



### VALÉRIE KAMINOV – BIOGRAPHY

Valérie Kaminov is Founder and Managing Director of the highly successful International Luxury Brand Consultancy based in London.

For over 20 years Valérie has been at the forefront of the global cosmetics industry and has worked with a vast array of luxury, premium and niche beauty brands and fragrances.

Her extensive expertise, commercial acumen and practical experience are much sought after by both iconic global brands and newly emerging talents. Valérie's wealth of knowledge in international growth strategies and business development is combined with an inspirational and forward-thinking approach.

Through her exceptional insight and understanding of the industry Valérie has helped brands amplify their market reach on an international scale, elevate their brand presence and improve their performance.

To her clients, she is more than a consultant, she is a trusted asset, advisor, partner and brand guardian.

Valérie's expertise in brand evaluation, acquisition due diligence, risk assessment and commercial growth is particularly highly valued by Private Equity Funds, multi-national organizations and financial investors.

Her advanced qualifications and her proficiency in corporate governance have made her a much-desired Board Advisor and Non-Executive Director to well-established companies and pioneering Indie brands.

Valérie is also dedicated to passing her knowledge along through a range of conferences and events.

She has been a guest speaker at the non-profit organization CEW's Mentoring Services where leading executives offer guidance and professional development support.

As the International Manufacturers & Distributors Forum (IMF) Master of Ceremony, Valérie organizes this influential conference in Europe; it has become a key global gathering for manufacturers, brand owners and distributors to come together to discuss the opportunities and challenges facing the industry and their businesses.

# CBD

## a high point for beauty or just over-hyped?

CBD, or giving it its full chemical name Cannabidiol, is the ingredient of 2019. Every week heralding the announcement of yet another new CBD brand or retailer like Walgreen-Boots and Harvey Nichols stocking CBD products. That CBD is now mainstream is underlined by Cosmopak's creation of a turnkey collection of CBD skincare formulas and textures, launched at Cosmoprof North America this past July. Investment analysts are now also measuring it as a skincare category in its own right; market predictions are incredibly upbeat. Future Market Insights has forecasted CBD skincare to grow by a CAGR of 33% to 2027; Grand View Research a broadly similar 32.9%. Jefferies Investment Group is far more bullish predicting CBD products could form 15% of the total global skincare market within ten years, by which point CBD beauty could reach \$25bn in total sales, nearly ten times higher than Grand View's \$1.7 billion sales prediction. But coming down from heady heights, what exactly is CBD, and why is it proving so popular? What meaningful long-term potential does it have within the beauty industry and what are the pitfalls that brands have to overcome if they are to go beyond the current hype?



### CBD 101

CBD is just one of over 100 naturally-occurring cannabinoids (think CBN, CBG, CBDA et al) that are found in the cannabis plant, alongside other chemicals. The most plentifully occurring – and infamous – is the psychoactive THC. Selectively bred hemp plants have a THC level of less than 0.5% (cannabis THC levels range from 5-20%) and are abundant in CBD. Hemp oil extracted purely from hemp seeds - long used in The

Body Shop's iconic hand cream - is rich in vitamin E and omega-3/6 fatty acids, but not cannabinoids. CBD is found at meaningful levels only in full-plant or CBD-only isolate, extracted from the seeds, stalks and leaves of the plant, but not its flowers (see the excellent Regulatory Overview at the end of this article)

### How does it work?

Cannabinoids work with the human body's own endocannabinoid system. Our bodies naturally produce endocannabinoids: chemicals that transmit signals between cannabinoid receptors, almost like the baton in a relay race. The system is involved in almost all physiological processes, from emotion, appetite and pain perception and key bodily functions like digestion and immunity; research increasingly showing it seems to act as a natural balancer. There are receptors throughout the body: mainly in the brain and central nervous system but also in our organs, blood and skin. This means our bodies have a natural affinity to uptake external cannabinoids from the cannabis plant whether ingested or topically applied. Cannabinoids amplify each other's chemistry, working more effectively together rather than in isolated extracted compounds, called the Entourage Effect. With big implications for formulators and claims.

### What are the potential benefits of CBD?

From a beauty and personal care perspective, there are a huge number of possible benefits from CBD as an ingredient, although with the strong caveat that it's still an emerging science. It's a potent antioxidant, collagen-enhancer and anti-inflammatory, shows potential in tackling acne vulgaris due to anti-microbial effects on p.acnes bacteria and by inhibiting sebum overproduction. It's also a potent anti-keralytic (reducing the overproduction of skin cell growth) and useful for psoriasis, eczema and keratosis pilaris. There have also been positive effects seen on hair follicles and growth.

