

THE VALUE OF BEAUTY  
**MANIFESTO**

The  
**VALUE** of  
**BEAUTY**

# The Value of Beauty Manifesto

The Value of Beauty Alliance represents the EU value chain of the beauty and personal care industry, including farmers, glassmakers, perfumers and retailers. Our mission is to ensure that the entirety of our beauty value chain is taken into consideration by European policymakers and is recognised as a strategic sector of the EU society and economy. Our industry is highly diverse, creative, skilled and successful, contributing positively to the European way of life. We represent an entire ecosystem of farmers, artisans, small and medium sizes companies (SMEs) and international companies with a strong industrial footprint in Europe that showcase Europe's savoir-faire on a global stage. We are a major success story of the Single Market across Europe and the world, through our exports.

The beauty and personal care industry is indeed an essential pillar of Europe's society and economy. Representing a vast network of companies, from large corporations to thousands of small and medium-sized enterprises (SMEs), our sector contributes significantly to innovation, export, job creation, and sustainability. The Value of Beauty Alliance is committed to ensuring that our sector continues to deliver benefits to consumers, employees, and the wider European economy. Mario Draghi mentioned in his report on the competitiveness of Europe the need for more investment in innovation, resilience, and closing the skills gap. Our sector is at the forefront of these ambitions in Europe and is ready to reinforce Europe's strategic autonomy on the global stage.

As the European Union enters a new policy cycle with the definition of new political priorities to foster the competitiveness of the EU industry, while pursuing the implementation of its Green Deal, we call upon the European institutions to adopt a "value chain" approach able to ensure a regulatory environment capable of safeguarding thriving industrial sectors such as ours.

Our policy Manifesto highlights the importance of key areas such as the Single Market, trade policy, innovation, job creation, SMEs, sustainability, and social wellbeing. In each section, we call for strong collaboration with policymakers to create a regulatory environment that supports the competitiveness and growth of our industry.

## We call on policymakers to:

- **Single Market and Competitiveness:** Safeguard the integrity of the Single Market and ensure that EU policies are designed in full consideration of the characteristics of the beauty and personal care sector. To that end, policymakers should adopt a holistic approach that takes into consideration our value chain and is aligned with industrial realities.
- **Trade:** Design EU trade policy to support the competitiveness of our sector on the world stage. Trade agreements must prioritise market access, reduce regulatory barriers, and support the export of high-quality and innovative European products.
- **Innovation:** Ensure that EU regulations follow a robust science-led and risk-based approach to ensure our value chain can develop and invest in its innovation strategy in a coherent and predictable regulatory environment.
- **Job creation and training:** Recognise the economic significance of our sector and help us foster our contribution to EU's scientific leadership and diverse workforce through ambitious EU training programmes.
- **SMEs:** Ensure greater support for SMEs through policies that simplify regulatory compliance, increase access to financing and promote innovation.
- **Sustainability:** Ensure the proper implementation of EU green regulations, through a stable, predictable, proportionate and holistic approach that takes into account our value chain, without compromising on competitiveness.
- **Social wellbeing:** Recognise the importance of wellbeing as part of Europe's broader health agenda and the essential contribution of our value chain in this area.

“ Our mission is to ensure that the entirety of our beauty value chain is taken into consideration by European policymakers and is recognised as a strategic sector of the EU society and economy. ”



# THE SINGLE MARKET

# A pillar of competitiveness

1

The European Single Market has been instrumental in fostering the growth and competitiveness of the beauty and personal care industry.

Regarded as a cornerstone of the European economy and a symbol of European excellence, our industry contributes €29 billion in added value to the economy each year and employs almost 3 million people (direct and indirect).

With a vast industrial ecosystem that spans geographical clusters across Europe, our sector has driven growth and competitiveness, enabled by the free movement of goods, services, capital, and labour within the Single Market. This interconnected network enables companies to operate efficiently, leverage synergies, create safe products and access a diverse consumer base.

By removing barriers to trade within the EU and harmonising regulations, it has allowed European companies, regardless of size, to expand their reach and compete effectively on a global scale. As President von der Leyen mentions in her mission letters, we must work to simplify the Single Market and allow innovation to thrive by tackling "fragmentation and remaining barriers and ensuring that rules are easy to implement."

The Single Market has particularly supported the growth of small and medium-sized enterprises (SMEs) within our industry of which there are almost 9,000.

However, to maintain this competitive edge, it is essential that the Single Market remains fit for purpose. As new challenges arise—such as regulatory changes, supply chain disruptions, and technological advancements—the framework of the Single Market must evolve to meet these demands.

