



forum for  
the future

# Beauty and Personal Care Products Sustainability Summit

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4 September 2014 – Chicago, IL

*Summit Report*

## About Forum for the Future

Forum for the Future is an independent non-profit working globally with business, government and other organizations to solve complex sustainability challenges.

We aim to transform the critical systems that we all depend on, such as food and energy, to make them fit for the challenges of the 21st century. We have 19 years' experience inspiring new thinking, building creative partnerships and developing practical innovations to change our world. We share what we learn from our work so that others can become more sustainable.

System innovation is at the heart of our strategy. One of our key approaches is creating innovation coalitions, bringing together groups to solve bigger sustainability challenges - including those that work across whole value chains. Another of our approaches is helping pioneering businesses go further, faster.

Discover our stories and what we've learned about building a sustainable world at [www.forumforthefuture.org](http://www.forumforthefuture.org), or follow us on [Twitter](#) and [LinkedIn](#).

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# 1 Executive Summary

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This report was created to share the results of the landmark Beauty and Personal Care Products Sustainability Summit co-hosted by Target and Walmart and facilitated by Forum for the Future. The summit took place on September 4, 2014, in Chicago, USA.

The summit was created to bring together key players in the Beauty and Personal Care (BPC) industry to accelerate a conversation about product sustainability. The goal of the summit was to build the case for action and prioritize opportunities for action. Participants were brought together to review and revise a map of the value chain and use these discussions to work together to identify actionable work streams.

Pre-conference research entailed a survey and in-depth interviews of conference participants and other experts that helped create the systems map. Conference participants agreed prior to the conference that the sustainability journey of this industry is still continuing and there is much work to be done by all actors on the supply chain. Three topic areas for exploration during the conference emerged:

- *priority chemicals and transparency*
- *waste and packaging*
- *consumer behavior*

During the summit, participants took a systematic approach to the whole industry in small groups and plenary sessions. Participants discussed barriers to change and ideas for collaborative action. By framing much of the discussion around the systems map, participants were able to make alterations and create connections between issue areas. Within the issue area tracks, participants developed “Areas for Opportunity”. These areas were taken forward into an innovation process which used ideation to come up with draft ideas for further collaboration.

The summit yielded nine ideas for action that will be further refined. These ideas are:

- **H2Know:** creating scalable behavior change around water usage through gamification
- Gaining **objective consumer insights** to understand what consumers want when it comes to sustainable beauty and personal care products
- **Science-based assessment** to figure out a common set of criteria for evaluating product stewardship and sustainability
- **Standard ingredient information sharing** across the value chain
- **Standardized requests for information:** developing a feedback mechanism that spans the supply chain
- **Working Group for Success:** creating a working group to drive new preservative systems.
- **Simplifying recycling:** increasing recycled content as well as quality and quantity of materials
- Catalyze innovation on **alternative preservatives**
- Better informing our consumers and guests: creating a **relevant transparency system for the consumer**

At the conclusion of the Summit, attendees signed up for the ideas they would like to continue working on. Next steps include teleconferences and work streams to refine the ideas, and push them forward into action by players across the industry.

## 2 Introduction

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The sustainability of Beauty and Personal Care (BPC) products is of interest to many stakeholders throughout the BPC value chain including chemical companies, brands, retailers, and consumers. Yet, although many of the key players want to create wide-reaching change and address sustainability issues, it has historically been difficult to reconcile different starting points. There has been quite a lot of work to date, but mostly through action from individual companies, resulting in a number of different initiatives and approaches.

On September 4, 2014, Target and Walmart co-hosted the first Beauty and Personal Care Products Sustainability Summit in Chicago, USA, facilitated by Forum for the Future.

The one-day event brought together key players from across the industry with the ambition of starting a conversation about a shared approach to product sustainability. At the summit participants mapped the landscape, explored common concerns, identified areas ripe for action, and developed initial ideas that to tackle those opportunities.

The **goal** of the Beauty and Personal Care Products Sustainability Summit was to build the momentum on product sustainability with players in the personal care and beauty industries, and to prioritize the issues of greatest concern and potential opportunities for collaborative action.

### Summit Objectives:

- To bring together players from across the beauty and personal care in order to create trust and a shared understanding
- To explore, review and revise the map of the system and initiatives and use these discussions to identify key barriers and opportunities
- To identify actionable work streams which stem from the barriers and opportunities, and identify who wants to be part of such innovation initiatives

This report summarizes the process and findings of the BPC Summit. The list of participating organizations is included in **Appendix 1**.

