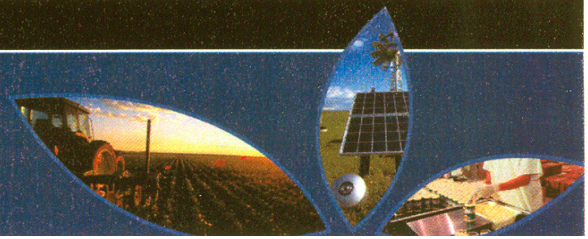


# COSMETIC INDUSTRY CONNECTS NEWSLETTER



## Welcome!

We proudly present the Twelfth Edition of “Cosmetic Industry Connects”, the official update of the Specialty Chemical Ingredients Initiative, a collaborative effort led by Alberta Agriculture & Rural Development, which includes local industry, research institutions, industry organizations, growers, major industry players and service providers. Our goal is:

*“Helping to build a globally competitive natural cosmetic and personal care ingredient industry in Alberta.”*



Botaneco: The Oleosome Company

The Specialty Chemical Ingredient (SCI) Initiative is pleased to welcome Andrew Baum, President and CEO of Botaneco Specialty Ingredients Inc. (‘Botaneco’) as the newest member of the SCI’s Alberta Strategic Advisory Group. The ‘by invitation only’ membership consists of senior industry executives with an interest in supporting the successful development of the natural cosmetic and personal care ingredient industry in Alberta.



“I am pleased to be a member of the Alberta Strategic Industry Advisory group. I support the goals and vision of the SCI Initiative and look forward to working with Kathy and the rest of the Specialty Chemical Ingredient Initiative Team,” said Baum.

Advisors provide regional perspective, advice and council to the SCI Initiative, validate the Initiative’s direction and when it makes sense, collaborate on mutually beneficial projects.

In 2007 Botaneco was formed as a specialty ingredients subsidiary of SemBioSys dedicated to manufacturing and marketing of personal care ingredients. Baum was appointed President and Chief Executive Officer of Botaneco in April 2009. He coordinated the creation of Botaneco as a stand alone SemBioSys subsidiary during his time as President and CEO of SemBioSys from August 1998 – January 2009. While at SemBioSys, Baum took the company from a University based organization to a publicly traded, fully integrated biotechnology company.

“Botaneco is a true example of a ‘Made in Alberta’ company, starting from a U of C technology to a spin-off of the biotechnology company SemBioSys, which employs Albertans.” says Baum proudly. Baum also appreciates the significant funding support from Alberta-based AVAC, Avrio and others. Botaneco’s head office and manufacturing facility is located in Calgary, Alberta with a satellite office in Bensalem, PA.

There is a demand for all-natural ingredients for the personal care industry that perform as well if not

better than current synthetic ingredients. Botaneco's proprietary ingredients Hydresia™ and Hydresia™ G2 (from safflower) and now Hydresia™ G2 Dulcé ( a natural emulsion base isolated from sweet almonds) are natural emulsifiers comprised of oleosomes. Using a proprietary non-solvent aqueous extraction process, these Oleosomes are isolated from the seed fully intact, and when used in skincare applications can provide lasting protection to the skin.

Hydresia Dulcé was launched at in-cosmetics 2009 in Munich Germany. It has already been authorized by ECOCERT® as an approved raw material, complying with the standards for ecological and organic cosmetics and is identified as 99.55% natural by the organization.

"We are most proud of our customers," says Baum when asked about the company's accomplishments. "We have 40 customers with a wide range of products from Burt's Bees to GlaxoSmithKline Canada." Burt's Bees (the largest natural personal care company in North America) became Botaneco's first international brand customer in January 2008, launching two body washes and a hand soap in North America containing Hydresia™.

Baum says Botaneco is able to offer tremendous value to their customers by providing high performance innovative ingredients that offer multifunctional, tangible and documented benefits to both formulators and consumers.

Botaneco truly does stand for innovation, intelligence and smart choices. Visit their website for more information: [www.botaneco.ca](http://www.botaneco.ca)

### **In-cosmetics 2009 Highlights**

The 2009 *in-cosmetics* was held in Munich Germany in April - *the leading global business platform for personal care ingredients. in-cosmetics* serves as a significant business platform

for global ingredient launches for the cosmetic and personal care ingredient industry and offers an extensive conferencing program and science/innovation industry presentations. It is also a place for industry to touch base with one another and firm up deals.