## Our ask:

We urge policymakers to safeguard the integrity of the Single Market, eliminate remaining barriers, and ensure that EU regulations are simplified and designed in full consideration of the characteristics of the beauty and personal care sector.

To that end, our value chain must be fully considered in strategic agendas and general policy reports and fully taken into account in the impact assessments of future EU regulations.



# TRADE POLICY

# Supporting global competitiveness

# 2

The beauty and personal care industry is a key player in the global marketplace. The EU-27 market for cosmetics products was worth €81.053 billion at retail sales prices in 2023. As a world leader, the EU ranks second only to the US (€102 billion RSP) and ahead of China (€67 billion RSP). European brands are known worldwide for their quality, safety, and innovation, and our products are exported to markets across the globe. However, our industry operates in an increasingly competitive global environment, where regulatory barriers and trade policies can significantly impact our ability to compete.

As mentioned by the Draghi report, the regulatory burden on European companies is high and continues to grow. This can create an imbalance for European companies that compete directly with other companies in other non-EU markets.

For our sector, which totalled €26 billion exports of cosmetic products from the EU-27 in 2023, to remain competitive at a global stage, it is vital that EU trade policies and regulations support the free flow of goods and services and facilitate access to new markets. This includes the reduction of trade barriers and the alignment of regulations that allow for the seamless export of European-made products.

## Our ask:

We call on policymakers to ensure that EU trade policy is designed to support the competitiveness of our value chain on the world stage. Trade agreements must prioritise market access, reduce regulatory barriers, and support the export of high-quality and innovative European products such as ours.



**INNOVATION**



# Driving progress and excellence

3

Innovation is the DNA of the European beauty and personal care industry. Our commitment to innovation is deeply intertwined with our dedication to both consumer needs and evolving EU regulations. We continuously invest in research and development to improve formulations, and ensure the highest standards of product safety, sustainability, and consumer protection. In this dynamic landscape, a coherent and predictable regulatory environment, grounded in robust scientific principles, is essential for our value chain to thrive.

Innovation is expected to remain a large driver of growth in the skincare category. For example consumer demand for innovative and eco-friendly sun protection products is on the rise in Europe, with countries like France leading the way in promoting sustainable and organic options.

In skincare, we're also seeing AI as a key driver. Many beauty companies are integrating AI to transform skincare practices. Companies are compiling extensive facial aging databases with global demographic representation, leveraging their Research and Innovation results and utilising data to discern the biological, clinical, and environmental elements impacting skin health.

The fragrance category is also driven by relentless innovation, with manufacturers investing around 8% of their net sales in R&D – double the EU average for large global companies and well ahead of innovation investment in other beauty categories. Many of the major fragrances houses are combining the traditional skills of perfume making with AI to drive innovation. Integrating AI means that perfumers can push the boundaries of fragrance creation and ultimately create new and exciting products.

There are at least 30 separate scientific steps involved in the development of every new lipstick. In the fragrance category, meanwhile, over 3,000 ingredients are used to create, produce and supply 60,000 to 80,000 unique blends worldwide annually.

Reformulation exemplifies this need, as companies invest heavily to adapt to new regulations while continuing to create innovative products that meet consumer demand. Every year, a quarter of cosmetic products on the market are improved or completely new.

As Mario Draghi notes in his report, Europe needs to invest more in research and innovation in key sectors: "the problem is not that Europe lacks ideas or ambition. But we are failing to translate innovation into commercialisation, and innovative companies that want to scale up in Europe are hindered at every stage by inconsistent and restrictive regulations."

In Europe, the beauty and personal care industry typically reinvest 5% of their annual sales into research and development (R&D) – a figure conservatively estimated to be worth €2.35 billion.<sup>1</sup>

## Our ask:

We ask that EU regulations follow a robust science-led and risk-based approach to encourage innovation and ensure our value chain can develop and invest in its innovation strategy in the EU, with a coherent and predictable regulatory environment.

<sup>1</sup> Value of Beauty Report



# JOB CREATION AND TRAINING

# Investing in people

# 4

Our sector employs over 3 million people directly or indirectly in Europe, with a notable emphasis on female participation, as women account for over two-thirds of the workforce in the industry, with over 30,000 scientists employed in our sector.

