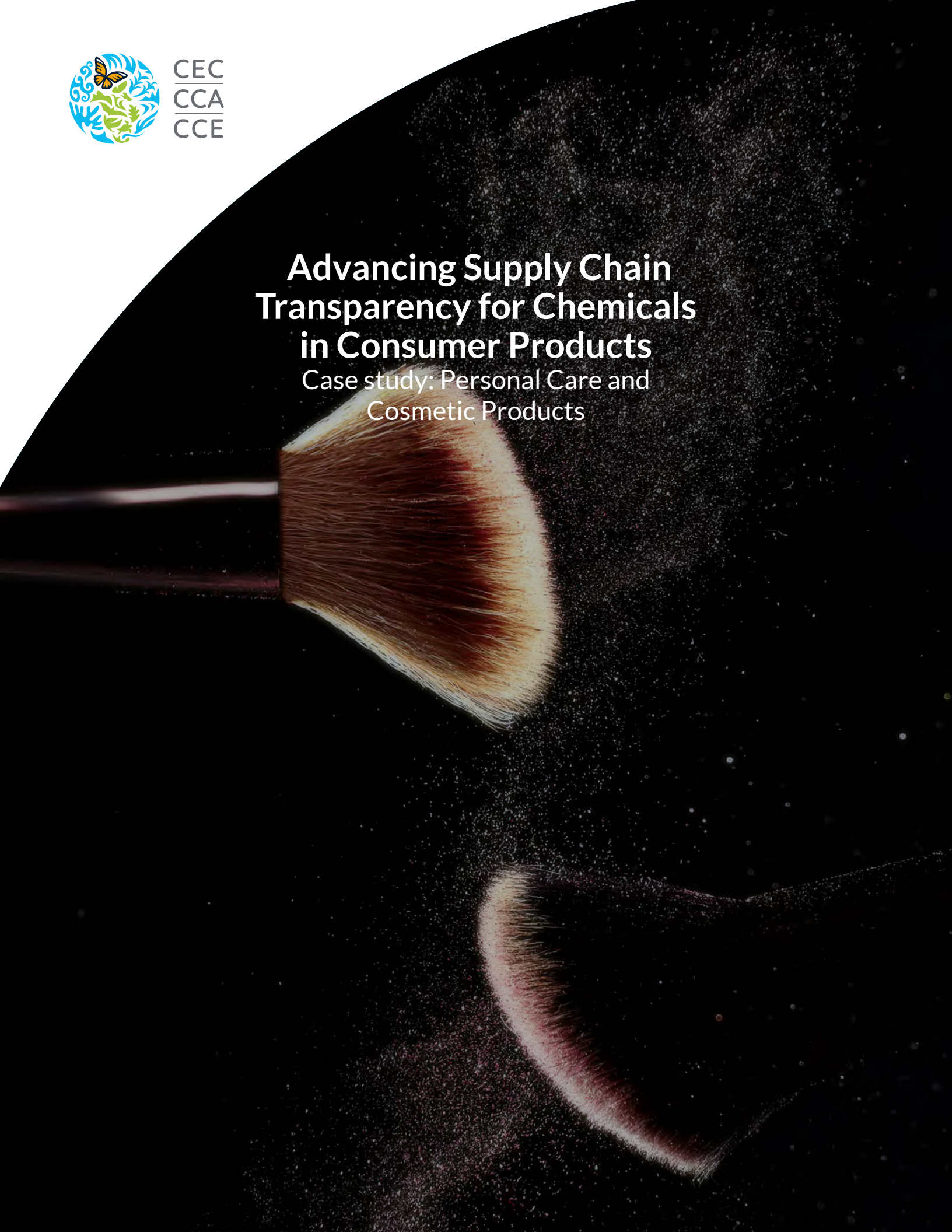
CEC
CCA
CCE

Advancing Supply Chain Transparency for Chemicals in Consumer Products

Case study: Personal Care and Cosmetic Products



Please cite as

CEC. 2025. *Advancing Supply Chain Transparency for Chemicals in Consumer Products. Case study: Personal Care and Cosmetic Products. Montreal, Canada: Commission* for Environmental Cooperation, 24 pp.

About the author(s)

This publication was prepared by WSP and the Lowell Center for Sustainable Production, for the Secretariat of the Commission for Environmental Cooperation. The information contained herein is the responsibility of the author and does not necessarily reflect the views of the CEC, nor the governments of Canada, Mexico or the United States of America.

ISBN: 978-2-89700-395-1
Disponible en français
ISBN: 978-2-89700-397-5
Disponible en español
ISBN: 978-2-89700-396-8

Photo credits

Cover: Image by Kate Laine at Unsplash
Page 3: Image by Edz Norton at Unsplash
Page 4-5: Image by Neelakshi Singh at Unsplash
Page 6: Image by Joanna Kosinska at Unsplash
Page 7: Image by Quentin Mahe at Unsplash
Page 8: Image by William Shu at Unsplash
Page 12: Image by Karly Jones at Unsplash
Page 14: Image by Melanfolia at Unsplash
Page 15: Slim3D
Page 16: Image by Ibnu Ihza at Unsplash
Page 18: Image by Laura Chouette at Unsplash
Page 19: Image by Roman Marchenko at Unsplash
Page 20: Image by Brittney Weng at Unsplash
Page 21: Image by Michal Pokorny at Unsplash
Page 22: Image by Onela Ymeri at Unsplash
Page 23-24: Image by Siora Photography at Unsplash

Publication Details

Document category: Project publication
Publication date: October 2025
Original language: English
Review and quality assurance procedures:
Final Party review: July, 2025
QA 408
Project: Operational Plan 2021–2022 / Advancing Supply Chain Transparency for Chemicals in Consumer Products

For more information

Commission for Environmental Cooperation
1001 Robert-Bourassa Boulevard, bureau 1620 Montreal, Quebec, Canada H3B 4L4
Phone: +1 (514) 350-4300
Fax: +1 (438) 701-1434
Email: info@cec.org / www.cec.org

