. If you have any questions about V-Label, schedule a free call now.



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Development Manager

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**SCHEDULE A FREE CALL**

## GET CERTIFIED

Ready to increase the visibility of your vegan and vegetarian products? With V-Label, customers will be able to identify your products as vegan or vegetarian at a glance – thus earning their trust without hesitation, double-checking or second guessing the product's quality.





# The growing importance of vegan food labels: **How do conscious consumers shop beyond 2020?**

More than 23.000 shoppers across 40 countries participated.



**91%**

prefer products with a certificate such as V-Label.

**87%**

say products with the V-Label symbol make shopping easier for them.



**89%**

consider V-Label as useful when shopping.

**78%**

trust products with the V-Label symbol more than products without it.





## INTERNATIONAL V-LABEL AWARDS



World's leading  
**VEGAN & VEGETARIAN**  
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[awards.v-label.com](https://awards.v-label.com)



### ABOUT V-LABEL

Across the globe, more than 40,000 products from more than 3,500 licensees now carry V-Label.

V-Label is an internationally recognised, registered seal for labelling vegan and vegetarian products and services established in Switzerland in 1996. It is a reliable, go-to shopping guide for consumers.

With more than 25 years of experience labelling products and engaging experts in quality management, food technology, chemistry, cosmetology and marketing, we are the frontrunners of a global movement. As such, we cooperate with businesses, retailers, consumers, and campaigners.

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