Our value chain is a major contributor to job creation and social mobility<sup>2</sup>. We offer high-quality jobs in areas ranging from research and development to manufacturing, retail and marketing. We are committed to investing in our workforce, providing training and development opportunities that enable employees to build fulfilling careers. For instance, In 2019, 1.7 million people were recorded as working as hairdressers and beauticians in the EU; of them, 86% were women and 80% were aged between 15 and 49.

Training and upskilling are essential to maintaining a competitive and innovative workforce. As new technologies and sustainability requirements reshape the future of work, it is vital that employees have the skills they need to adapt to these changes. By investing in training, we not only enhance the capabilities of our workforce but also contribute to social mobility and economic growth.

## Our ask:

We ask policymakers to recognise the economic significance of our sector and help us foster our contribution to EU's scientific leadership and diverse workforce through ambitious EU training programmes and investments in upskilling the workforce.



**SMEs**

# The backbone of the beauty industry

# 5

SMEs form the backbone of the European beauty and personal care industry. The beauty value chain is made up of almost 9,000 SMEs. These SMEs are typically family-owned companies, based in local areas, with deep expertise, creating vital employment in local towns through Europe. These companies play a crucial role in driving innovation, creating jobs and sustaining local economies.

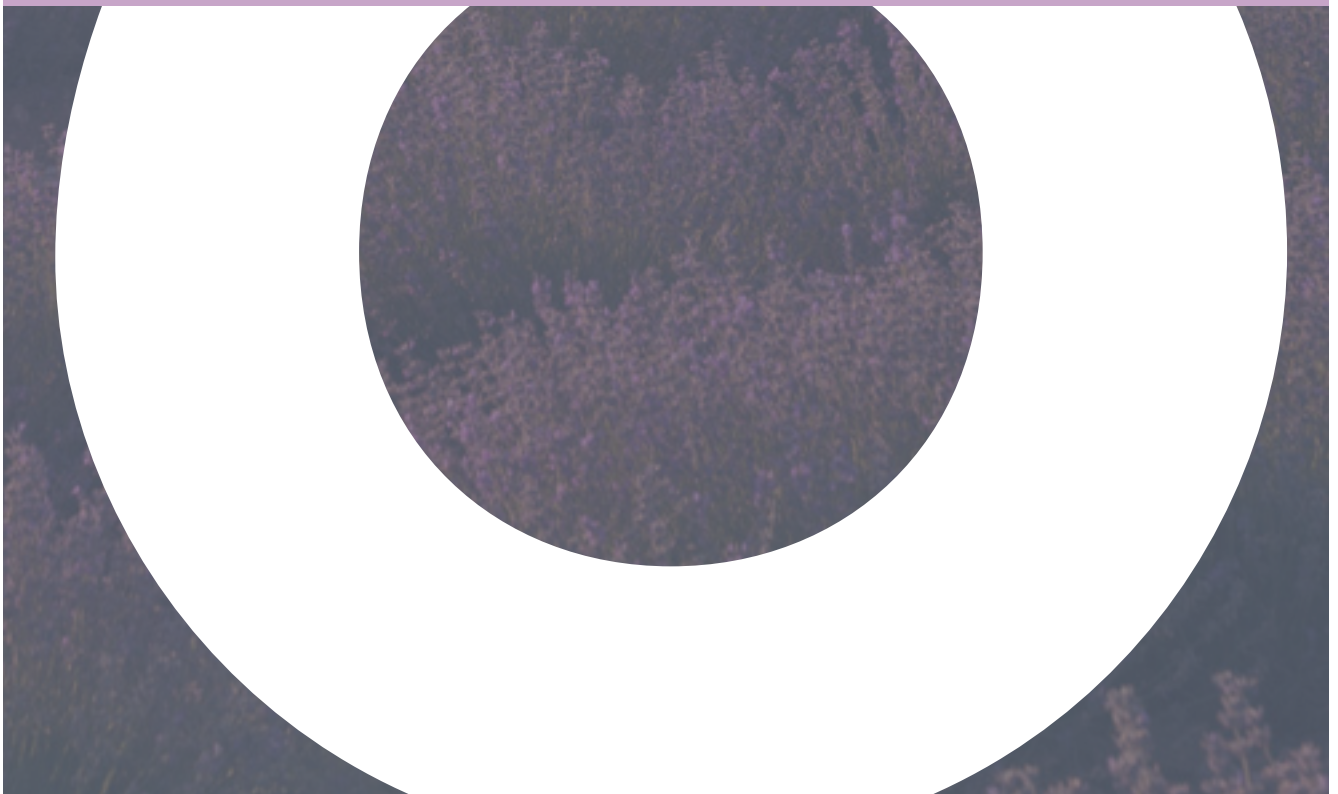
From the lavender fields of Provence, the citrus growers of Italy, to glass makers and packaging companies in Poland, our value chain extends to all corners of the European Single Market. These businesses bring unique insights and expertise, particularly in niche markets and artisanal products, that help differentiate European beauty products on the global stage. However, SMEs often face challenges in navigating complex regulatory environments and accessing resources for growth and innovation.

