

Plan it with

PURPOSE

BEAUTY, HEALTH AND WELLNESS

SECTOR GUIDE

Sector-specific guide: Beauty, health and wellness

The future is in flux. Social injustice and the climate crisis are increasingly important concerns for consumers, and lead to them changing their behaviour. Customers want to buy from businesses that have a clear purpose and positive impact on society and the planet.

With this in mind, Enterprise Nation has launched the Plan it with Purpose campaign. There are six million small businesses across the UK. Together, they represent a powerful collective that can make a significant dent in the challenges facing our world. If each business made a small, conscious change to the way it operates, the effect would be game-changing, nationally and globally. This kind of impact could be a crucial weapon in tackling climate change and changing society so people can live fairer, better lives. Excitingly, all of this doesn't have to be at the expense of profit.

Over the course of the campaign, we'll be launching a number of sector-specific guides to help you understand how you can increase the social and environmental impact you are having tailored to your specific industry.

This guide will look at the beauty, health and wellness industries.

The first thing to note is that beauty, health and wellness are actually three sectors and, together, cover a wide variety of businesses, ideas and trends. Throughout this guide, we'll offer opportunities and examples from across those three sectors. To help you navigate this guide more easily, we've split some of the insights between product-led business and service-led businesses.

The beauty industry in the UK is growing rapidly. In 2020, it was worth £27 billion, including approximately £8.6 billion on services such as hairdressers and personal care salons.

As the industry continues to grow, some practices are having a negative impact. As much as **70% of the plastic waste** the industry generates isn't recycled, ending up in landfill instead. Concerning news, given an average moisturiser pot can take nearly 1,000 years to decompose. However, there are movements for change happening within the industry. In the UK, for example, **over 14,000 ingredients are certified organic**, and more than 15,000 beauty products are all-natural.

The health and wellness industries are slightly harder to define in terms of market size but no less interesting in terms of impact and trends. Businesses operating in this space do, by their very nature, exist for the betterment of people and society, but the outcomes don't always match the ambitions. The well-known negative impacts of body stigma and body image mean companies whose products provide health benefits must consider any unintentional effects their marketing can create. Not only traditional marketing but social media too, where the rising number of unhealthy products being promoted by influencers is making it harder for consumers to trust products that make valid health claims. One outcome of the pandemic has been an increased

demand for goods that support our health. Not only have people become more conscious and considerate of their own mental health, but many organisations have tried to understand how best to support their workers. As a result, these employers have started to provide a variety of options through their staff benefit packages. With this demand comes increased scrutiny, meaning that the high-quality products and services are being sorted from the rest.

In this guide we will cover:

The business case:

Why investing in impact is good for beauty, health and wellness businesses

Industry trends:

What the key players are doing and what best practice is emerging

Opportunities for impact:

Where and how can you start thinking about impact across your business

Case studies:

Real businesses in the beauty, health and wellness sectors that are innovating and leading the way in how they manage and increase their positive impact

Actions you can take:

Measures you can put in place now to make your own social and environmental impact

Supplementary resources

FIND YOUR COMPETITIVE EDGE

Standing out from the competition is vital in today's rapidly changing markets. Stories about environmental and social responsibility are the **most significant type of news** in terms of affecting people's decision to buy. Consumers are one third more likely to try a product or service from a purpose-driven organisation, and **50% more likely** to switch brands to a purpose-driven company. To grow your current customer base and reach new markets, it's vital that customers recognise their values in your company.

According to a **Global Consumer Trends survey**, two thirds of consumers said they aim to have a positive impact on the environment through their everyday actions. This translates to the beauty industry, where a **Harris Poll survey** found that 59% of women over the age of 35 say purchasing eco-friendly beauty products is important to them.

FUTURE-PROOF YOUR BUSINESS

Social justice and environmental sustainability are business challenges. What affects people and the planet will affect your business too.

According to estimates, the impact that these challenges can have on your reputation, your ability to comply with regulations, and the efficiency of your supply chain could reduce your business's earnings before tax by **25% to 70%**. Managing and mitigating these risks, and proactively looking for opportunities to bring what you do into line with the needs of people and the planet, will make your business more resilient and ready to thrive in the future.