### Why CBD has become the latest wonder ingredient?

Despite the science being thin if promising – as evidenced by the display at the Indie Beauty Expo NYC 2019 where over half of the brands were including it as key ingredient – CBD has benefited hugely from the wider convergence of three key beauty trends. First, the skintellectual trend of zeroing in on transparent, efficacious and novel ingredients as a priority. Second, the exponential growth of natural/organic/'clean', which as a plant extract CBD falls right within. And third, an expanded sense of beauty to include wellbeing that states if you don't feel good, you won't look good either. Which has seen sleep, sexuality and mood all be integrated into the beauty offer, all working perfectly for CBD's positive association with mood, pain-reduction and relaxation.

### What does the current CBD beauty offer look like?

CBD is now appearing in almost all beauty and personal care formats and applications. From sheet masks, bath bombs and salts, serums, balms, sunscreens, cleansers, shampoos, moisturisers through to personal lubricant, tampons and colour cosmetics such as foundation. Literally for every nook and cranny of the body, face and hair to enhance its condition and – critically - mood. And the brand offer is similarly far-reaching, but critically now in a mainstream, often elegant way. Votary's Super Seed range, Vertly's CBD Infused Bath Salts, market-leader MGC Derma's white and rose gold packaging, OTTO's aromatherapy roll-ons, Herbivore's stunningly green Emerald oil and Milk Makeup's Kush line are all worlds away from hippy, green, leaf-covered, explicitly drug-referencing brand design of the original wave of CBD/hemp skincare. Something that has been taken up with aplomb by established brands like Origins, Kiehl's and Perricone MD.





## Certification and transparency – the factors for long-term CBD success

What's clear is that the market is being flooded with new products and brands, with a variety of sometimes extraordinary claims and – due to the fact there is no regulatory system in place – it's all currently a bit Wild West. The CBD content in extracts can vary from just a few percent, if any, to more than 90% CBD. The hemp cultivation and extraction methods can also be more or less environmentally-friendly. There is also understandable consumer confusion between the what CBD, cannabis, hemp, hemp seed oil, cannabis seed oil, actually is, on top of the issue of the opacity over CBD concentration levels in products itself. A unique brand proposition and beautiful design won't go very far in a crowded market with information-hungry and sceptical consumers. It's clear that for CBD brands to meaningfully succeed in the long-run as a category beyond the current novelty factor, they will have to be abundantly transparent about claims, supply chain and ingredient quality and concentration. This means brands educating the consumer about what's actually in their products – explaining the difference between full-, broad-spectrum and isolate CBD (and the resulting presence or lack of the Entourage Effect), and then proving its presence beyond doubt. New brand LA LA Leaf provides a QR on pack to link directly to its lab tested certification, for example. Some kind of harmonised external system of grading – similar to SPF – could be highly useful. Notably, private equity company LB Equity has invested in the United State's Standard Dose e-commerce platform, with a view to using it as a sort of Good Housekeeping seal: Standard Dose only hosts products that have been lab tested and then retests them itself. Block chain could also provide regulator and consumer transparency over where the extract is sourced from, making it easier for beauty brands, retailers and distributors to ensure they stay the right side of the law and deliver the efficacy that consumers want. The future looks to be high for CBD beauty, but only if it can avoid 'weedwashing'.

## REGULATORY OVERVIEW

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**MRSB Personal Care Regulatory Ltd - [www.personalcareregulatory.eu](http://www.personalcareregulatory.eu)**

That CBD is one of the hottest trends in the cosmetics is undeniable: our company has received over 20 enquiries for compliance of product including CBD just during the last 3 months. Based on EU cosmetic Regulation No1223, 2009: *"Cannabidiol (CBD) as such, irrespective of its source, is not listed in the Schedules of the 1961 Single Convention on Narcotic Drugs. However, it shall be prohibited from use in cosmetic products (II/306), if it is prepared as an extract or tincture or resin of Cannabis in accordance with the Single Convention. Please note that national legislations on controlled substances may also apply".* (source Cosmetic Ingredient database, EU commission).

However, it is possible for some format of Cannabis extract to be used in cosmetic products (in the UK and only some of the EU states) if certain criteria are met. The Cannabis ingredients used in cosmetic products should follow certain criteria:

- The raw material (cannabis) should not contain any controlled substances such as Tetrahydrocannabinol (THC)
- Ingredient must not be sourced from the flowering or fruit top of the plant.

For example following ingredients stem from Cannabis can be used in cosmetic product without any limitation: CANNABIS SATIVA SEED OIL: Cannabis Sativa Seed Oil is the fixed oil expressed from the seeds of Cannabis sativa L., Cannabaceae. However, following cannabis ingredient is forbidden to be used in cosmetic product (annex II/306): CANNABIS SATIVA FLOWER EXTRACT: Cannabis Sativa Flower Extract is the extract of the flowers of Cannabis sativa, Cannabaceae. It is important to bear in mind that every member of state may have separate controls for THC and some other cannabinoids. In conclusion, it is very important for brands to seek experts advice at formulation stage or prior to exportation to a new territory.