Halal-Cosmetics
Enabling new market access with Halal Certification

Spa and Wellness Management Summit, 27th May 2015

Farhan Tufail, C.E.O., Halal Certification Services GmbH Switzerland
Role of Halal in your daily life?
Cosmetic

- 1595-1605; < Greek kosmētikós relating to adornment, equivalent to kosmēt (ós) adorned, arranged (verbid of kosmeîn, derivative of kósmos order, arrangement)
- are care substances used to enhance the appearance or odor of the human body
- a powder, lotion, lipstick, rouge, or other preparation for beautifying the face, skin, hair, nails, etc.
5 categories of use

- Care and protection
- Dental and oral care
- Hair treatment
- Decorative applications (e.g. make-up)
- Influencing body odour
Local legislation

- **UAE.S/GSO 1943:2010 - Cosmetic products - Cosmetic Products safety requirements**

- This standard is concerned with the cosmetic products safety requirements which cosmetic products shall be fulfill. It specifies the substances which may not form part of the composition of cosmetic products as well as those subject to restrictions.
What would be Halal Cosmetics?

- Beauty care
- maintaining, restoring or improving the beauty of the human body.
- in compliance with Islamic rules
- No contamination with forbidden substances
Halal

- ﷽

- Permissible / allowed

- things and actions

- Regulates the daily life of a Muslim
Definitions

Halal = Everything which is allowed according to islamic rules

Haram = Forbidden

Mashbooh = questionable (the status is undecided)

Najs (ritually impure) =/= Tahir (pure)
Halal-Laws
Islamic principle

Everything which is not explicitly forbidden is allowed
What is forbidden?

- Improperly slaughtered animals
TC2 Halal Cosmetic Issues: To *publish standards about Halal Cosmetic.*

UAE (ESMA) is a member of this TC
Principle of purity
Raw Material

- Any raw material is allowed, as long it is not either explicitly forbidden in Qur'an or poses threat to the human health.
- We differentiate between naturally derived and synthetically derived raw materials.
- Naturally derived are either from animal, plant or mineral source.
- Synthetically derived would be chemical or microbiological.
Prohibited (Haram) ingredients are those, whose use is clearly forbidden in Qur‘an.

„Prohibited to you are dead animals, blood, the flesh of swine, and that which has been dedicated to other than God” Sura 5, 3.
Forbidden raw materials

• All plant and animal derived raw materials, which are toxic or hazardous to human are decreed Haram.

• Ethanol, in any form or concentration, is not permissible.
  ➢ It is forbidden for a muslim to trade, produce, manufacture, distribute, transport, accept as gift or offer alcohol.
Plant based raw materials

- Plant based raw materials are always allowed, as long as they are not hazardous for human consumption.

- Furthermore it has to be ensured that no fermentation process has started yet and that the halal rules are strictly followed during the whole production.
Animal based raw materials

- Animal based raw materials are only halal, as long as they are derived from permitted animals and those were kept in species-appropriate environment and have been slaughtered according to Islamic law.

- Marine creatures are an exception. Most of them are considered principally Halal in Islam and they do not need to be slaughtered. Although an species-appropriate husbandry and gentle treatment should be ensured.
Halal critical ingredients
Animal derived Ingredients

- Hyaluronic Acid - rooster combs
- Carmine - Insect
- Collagen - chicken feet and ground-up animal horns
- Glucosamine - exoskeletons of animals
- Ambergris - whale vomit
- Elastin - cow
- Placental protein -
- Stearic acid - cows, pigs and sheep
- Crystalline guanine - fish scales
- Panthenol - meat or honey
- Keratin - horns, hooves, feathers, quills, and hair of various animals
- Shellac - female lac bug
Halal critical ingredients
Ethanol

- Malaysia 0.5 % - residual
- Indonesia 1 % - residual – proven not to be from wine-industry
- Saudi-Arabia 0 % - Declaration
- Dubai 1 % - Dubai Muncapality
- Iran 0 %
Prerequisite

Production

Dispatch -> Sales

Production

R&D

Preparation

Regulatory

Incoming

Buying

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
Prerequisite for Halal production

1. The whole factory should be changed to halal production.

2. A part of the factory may and actually should be changed for halal production. (the inspection and control in both situations should be executed by a qualified and authorised person).

