

16 January 2025

Beauty In 2025: Changes, Regulations, Trends Shaping The Year Ahead

By Eileen Francis

Beauty industry insiders from trade associations and attorneys specializing in marketing law and/or cosmetics manufacturing look forward to a more business-friendly FTC in the US in 2025, while they expect industry to face an increasing number of challenges at the state level. Meanwhile, the EU beauty market is hopeful it will see reduced regulations this year.

Beauty industry insiders expect the new US administration will bring a more friendly Federal Trade Commission, while at the same time industry faces a web of newly effective state law regulations on cosmetic ingredients and packaging and potentially new trade barriers. In the EU, the beauty industry hopes 2025 is defined by a reduced regulatory burden on business as it continues to balance innovation, growth and the green agenda.

Q WHAT WILL 2025 BE THE YEAR OF?

Thomas Myers, president and CEO, Personal Care Products Council



2025 will be the year of opportunity.

With new leadership in the White House and Congress and continued growth of the beauty and personal care products industry, PCPC sees the year as an opportunity to tell our story and highlight the value of our industry.

It is important to ensure

government officials understand our industry's critical and essential role in the U.S. economy and job creation.

We also encourage the new Administration to prioritize the implementation of the landmark Modernization of Cosmetics Regulation Act of 2022, the movement of international goods, the reduction of trade barriers, and the use of responsible and safe business practices.

Our industry sees 2025 as an opportunity to meet or exceed consumers' growing expectations in several areas,



including education, innovation, and sustainability. As a reliable and credible source of information, PCPC remains committed to educating consumers on ingredients and product safety while protecting consumers by supporting science-based policy. The industry continues to advance scientific innovations, such as artificial intelligence, to ensure that safe, high-quality products evolve alongside consumer needs and technological advancements. And finally, we recognize that businesses can only thrive if they act responsibly on behalf of consumers, employees, business partners, and the communities in which they operate. Therefore, this year will be an opportunity to enhance or implement sustainability best practices.

Dr. Akemi Ooka, VP Global Supply Chain and Sustainability Resources, Independent Beauty Association

2025 will be the year of packaging compliance understanding and investment.

The beauty industry has seen significant legislative and regulatory activity in recent years, with much of the attention focused on the regulation of cosmetics formulas and finished goods.

2025 is poised to be the year when the beauty industry recognizes how significantly packaging related legislation will impact the industry, and the potential magnitude of future legislation in this space. Several states including Colorado, California, Oregon, Maine, and Minnesota have passed Extended Producer Responsibility (EPR) laws, with more states considering EPR proposals in the new legislative session.



EPR is a policy framework that requires Producers (usually the brand owner of a product) to either partially or fully fund the collection, sorting, and waste processing of packaging associated with items that they sell and distribute. IBA has been on the front lines of EPR working groups, cross-industry stakeholder roundtables and coalitions to represent the voice of indie beauty and the unique challenges the sector faces with EPR compared to some other covered industries. IBA has been prioritizing education in the EPR space in order to promote awareness and compliance preparation within indie beauty organizations throughout the supply chain.

In addition to EPR, 2025 marks the effective date for PCR percentage minimums for personal care products in Washington State. Washington passed SB 5022, the Washington Plastic Packaging Reduction Law, in 2021. Producers of covered packaging materials are required to meet PCR percentages in specified packaging with percentages gradually increasing over time. Household and Personal Care covered materials must incorporate 15% PCR in 2025, increasing to 25% in 2028 and 50% by 2031. Producers covered by the law must be registered with the state and must report the weight of both new and recycled plastic materials sold in Washington, with first reports due in April 2025.

2025 will be a year of continued focus on investment in compliance activities, personnel expertise and training for beauty stakeholders of all sizes. Beauty brands will need to prioritize building resourcing and expertise on packaging-specific legislation obligations in a new and rapidly evolving compliance area.

John Chave, director general, Cosmetics Europe



2025 will be the year of discovering if the European Union really means what it says about supporting European industrial competitiveness. The diagnosis of relative European economic decline is widely accepted in Brussels and national capitals. It also understood

that part of the solution to this problem is to reduce the burden on businesses, and to make sure that regulation supports innovation and growth. The EU wants to prioritise industrial competitiveness not only to protect the living standards in Europe, but also to make sure that it can exert itself on the world stage in uncertain times.