Table of Contents

List of Tables

List of Abbreviations and Acronyms

Canipec	*Cámara Nacional de la Industria de Productos Cosméticos* (National Chamber of the Cosmetic Products Industry) (Mexico)
CEPA	Canadian Environment Protection Act (1999)
CEC	Commission for Environmental Cooperation
CIR	Cosmetic Ingredient Review (established by the U.S. Personal Care Products Council)
Cofepris	*Comisión Federal para la Protección contra Riesgos Sanitarios* (Federal Commission for the Protection against Sanitary Risk) (Mexico)
Cosmep	Code of Self-Regulation and Advertising Ethics for Cosmetic Products (Código de Autorregulación y Ética Publicitaria de Productos Cosméticos (Mexico)
EWG	Environmental Working Group, a US-based NGO
EPA	Environmental Protection Agency (United States)
FDA	Food and Drugs Act (Canada) or Food and Drug Administration (United States)
INECC	*Instituto Nacional de Ecología y Cambio Climático* (National Institute of Ecology and Climate Change) (Mexico)
Inegi	*Instituto Nacional de Estadística y Geografía* (National Institute for Statistics and Geography, Mexico)

IP	Intellectual property
ISO	International Organization for Standardization
MOCRA	Modernization of Cosmetics Regulation Act (United States)
NGO	Nongovernmental organization
NAICS	North American Industry Classification System
PFAS	Per- and polyfluoroalkyl substances
SCT	Supply Chain Transparency
Semarnat	*Secretaría de Medio Ambiente y Recursos Naturales* (Ministry of the Environment and Natural Resources, Mexico)
TRASCE	Traceability Alliance for Sustainable CosmEtics
TSCA	Toxics Substances Control Act (1976, amended 2016) (United States)
SNAc	Significant New Activity (provision under the Canadian Environment Protection Act)

1. Introduction

The Commission for Environmental Cooperation (CEC) initiated the project entitled "*Advancing Supply Chain Transparency (SCT) for Chemicals in Products*" with the purpose of fostering collaboration among the North American countries to improve SCT and enhancing governments' ability to identify and prevent products containing chemicals of concern or chemical substitutes of concern from entering or re-entering the economy.

In documenting chemicals of concern, Canada, Mexico and the United States implement risk-based approaches that consider exposure and relevant uses of chemicals in consumer products, based on risk determinations made through domestic, science-based and regulatory processes. This may result in risk determinations that differ among the three governments. For example, for any given chemical, the three governments may make different determinations as to whether and to what extent the chemical should be subject to regulatory action, based on its level of exposure and the specific uses in each country. The CEC recognizes such differences and underscores that not all the materials or examples within this report may be applicable to all three countries.

The information derived from this project is intended to:

i) Support the development of resilient supply chains that respond to industry and other stakeholder requests for information on the chemical compositions of products,

ii) respond to consumer demand for safer products and information on their chemical compositions,

iii) inform trade and procurement decisions for raw materials, recycled materials, product components, and final goods at various points within value chains, and

iv) improve industry's ability to comply with chemical reporting requirements and other regulations.

[1] The UN Strategic Approach to International Chemicals Management (SAICM) definition of "chemicals of concern" includes "chemicals for which evidence for risk to human health or the environment is currently emerging from scientific research, but which are not yet regulated." The term has therefore been used deliberately to include not only chemicals for which domestic risk assessment and regulation have already been completed, but also additional chemicals where concern is emerging but there may not yet be sufficient scientific evidence for or consensus on the need for regulatory action (SAIC N.d.).

The main activities of this project included assessing global and regional SCT practices and tools and developing case studies highlighting SCT best practices and associated drivers of and barriers to their implementation. The present case study is based on a literature review and on input received from engaged experts and interested parties. The engagement included an online survey consultation and a virtual workshop. The online survey consultation, which invited input from 170 relevant organizations during the period of September to October 2023, was undertaken to help identify common SCT practices in industry, in general, along with best SCT practices and the sectors leading their implementation. On the basis of the 65 responses received during this online consultation, as well as a sector prioritization by the government experts on the project steering committee, the Personal Care and Cosmetic Products sector was selected for the development of a case study on SCT practices.

The first draft of this case study was reviewed during a virtual consultation workshop on 23 October 2024, where 35 experts and interested participants from Canada, Mexico, and the United States had the opportunity to provide feedback and discuss possible drivers of and barriers to the implementation of best practices in the Personal Care and Cosmetic Products sector and discussed possible drivers and barriers to them. Subject matter experts from different types of organizations—including companies (17%, of participants), industry associations (2%), nongovernmental organizations (NGOs, 8%), and government (28%) shared ideas on how to increase the uptake of these practices and tools within and across sectors in Canada, Mexico, and the United States.

2. Sector overview

The North American cosmetics and personal care products sector includes a wide variety of skincare and haircare products (e.g., soaps and shampoos); make-up items (e.g., foundations, powders, mascaras, lipsticks); fragrances; and toiletries (e.g., deodorants, anti-perspirants). Categorized as a subsector of the Chemical Industry under the North American Industry Classification System (NAICS), the cosmetics and personal care products sector is identified as NAICS code 3256: soaps, cleaners and toilet preparation manufacturing.[2] Table 1 summarizes key facts about the personal care and cosmetic products sector in Canada, Mexico, and the United States.

The potential for exposure to chemicals is especially high in this sector. This has led to regulations requiring more comprehensive disclosure of ingredients than in most other sectors, as well as a relatively high interest and awareness from consumers, NGOs, brands and retailers about the chemical ingredients in these products. Moreover, cosmetic and personal care product formulations are often manufactured directly from raw materials, so there is a relatively short supply chain through which chemical ingredient information needs to be communicated (Pereira de Carvalho and Barbieri, 2012). As a result, the main best practices for SCT identified for the cosmetics and personal care products sector are closely related to the regulation of ingredient disclosure in final products, as well as the communication of information about chemical ingredients and the supply chain to consumers through databases, ecolabels, and other initiatives.

