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COSMÉTIQUES

OUR THOROUGH MONITORING OF THE FRAGRANCE AND COSMETICS SECTOR FOR SUPPLIERS, RESEARCHERS, INDUSTRIALS AND SERVICE PROVIDERS





COSMETICS MADE IN SWITZERLAND



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Ingredients

For a natural beauty

Since almost 50 years, Lipoid Kosmetik AG provides natural ingredients for the cosmetics industries. Its watchwords: nature and innovation. Interview with Peter Röthlisberger, Managing Director of Lipoid Kosmetik AG.

What is the history of Lipoid Kosmetik?

Lipoid Kosmetik AG was founded in 1972 as Cosmetochem for the purpose of manufacturing botanical extracts for the cosmetics market. In 2013, the sales activities of the Lipoid Group in the cosmetics sector were combined under the umbrella of Lipoid Kosmetik AG, which is headquartered in Steinhausen, Switzerland. The Lipoid Group is a leading manufacturer of phospholipids for the pharmaceutical and dietetics market and the goal of the merger was to be able to serve the cosmetics market more purposefully and with a broader product line.



Peter Roethlisberger, Managing Director of Lipoid Kosmetik AG.

What are Lipoid Kosmetik's flagship products in the field of cosmetics?

We divide our portfolio into three areas: plant active ingredients, botanical extracts and natural phospholipids. Our guiding principle for the entire portfolio is "We make beauty natural." – that means, all of our products are derived from natural origins. In the botanical extracts sector alone, we offer an active portfolio of about 800 products.

Recently, we have introduced a new line of products, called Herbasol Pro, which bridges the gap between our plant-derived actives and our botanical extracts and are plant-based substantiated extracts for which we provide phytochemical as well as in vitro data and a trendy marketing story.

For our phospholipids we see a huge potential as natural emulsifier providing a perfect skin feel, as actives for skin protection and skin rejuvenation and as delivery systems for cosmetics ingredients. Phospholipids are an essential part of our cell membranes. Therefore, they are highly biocompatible, completely biodegradable, and irritation-free, making them exceptionally suitable for sophisticated, high-end skin care products.

What distinguishes your offer from the competition in Switzerland and internationally?

Our customers always emphasize the high, reproducible quality of our products, the long expertise in the extraction business, our proprietary Full Spectrum Mild Extraction Technology, a high drug-solvent ratio as well as the quick customer service, and our broad portfolio. Another important advantage is our worldwide presence on all important markets and regions. Today, we are represented in 60 countries on all conti-

nents by our subsidiaries, sister companies, and representatives. Our many years' experience and cooperation with our customers provide us with the opportunity to create trend-based, attractive and innovative developments very quickly.

Concerning traceability and sustainability, we have developed an integrated system IQ Tool over the last years, which was attested as a landmark in the industry by external experts and allows us to speak an honest language. This was recently awarded by Ecovadis with the Platinum Rating and with the Sustainability Leadership Award, as well with the Outstanding Achievement Award for Natural Cosmetics from the international journal CFI.

What does R&D represent in your turnover and what is your R&D strategy?

In an innovative industry, we have to deliver innovative products and be regarded as an innovative company. Our strategy is based on the belief that 'Nature knows best'. With this belief, we carefully select plant material for developing functional cosmetic ingredients based on their phytochemical composition. With profound scientific knowledge, this concept is then transformed into biochemical mechanisms with a deep understanding of the underlying physiological processes relevant for cosmetic applications.



Lipoid Kosmetik was awarded several times these last years.



Extensive analysis of mechanisms of action, physiological relevance, in-vitro, and extensive in-vivo studies are at the core of our active developments.

But that's not all. There is a reason why plants produce a plethora of phytochemicals. To protect them from a changing environment, from heat, cold, dryness, flooding, wind, UV exposure, insects, and many more. Not one phytochemical alone is responsible for a certain action. It is the entourage of different phytochemicals that deliver a synergistic effect, and ultimately provide a cosmetic activity.