Businesses of the future are ones which consider the impact they're having socially and environmentally. Customers will no longer accept if your business is known to have unfair labour practices at any point within their supply chain or if they are environmentally exploitative. In a 2019 study, **98% of the people surveyed** believed that brands have a responsibility to make positive changes in the world.

THE BUSINESS CASE



INNOVATE

Making commitments that not only benefit the people who hold an interest in your business, but have a net-positive impact on the environment too, will encourage new ideas and innovation. Organisations have used their sustainability goals to develop new, innovative products, disrupt traditional business models and access new markets. They are choosing to be proactive in the face of new social and environmental challenges.

BandAid has been creating plasters for a century now, and you may assume that little innovation can happen with a product and offering that has been around for that long. But last year the company made headlines when it created BandAid Ourtone plasters – plasters designed for a range of brown skin tones. While the idea itself had actually already been on the market, as a leading brand BandAid recognised the importance of adapting its offering to respond to market demands.



CERTIFICATIONS

Depending on your product, there are numerous certifications you can attain to prove your claims are authentic. Examples include Fairtrade, Organic, Vegan and the Soil Association. Each of these bodies has its own assessment process you can follow to get certified and be able to put their logo on your products.

NON-OFFICIAL CERTIFICATIONS

While there are several official certifications to pursue, there are also emerging trends, like Zero Waste, which many conscious consumers now look out for when purchasing products. Consumers' expectations of the companies they buy from are evolving – people pay more attention to how products are made and packaged, and want brands to consider all their processes throughout the entire manufacturing process.

Whether you certify or not, if your product does claim to be vegan or zero waste, there are specific online and physical marketplaces which focus on these elements and bring together like-minded products and consumers.

INDUSTRY TRENDS

OPPORTUNITIES FOR IMPACT



1. LIMITING WASTE

The beauty industry creates almost 120 billion units of packaging, and yet only about 9% of these products are recyclable. How can product-based companies work towards eliminating waste from their products and processes? Using the simple framework of: Eliminate -> Reduce -> Recycle/reuse -> Supplement may help when trying to understand this within your business.

ELIMINATE: SOLID, LIQUID AND WATERLESS BEAUTY

Ingredients on skincare products are listed in terms of weight. More often than not, the first in the list is water, typically the cheapest of all ingredients used. The result is products that are 95% water, leaving only 5% for active ingredients. Because products contain so much water, not only do they fail to give our skin the nutrients it needs, but the excessive use of water in the manufacturing process creates a significant environmental footprint. By 2025, it is predicted that more than five billion people will be affected by water shortages.

The shampoo bar is a great example of a product that has been around for ages but is now seeing sustained growth. The movement among consumers to switch from liquid shampoos to shampoo bars means other brands are being challenged to eliminate unnecessary waste from their products too. Notably, not only does it benefit the consumer in helping them reduce their waste, the producer can take advantage of the extra shipping and shelf space freed up.

ETHIQUE

Proudly carbon-positive, Ethique makes products that are plastic-free and, it hopes, eventually packaging-free. Unlike regular shampoos, the company's shampoo bars aren't 95% water, meaning its carbon emissions are 92% lower compared to traditional shampoos. Each solid shampoo bar is equivalent to three bottles of shampoo.

REDUCE

The bottles and packaging of beauty products is often the most talked about issue with regards to its environmental impact. How can you design waste out of the end lifecycle of your products? Simply making sure your packaging is recyclable is important, but thinking more creatively could set you apart from the competition. Refillable bottles and multi-use or reusable packaging is a growing trend, as is compostable and plantable packaging. A study estimated that **70% of the carbon emissions** the beauty industry creates could be eliminated if the containers used were refillable.

WILD DEODORANT

Deodorant traditionally comes in plastic cartridges or aerosol cans, both of which end up in landfill and are harmful to the environment. Wild's alternative is to invite customers to buy a one-off aluminium case for deodorant, then refill it with cartridges made of compostable or recyclable packaging. Once done with a cartridge, the user can either recycle, compost or repurpose it by planting seeds in it. This more sustainable solution helps reduce unnecessary waste.

