Clean Cosmetics:

A sustainable strategy toolkit for beauty brands



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Plastic waste ain't pretty

A known offender to plastic waste, the beauty industry produces an estimated 120 billion units of packaging every year. Because the majority (around 91%) of it is still made with hard-to-recycle materials, a lot of it ends up in landfill, where it can take up to 1,000 years to decompose.

It's not surprising then, that every year, 11 million tonnes of plastic end up in streams, rivers, and ultimately our oceans - creating vast plastic tides and causing irreparable damage to the ecosystem. It's been shown that microplastics can also enter the human body through the food chain, even finding their way into the placenta.

That's the problem, in a nutshell. We know cosmetics companies want to help - and cosmetics consumers definitely want you to help.

So what's the solution?

Read this guide, to find out how CleanHub can help you future proof your business with a manageable, measurable sustainability strategy.

But first, to business. Let's look at the challenges for eco-conscious cosmetics companies.



The great cosmetics balancing act: four reality checks

Plastic plays a part in production and packaging in all sectors cosmetics more than most. So whatever steps you take, we know they have to be doubly sustainable: once from an ESG point of view and once from a profitability point of view.

That's why what we're suggesting in this eBook is pragmatic not purist. They should be considered alongside of your costs and business goals, not in spite of them.

Here are the realities as we see them:

It's not yet possible

to replace all the plastic in the typical beauty supply chain. The problem isn't going away anytime soon, so for the time being you're reliant on plastic to meet demand. Steps to sustainability will be incremental, not dramatic.

It's harder for smaller brands

to match the impact of giant cosmetics conglomerates. There's only so much you can manage by yourselves and cross-industry collaboration will be key. There's some evidence of markets moving towards this but it's slow and patchy.

Supply chains are volatile,

particularly when it comes to new plastic alternatives. Sources get quickly exhausted by demand from manufacturers with big buying power. And that's on top of macro threats to supply chain, such as rising transport costs, geo-political events, and global phenomena, like pandemics.

Alternatives are still more expensive.

Plastic-free packaging and biodegradable materials come at a cost, which you have to balance alongside product safety, quality, efficacy, shelf-life, perceived value for money, and profitability.

The rise of the conscious consumer

34% | 35%

have actively chosen brands in the last year with strong sustainable credentials

of Gen Z consumers are willing to pay more for sustainable products and services

of people are willing to accept a 25 % price hike for a sustainable product



The good news though - and the cornerstone of your business case for sustainability - is the rise of the conscious consumer. Consumers who want to use their spending power for good are putting their money where their mouth is.

And their influence is only set to get stronger as more Gen Z and Alpha buyers enter the marketplace. All eyes are on brands who can prove they value the planet, purpose, and people. A strong sustainability strategy is the only way to capture share of wallet and futureproof your business.

Sources: EY Consumer Index - June 2021, LoyaltyLion 2020, Simon-Kucher & Partners, Global Sustainability Study

Sustainability strategy: five critical success factors

1. Take baseline readings

Before you make any changes to what you're doing, benchmark where you are now. Improvements on this baseline data will become your best lever for an evolving business case, allowing you to track progress, measure ROI, and back up any claims you make with data. Get granular with a full Carbon Footprint and Lifecycle analysis (CleanHub can help you do this). Look across your existing 4 Rs (reduce, reuse, recycle and recover) activity, for example:

If you've reduced/ replaced virgin plastic in some of your products and packaging, how much? If you've designed recyclability into your NPD process, what percentage have you covered?

If you've launched a reuse/refill/bringme-back service, what's the uptake? If you've invested in plastic recovery initiatives, what return have you seen so far?

Don't forget to consider all your packaging, not just primary product composition. And go deep into your supply chain – find out who's doing what with plastic reduction and feed this into your overall benchmark dashboard.

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2. Get senior stakeholder support

Alongside data, a C-Suite champion is your biggest ally. Senior stakeholder support is essential, both politically and practically, when difficult decisions need to be made further down the line around implementation or investment. Any investment in ESG must also be an investment in business growth, and it's necessary to align your sustainability strategy with core business strategy.

When making your case to senior management, link your plastic focus to big business goals, such as growth, innovation, and competitive edge. Collate data around the rise of the conscious consumer and brand purpose, such as this study from Kantar:

Purpose matters

175% Brands with brand purpose grew their value by 175% over the last 12 years, more than twice the amount of brands without.

49% Almost half of a company's reputation comes from being seen as responsible, compared to only 8% related to fair pricing



"Being responsible to the environment is now the number one factor in corporate reputation and has grown threefold over the last decade."

Kantar, The Evolution of Purpose.

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3. Become an expert

Asking the business to commit to a sustainability roadmap will require decision-support - so don't spare the detail.

You're the subject-matter expert inside your business, and that means staying up to date on a rapidly changing science. Rely on expertise from other industries (food and beverages shares your pain around plastic); read the latest research; and talk to suppliers and packaging developers to keep yourself informed.