For all these reasons it is also a primary business platform for the SCI Initiative's investment missions to connect and/or re-connect with significant industry players and to discuss collaborative projects. Kathy Lowther and Donna Fleury were at the 2009 show and met with several global cosmetic ingredient companies and attended many of the industry presentations, including Botaneco's Innovation Zone "Oleosome Technology" presentation. The companies and industry experts that they met with were pleased with the 2009 in-cosmetics show, emphasizing that although overall attendance may have been down slightly, the right people and the decision-makers were in attendance.

The 2009 Show Review, including links to some of the marketing trends and innovation seminars are available on the in-cosmetics website. Here are a few highlights from the various workshops, seminars and presentations.

Lowther and Fleury attended two half-day workshops provided by Organic Monitor and led by Judi Beerling, Technical Research Manager -- Natural & Organic Cosmetic Standards Workshop and Natural and Organics Formulation Workshop. Organic Monitor Ltd provides services including business research publications, customised research, business consulting, seminars & workshops. <http://www.organicmonitor.com/>

Key staff from leading international ingredient companies attended the workshops, providing great opportunities for networking and discussions about key issues and opportunities being faced by these companies in their businesses.

### *Natural and Organic Cosmetic Standards Workshop*

In this workshop an overview of the various standards and certifications were presented. There are various natural and organic standards around the world, each with their own accepted inputs, processes and practices. Some standards, such as EcoCert and BDIH provide certification for ingredients and for finished products, while others only provide certification for finished products. For organic certification, the standards vary in how certified organic content is calculated.

Determining which certification standard(s) to use will depend on many factors including market, buyer requirements, regulations, range of products, price, auditing requirements, etc. Companies who are considering becoming certified may want to manufacture ingredients/products following guidelines from a selected standard to become better prepared if asked for by buyers and/or when the time comes to formalize the certification process.

At in-cosmetics 2009, ECOCERT certified ingredients and finished products seemed to be gaining popularity, along with many other standards and certifications.

Here are links for more information about a few selected natural, organic, eco standards and certifications:

International/Europe

EcoCert: [www.ecocert.com/List-of-the-available-documents.html](http://www.ecocert.com/List-of-the-available-documents.html)

BDIH: [www.kontrollierte-naturkosmetik.de/e/index\\_e.htm](http://www.kontrollierte-naturkosmetik.de/e/index_e.htm)

Natrue: [www.natrue.org](http://www.natrue.org) (entered an equivalency agreement with NSF for its made with organic ingredients standard.)

COSMOS-standard: [www.cosmos-standard.org](http://www.cosmos-standard.org)

In May 2009, BDIH (Germany), BIOFORUM (Belgium), COSMEBIO & ECOCERT (France), ICEA (Italy) and Soil Association (UK)

announced the publication of COSMOS-standard, the new harmonized and most challenging European cosmetics organic and natural Standard, after 6 years of effort.

UK Association of Organic Agriculture:

[www.soilassociation.org/certification](http://www.soilassociation.org/certification)

Ecoflower/Ecolabel:

[ec.europa.eu/environment/ecolabel/index\\_en.htm](http://ec.europa.eu/environment/ecolabel/index_en.htm)

North America

USDA organic: [www.ams.usda.gov/nop/](http://www.ams.usda.gov/nop/)

Natural Products Association:

[www.naturalproductsassoc.org/site/PageServer?page\\_name=ic\\_natural\\_standard](http://www.naturalproductsassoc.org/site/PageServer?page_name=ic_natural_standard)

NSF/ANSI 305:

[www.nsf.org/media/enews/documents/Made%20with%20Organic%20FAQ\\_03%2017%2009.pdf](http://www.nsf.org/media/enews/documents/Made%20with%20Organic%20FAQ_03%2017%2009.pdf)

OASIS: [www.oasisseal.org](http://www.oasisseal.org)

### *Natural and Organics Formulation Workshop*

The two top priorities for natural and organic formulations are certification and preservatives. Natural plant-based ingredients are very much sought after, with premium pricing, sustainability, environmental factors, safety, ethical and fair trade considerations, company philosophy, etc. as some of the reasons indicated. However cosmetic formulators/manufacturers have many challenges when formulating 100% natural cosmetic products, including differences in acceptance of ingredients and processes considered natural or organic. As formulations become more complex, the more challenging to formulate 100% natural products.