AZUR PURE

Refillable products are slowly becoming the norm, whether it's household cleaners, cosmetics and so on. Azur will send you refills to your products but you keep and replace the pump on your new delivery. Once you've collected enough bottles, you can send them back to Azur, who will sterilise and reuse them.

RECYCLE/REUSE/SUPPLEMENT

Conscious consumerism is growing. Demands for better business practices will continue as we become more aware of how our buying habits affect people and the planet. Excessive or unnecessary packaging which would end up in landfill is increasingly frowned upon, and people are learning more about the flaws in the recycling process, whether this comes about through human error or occurs within the **waste management industry itself**. Furthermore, while biodegradable waste is great, some products and packaging use inks or ingredients that are toxic. These toxins end up being fed back into the environment.

VALLEY MIST

Having encountered huge difficulties in finding producers and suppliers of biodegradable packaging, this company showed great persistence in becoming the UK's first lip balm producer to package its products in biodegradable materials. Valley Mist's next aim is to convince UK packaging producers to start providing biodegradable packaging, not just for lip balm but for all beauty products.

SPROUT EYELINER

This brand has created a eyeliner pencil embedded with flower seeds which the user is meant to plant once they've finished using the product. This makes sure there is zero waste or environmental impact, as the only leftover material is used to grow flowers.

2. TRANSPARENCY

Brand loyalty is hugely based on the trust between your business and your customers. A recent survey showed that, among millennials and Gen Zs, 89% of them cared about a brand's honesty. At the same time, 41% to 44% of those surveyed said they'd switch to a more honest brand if they found out their current one was not being forthright.

Access to the wealth of information online means that it's much harder now for companies to make false claims about their products. Being honest about everything from ingredients to benefits will ensure your customers return to you because you're a brand they can trust.

Brands like [Neutrogena](#) and Allure magazine are beginning to recognise the harm that marketing and promoting the idea of 'anti-ageing' can cause. It has even spawned a movement known as the 'anti-anti-ageing movement'. [The Royal Society for Public Health](#) produced a report on how this idea of 'ageing' affects our mental health and welfare. A conclusion of this report was a request to ban the use of the term 'anti-ageing' in the beauty and cosmetics industry.

From Helen Mirren to Cindy Crawford, celebrities are taking a stand against the idea that ageing is the issue. They're encouraging brands to be more inclusive, considerate and transparent about how they promote products and services.



OPPORTUNITIES FOR IMPACT

– BEAUTY, HEALTH AND WELLNESS SERVICES

1. BEING INCLUSIVE

For a large number of people, treating themselves is a luxury they can't afford. With so many communities excluded from such self-care, how can you make sure you're considering how to reach those customers who traditionally wouldn't be able to reach you? By offering different payment structures – for example, through individuals voluntarily paying it forward or by increasing prices slightly in order to provide reduced rates – you can make space for people who would perhaps miss out on wellness services. In some cases, businesses have offered their services for free, while partnering with a local charity can create a sustainable solution while covering your costs.

2. COLLABORATION

It's easy to see the world of business as a race against the competition. But as with life, the more we can turn competitors into collaborators, the more we can achieve. Inevitably, as you've built your business, you'll have amassed a great network of interested people. Turn this network into a community by introducing like-minded individuals to one another. Once connected, they can all learn from each other and share their insights, tips and learnings. Changing your way of thinking from scarcity to abundance and finding organisations that have complimentary offers to yours can accelerate both your impact and your business's growth.

3. EDUCATION

As you build your business, you'll also, perhaps unknowingly, be building expertise in a specific area or problem. While your first focus should be on delivering the best service possible, you should also be aware of the positive impact your expertise and influence could have. You have a huge opportunity to spread information and education to the right people – government, small businesses, employees of large businesses, or the general public – and use your voice to promote a cause or highlight a problem that you care about.

ADHD GIRLS

Sam from ADHD Girls spends some of her time giving workshops to staff in large organisations. By sharing her knowledge, she's able to help people with ADHD (attention deficit hyperactivity disorder) perform better at work, and to train people without ADHD to be better at supporting and working with their colleagues.

4. MEASUREMENT

Health and wellness services inherently have a positive social impact. Consequently, it's important for businesses in this industry to focus on measuring the impact they're having. This can be powerful as it helps you understand the effectiveness of your service. Is it creating the outcomes you're hoping for? If not, it can help you work out what to change to provide a better experience.