[2] NAICS code 3256 is further broken down into two subsectors, which are defined somewhat differently in each of the three countries, but which are generally considered to be comparable.

This was also supported by the survey consultation, where respondents highlighted the following best practices for SCT in the cosmetics and personal care products sector:

- Regulation requiring ingredient disclosure,
- the use of centralized databases for consumers to understand what ingredients are in products and for industry to share this information,
- ecolabels and other tools for providing information to customers, and
- other industry-developed voluntary initiatives.

These best practices, along with their main implementation barriers and drivers, are discussed in further detail below.

Table 1. Sector overview by country[3]

	Canada	Mexico	United States
Employment	Soap, cleaning compound, and toilet preparation manufacturing (NAICS code 3256): **13,476 persons** **0.9% of total manufacturing employment** (2022 data)[1]	*Fabricación de jabones, limpiadores y dentífricos* (Soap and cleaning compound manufacturing) (NAICS code 325610): **29,771 persons** **0.5% of total manufacturing employment** *Fabricación de cosméticos, perfumes y otras preparaciones de tocador* (Toilet preparation manufacturing) (NAICS code 325620): **25,663** **0.4% of total manufacturing employment** (2019 data)[3]	Soap, cleaning compound, and toilet preparation manufacturing (NAICS code 3256): **116,900 persons** **0.9% of total manufacturing employment** (2022 data)[4]
Output	Soap, cleaning compound, and toilet preparation manufacturing (NAICS code 3256): **CA$4,986 million (US$3,831 million)** **0.7% of total manufacturing output** (2022 data)[2]	*Fabricación de jabones, limpiadores y dentífricos* (Soap and cleaning compound manufacturing) (NAICS code 325610): **MX$96,378 million (US$4,790 million)** **1.0% of total manufacturing output** *Fabricación de cosméticos, perfumes y otras preparaciones de tocador* (Toilet preparation manufacturing) (Class NAICS code 325620): **MX$55,737 million (US$2,770 million)** **0.6% of total manufacturing output** (2019 data, "Valor de los productos elaborados con materias primas propias")[3]	Soap, cleaning compound, and toilet preparation manufacturing (NAICS code 3256): **US$90,700 million** **0.9% of total manufacturing output** (2022 data, dollars in 2012 prices)[4]
Description	Ontario and Quebec are the largest producers of cosmetic products in Canada and are also the largest consumer markets for these products.6 A wide range of personal care products, including soaps, hair and skin care products, perfumes and others, are made in Canada.[7]	The Mexican production of cosmetics and personal care products focuses on hair products, perfumes, dyes and bleaches.[8] The states of Guanajuato, Jalisco, Morelos, Querétaro, Tamaulipas, Nuevo León, and Mexico, as well as Mexico City, account for the largest share of production.[9] There is a significant informal market, including pirated formulations in Mexico.	The United States is the largest market for cosmetic and personal care products in the world in terms of revenue.10 Due to the large size and diversity of the industry, a wide variety of products are manufactured. Most manufacturers are located in California and New Jersey.[11]

Sources

[1] Statistics Canada. Table 14-10-0202-01 Employment by industry, annual.
[2] Statistics Canada. Table 36-10-0488-01 Output, by sector and industry, provincial and territorial.
[3] INEGI. Censos Económicos, 2019.
[4] Employment Projections program, US Bureau of Labor Statistics.
[5] Government of Canada. Regulatory information for cosmetics. Available here. Accessed 08 January 2024.
[6] https://www.trade.gov/market-intelligence/canada-cosmetics-and-beauty-products-market (accessed 8 January 2024).
[7] https://www.cosmeticaitalia.it/export/sites/default/circolari/servizi-per-linternazionalizzazione/141-2020_allegato-1.pdf (accessed 23 February 2025).
[8] https://www.flandersinvestmentandtrade.com/export/sites/trade/files/market_studies/Cosmetics%20%26%20Beauty%20Products%20in%20Mexico-2022.pdf (accessed 7 August 2024)
[9] https://www.sisinternational.com/coverage/the-americas/latin-america-market-research/cosmetics-in-mexico-market-research/ (accessed 8 January 2024)
[10] https://www.statista.com/outlook/cmo/beauty-personal-care/cosmetics/united-states#:~:text=When%20compared%20globally%2C%20in%20the,%2458.88%20are%20generated%20in%202024. (accessed 8 January 2024)
[11] https://www.statista.com/statistics/743170/number-of-contract-personal-care-manufacturers-by-state-us/ (accessed 7 August 2024)

[3] Notes: NAICS: North American Industry Classification System. Currency conversions based on US Federal Reserve 2022 annual exchange rates: C$1.3014=MX$20.1208=US$1 (https://www.federalreserve.gov/releases/g5a/current/default.htm, accessed 6 August 2024)

Table 1. Sector overview by country[3]

