

# From Sustainability to Purpose in Beauty

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## INTRODUCTION

Scope

Key findings

## THE EVOLUTION OF SUSTAINABILITY

Ethical consumption is being integrated into consumers' lifestyles

The evolution of beauty from "green" to "clean" to "conscious"

Demand for sustainable features rises, while demand for natural slows

Consumer values evolve as they emerge from lockdown

Definition of sustainability expands to encompass social purpose

## CONSUMER DEMAND

Who is driving the demand for sustainability?

Millennials and Generation Z drive consumer push for sustainability

Extensive product users care more about sustainable product features

Sustainable features are a greater draw for premium buyers of beauty

Digital beauty consumers lead in desiring ethical features

Penetration of ethical claims highest in skin care, hair care and cosmetics

In skin care, Western Europe has highest share of ethical claims

Canada, France and Germany lead in environmental sustainability

Three largest markets rank in the lower tiers of sustainable behaviour

Colour cosmetics trending upward in sustainability

Wide range of sustainability concepts in the 10 largest beauty markets

Companies will respond to change if consumers demand change

## SUSTAINABLE INNOVATIONS

Embracing a circular economy is key to tackling waste

Innovation in refillable formats extends across all beauty categories

Brands explore alternative packaging materials for the future

Upcycling food waste embraces the circular model beyond packaging

"Blue beauty" encourages brands to pay back environmental debt

Water scarcity encourages development of water-free formulae

Brands ensure supply chain traceability through farm-to-face

Conscious consumerism increases demand for cruelty-free beauty

Quest for sustainable innovations to accelerate post-crisis

## SPOTLIGHT ON LEADING BEAUTY PLAYERS

Multinationals begin to rapidly ramp up sustainable actions

L'Oréal recognises its responsibility to drive sustainability

L'Oréal experiments with eco-friendly alternatives to plastic

Estée Lauder looks towards a more sustainable supply chain

Shiseido unveils new beauty initiatives as part of sustainable goals

Significant efforts by Unilever to reduce the use of virgin plastic

Natura&Co continues to live up to reputation as a sustainable leader

Procter & Gamble experiments in refill innovations

Beiersdorf to publish industry standards for recycled plastic

Henkel tackles plastic waste and poverty in one with recycling scheme

## SHOPPING SUSTAINABLY

Sustainability challenges more pronounced among retailers

Economic incentives and knowledge are key to address retailers' lag

Beauty specialist retailers uniquely poised to push forward sustainability

Initiatives span inclusivity, vegan certification and eco-friendly packaging

Sustainability is part of department stores' effort to redefine the channel  
Other channels install refill stations, revamp packaging, form partnerships  
Sustainability momentum still nascent in beauty e-commerce space  
Leading e-commerce players test initiatives broader than beauty  
Exploring COVID-19 impact on sustainability in beauty and personal care  
Sampling to evolve while circular economy grows, driven by grocery

## KEY CHALLENGES AND FUTURE OUTLOOK

Environment-centred sustainability among the priorities in beauty  
Sustainability to purpose challenges in beauty (1)  
Sustainability to purpose challenges in beauty (2)  
What should businesses focus on?

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