Cosmetic formulators are continuously looking for certain classes of natural ingredients (currently they are tougher to obtain in an acceptable natural form), such as: emulsifiers, surfactants, preservatives, sunscreens, silicone replacers, chelating agents, antioxidants, solvents, colors. The most challenging areas for natural sources of ingredients are preservatives, surfactants and sunscreens. An acceptable natural form of these classes of ingredients that works as well as current synthetic ingredients in formulation - particularly preservatives

- would be considered "the holy grail" of the industry.

#### *incosmetics seminars*

There were several concurrent seminars presented during in-cosmetics covering a wide range of topics and presented by leading company experts from around the world. In the marketing trends section, the sessions by Euromonitor International, Kline, Organic Monitor and Mintel provided good overviews.

Another presentation on *Formulating Natural and Organic Cosmetics* by Dr. Barbara Oliosio founder of Organatural ([www.organatural.co.uk](http://www.organatural.co.uk)) offered a great perspective from an industry formulator, including an overview of differences in 'natural' and the various challenges and opportunities of formulating natural and organic cosmetics.

One interesting presentation on the future of color cosmetics (which isn't as powerful in writing compared to the live presentation with music and graphics!!) was *The Future has Already Started... Make-up Your Mind* by Future Touch ([www.future-touch.com](http://www.future-touch.com)).

There were many other worthwhile presentations – check out the website for links to the presentations, videos, guides and other information. in-cosmetics will be celebrating its 20<sup>th</sup> anniversary of innovation in Paris April 13 to 15, 2010.

#### **in-cosmetics Links**

in-cosmetics 2009 Show Review: [www.in-cosmetics.com/page.cfm/link=382](http://www.in-cosmetics.com/page.cfm/link=382)

Marketing Trends: [www.in-cosmetics.com/page.cfm/link=384](http://www.in-cosmetics.com/page.cfm/link=384)

Innovation Seminars: [www.in-cosmetics.com/page.cfm/link=388](http://www.in-cosmetics.com/page.cfm/link=388)

#### **The FAQ's Ma'am, only the FAQ's!**

Each issue we publish *Frequently Asked Questions* as part of our ongoing effort to ensure those interested in our project are provided with as much information as possible.

#### **How does the team keep current on what is happening in the industry?**

The SCI team ensures we remain current relative to the cosmetic and personal care industry and are committed to using a variety of methods to keep abreast of industry trends. We regularly review publications, subscribe to newsletters, talk with companies in the industry (both in Alberta and internationally) and occasionally attend industry conferences (such as the recent in – cosmetics conference in Germany where Kathy Lowther and Donna Fleury met with some 15 international cosmetic companies). As well, the team is grateful for the support provided by the SCI Alberta Strategic Advisory Group and the SCI International Strategic Advisory Group with whom we meet periodically and who make themselves available as needed for telephone calls and meetings. Both of these industry advisory groups volunteer their time and are an important and critical connection to what is happening in the industry.

The SCI team also shares non confidential information, when appropriate. One of the ways we accomplish this is by preparing and distributing this newsletter. We work hard to ensure our partners and potential partners, local and international, are aware of the many exciting things that are happening in the cosmetic and personal care industry in Alberta!

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#### **Recently Announced Funding Opportunities Growing Forward Programs**

Growing Forward Think locally, grow globally.  
Growing Forward is a new commitment from  
Canada's federal, provincial and territorial Ministers

of Agriculture to develop an agricultural policy framework that better positions agriculture, food and agri-based industries for success. Here are a few of the funding opportunities that were recently announced.

### **Growing Forward in Alberta:**

Alberta Agriculture and Rural Development is committed to cultivating the Growing Forward objectives that have been developed in partnership with Agriculture and Agri-Food Canada. Growing Forward Business Management and Business Competitiveness grants have recently been announced.

For specific details on all the current grants available, registration, application forms and project proposal guidelines please visit:

[www.GrowingForward.Alberta.ca](http://www.GrowingForward.Alberta.ca)

OR

Contact the Ag-Info Centre toll-free at 310-FARM (3276) or Email: [GrowingForward@gov.ab.ca](mailto:GrowingForward@gov.ab.ca)

### **Growing Forward Nationally:**

The Growing Canadian Agri-Innovations Program will invest \$158 million in the following four initiatives to build an innovative and competitive agricultural sector by encouraging industry leadership and investment in agricultural science and innovation. These initiatives will be delivered by Agriculture and Agri-Food Canada.

