

Make up the Future

Activating change for a sustainable beauty industry

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The beauty industry stands at a turning point. Climate volatility, resource constraints, shifting regulation and market transformation are now shaping business realities, while growth and consolidation continue to redraw the competitive landscape. After a first phase focused on commitments and capability-building, the priority now is to activate sustainability as a strategic driver of value creation, building resilience, competitiveness and long-term growth — across the industry, within companies and through the products they bring to market.

Together, let's Make up the Future”



Emmanuel Hembert — Global Head of Cosmetics, Personal Care & Pharma



Navigating change at industry level

What's changed since 2020

The beauty market has expanded rapidly — alongside intensifying consolidation — making the sector more global, more complex and more competitive. As the industry scales, so do the risks: environmental disruption, supply chain instability, and growing pressure from regulation, retailers, and consumers for transparency and accountability are now shaping day-to-day realities.

Looking ahead

The industry is entering a new chapter built on the groundwork laid since 2020. After an initial focus on measuring impact and setting direction, followed by early implementation, the next challenge is transformation at scale across the value chain — using sustainability to withstand intensifying headwinds and build a more resilient, adaptive industry.

What's next

1. Collective intelligence remains essential

With impacts concentrated in ingredients and packaging, no company has full visibility alone. Shared platforms, harmonized methods and common data are now critical to improve traceability, identify hotspots and act faster — even with imperfect data.

2. The financial ROI of sustainability needs to become clearer than ever

Sustainability must be viewed through a financial lens. Climate and nature risks are already affecting costs and supply stability, while sustainability investments can reduce risk and improve efficiency. This requires finance, commercial and executive teams — not sustainability teams alone — to integrate environmental performance into core decisions.

3. The AI revolution will reshape industry dynamics

AI is accelerating impact assessment, traceability and innovation, helping companies manage complexity and move from assumptions to evidence-based decisions. Used selectively, where it adds real value — and with attention to its own environmental footprint — AI strengthens decision-making rather than replacing it.

Consumers today are demanding more, and their understanding of sustainability is evolving. They want to make better choices, but many remain unsure how — and in practice, this intent does not consistently translate into higher sales of more sustainable products, revealing a gap the industry must address. This creates both a challenge and an opportunity for companies to close that gap through improved products, purchase incentives and narratives focused on consumer benefits.

89%

FRANCE

of skincare consumers in France consider sustainability initiatives when buying a skincare product.

61%

USA

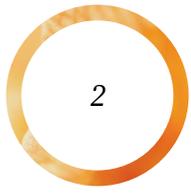
of US consumers expect brands to take the lead in addressing environmental issues.

45%

CHINA

of consumers in China consider the most important criteria for sustainable beauty products is that they are manufactured in a way that does not pollute the environment.





Driving transformation at corporate level

What has changed since 2020

Since 2020, beauty companies have made real progress in understanding their environmental impacts. Footprints have been assessed, targets set and strategies defined. Sustainability has moved beyond corporate commitments and is increasingly embedded across functions, with greater involvement from leadership as regulatory and reporting expectations have intensified.

Looking ahead

The next phase is about activation. The challenge is to translate ambition into measurable impact — reducing emissions, limiting nature-related risks and reshaping product portfolios using science-based metrics. This requires moving from siloed initiatives to system-wide change, embedding sustainability into strategy, governance and day-to-day decision-making.

What's next

1. Adopt a holistic approach to sustainability

Climate action remains critical, particularly across scope 3 where most impacts occur. At the same time, companies need to look beyond carbon and integrate biodiversity, water and land-use considerations into planning to manage risk and avoid trade-offs.

2. Scale up organizational enablers

Digital tools are accelerating data collection, improving accuracy and enabling scenario modeling across footprints, products and suppliers. To be effective, these tools must be supported by clear governance, accountability and cross-functional ownership.

3. Influence beyond company walls

Delivering impact at scale depends on stronger collaboration with suppliers, manufacturers, professional channels and retailers. Moving beyond data collection toward engagement, capability-building and co-innovation is critical to reduce scope 3 impacts and strengthen value-chain resilience.



How does our beauty routine impact the environment?

In Europe, the average beauty routine generates about 700 gCO₂e. Most impact occurs during the use phase, primarily from hot water used to apply and rinse off products and from cotton used for makeup removal. This holds true when aggregating all environmental impacts, not just carbon. The use phase should be central to product

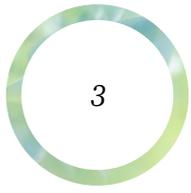
design, while downstream, companies have a unique opportunity to engage retailers and consumers toward more sustainable behaviors. Beyond use, key impacts are driven by how formulations break down — more than by raw materials or packaging production — making end of life a crucial lever for companies to address.