	Canada	Estados Unidos	México
Key regulations	Cosmetic and personal care products (as well as their labeling) in Canada are regulated by the Food and Drugs Act, the Cosmetic Regulations (C.R.C., c.869), Consumer Packaging and Labeling Act, and the Hazardous Products Act.[5] Environmental risk management measures also exist under the Canadian Environmental Protection Act, 1999 (CEPA) to protect the environment from substances in cosmetic products. These include the Microbeads in Toiletries Regulations, the Volatile Organic Compound Concentration Limits for Certain Products Regulations, the Prohibition of Certain Toxic Substances Regulations, the Prohibition of Asbestos and Products Containing Asbestos Regulations, the Triclosan Pollution Prevention Planning Notice, Ministerial conditions and prohibitions and Significant New Activity (SNAc) provisions.	In Mexico, cosmetics are regulated by Cofepris (*Comision Federal para la Protección contra Riesgos Sanitarios*) (Federal Commission for the Protection against Sanitary Risk), NOM-141-SSA1/SCFI-2012, on labeling for prepackaged cosmetic products (Etiquetado para productos cosméticos preenvasados). DOF-11-03-2014 AGREEMENT amending the resolution determining prohibited and restricted substances in the manufacture of perfumery and beauty products (*DOF-11-03-2014 ACUERDO por el que se modifica el diverso por el que se determinan las sustancias prohibidas y restringidas en la elaboración de productos de perfumería y belleza*).	In the United States, key federal regulations for cosmetics include the Federal Food, Drug, Modernization of Cosmetics Regulation Act of 2022, Fair Packaging and Labeling Act, and Micro-bead Free Waters Act of 2015, along with Regulations Related to Cosmetics from Title 21 of the Code of Federal Regulations (21 CFR).[12] Several states have passed laws to provide consumers with ingredient information and to restrict harmful chemicals.[15]
Future trends	The Canadian cosmetics industry is expected to grow by 1.54% annually.[6] In 2023, the Canadian cosmetics industry saw a rise in sales of 19% in the first half of the year, and it is expected to continue to grow.[13] The market as a whole is expected to grow annually from 2024–2028 by 1.58%.[14]	A growing middle class, increasing beauty-consciousness among men, and heightened demand for more sustainable products is expected to drive growth in the cosmetics and personal care sector in Mexico.[9] The Mexican beauty and personal care market is predicted to grow by 6.05% per year between 2024 and 2029.[16]	As the U.S. industry experiences a continued demand for clean and sustainable products, the industry is expected to grow by 3.52% annually between 2024 and 2028.[10]

Sources

[12] https://www.fda.gov/cosmetics/cosmetics-guidance-regulation/cosmetics-laws-regulations (accessed 9 January 2024)
[13] https://www.premiumbeautynews.com/en/canadian-beauty-industry-sales,22494 (accessed 22 March 2024)
[14] https://www.statista.com/outlook/cmo/beauty-personal-care/canada#:~:text=Canada's%20Beauty%20%26%20Personal%20Care%20market,(CAGR%202024%2D2028). (accessed 22 March 2024)
[15] https://www.safecosmetics.org/resources/regulations/ (accessed 26 March 2024)
[16] https://www.mordorintelligence.com/es/industry-reports/mexico-beauty-and-personal-care-market-industry (accessed 7 August 2024)

[3] Notes: NAICS: North American Industry Classification System. Currency conversions based on US Federal Reserve 2022 annual exchange rates: C$1.3014=MX$20.1208=US$1 (https://www.federalreserve.gov/releases/g5a/current/default.htm, accessed 6 August 2024)

3. Consideration of potential impacts on human health or the environment

The production of personal care and cosmetic products involves thousands of individual chemicals. Understanding of the environmental and human health impacts of these chemicals continues to increase with new evidence from scientific research.[4] As personal care and cosmetics products are developed specifically for use on the skin, there is heightened attention to the risks that chemicals may pose to human health because of the potential for these chemicals to be absorbed in the body.

Several ingredients currently used in cosmetic and personal care products are or have been reviewed by one or more of the three North American countries for their potential impacts, such as endocrine disruption, and for certain uses, such as preservation agents (Johnson *et al*., 2022). Certain other chemicals in cosmetics and personal care products that have been or are under review by one or more of the three countries include formaldehyde and formaldehyde-releasing preservatives, mercury, phthalates, per- and polyfluoroalkyl substances (PFAS), as well as m- and o-phenylenediamine (Faber, 2020).

[4] Each of the three governments takes into consideration available information on chemicals used in personal care and cosmetic products, along with information on levels of exposure and specific uses in its country, when making risk determinations on safe levels of chemicals in those products.

4. Main barriers to and drivers of supply chain transparency

The main barriers to and drivers of SCT in North America identified across all sectors are also relevant to the personal care and cosmetic products sector. These include drivers such as regulatory compliance and demand from downstream purchasers and consumers, and barriers such as the complexity of international supply chains or inconsistent regulations. Additional barriers and drivers that apply specifically to the personal care and cosmetic products sector are discussed below.

Barriers

The following key barriers to SCT in the personal care products and cosmetics sector were identified at the consultation workshop:

- ***Lack of resources to apply best practices***, especially among smaller companies, and especially for potentially costly practices such as achieving an ecolabel certification or using digital tools for communicating ingredient information. Related to this, the competition for lower prices (especially by large retailers) encourages companies to reduce costs, including costs related to implementing SCT best practices.

- ***Regulation***. Participants highlighted that the legal requirements for ingredient disclosure are not comprehensive in the United States, and less rigorous in Mexico than in the United States or Canada. One participant added that there is a need for an agency that would be responsible for authorizing and certifying product labels in Mexico. Participants noted that a lack of legal definitions governing ingredient disclosure and safe ingredients can lead to 'greenwashing' or 'cleanwashing' (claiming that a product is of better quality without supporting evidence). Canada recently enacted new provisions to address companies' environmental claims and prevent greenwashing, but one participant expressed concern that these provisions might be challenging to implement and enforce (further detail was not available). In an interview, a representative of the National Chamber of the Industry of Cosmetic Products (Canipec) identified the widespread distribution of products to various cities and a lack of harmonised laws as a barrier to SCT in Mexico because there is no "one size fits all" approach to SCT within the sector and because different companies operate in different states with different laws. Currently, Canipec and the government are working to implement SCT initiatives (Muñoz and Ureña, 2024).

- ***Inadequate enforcement of regulations***. Specific examples include imports through international trading platforms (e.g., Amazon, Temu, AliExpress), which may not comply with domestic regulations. Issues related to such imports (particularly in the case of Mexico) include a lack of training of customs personnel and a significant black market for cosmetics. According to input from Semarnat and INECC, products that are informally produced and sold without labeling, as well as those that are imported illegally without adherence to regulations, are a significant barrier to SCT in this sector in Mexico.