3. Halal production is to be abandoned totally.
Production requirements

• Partial or complete segregation of productions line / areas where Halal and non-Halal products are made

• Avoidance of cross contamination at any cost – frequent switching between Halal to Haram and back are forbidden

• Apart from raw materials also technical aids (e.g. denaturants, cleaners, sanitizers, boiler treatment compounds, lubricants) must comply to halal requirements
Seggregation

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
Dedicated lines
Dedicated lines
Dedicated lines
Dedicated lines
dedicated preparation and cleaning utensils
Halal Spa

- A spa is a location where mineral-rich spring water (and sometimes sea water) is used to give medicinal baths.
- Women treat women / men treat men
- Segregation men / women
- Segregated entrances
- Halal certified material
Halal Certification

- Voluntarily
- Confirmation that the production and products meet the requirements
- Legal opinion
- Allows access to markets
- Assurance for consumers
- Respect
Certification process

1. Application
2. Pre-evaluation / Information
3. Agreement
4. Application verification
5. Pre-evaluation Halal conformity
6. Document evaluation / assessment
7. On-Site Audit
8. Audit report
9. Report evaluation
10. Legal Opinion
11. Halal-Certificate

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
Trust and intention

Trust is an integral part of the whole certification process

Company ↔ Auditor ↔ Halal Committee

Every deed is accompanied with the clear and pure intention.

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
Document assessment

- Animal based (e.g. gelatine) → *Halal certificate a must*
- Plant based (e.g. sugar) → uncritical, as long as no fermentation has occurred and no processing took place → *Halal certificate advisable*
- Microbial (e.g. rennet) → more information about the media used? → *Halal certificate necessary*
- Mineral-based (e.g. Salt) → *Halal (process flow)*

- All processed raw materials, processing aids, additives and technical materials should possess a valid Halal certificate
- Laboratory Analysis!
Processes

- Partial or complete segregation of the critical premises or equipment
- Implementation of the state law and the require hygienic and quality standards
- Continuous training of the personnel
- No compromise on avoidance of cross-contamination (→ frequent changes not allowed)
Changes

- Formulation
- Sourcing of raw materials
- Processes (production and cleaning)
- Suppliers
- Cleaning agents
<table>
<thead>
<tr>
<th>Individual assessment</th>
<th>Professional assessment according to a set procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal opinion</td>
<td>Religious decree (fatwa) after detailed consultation</td>
</tr>
<tr>
<td>Ingredients as defined on packaging</td>
<td>Disclosure of formulation</td>
</tr>
<tr>
<td>Personal consumption</td>
<td>Worldwide consumption</td>
</tr>
<tr>
<td>No knowledge of the production area</td>
<td>On-site audit</td>
</tr>
</tbody>
</table>
Muslim Population
Halal Market

Top 10 Emerging Markets 2012-2017

Qn: Which are the top 5 Emerging Markets for your industry over the next 5 years? N=427
Fleishman-Hillard Majlis: “the next billion: the market opportunity of the Muslim world” (July 2012); PwC
The Halal Market

- Cosmetics & personal care: 9%
- Nutraceuticals: 6%
- Bakery products: 13%
- Pharmaceutical: 23%
- Primary meat: 11%
- Processed foods & beverages: 38%
Distribution

World 1.8 Billion

MENA 330 Millions

Sub-Saharan Africa 260 Millions

Americas 3 Millions

Asia 1.2 Billion

Europe 55 Millions

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
Halal Cosmetics - An important sector within the Global Halal Economy.

Source: State of Global Islamic Economy Report 2013, Thomson Reuters
Experts believe the size of the total **Global Halal market** including Halal food, consumer products, cosmetics, pharmaceutical, logistics and other Halal related services ranges between **US$ 2 to US$ 3 trillion per annum**.