Environmental impacts of a typical beauty routine including the use phase:

Raw materials production	Packaging production	Distribution	Use phase	End-of-life of formulation & packaging
<10%	<10%	5%	70%	10%

and excluding the use phase:

Raw materials production	Packaging production	Distribution	End-of-life of formulation & packaging
25%	25%	10%	40%



Advancing innovation at product level

What's changed since 2020

Product sustainability has shifted from isolated improvements to life cycle-based design. Life cycle assessments now guide decisions across ingredients, packaging, use and end-of-life, taking into account tighter regulation and rising retailer expectations.

Looking ahead

Ecodesign is becoming a strategic capability. Decisions made early in product design will increasingly determine environmental performance, regulatory readiness and long-term market access.

What's next

1. Low-impact ingredients

Biotechnology, fermentation and upcycled feedstocks are expanding formulation options, supported by improved datasets and predictive tools that enable earlier assessment of environmental performance and compliance risks without compromising efficacy.

2. End-of-life by design

Downstream impacts, including freshwater ecotoxicity and environmental persistence, are now recognized as major contributors to overall product footprints. End-of-life

performance therefore increasingly need to be designed upstream — shaping ingredient selection, formulation architecture and trade-offs long before products reach the market.

3. Packaging beyond compliance

Recyclability, underpinned by regional regulations and design-for-recycling standards, is becoming a license to operate. Packaging strategies are moving beyond material choice to reconcile circularity with advanced design optimizations, powered by science-based metrics. Refill and reuse models are progressing beyond pilots, enabled by strong consumer incentives for retailers' collaboration and consumers' adoption.

4. Water-smart use

Use-phase impacts are gaining prominence as water stress intensifies and consumer routines come under scrutiny. Dose control, quick-rinse performance and low-water or water-free formats are emerging as critical levers, alongside clearer guidance to support more water-efficient consumer behavior.

5. The shopper interface

Environmental performance is increasingly visible at the point of sale through on packaging information, labels and retailer programs. Retailers are using quantified sustainability criteria to shape assortments, making product-level performance a growing determinant of market access and commercial success.

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What the beauty industry does next matters.
Let's move forward together.

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Strategic checklist for beauty leaders

(01) Industry

- Strengthen pre-competitive collaboration:** Invest in shared initiatives like TRASCE and EBS to close data gaps and align sustainability metrics.
- Link sustainability to resilience:** Position sustainability as a core lever for managing risk, stabilizing costs, and driving growth.
- Harness AI with purpose:** Apply AI to accelerate ingredient innovation, traceability, and emissions modeling — while monitoring its own footprint and value-added impact.

(02) Corporate

- Embed sustainability across the organization:** Decentralize ownership by aligning all functions around shared environmental targets.
- Mobilize decision-makers:** Equip finance, commercial and leadership teams to integrate sustainability indicators into business strategy.
- Prioritize scope 3 action:** Embed supplier impact data and decarbonization plans into procurement decisions.
- Elevate supplier engagement:** Move from questionnaires to co-investment, training, and innovation partnerships that deliver measurable results.
- Build a resilience strategy with nature at the core:** Map dependencies and risks to develop targeted nature strategies aligned with climate goals.
- Digitalize for scale and accuracy:** Implement integrated AI-enabled platforms for data collection, scenario modeling, and disclosure readiness.
- Activate downstream partnerships:** Work with retailers, professionals and consumers to reduce use-phase impacts through training, campaigns, and new usage models.
- Scale up and embed ecodesign across the entire company:** involving sustainability, product development, marketing and procurement.

(03) Product

- Design low-impact formulas upstream:** Embed biodegradability and water ecotoxicity into ingredient selection and formulation architecture; prioritize low-impact ingredients guided by robust impact data, particularly leveraging biotech, next-generation feedstocks and upcycled ingredients.
- Future-proof packaging through circular design:** Optimize packaging by integrating design-for-recycling compliance, environmental impact, circularity performance and EPR fees into packaging decisions.
- Strengthen informed product design decisions:** Deploy AI-enabled LCAs and improved data access to guide optimization across the product design funnel, aligning performance, safety, compliance, cost and environmental impact.
- Innovate for water-smart use:** Develop low-water and out-of-shower formats grounded in evolving consumer routines, particularly in geographies increasingly exposed to water scarcity.
- Rethink the shopper experience in collaboration with retailers:** Optimize retail and point-of-sale materials to reduce waste and enable modular reuse. Embed sustainability seamlessly into compelling product narratives. Make refill intuitive and attractive, and scale beyond pilots through strong retailer and consumer collaboration.