Tariffs Changed Our Prices, Not Our Principles

We raised prices by $1 when tariffs hit. We won't cover the difference by cutting factory wages or working conditions.

By Tarang Amin, chairman and CEO of e.l.f. Beauty

Every beauty company in America is looking for savings right now. Tariffs have raised the cost of making a tube of lip gloss, and that cost has to land somewhere.

The easiest savings are the ones customers never see: wages, safety checks and overtime rules in factories thousands of miles away. No one buying that gloss can see how the person who filled the tube was paid or treated.

Most of our products are made overseas, and when tariffs climbed in 2025, our costs climbed with them. We did what plenty of companies did: In August 2025, we raised prices by $1 across our product line. I'm not going to dress it up. It was math.

My job is to protect our margins. It is also to decide which costs are off the table. When margins shrink, it's tempting to save money at the expense of factory workers, precisely because no one outside the factory will notice. That invisibility is exactly why worker protections are an easy target for cost-cutting. It's also why protecting them must be a priority.

This matters for two reasons. First, cost pressure isn't going away. Tariffs and rising expenses continue to force beauty companies into hard choices. Second, younger consumers are skeptical. A 2023 Mintel analysis found that 58% of Gen Z consumers don't believe mainstream brands that say they're sustainable (Witherington, 2023). For this generation, a broken promise may be harder to forgive than a price increase.

Here is what we've done. In 2022, we became the first beauty company to source from a Fair Trade Certified factory, using a framework we built with Fair Trade USA (e.l.f. Beauty, 2022; Fair Trade USA, n.d.). In fiscal 2025, 73% of our product units came from Fair Trade Certified facilities (e.l.f. Beauty, 2025). For every product made there, we pay a premium into a fund that workers control and vote on how to spend (Fair Trade USA, n.d., 2024). In the same

year, more than 3,000 workers benefited from projects those funds paid for, including health care, housing and transportation (e.l.f. Beauty, 2025).

Some will say fair labor is hard to afford in a tough year. I disagree. Protecting workers' rights is a cost companies can plan for. A labor scandal is not.

Others will call this another corporate promise. That's fair. Our record isn't perfect: In fiscal 2025, about a quarter of our units still came from facilities without Fair Trade certification. That is exactly why we publish our numbers and invite the public to hold us to them.

So here's what I'm asking of my industry, especially those facing the same tariff pressures we are:

1. **Treat worker protections as a fixed cost.** Rising costs should never justify cutting them.
2. **Let someone else evaluate your practices.** A code of conduct is a good start, but independent verification is what makes it credible.
3. **Report your numbers every year.** Progress means little if no one can verify it.

We built our company on a simple idea: The best of beauty should be accessible to every eye, lip and face. Tariffs changed our prices. They won't change that promise, or our responsibility to the people who make our products.

Tarang Amin is chairman and chief executive officer of e.l.f. Beauty. He oversees the company's global operations, business strategy and continued growth in the beauty industry. Under his leadership, e.l.f. has expanded its presence in cosmetics and skin care while maintaining its focus on affordable products. He also guides the company's efforts in responsible sourcing, sustainability and fair labor practices across its supply chain.

Strategy Note

When people think of e.l.f. Beauty, they usually picture low prices and Target shelves, or a product that suddenly becomes a trend among Gen Z on TikTok. I wanted to explore a different side of the business through Tarang Amin's perspective. I chose Fair Trade because e.l.f. Beauty has actually taken steps to improve working conditions, and the company shares measurable results in its annual Impact Report.

The topic also became especially relevant in 2025, when tariffs put additional pressure on the industry. The company raised its prices by $1, which gave me an opportunity to connect a real business decision to a broader question: When costs rise, what should companies refuse to cut? I wanted to use the CEO's perspective because these decisions ultimately involve leadership and corporate responsibility, not just marketing.

Rather than making general claims about ethical sourcing, I used e.l.f.'s Fair Trade data to support the argument and acknowledge that there is still some room for improvement. I wanted this piece to feel direct and credible, rather than like another corporate statement about doing the right thing. My goal was to show that e.l.f.'s commitment to accessibility should extend beyond the people buying its products to the people making them.

References

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