## 3 The overall approach

The ambition of the Beauty and Personal Care (BPC) Sustainability Summit was to convene retailers, brands, chemical companies, academics, NGOs, and other stakeholders to begin to create a shared understanding of the industry opportunities and a path to action.

The following process was designed with a view that better solutions are achieved through generating a shared understanding of what's important and actions participants can take to promote sustainability across the supply chain.



### 3.1 Interviews and research in advance of the Summit

The process started well in advance of the Summit in order to prepare for action and maximize the time that delegates had together. Forum for the Future used interviews and an online survey of industry stakeholders and experts to prioritize the key sustainability issues for the BPC industry to prioritize the key areas for discussion, and to map out how the industry worked – from physical flows and environmental and social impacts, through who the key stakeholders are. This was used to guide discussions and help summit participants work together.

The system map that resulted from the research and discussions is included in **Appendix 2**. A summary of research findings from the survey and interviews are in **Appendix 3**.

The summit also aimed to be additive - to build on existing work to date. Our research also allowed us to identify many of the things that are currently happening which were also built on during the Summit. They are captured in **Appendix 4**.

### 3.2 The Summit itself

The BPC Summit was highly interactive, drawing on the expertise and experience of all stakeholders in attendance, while at all times respecting the different roles each participant plays in the industry. In both small groups and together in plenary sessions, participants discussed their roles in the beauty and personal care industry and how they interact with one another, identified challenges they face and barriers to making change and developed ideas to promote product sustainability.

The summit began by looking at the map of the system created through Forum's research and drawing on previous work from The Sustainability Consortium. Working in small groups, participants explored the map and suggested alterations and additional relationships. Participants moved into the three tracks and through a deeper exploration and questioning of the maps developed 'Areas of Opportunity' – places on the map where energy and ideas for change meet the resources and power to solve them. These areas were taken forward into an innovation process, which used a process of questioning and ideation to come up with draft ideas to take forward.

All aspects of the summit were carried out under anti-trust guidelines available in **Appendix 5**. The following report captures the key findings from the day, including notes captured during plenary sessions. Further details on process are available in the agenda in **Appendix 6**.

## 4 Key Outputs

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### 4.1 Breakouts (morning)

Summit participants spent the morning working in nine pre-assigned small groups – three for each of the Summit's three issue tracks (priority chemicals and transparency, waste and packaging, and consumer behavior). Using the maps as a basis for their conversation, participants pointed to where there are barriers to sustainability in the beauty and personal care product system. They also identified which stakeholders have the ability to make change and who holds the required resources. This led to identifying areas for action: areas on the map where significant challenges meet the energy and resources to deal with them.

The top areas for action for each of the three issue tracks were:

#### **Priority chemicals and transparency:**

1. Creating trust in information along the supply chain: making disclosure easier and more consistent, building trusted relationships along the supply chain, and facilitating a willingness to share information
2. Reaching alignment on the process of prioritizing chemicals
3. How to facilitate more research and development into alternative chemicals
4. Exploring what all stakeholders each could do to contribute toward the industry's sustainability efforts
5. Engaging and educating consumers on the science behind priority chemicals in a way that is meaningful and accessible

#### **Waste and packaging:**

1. Addressing disincentives to collaboration: considering the development of consistent processes and policies and metrics to measure progress
2. Making available unbiased and consistent information to help educate and inform consumers. Also addressing consumer apathy
3. Keeping material streams of a high standard and clean (quality of materials)
4. Increasing the availability of recycled content (quantity of materials)
5. Developing shared value for increasing recycled content and more innovative packaging

#### **Consumer behavior:**

1. Addressing the lack of credible, consistent standards and information across entire value chain
2. Developing information that resonates on a personal level with consumers, helping them make decisions to buy more sustainable products
3. Understanding the drivers for why companies along the supply chain produce and sell sustainable products

Several areas for action identified by different groups were closely aligned, and Summit facilitators and participants narrowed this list of 15 into 7 areas for action that were discussed in the second half of the Summit. Participants selected which area of action they were interested in discussing during the afternoon breakout sessions.