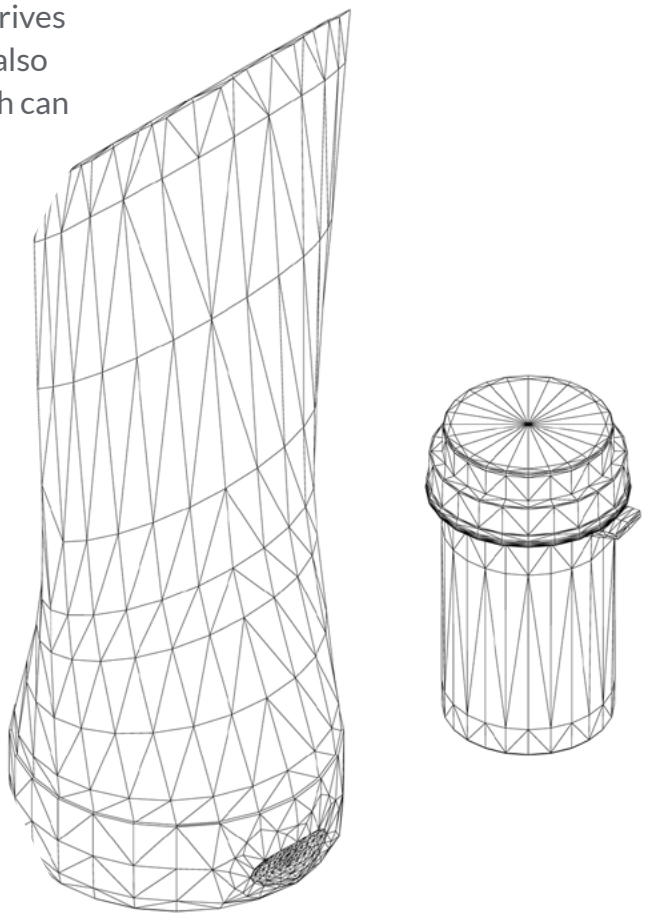
- ***Consumer confusion about labels***. The large number of different ecolabels can confuse consumers about what each ecolabel means and if it can be trusted (especially retailers' own ecolabels). Also, a lack of education regarding chemicals and their health effects may prevent consumers from demanding ingredient disclosure and the use of safer ingredients from companies.

Drivers

The online survey identified key drivers of SCT within the cosmetic and personal care products sector, including the opportunity or need for more efficient or effective regulatory compliance; businesses' own sustainability, health, and environmental goals; and demand from downstream purchasers, such as brands, retailers, and large institutions.

The consultation workshop also confirmed that regulation, including domestic regulation and regulations in trading partner countries, is a strong driver of SCT in this sector. Key regulations for ingredient disclosure are discussed in more detail in the next section. As noted during the workshop, the sustainability initiatives of certain leading companies—including their use of ecolabels—are increasingly raising the bar, which drives other companies in the sector to follow. Participants also confirmed that consumer awareness is growing, which can be an important driver of SCT as well.

Circular economy initiatives, which can help businesses become sustainable, are also driving SCT. For example, in Mexico, Canipec has developed the Circular Economy Business Group program, which is working to improve traceability through circularity diagnostics to certify companies and by identifying where the waste generated by a sector ends up. While the initial focus of the program was on waste management, Canipec has also been involved in the negotiations for Mexico City's Circular Economy Law (Muñoz and Ureña, 2024).



5. Supply chain transparency best practices

Regulation

In North America, there are laws that require the disclosure and labeling of most ingredients in cosmetics and personal care products. In Canada, cosmetics and personal care products are regulated by the Food and Drugs Act (FDA), the Cosmetic Regulation (C.R.C., c.869), and the Consumer Packaging and Labeling Act. A representative of Health Canada noted that current regulations support SCT, as manufacturers of cosmetics and personal care products are required to include full ingredient lists on their products. Currently, fragrance ingredients are not required to be listed, but regulatory amendments published in 2024 (and coming into force in 2026) will require the labeling of certain allergens found in fragrances (Health Canada, 2024). An amendment to the Cosmetic Regulation requires the disclosure of fragrance allergens that are listed in Annex III of the EU Cosmetic Products Regulation (Government of Canada, n.d.). This regulation aims to further SCT by requiring fragrance manufacturers to disclose information on potential allergens within their formulations while still protecting intellectual property (IP).

In Mexico, the product name, manufacturer, ingredients, warnings/precautions, and instructions for use must be labeled on cosmetic and personal care products, in accordance with Mexican Official Regulation NOM-141-SSA/SCFI-2021 (similar to ISO/FDI 22175:2005). The labels must be in Spanish (other languages can also be added) and in a legible font size (York, n.d.). During the consultation workshop, it was mentioned that there is a publicly available database of products imported into Mexico, which could be used to drive SCT in Mexico if customs officers were trained to identify the chemicals in the products.

In the United States, the Food and Drug Administration (FDA) requires the labels on cosmetic and personal care products to list all ingredients in descending order of predominance, except those whose concentration does not exceed 1% (U.S. FDA, n.d.). The FDA is the federal agency responsible for regulating cosmetics, codified in Title 21, Code of Federal Regulations (21 CFR), parts 700 to 740. The Modernization