**Halal Cosmetic** industry alone was worth over $560 million in 2008 with only **UAE’s imports** over $150 million.

*(Research conducted by Messe Frankfurt Germany)*

This is based on the world Muslim population of about **approximately 1.8 billion**.

The **Halal products** are recognized as **Safe & Good Quality products**, so a big number of non-Muslims consumers also buy Halal products.
New Muslim consumer

Who is the ‘New Muslim Consumer’?

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
New Muslim consumer

Annual Population Growth Rates for Muslims by Region

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
New Muslim consumer

Percentage of Population of Muslim-Majority Countries in Selected Age Groups, 1990-2030

By 2050, up to 40% or more of the World Population could be Muslims. 52% of the Muslims are under 24 years of age and part of the Connected Generation «Gen C». Being connected, they have an enormous socio-cultural influence. This influence will increase in years to come.

Young Muslims influencing the consumption habits of global Muslim Community:

Major reassessment of the relationships, religious structures, cultural assumptions, authority, consumption and technology:

Different because of strong reliance on faith and the ethical values of Islam.
Identity: believing that religion and progress are inseparable

- 62% is proud to be a Muslim
- 45% believe religion should be adapted to suit individual lifestyle
- 56% highly technically literate
- Sense of pride is driven by desire for inclusion
- They are misinterpreted by global media and keen to correct the image
Certified Professional Services

Consumables

Media

Adopted from WIEF Presentation, Dubai 2013
Expectations

Question: What can mainstream companies/brands do to earn your loyalty?

- Increase ease of availability of Halal products: 81.20%
- Cater to my Muslim lifestyle needs (e.g. Halal food): 75.60%
- Acknowledge Muslim holidays: 71.50%
- Support Muslim community projects: 53.80%
- Have Muslims visible as part of their workplace: 53.50%
- Provide courteous customer service: 50.20%
- Just provide quality products: 34.70%
- Market to me in my ethnic language: 5.30%
Halal and Swiss-made – is an argument
Way ahead
Be more inclusive

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
Choosing the right partner

- Recognition
- Expertise
- Clients
- Experience
- Customer service
- Target market
## Intro

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Experience</th>
<th>Expertise</th>
<th>Recognition: World-wide</th>
</tr>
</thead>
</table>
| • Non governmental  
  • Initiated by Muslims in CH  
  • Complying to OIC 2:2010 | • 28 years of operation  
  • Renowned clients  
  • Innovative | • Scientist  
  • Food Chemistry  
  • Organic Chemistry  
  • Food technologist  
  • Religious | • JAKIM Malaysia  
  • MUI Indonesia  
  • MUIS Singapore  
  • CICOT Thailand |
Our valued clients

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
## Certification schemes

<table>
<thead>
<tr>
<th>Category</th>
<th>Certification Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food</strong></td>
<td>- Ingredients</td>
</tr>
<tr>
<td></td>
<td>- Products</td>
</tr>
<tr>
<td></td>
<td>- H1 – Lubricants</td>
</tr>
<tr>
<td><strong>Non-Food</strong></td>
<td>- Water Filters</td>
</tr>
<tr>
<td></td>
<td>- Packaging</td>
</tr>
<tr>
<td></td>
<td>- medicinal products</td>
</tr>
<tr>
<td><strong>Pharmaceuticals</strong></td>
<td>- Ingredients</td>
</tr>
<tr>
<td></td>
<td>- Vaccines</td>
</tr>
<tr>
<td></td>
<td>- Packaging</td>
</tr>
<tr>
<td><strong>Cosmetics</strong></td>
<td>- Ingredients</td>
</tr>
<tr>
<td></td>
<td>- Finished products</td>
</tr>
<tr>
<td><strong>Animal Feed</strong></td>
<td>- Ingredients</td>
</tr>
<tr>
<td></td>
<td>- Feed products</td>
</tr>
<tr>
<td><strong>Financial products</strong></td>
<td>- Contracts</td>
</tr>
</tbody>
</table>

© Halal Cosmetics, Dubai, 27th May 2015, Farhan Tufail, CEO, HCS
Visit us S1 F 09 to find out more