Moreover, we have an excellent in-house expertise with a long experience in the industry and we include marketing and sales, trend forecasting and R&D expertise in a very well-steered innovation process from product idea, to product concept and finally product development. Besides trend forecast and company strategy, sustainability starts already at the innovation level, where we have integrated aspects of biodiversity, procurement policy and understanding the relevant stakeholders along the supply chain. We focus on long-term partnerships, stable supply of high quality raw material and transparent sourcing and take into account our environmental and social impact.

What are your latest innovations for the cosmetic industry?

Here, we should distinguish two things: first new developments of actives and the Herbasol Pro product line,

and second the continuous development of our general portfolio. The first include the newest launches of Water Lily Pro, Yogurtolin, the Award-winning Carotolino, PhytoCodine, Blossom Honey Pro or SLM Eco. For these actives and substantiated extracts, we invest greatly in innovation and product development and provide an extensive marketing and sales package. For instance for Phytocodine we sourced a by-product from the pine-tree oil manufacturing, that contains Natural Peptides Matrikine-like messengers.

The continuous development of our portfolio is similarly important, but does not have the same external appeal as our new product launches. This includes the development of solvent systems towards more natural, improving traceability of raw materials or developing organic extracts for clean beauty approaches. Today, more than half of our portfolio have a natural content of >99% according to international ISO norm 16128.

In the areas of sourcing and innovation, what are your ambitions in terms of sustainability and CSR?

Business success and economic performance are the basis for a sincere CSR policy. We align our policy with the UN Global Compact initiative. Our Corporate Social Responsibility (CSR) approach is holistic and based on the integration of social, environmental, and economic aspects, which we give equal significance. The

three pillars are: social fairness including fair business practices, respecting UN Global Compact principles; environmental aspects such as biodiversity conservation, prevention of pollution and respectful use of natural resources; and economic aspects such as fair business practice and long-term relationships. The CSR policy is fully integrated into our ISO 9001:2015 system with all relevant parts such as setting and assessment of goals, key performance indicators, documentation and internal auditing. Of course we would like to further develop our CSR commitment especially in developing our supply chain and in keeping our platinum rating with Ecovadis.

What do you think are the advantages of being based in Switzerland?

There are a number of advantages and a few disadvantages. We have a long tradition of economic, political and social stability. But most important are the human resources, the excellent higher education system, a system of high cultural and personal diversity and sensitivity which can inspire creativity and drive innovation. According to several indexes, Switzerland is No. 1 regarding the most-innovative economies in the world. And that is the basis of creating a culture of innovation, creativity and quality. Of course, this comes with some costs: living costs and salaries are generally higher than in other countries. But of course, there are advantages of being based in any country. What is more important is that you take advantage of your specific environment.

What are the company's ambitions in the short and medium term (in terms of innovation, product launches, investment in Switzerland and internationally, CSR, etc.)?

We see that many big players and smaller brands in the industry have a clear strategy and target to become more natural. This is driven by the increased consumer awareness. However, there is still a lot of greenwashing. Care is more than avoiding harmful products, sustainable care is more than just a trend, it is part of a bigger movement towards sustainable consumption and respect for the environment. It is not about external beauty. It is about a holistic attitude towards life. And this view will be adopted by a growing number of educated consumers. We would like be part in of this shift from corporate social responsibility to a true consumer responsibility.

On an operational basis we want to have a regular flow of new products, innovative concepts and trendy marketing stories without overpromising. That is why we speak an honest language, which together with our guiding principle "We make beauty natural.", leads



Lipoid Kosmetik manufactures natural products from natural raw materials.



The headquarters of Lipoid Kosmetik in Steinhauseng.

the way for all future endeavors. We thereby rely on our long-standing expertise and the exceptional quality of our portfolio, that enables our customers to develop and market innovative, functional, and natural cosmetic products meeting the highest standards. We have gained an outstanding reputation in the global cosmetic industry over the last 50 years and we want to cater for the needs of this market also in the upcoming decades. This means expanding our existing distributor network, growing with our customers, and attracting new ones while maintaining an open and trustworthy relationship with all partners along the value chain \bullet