### 4.2 Breakouts (afternoon)

During the afternoon session, participants worked in small groups to further define their selected area of action. They considered the most significant barriers that stood in the way of taking action, and the stakeholders that might be involved in a solution. They brainstormed ideas for innovative action that could be undertaken to solve the problem at hand. Finally, they selected the idea that seemed most promising, and thought through additional details, including who would be involved, how they would take action, and the current initiatives their idea built on. The second half of the day ended in a plenary session in which participants presented their ideas in the form of a brief elevator pitch.

The following initial ideas for collaborative action to address sustainability in the beauty and personal care product industry were presented to the plenary.

1. **H2Know:** creating scalable behavior change around water usage through gamification that is easy, fun, competitive, and provides recognition, status, and rewards. A measurement device would be required to validate performance, and feedback and share results. The app would be particularly targeted at millennials.
2. Gaining **objective consumer insights** to understand what consumers actually want when it comes to sustainable beauty and personal care products: Brands and retailers would fund an impartial organization to poll consumers on what they care about, who they trust, and how best to deliver sustainability information to them. “Key influencers” could be leveraged to obtain and disseminate information.
3. **Science-based assessment** of criteria: engaging everyone along the supply chain, from NGOs to retailers to chemical manufacturers, to figure out a common set of criteria for evaluating product stewardship and sustainability. It would be voluntarily adopted across the industry and help advance sustainability.
4. **Standard ingredient information sharing** across the value chain: developing a process to share streamlined ingredient information, from retailers to raw materials suppliers, fairly and equitably. Making it easier for those upstream to report, guaranteeing fair use of information, and giving those downstream better access to the information they need. Information will not include financials or pricing. Transparency and information to make better choices will build common goals and efficiencies, a third party could build and facilitate.
5. **Standardized requests for information:** developing a feedback mechanism that spans the supply chain, increasing efficiencies, and improving data accuracy. “A path to chemical enlightenment.” Consistent set of questions and combining multiple collection and disclosure schemes into a comprehensive standard.
6. **Working Group for Success:** Drive new preservative systems. Form a working group including all value chain participants to tackle new preservatives systems, to pilot innovations, and ultimately open the intellectual property among the broader industry. Members would individually commit to making the effort successful.
7. **Simplifying recycling:** increasing recycled content as well as quality and quantity of materials and creating a residential recycling program with consistent labels on packaging. Rolled out nationally, resulting in consistent education for consumers and high-quality recycled materials available for use.
8. Catalyze innovation on **alternative preservatives:** drawing on a third party to facilitate open collaboration and R&D and develop a common success criteria.
9. Better informing our consumers and guests: creating a **relevant transparency system for the consumer** so he/she feels confident about what they buy. Modeled after the consistent, standardized nutrition labels on food products and would also protect IP. This would leverage the existing data we have and pull together the consumer-facing initiatives that we’re already working on.

Before adjourning for the day, everyone in attendance at the Summit was invited to sign up for the pitches if they were interested in discussing them further, after the Summit.

Clearly these are initial thoughts and it was clear to participants that their signatures were expressions of interest rather than binding commitments. Work will now be done to refine and shape the ideas, and possibly combine similar ones, to bring them to the next round of conversations which will be about taking these initial ideas and exploring which could form the basis of longer-term innovations.

## 5 Next Steps

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In the next month Summit attendees will be invited to take part in teleconferences to discuss how to move these ideas forward, who should be involved, and who should be responsible for driving action. As each idea is developed and taken forward the ambition is that it will be adopted and driven by different players in the supply chain in order to drive sustainable innovation and benefit all the players and their customers.