Measurement also allows you to communicate the benefits of your service to a range of people, including customers and investors. Finding different opportunities to engage with these people builds trust and meaningful connections and is vital to your business's success.

INCOMMON

A social enterprise that brings groups of young and old people together to learn and build friendships. Its measurement process not only allows it to reach more people, but gives the enterprise feedback it can use to tweak its service by reducing the number of people in a group at any one time.



IN YOUR SUPPLY CHAIN

- + Map out your entire supply chain.
 - + Create a checklist of practices you want suppliers to keep to, and review them to make sure they're doing it.
 - + Give suppliers guidance and resources for meeting new labour and environmental standards and hold them accountable for shortfalls in performance.
- + For your ingredients, do you know where they come from and who has sourced them?
 - + Are they sourced in ethical and environmentally sustainable ways?
 - + How are these resources treated and tracked along the value chain? Can environmental sustainability and labour rights be guaranteed between transactions?
 - + The employment practices of suppliers you buy from should reflect your own. How do you ensure this is the case?

INSIDE YOUR BUSINESS

- + Consider what you do with any leftover waste products.
 - + If you're struggling, there are companies that specialise in this.
- + Encourage your consumers to use your products in low-impact ways.
 - + If your product requires people to use water (for washing, for example), encourage them to use cold water. This simple change can help your customers save on their heating bills and lower their impact on the environment.
 - + Clearly label what people can do with your product's packaging after they're done. Or, use your social media to give customers fun tips and advice on how to reuse packaging once they're finished with it.
- + Create a beyond net-zero energy strategy.
 - + Measure your greenhouse gas emissions. We recommend following the [GHG protocol standards](#).
 - + Create a time-based plan to reduce emissions to net zero – or, even better, beyond net zero.
 - + The key to doing this well for both the planet and your bank balance is to find ways to reduce emissions. You can do this by using energy more efficiently, switching to renewable energy providers, or changing the way your systems and processes work.

OUTSIDE YOUR BUSINESS

- + A great way to increase your social impact is through good governance and building strong relationships with your customers and supply chain. The key to this is trust and transparency.
 - + Create a simple list of all the groups who are influenced or directly affected by the work you do.
 - + Share your social and environmental impact ambitions with everyone who has a stake in them. They may be able to provide valuable insights and help you along your journey. In turn, your sharing may encourage them to take positive steps to reduce their own impact.
- + Use your voice for good. Actively engaging in campaigns or local community actions that align with your industry is a great way to have a positive social impact. From #nofilter to #zerowaste, joining these online movements will help people know what you stand for and where your values lie.
 - + Of course, it's important to make sure you're actively engaging in the causes you're promoting. Using your influence is important but influencing without acting is counterproductive and can end with you being called out for "purpose-washing".
- + Use your voice to educate. If you're a business which specifically works with people with disabilities, help educate people who aren't closely connected with the subject matter. Find ways to gain access to them and support them in understanding how to be better allies to the cause.

ACTIONS YOU CAN TAKE

SUPPLEMENTARY RESOURCES

- [EcoCert](#) – A range of certifications
- [COSMetic Organic Standard \(COSMOS\)](#)
– Organic and natural cosmetics standard
- [Roundtable for Sustainable Palm Oil](#)
- [Fairtrade for business](#)
- Soil Association's [organic standards](#)

ACKNOWLEDGEMENTS

About Enterprise Nation

[Enterprise Nation](#) is the UK's leading small business network and business support provider delivering support to more than 50,000 small businesses every month. Its aim is to help people turn their good ideas into great businesses – through expert advice (including a comprehensive resources library), events, acceleration support and networking. In 2020 it launched two high profile business support initiatives: the Amazon Small Business Accelerator and the Recovery Advice for Business scheme which collectively aimed to support thousands of small firms impacted by the pandemic. Enterprise Nation's small business active membership grew by 34 per cent in 2020. It now has more than 120,000 members and subscribers, ten per cent of which are professional advisers from a range of sectors offering strategic support to small firms. The adviser platform sees hundreds of connections every week with small firms reaching out for advice.