



*The Beauty industry is worldwide, diverse and draws its raw materials from five continents. Exact figures for value of sales or volumes of product are almost impossible to ascertain. However, it is a multi-billion pound industry supported and promoted by global conglomerates. Beauty products include a wide variety of items: cosmetics, cleansing agents, moisturisers, essential oils, fragrances and therapies. Many of these contain natural ingredients that are sourced from the less economically developed nations of the world.*

## The issues

The poverty-related issues are complex and diffuse, beauty products make use of natural products as ingredients and also make wide use of petrochemicals and synthetic colours, fragrances and preservatives. Beauty and hair care processes use huge volumes of cotton products such as cleansing pads, cotton wool, towels, etc. There are also labour-related issues of production and manufacture, often in the less-developed world. The issues related to oil and cotton are covered in other information sheets (see Oil & Gas and Clothing) and as labour issues specific to the beauty industry are difficult to uncover, we concentrate here on the principal natural ingredients used in manufacture.

The beauty industry has a long history of ethical claims. For example the Body Shop made ethics a cornerstone of its corporate marketing, although the validity of these claims was hotly disputed. Nowadays some commitment towards corporate social responsibility has become de rigueur amongst manufacturers and suppliers. Companies regularly make claims to some or all of the following:

- No animal testing
- Fairtrade or Community Traded
- No petrochemicals
- Substantially or wholly organically produced
- Limited packaging
- Packaging made from recycled materials
- Applicators, containers and packs reusable
- Global sourcing – support different cultures
- Ethical sourcing
- Natural ingredients



Clearly companies regard such issues as important and a fundamental driver of business expansion. More than 2,800 “ethical” cosmetics and skin care products were launched in the United States in 2007, and more than 1,800 new products appeared on retail shelves the first five months of 2008, according to new research from Mintel Global New Products Database Cosmetic Research. The research considers ethical products to be items that are fair trade, not tested on animals, support a charity, are environmentally friendly or are made with environmentally friendly packaging. However, it is often difficult to substantiate the validity and relevance of claims and there is a lack of standards, accreditation or certification processes throughout the industry. For example, the EC Cosmetics Directive has banned the testing of finished beauty products and ingredients on animals since September 2004 and the marketing of any finished products or ingredients tested on animals was prohibited in March 2009 so all products for sale in the UK have to be free of animal testing by law. Products are often heavily marketed as 'natural' when only a small proportion of ingredients are natural and the rest are petrochemical based. Such promotion of 'natural' or 'ethically sourced' components is termed 'alibi marketing'.

Although the use of natural ingredients is assumed to be (and promoted as) beneficial for a variety of reasons, there are a range of poverty and environmental issues related to agricultural production. Here we focus on palm oil, used extensively in beauty products and their manufacture.

### Palm Oil

Palm oil is one of the most traded vegetable oil crops in the world, second only to soy. It is used as a base for soaps, shampoos and cosmetics but also mainly used in food products. As a raw material, plantation palm oil can be considered high volume/low cost and, is therefore likely to be of limited worth in terms of raising the standard of living for contract labourers working for multinationals.

The impact of palm oil production on the environment can be devastating. The oil palm requires a hot, damp climate to grow, remarkably similar to the conditions found in tropical rainforests. In some countries such as Indonesia and Malaysia huge areas of rainforest and peat bogs have already been cleared for oil palm plantations. Forest clearance has major impacts upon biodiversity, and as a result the palm oil industry is now the biggest threat to the survival of the orang-utan in Indonesian rainforests.

Clearance often involves numerous land-rights violations, bulldozing land without permission and the displacement of indigenous peoples. There is also a transfer between subsistence farming and cash cropping often producing a debt trap for farmers. Communities are persuaded to give their land to companies in return for small plots of oil palm established by the company. Smallholders receive subsistence support while the plantation matures over several years but in doing so must repay this and establishment costs for clearance, planting, fertilisers, etc. Because the processing plants are owned by the major companies the small holders have little influence over the price they can sell their crop for.

As with many agricultural crops, palm plantation workers and their communities are often subject to the harmful effects of agrochemicals, being subject to exposure in the plantations and through polluted community water sources used for drinking and washing (DTE, 63).

## Possible solutions

West African Red Palm Oil is obtained from the native Dura palms of West Africa located on small family farms that have existed for centuries. Oil produced from this source might be considered wholly sustainable and of benefit to native growers with profits ploughed directly back into producer communities. There is currently no internationally agreed kitemark that recognises the difference between producers' claims. The Roundtable on Sustainable Palm Oil (RSPO, <http://www.rspo.org>) is working towards internationally agreed standards and has published criteria, but while many producer organisations have signed up this is still very much work in progress.

Unlike palm oil and volume ingredients like shea and cocoa butters, other ingredients are natural products that can be low volume/high value and, if fairly traded from a sustainable source, are potentially of great value to indigenous communities. Examples include: Australian Sandalwood oil, Moroccan Argan oil, Peruvian Inchi oil and Brazilian Buriti oil. Many companies market products containing such ingredients. Some companies, exceptionally, recognise these ingredients, and the knowledge of their properties, as being the intellectual property of the producer community. This represents best practice and is to be encouraged.

Ideally, to maximise the benefit to indigenous communities, product formulation should take place within the communities where the ingredients are sourced. This would add greatly to the value – provide additional employment opportunities and prevent resource “mining”. There is little indication that such practice is widespread although a number of companies make claims.



## Verification & certification

Beauty products and cosmetics are generally complex formulations of a range of ingredients, both natural and artificial. While individual ingredients may be marked as “fair trade” composite products cannot be because they do not originate from a single verifiable source. Beauty product companies are at great pains to explain their ethical credentials to the consumer and claims such as “Community Traded”, “Ethically Sourced” and “Fairly Traded” abound but there is certainly no one internationally recognised certification/verification scheme.

## Recommendations

- ⊙ The lack of standards and certification throughout the industry means there is no straightforward approach available.
- ⊙ Individual products or product ranges should be researched by reference to manufacturers' websites.
- ⊙ Look for products that directly benefit indigenous producers and their communities using the information on the manufacturers' websites, request information directly and look for any available third party support or criticism.
- ⊙ Where available source products with accreditation of 'fair' trading terms.

### REFERENCES/FURTHER INFORMATION

Mintel Global New Products Database Cosmetic Research [www.mintel.com](http://www.mintel.com)

DTE 63, 2004. Sustainable palm oil: mission impossible? Down to Earth, 63, November 2004.

[www.rspo.org/resource\\_centre/63.pdf](http://www.rspo.org/resource_centre/63.pdf)

Round Table on Sustainable Palm Oil: [www.rspo.org](http://www.rspo.org)

Friends of the Earth Palm Oil Campaign: [www.foe.co.uk/campaigns/biodiversity/case\\_studies/palmoil\\_index.html](http://www.foe.co.uk/campaigns/biodiversity/case_studies/palmoil_index.html)

[www.theproblemwithpalmoil.org](http://www.theproblemwithpalmoil.org)