At the same time, the EU remains committed to global leadership on the green agenda. In 2025, we will get some sense of how the EU can balance these objectives, with among other things, a new regulatory package on chemicals, including the revision of the main chemical regulation, REACH.

For cosmetics and personal care products, REACH has never been more important as bans on ingredients come increasingly via chemicals legislation rather than sector specific cosmetics regulation.

As a significant industrial player in Europe, and one that can justifiably complain about excessive regulation in some areas, in many ways our industry is at the heart of Europe's challenges.

Let's hope that 2025 represents a turning point, and that the EU delivers on its promises.

Kelly Bonner, senior associate, Duane Morris LLP



2025 will be the year of change. We have an incoming Trump Administration, which has traditionally meant a rollback or reduction in regulation at the federal level and a concomitant rise in regulation at the state level. At the same time, we potentially have

Robert Kennedy as head of HHS, and he has expressed views regarding personal health that will impact products in the "cosmeceutical" or wellness space. This year, we're also seeing several cosmetic ingredient bans take effect, with more expected to come. And of course, we're looking at a possible ban or forced sale of TikTok, which will have a major effect on how beauty brands market to younger consumers and conduct sales, with TikTok Shop being the 8th largest retailer in the country. Finally, I don't think we can underestimate the impact of what's happening right now in Los Angeles, which is a major center for beauty brands and innovation. A huge number of these brands have been or will be affected by the wildfires and widespread devastation, while many others have pledged their support for those affected. It will be interesting to see how the industry will react to climate change and the prospect of needing to relocate.

Angela Diesch, partner, head of the cosmetics industry practices group for Amin Wasserman Gurnani, LLP

2025 will be the year of navigating the ever increasing web of state law compliance.

At least as to cosmetics, gone are the days that compliance with federal law is enough for companies seeking to sell across the United



States. From extended producer responsibility (EPR) laws to ingredient bans and restrictions, companies are facing an ever-expanding array of state regulation. Inconsistent legislation means companies must become more and more familiar with the intricacies of each state's laws. For example, with regard to EPR, some states currently require registering directly with the state, e.g., Washington and New Jersey, while others like California, Oregon, and Colorado, allow companies to register through a producer responsibility organization or stewardship organization like Circular Action Alliance. 2025 also marks the start of EPR reporting requirements for some states as well as the beginning of increased post-consumer recycled content requirements by other states. In addition, beginning on January 1, 2025, ingredient bans and restrictions for cosmetics enacted in California, Colorado, Washington, and Maryland go into effect. As a result, companies are facing reformulation obstacles and supply challenges as they hurry to meet the state-imposed deadlines.

Rachel Raphael, partner, Morgan, Lewis & Bockius LLP



2025 will be the year of wellness and sustainability.

Despite the popularity of “green” and “clean” beauty, these industry buzzwords remain largely undefined. This means that consumers and companies do not necessarily see eye-to-eye, making wellness and sustainability claims

attractive targets for consumer-driven false advertising litigation. So long as there is ambiguity around the meaning of these terms, we can expect this scrutiny to endure. In 2025, consumers (and other industry stakeholders) will continue to take aim at clean and green marketing

strategies, relying heavily on the ever-evolving list of off-limits ingredients and contaminants, regardless of how ubiquitous those chemicals are in the environment. And any company that promotes the healthy nature of its products or the environmentally-friendly nature of its business practices is at risk, regardless of how well it has cleaned up its act.

John Villafranco, partner, Kelley Drye & Warren LLP



2025 will be the year of break-pumping at the Federal Trade Commission (FTC). Expect a substantial shift in enforcement priorities with a Republican majority on the Commission, with emphasis on deregulation. We should also expect action consistent with

the FTC's prior (as opposed to current) mission statement, which emphasized protecting consumers without unduly burdening legitimate business activity (the italicized clause was dropped from the Mission Statement in 2022 under FTC Chair Lina Khan). Key areas of focus will include reducing regulatory burdens on businesses, revising guidelines affecting mergers and acquisitions, prioritizing the promotion of competition over stricter oversight, and generally, less government intervention when it comes to privacy and corporate practices. Expect an initial period of quiet, as the new leadership at the FTC considers how best to marry its regulatory policy to the prevailing political ideology, followed by a focus on allegations, prohibitions, and remedies tailored to illegal conduct, with consideration of how best to preserve the legitimate business functions that provide products and services to consumers and maintain a vibrant, competitive economy.