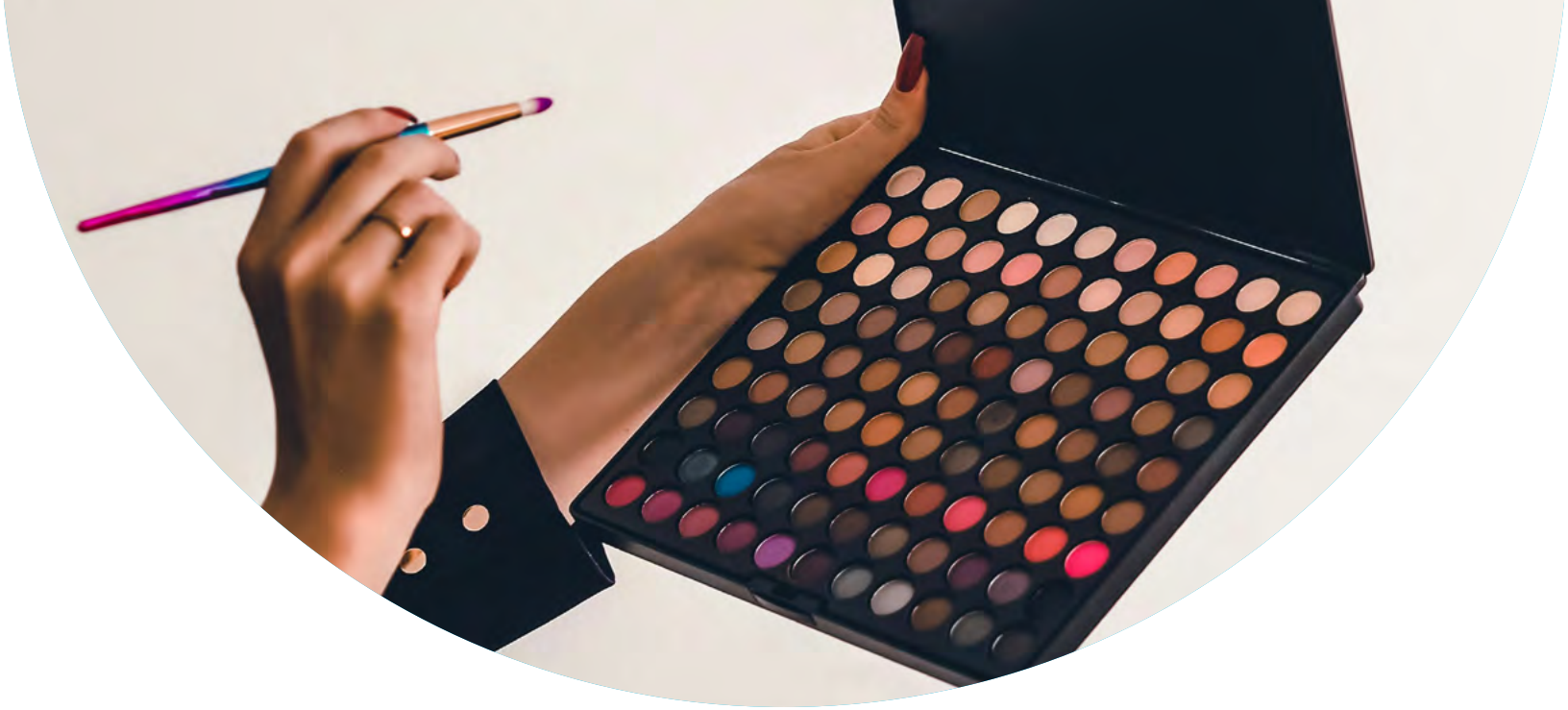
of Cosmetics Regulation Act of 2022 (MoCRA) has expanded the FDA's authority to regulate cosmetics, including a requirement to list fragrance allergens, and the mandatory listing of marketed cosmetic products and their ingredients with the FDA (U.S. FDA, 2022). Certain stakeholders are advocating for regulations that go beyond MoCRA and are working with regulators to introduce additional legislation, such as the Cosmetic Supply Chain Transparency Act (as part of the Safer Beauty Bill Package) (BCPP, 2023). The California Fair Packaging and Labeling Act of 2018 also mandates manufacturer disclosure of all ingredients in professional cosmetic products except flavors, fragrances, and colorants (California Department of Food and Agriculture, 2019), while the California Fragrance and Flavor Ingredient Right to Know Act of 2020 (SB 312) requires reporting any fragrance or flavor ingredient that appears on any of 23 authoritative hazard lists under the California Safe Cosmetics Program (SCP) (Breast Cancer Prevention Partners, n.d.).

Ingredient databases for consumers

Digital resources can help consumers make more informed decisions about their choices of cosmetics and personal care products. For example, the Cosmetic Ingredients Review (CIR) database contains information on chemical substances in cosmetic products. The database includes a report on each ingredient's safety for human health and the environment. Manufacturers can use the CIR database to identify substances of concern. The database was established by the U.S. industry trade association (then, the Cosmetic, Toiletry, and Fragrance Association, now the Personal Care Products Council), with the support of the U.S. Food and Drug Administration and the Consumer Federation of America, but it operates independently through an independent expert panel (Cosmetic Ingredient Review, n.d.).

In Canada, the use of the Health Canada chemicals and pollutants database was highlighted as a best practice within the industry. This database is maintained by the government and is available to companies and manufacturers, as well as consumers, wishing to access information on the chemical hazards of substances used in formulations and products (Health Canada, n.d.). The system is regularly updated as new information emerges regarding the human and environmental safety of substances used in cosmetic and personal care products, among other products.

Similarly, consumers can use the Skin Deep® database, created by the Environmental Working Group (EWG), a U.S. NGO/advocacy group. This database includes several cosmetic and personal care products that have been evaluated for their chemical safety. Products are scored by evaluating the known health effects of the substances listed on the labels (EWG, n.d.). The database was developed in the United States but includes products that are also sold in Canada and Mexico.



Ecolabels

Ecolabels are frequently used in the cosmetics and personal care product sector. Some ecolabels are awarded by third-party certification bodies and/or NGOs to products that meet different criteria, with several of these ecolabels including SCT as a qualifying criterion (Steer-Stephenson, 2022). Ecolabels are a useful tool to communicate certain information about the substances used in formulations, certifying that the ingredients used are more sustainable and/or that they have been evaluated for safety. One example is the U.S.-based EWG Verified ecolabel, which is awarded to baby products and other personal care products that do not contain chemicals of concern that have been identified by EWG for that product category (EWG, n.d.).

Other initiatives

Chanel has brought together 15 companies to develop the Traceability Alliance for Sustainable CosmEtics (TRASCE), which aims to improve SCT for the cosmetic and fragrance sector (Formes de Luxe, 2024). Specifically, TRASCE aims to improve knowledge about supply chains, assess the associated social and economic risks, and determine the actions required to support supply chains in their transition to improved visibility and sustainability (Formes de Luxe, 2024). This digital platform requires participating companies and their suppliers to enter information about their products and provide support to help increase their understanding about additional information or changes that could improve SCT. The initiative is based in the United States and France and operates in many other countries, as well.