Educate yourself and your colleagues around the different types of plastic: show which ones are worse (virgin plastics) and why their environmental impact is so high.

A lot of greenwashing happens by accident because of a lack of clarity around the language. So start to unpick the fuzzy, vague terms in the ESG space, such as 'green' 'clean' and 'natural'.

4. Set KPIs carefully

Set ambitious yet achievable milestones in the short-, mid-, and long-term (not just for 2050). Communicate your roadmaps to your audience to be able to reach them and hold yourself accountable to them on a regular basis. Don't just opt for the 'easy option' (e.g. plant a tree for every purchase) - this can be a valuable contribution but there are many potentially more impactful alternatives.

Be holistic. For example, did your finance team choose the right bank to support your sustainability goals, or the most ethical pension funds?

Start with immediate goals that are controllable then build ambition gradually as you go. Include mid- and long-term goals for steps that are harder to tackle today but might be realistic a year or two from now.

Rank plastic alternatives in order of impact /cost /availability - and be specific in your KPIs around which ones you'll cut first, in which regions, and by how much.

"Greenwashing is partly down to the confusion that happens when information is lacking and legislation is lagging."

Packaging Strategy Consultant, Felix Gass

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5. Communicate to customers

Be honest and transparent with customers. The conscious consumer is on high alert for greenwashing and will avoid (and even call out) brands that pay lip service to sustainability. Invest only in activities where you can verify and show evidence of the impact. Conscious consumers want to see their spending power put to hard work on challenges often deemed 'too difficult'. Show them you are tackling the real problems, not necessarily the 'trendy' ones. Most importantly, back up what you say with data.



Spend time with people in your organization who have the most contact time with customers, such as your social media, customer experience sales, or customer service teams. Make sure they're equipped to answer questions around your sustainability efforts transparently and accurately, without understating or overstating your company's promises. If the company faces criticism in these interactions, don't ignore it. Engage with your audience - you might learn something new or see a perspective through a new lense.

Be authentic and transparent, honesty is the best policy. Tell the full story, talk about your successes and challenges equally, and how you aim to improve areas you're still working on.

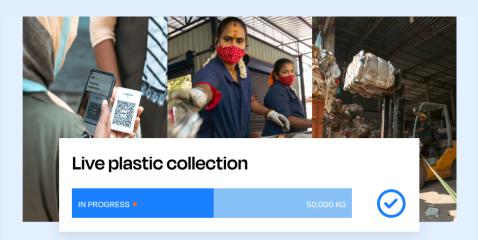
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The six features of a good strategic sustainability partner for cosmetics

1. Anti-greenwashing

Consumers are on high alert for greenwashing, and will often avoid buying from a company that shows any red flags. With CleanHub, you have your own real-time dashboard and website tracker widget to show the world

- to the nearest kilo
- how much plastic you've collected. Here's an example.



2. Get it in black and white

CleanHub is the first plastic credit system certified against the ISO 14064-3 standard, which brings a new level of transparency and rigor to brands making claims about plastic reduction. It means we can back up all our green claims with verified data – and so can you.



3. Good use of smart tech

The complex grind of corporate ESG machinery can be slow. Ours is a fresh, clear-cut solution with trackable, smart tech-enabled processes. We equip our local collection partners with special purpose-built track-and-trace technology to record waste volumes – from collection to disposal.



4. Make it relevant to your brand

If it looks like brands have plucked sustainability projects out of thin air, people question how much they really care. Choosing to support a plastic neutral partner anchors sustainability investments to the core of your product. Our supporters get the CleanHub Trust Mark - a certification demonstrating their commitment.











5. Support you in spreading the word

As soon as you're on board, you can start sharing your impact with customers. You'll get access to a library of customizable campaign assets, including a Trustmark, photos and videos from the ground, awareness day campaign packs, themed promotions, ecommerce integrations, an impact tracker, and a personalized impact report.



What we're doing for the planet



6. Make social impact too

We support improved dignity and living standards for people working along the waste streams, especially the lowest paid. With CleanHub, you're creating positive impact on livelihoods, as well as on the environment.



"Plastic has value for recycling, but often that is not recognised. We need to make sure those people who help bring it back into the recycling circle share the benefits. There's not much money in it for them unless the brand world pushes it down."

Zoë Lenkiewicz, specialist in global waste management

Customer story: Noughty

KMI Brands's haircare company, Noughty, has partnered with CleanHub since 2021. During this time, the brand has taken serious steps towards plastic neutrality, which they wouldn't have been able to make on their own. When removing plastic from a supply chain isn't entirely possible, plastic neutrality is a great pragmatic start for a business to kick-start their sustainability journey.

In its first year of support, Noughty committed to cleaning up 40,000 kg of plastic waste in high-impact regions in Kerala, India. For every product it sold, it supported the removal of the equivalent amount of plastic from the environment – as well as the safe disposal of the collected waste.