- Agri-Science Clusters
- Developing Innovative Agri-Products
- Agri-Foresight
- Promoting Agri-Based Investment Opportunities

For additional information about the Growing Canadian Agri-Innovations Program, please visit [www.agr.gc.ca/agri-innovations](http://www.agr.gc.ca/agri-innovations), or call toll-free 1-866-857-2287.

### **Agriculture and Agri-Food Canada Canadian Agricultural Adaptation Program (CAAP)**

Launched as a successor to the Advancing Canadian Agriculture and Agri-Food (ACAAF) program, the Canadian Agricultural Adaptation Program (CAAP) will continue to support industry-led initiatives at the national, regional and multi-regional levels

For more information please contact Canadian Agricultural Adaptation Program (CAAP) at Email:

[caap-pcaa@agr.gc.ca](mailto:caap-pcaa@agr.gc.ca)

or visit their website:

<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1182366508375&lang=eng>

### **Resources**

#### **New Health Canada Document Now Available** Health Canada released a new *Guide to Cosmetic Ingredient Labelling* document in June 2009.

This document is a guide to help understand the nuances of the International Nomenclature of Cosmetic Ingredients (INCI) system of ingredient labelling. It is based on what is required as per the *Cosmetic Regulations*. This guide includes tables to clarify common questions, ingredient label examples, and tips to verify proper INCI labelling.

[http://www.hc-sc.gc.ca/cps-spc/pubs/indust/labelling\\_guide-etiquetage/index-eng.php](http://www.hc-sc.gc.ca/cps-spc/pubs/indust/labelling_guide-etiquetage/index-eng.php)

#### **Cosmetic Bench Reference (CBR)**

Cosmetic Bench Reference (CBR) is an extensive directory of cosmetic ingredients and suppliers designed specifically for the cosmetic and personal care formulator. The newly redesigned CBR is accessible FREE online. Ingredients are searchable by: INCI name, trade name, CAS #, supplier and function. To register and begin searching, go to:

[www.cosmeticsandtoiletries.com/cbr](http://www.cosmeticsandtoiletries.com/cbr)

**Centre of Professional Advancement (CfPA)**

CfPA offers public and on-line technical training and continuing professional education in various areas including cosmetics and personal care research and development.

[www.cfpa.com/cosmetics-training](http://www.cfpa.com/cosmetics-training)

**Green Moms: Who They Are, Why They Matter, What They Want**

By EnviralMarketing Staff. May 20, 2009

According to the Marketing to Moms Coalition, nearly \$2 trillion a year is spent by Moms in general, who control 85% of household spending. Moms are some of our most influential shoppers and purchase influencers, and green moms are no exception.

For the full story, and to find out the more about the recently published Nielsen list of the 50 most influential mommy bloggers (including [www.biggreenpurse.com](http://www.biggreenpurse.com)), go to:

[www.enviralmarketing.com/2009/05/20/green-moms-who-they-are-why-they-matter-what-they-want/](http://www.enviralmarketing.com/2009/05/20/green-moms-who-they-are-why-they-matter-what-they-want/)

**Upcoming Events**

September 15 - 17, 2009

17th Annual HBA Global Expo & Conference,  
New York

[www.hbaexpo.com](http://www.hbaexpo.com)

October 13 – 15, 2009, Singapore  
in-cosmetics Asia

[www.in-cosmeticsasia.com](http://www.in-cosmeticsasia.com)

October 22-23, 2009

SCC California Suppliers Day, Long Beach, CA  
[www.caliscc.org](http://www.caliscc.org)

October 27 - 29, 2009

Personal Care Products Council Science Week,  
Newark, NJ

A week of Regulatory and Formulation Workshops  
for the Personal Care Industry

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

November 15-18, 2009

CosmeticsXchange, Arizona

Leading Cosmetic Manufacturers with Cutting Edge  
Technology Providers

[www.cosmeticsxchange.com/index.html](http://www.cosmeticsxchange.com/index.html)

December 10 - 11, 2009

SCC Annual Scientific Meeting & Technology  
Showcase, New York

Technology and latest research in Cosmetic and  
Personal Care

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

Editor: Kathy Lowther, SCI Team Lead

Alberta Agriculture & Rural Development

LET US KNOW: If you were forwarded this newsletter from a colleague and would like to be added to our list **OR** if you don't want to receive this newsletter please send an email to: [donna.fleury@gov.ab.ca](mailto:donna.fleury@gov.ab.ca).