In 2009, Mexico's Canipec generated the Code of Self-Regulation and Advertising Ethics for Cosmetic Products (Cosmep), which initially aimed to evaluate and improve the advertising messages of cosmetics for the benefit of consumers (Canipec, n.d.). As a result, cosmetic and personal care companies within Mexico have changed the way they communicate with consumers and each other, which has improved SCT by decreasing complexity and increasing the channels of communication (Canipec, n.d.). Cosmep also aims to generate awareness and informed consumption relative to beauty and wellness issues: for example, through the publication of information on the appropriate use of products and ingredients.

The U.S.-based company, Seventh Generation (whose products are also sold in Canada and Mexico) is an example of an industry leader in SCT for personal care products. Its website features safety data sheets and lists of ingredients for all of their products, providing transparent information about health and safety hazards (Seventh Generation, n.d.). Seventh Generation also purchases ingredients directly from manufacturers to facilitate the tracking of ingredients through the supply chain and gives preference to suppliers providing transparency, disclosure and traceability (Seventh Generation, n.d.).

Companies such as Lush (from the UK, but active in Canada, Mexico and the United States), The Body Shop (also from the UK and active in Canada), and Aveda (from the United States, but also active in Canada and Mexico) are also industry leaders for SCT. These companies openly and actively share their sourcing practices with consumers on their product sites and package labels (Australian Native Products, 2024).

6. Impacts of supply chain transparency best practices

The regulations and requirements of the North American countries relative to cosmetics and personal care products—providing information about the substances used in formulations—have ensured that some, but not all, information is available to consumers. Fragrance ingredients are still not generally disclosed, but increasingly there are requirements for disclosure of allergens in fragrances. However, it can be difficult to understand complex ingredient information and compare many different products on the market.

Tools such as the databases and ecolabels described above are designed to assist businesses and consumers to understand the potential health and environmental risks of specific ingredients, to compare products and ingredients, and to make informed purchasing decisions. While some concerns exist about the issue of "*greenwashing*" or *"cleanwashing*," these SCT tools can allow SCT leaders (those companies that are particularly transparent about their supply chain and that use safer ingredients) to gain market share with health- and environmentally conscious customers.

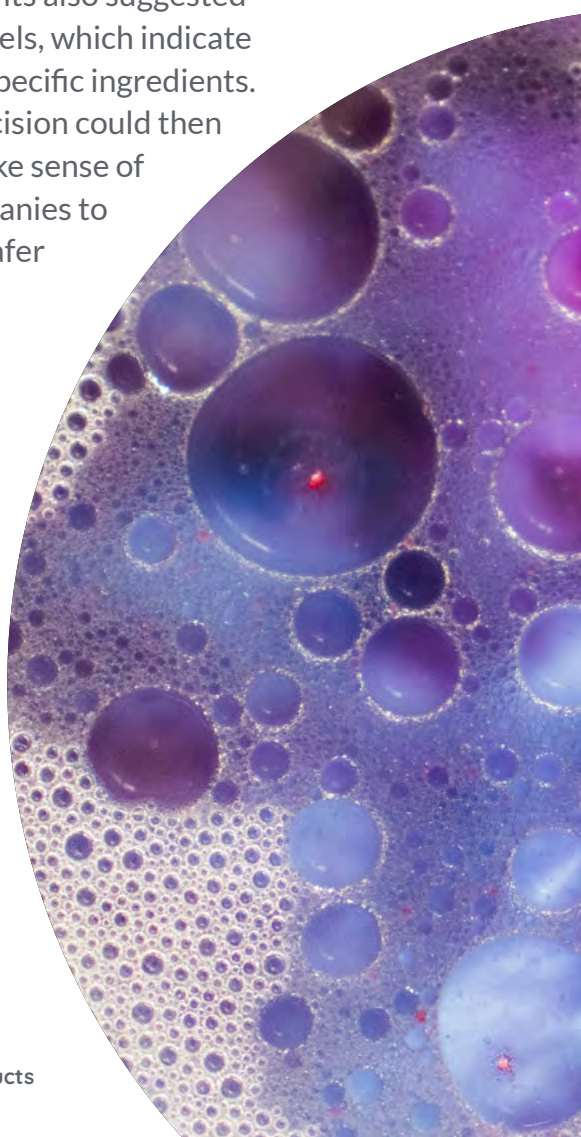
7. Outlook

As mentioned, regulatory requirements have driven advances in SCT within the cosmetics and personal care products sector, particularly in Canada and the United States. The regulations regarding labeling of cosmetics and personal care products within North America keeps consumers informed regarding many, but not all, of the substances in these products. With the introduction of new regulations requiring sharing of information on fragrance allergens in Canada and the United States, the sector continues to improve regarding SCT. In Mexico, there is a need for investments in new technologies to keep up with SCT, as well as for harmonized laws on SCT or ingredient disclosure (Muñoz and Ureña, 2024).

Workshop participants' recommendations for actions to increase the uptake of SCT best practices in the personal care products and cosmetics sector included:

- Comprehensive ingredient disclosure should be mandated by law, including disclosure about fragrance composition. Some participants also suggested that such disclosures would be more helpful than ecolabels, which indicate how products have been evaluated but do not disclose specific ingredients. Consumers wishing to make an informed purchasing decision could then research individual ingredients rather than trying to make sense of different ecolabels. This approach could also drive companies to substitute chemicals of concern in their products with safer alternatives.

- There is a need to enhance compliance with existing regulation, for example, through higher fines for infringements, training of customs officers to detect non-compliant imports, and increasing capacities for testing to validate chemical ingredients in products (especially in Mexico).



- Public awareness and education are key drivers of best practices, as they enhance consumer demand for SCT. Specific suggestions included increasing the understanding about health and environmental impacts of ingredients and products, and improving the communication of this information, especially to audiences that are not familiar with scientific literature. In addition, some participants stated a need to educate consumers so that they can differentiate among ecolabels (specifically first- versus third-party labels, *i.e.*, self-declared versus independently verified).

- There is a need for collaboration between regulators and industry, as well as between industry members, relative to SCT.