In 2022, Noughty supported the collection of an additional 38,200 kg and is on course to collect an additional 30,000 kg this year. Since then, environment-related content has become an integral part of Noughty's communications strategy. On top of this, customer awareness and engagement with Noughty's sustainable stance are growing.



Noughty's results so far

- By the end of 2023, Noughty has supported the removal of 107,945 kg of ocean-bound plastic.
- Instagram posts get engagement of 3.3% (well above the industry average of 0.5%)
- Noughty has been featured in 10 different print and online publications, including Marie Claire.
- #noughtygreenfridays light-hearted educational social media content about recycling habits – consistently get above 700 views, positive responses, and shared community ideas.

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- Email newsletters featuring the CleanHub partnership have a 46.2% open rate, with 37 recipients converting on average.
- Winner of Marie Claire's Best Ethical Hair Initiative 2022 for its partnership with CleanHub.
- Secured a retail distribution deal with UK Supermarket Tesco, as a result of their sustainable initiatives, including their CleanHub partnership.

"It's not a quick fix. Long-term metrics and goals are something that we're putting in place now and striving towards with CleanHub. Consumers want quality products that are kind to the planet, and they want them immediately; we understand that. But we also understand that we need to not only set sustainable goals but also be able to maintain them."

Rachel Parsonage, Co-founder, Noughty

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How CleanHub works: in a nutshell

OUR STARTING POINT: Consumers want to support brands that are committed to helping rid the world, and the seas, of plastic waste. They want to be sure they're doing it verifiably.

- 1. Our partner brands fund the collection of a specified amount of plastic before it reaches the sea. We distribute that funding to our verified waste management partners, based in regions with the greatest risk of plastic waste entering our oceans.
- » These regions, are often some of the planet's most ecologically important and beautiful coastal areas. They're often thousands of miles from our own shores, but the oceans connect and sustain us all.
- 2. Then the cleanup begins. Our local waste management partners gather plastic door-to-door, or directly from beaches and rivers. The waste is then taken to sorting hubs where it's processed.
- » This prevents plastic from being dumped or sent to landfill. It also helps local communities start to learn about recycling. It's important that what we do empowers local communities and hard-working business owners.
- 3. The hubs use our technology to track and trace the full collection process.
- » This helps us verify where every piece of plastic ends up, ensuring waste management facilities run smoothly and giving brand partners real-time impact data to share with their audiences.
- 4. Recyclable goods are sold for local recycling. Non-recyclables are recovered: this means they're sent for co-processing, incinerating them in a controlled process and creating alternative forms of fuel.
- » We believe this is the best option for now, instead of adding to landfills, polluting the ocean further, or leaving some communities with no other option but to burn their plastic waste.
- 5. Our hubs open up new revenue streams and incentives for local communities. We have a team of experienced Social Audit Assessors on the ground, ensuring each hub is ready to replace harmful waste disposal practices, while upholding their workers' rights and safety.
- » It's important to us, and to consumers, that we create positive social and ethical impacts as well as environmental ones.

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Join the CleanHub community

We've already got more than 250 supporting brands by our side. Together, we have enabled the collection of more than 6 million kilos of plastic waste.

cabeau

(a) evelqlob



GRIND

newton 🐠

NOUGHTY 97% NATURAL

SUD SCRUB

SUNDAY RILEY vuor1



"As a partner of CleanHub, Sunday Riley has been able to expand our business, promote our brand's sustainability ethos, and make a significant impact on the environment. CleanHub's expertise has been invaluable in simplifying our content creation process with their easy-to-use content packages that allow us to deliver high-quality content to our customers effortlessly. Our partnership with CleanHub is an essential part of our journey towards a more sustainable future."

Marina Pirkle, Sunday Riley



"Noughty's partnership with Clean Hub has provided multiple benefits during the two years of working with the fantastic team. Being plastic neutral under CleanHub has supported our sustainable journey and was fundamental in Noughty winning the coveted 2022 Marie Claire Sustainability Award for 'Best Ethical Haircare Initiative'. CleanHub provides us with consistent content and campaign support to help provide knowledge to our brand communities who in turn demonstrate their interest with above average engagement levels."

Claire Green, KMI Brands (Noughty)



"CleanHub's innovative approach to waste management has inspired us to find new ways to promote sustainability throughout our entire product line, from our sustainably sourced ingredients to our ecofriendly packaging. Seeing the supportive reactions of our customers makes us motivated to do more every day. Through our partnership, we have been able to create engaging campaigns and content that educate our customers about the importance of reducing waste."

Emily Neill - PRESS

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CleanHub

Ready to solve waste together?

Cleaning up the ocean starts on land. Because plastic is a problem that has everything to do with people, and nothing to do with fish. Join us in helping keep plastic out of the sea.

Find out more at CleanHub.com