## Our ask:

We advocate for policies that empower all businesses, especially SMEs, to thrive in a competitive landscape. This includes simplifying regulatory processes, expanding access to financing, and promoting a culture of innovation. By fostering the growth of SMEs, we strengthen the entire European beauty and personal care value chain



# SUSTAINABILITY



# Leading the green transition



Sustainability is at the heart of the beauty and personal care industry's vision for the future. We are fully committed to the European Green Deal's objective of achieving a carbon-neutral continent by 2050. Our industry is already taking proactive steps to reduce its environmental footprint, from sourcing sustainable ingredients to reducing packaging waste and cutting carbon emissions. The sector increasingly uses packaging made for the circular economy such as refillable face cream jars or recyclable glass perfume dispensers. Shampoo bars are an alternative to traditionally packaged liquid shampoo, while many lipsticks and lip balms are now supplied in fully recyclable packaging for example, mono-material sticks and cardboard containers. Transparent labelling, backed up by industry certifications, informs consumers what ingredients are used and allows them to make planet-friendly choices.

The industry's sustainability efforts also include responsible sourcing, and eco-friendly practices throughout the supply chain. Using natural formulas and ingredients that do not harm the environment is a key priority for many within the industry. For example, some brands have pioneered clean-formula vegan make-up products with no animal-derived ingredients or by-products.

Achieving the goal of carbon neutrality requires

collaboration across the entire value chain. We are investing in sustainable innovation, reformulating products with sustainable ingredients, and adopting circular economy principles. However, to accelerate the transition to a green economy, we need supportive policies and a regulatory framework which is stable and predictable, with minimal disruption to this critical sector for the EU.

Sustainability is a key priority at all points of the value chain, from green energy usage and ethical testing to eco-friendly packaging which uses recyclable materials in innovative ways to reduce waste. This focus on sustainability also drives relentless innovation and in turn growth. Billions of euros are invested in research every year, sustaining tens of thousands of scientists in widely diverse fields.

## Our ask:

EU policymakers must ensure the proper implementation of EU green regulations, in a stable, predictable and holistic approach that takes into account our value chain, without compromising on competitiveness.





# SOCIAL WELLBEING



# Enhancing confidence and quality of life

7

The beauty and personal care industry has never been simply about superficial appearance. It is an essential part of the wellbeing and mental health of Europeans. How we look influences how we feel and how we feel also depends on how others perceive us. The physical wellbeing and mental health aspects of beauty and personal care are significant and should not be underestimated. In fact, 71% of consumers rated cosmetics<sup>3</sup> and personal care products as 'important' or 'very important' in their daily lives.

The World Health Organisation recognises that "good mental health translates to good physical health" and that self-care is a core element of positive mental health.

We are deeply conscious of our responsibility to provide safe, effective, and high-quality products that enhance self-esteem and promote positive self-image. The impact of our products extends beyond the physical, contributing to mental and emotional wellbeing as well.

It is clear that consumers see a strong link between beauty and personal care products and their quality of life: 71% of European consumers regard personal care and cosmetic products as 'important' or 'very important' in improving their quality of life. For the majority of people, therefore, self-care with beauty and personal care products is a central element of wellbeing.<sup>4</sup>

## Our ask:

EU policymakers must recognise the importance of wellbeing as part of Europe's broader health agenda and the essential contribution of our value chain in this area.

<sup>3</sup> Value of Beauty Report

<sup>4</sup> Value of Beauty Report

The beauty and personal care industry is an essential contributor to Europe's economy, society and sustainability goals. As we look to the future, we are committed to working in partnership with policymakers to ensure that our sector continues to thrive and deliver benefits to all Europeans. By supporting the Single Market, fostering innovation, empowering SMEs, creating jobs, driving sustainability, and enhancing social wellbeing, we can build a brighter, more competitive, and more sustainable future for Europe.



“ Together, we can ensure that the beauty and personal care industry remains a global leader, supporting Europe's economic, social, and environmental goals for generations to come. ”

The  
**VALUE** of  
**BEAUTY**