References

Australian Native Practices. Cosmetic Industry Supply Chain Transparency: A Guide. 2024. https://www.australiannativeproducts.com.au/blogs/news/cosmetics-industry-supply-chain-transparency-a-guide#:~:text=Supply%20Chain%20Transparency-,What%20is%20the%20cosmetic%20supply%20chain%20transparency%20Act%20of%202024,raw%20materials%20to%20retail%20shelves. Accessed 22 March 2024.

Breast Cancer Prevention Partners (BCPP). Cosmetic Supply Chain Transparency Act. https://www.bcpp.org/resource/cosmetic-supply-chain-transparency-act/. Accessed 22 March 2024.

Breast Cancer Prevention Partners (BCPP). 2020. CA Fragrance and Flavor Ingredient Right to Know Act. https://www.bcpp.org/resource/ca-fragrance-and-flavor-ingredients-right-to-know-act/. Accessed 26 March 2024.

Canipec. Código Cosmep. 2009. https://canipec.org.mx/cosmep/. Accessed 22 March 2024.

California Department of Food and Agriculture. CHAPTER 6. Fair Packaging and Labeling Act. January 2019. https://www.cdfa.ca.gov/dms/programs/Publications/BPC/2019/6.0-BPC_2019_Chapter_6_FairPackagingandLabelingAct_12601-12615.5.pdf. Accessed 25 March 2024.

Cosmetic Ingredient Review. 2019. https://www.cir-safety.org/about. Accessed 25 March 2024.

Environmental Working Group (EWG). EWG's Skin Deep Database. https://www.ewg.org/skindeep/

Faber, Scott. 2020. The Toxic Twelve Chemicals and Contaminants in Cosmetics. https://www.ewg.org/the-toxic-twelve-chemicals-and-contaminants-in-cosmetics. Accessed 26 March 2024.

Fandiño, A.L., Arenas, A., Elías, L.E., Otiz de Olivares, I. 2023. Digitalization of Procedures for Cosmetic Products. The National Law Review. 27 April. https://www.natlawreview.com/article/digitalization-procedures-cosmetic-products

Formes de Luxe. What's behind beauty supply chain transparency platform TRASCE? https://www.formesdeluxe.com/article/chanel-spearheads-beauty-supply-chain-transparency-platform-trasce.64302. Accessed 22 March 2024.

Government of Canada. Forward Regulatory Plan 2023–2025: Regulations Amending Certain Regulations Concerning the Disclosure of Cosmetic Ingredients. https://www.canada.ca/en/health-canada/corporate/about-health-canada/legislation-guidelines/acts-regulations/forward-regulatory-plan/plan/regulations-amending-cosmetic.html. Accessed 25 March 2024.

Health Canada. 2024. Consumer products and cosmetics. https://www.canada.ca/en/health-canada/services/consumer-product-safety.html. Accessed 25 March 2024.

Health Canada. 2022. Cosmetic Ingredient Hotlist: Prohibited and Restricted Ingredients.

https://www.canada.ca/en/health-canada/services/consumer-product-safety/cosmetics/cosmetic-ingredient-hotlist-prohibited-restricted-ingredients.html. Accessed March 2024.

Health Canada. 2024. Personal Communication. 6 February.

Johnson, P.I., Favela, K., Jarin, J., Le, A.M., Clark, P.Y., Fu, L., Gillis, A. D., et al. 2022. Chemicals of concern in personal care products used by women of color in three communities of California. Journal of Exposure Science & Environmental Epidemiology.

Muñoz, Orlando and Ureña, David. 2024. Canipec. Personal Communication. 15 March.

Pereira de Carvalho, André and Barbieri, José Carlos. 2012. Innovation and Sustainability in the Supply Chain of a Cosmetics Company: a Case Study. J. Technol. Manag. Innov., Volume 7, Issue 2. http://dx.doi.org/10.4067/S0718-27242012000200012.

SAICM N.d. 1.1 Guidance Understanding chemicals of concern, at https://saicmknowledge.org/sites/default/files/1_1_guidance_understanding_cocs.pdf. Accessed April 1, 2025.

Seventh Generation. https://www.seventhgeneration.com/company. Accessed 25 March 2024.

Steer-Stephenson, Charlie. 2022. Supermarket eco-labels to boost sustainability transparency. https://sustainabilitymag.com/supply-chain-sustainability/supermarket-eco-labels-to-boost-sustainability-transparency Accessed 23 August.

U.S. EPA. Personal Communication with Zoe Emdur, Melanie Adams, Johnathan Rifkin, Megan Kalsman, and Holly Elwood. 14 February 2024.

U.S. EPA. 2024. Decabromodiphenyl Ether and Phenol, Isopropylated Phosphate (3:1); Revision to the Regulation of Persistent, Bioaccumulative, and Toxic Chemicals Under the Toxic Substances Control Act (TSCA). https://www.federalregister.gov/documents/2024/11/19/2024-25758/decabromodiphenyl-ether-and-phenol-isopropylated-phosphate-31-revision-to-the-regulation-of . Accessed April 2025.

U.S. FDA. Moderization of Cosmetics Regulation Act of 2022 (MoCRA). https://www.fda.gov/cosmetics/cosmetics-laws-regulations/modernization-cosmetics-regulation-act-2022-mocra. Accessed March 2024.

U.S. Food and Drug Administration (FDA). 2022. Summary of Cosmetics Labeling Requirements. Current as of 12 Jan 2022. https://www.fda.gov/cosmetics/cosmetics-labeling-regulations/summary-cosmetics-labeling-requirements#:~:text=The%20principal%20display%20panel%2C%20i.e.,statement%20of%20the%20net%20quantity. Accessed 26 March 2024.

York, B. Navigating Import Regulations for Cosmetics in Mexico: How Cubbo's IOR Service Can Help U.S. Brands Enter the Market. https://www.cubbo.com/posts/navigating-import-regulations-for-cosmetics-in-mexico-how-cubbos-ior-service-can-help-us-brands-enter-the-market. Accessed 26 March 2024.

CEC
CCA
CCE