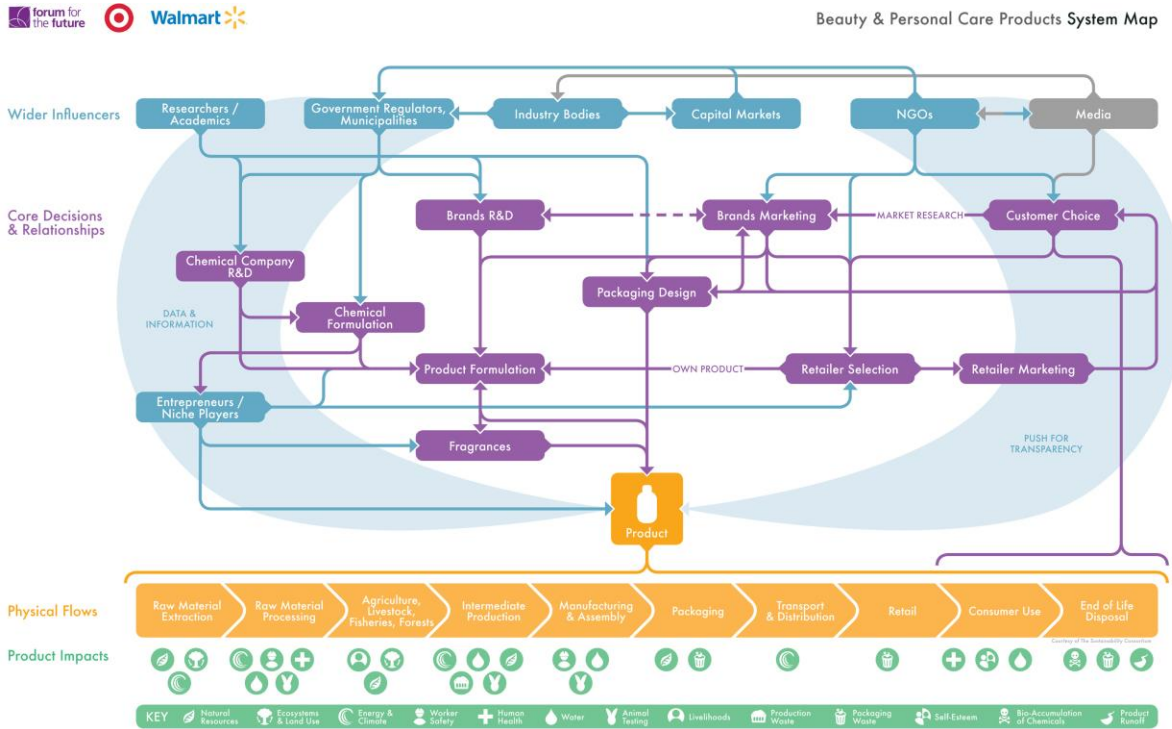


## Appendix 1: Summit Delegates

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Akzo Nobel	Sam's Club
AmcOR Rigid Plastics	Sears Holding Corporation
Apollo Health and Beauty Care	Seventh Generation
Avery Dennison	Sustainable Apparel Coalition
Aveda	Sustainable Packaging Coalition
BASF	Target
BBMG	The Dow Chemical Company
Berlin Packaging	The Sustainability Consortium
Berry Plastics	The Wercs, Ltd.
BizNGO	ULTA
BSR	Underwriters Laboratories
Clorox / Burt's Bees	Unilever
Colgate -Palmolive Company	Vi-Jon, Inc.
CVS	Walgreens
DuPont Industrial Biosciences	Walmart
Eastman Chemical Company	Warner Babcock Institute for Green Chemistry
Environmental Defense Fund	Waste Management, Inc.
EPA's Design for the Environment	Winston Eco-Strategies
Estee Lauder	Yes To, Inc.
Firmenich, Inc.	
Forum for the Future	
Fruit of the Earth, Inc.	
Givaudan Fragrances Corp.	
GoodGuide	
Green Chemistry Commerce Council	
Henkel Consumer Goods, Inc.	
Johnson & Johnson	
L'Oreal	
Method	
P&G	
Revlon	

# Appendix 2: Systems Map



## Appendix 3: Research Summary

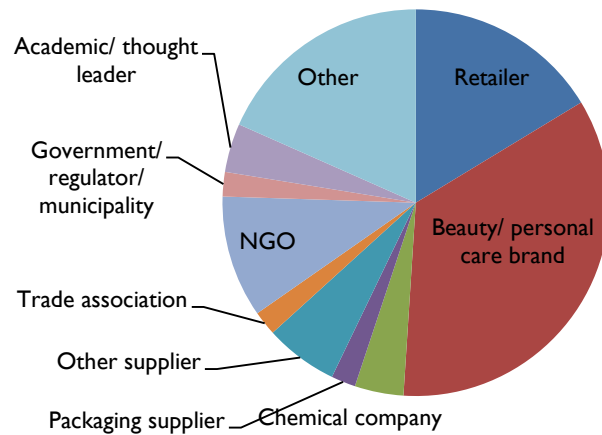
This section provides a brief overview of key research findings, including highlights of survey and interview responses and quotes from industry stakeholders.

The initial framing interviews were used to develop a set of eleven issues that Forum asked survey respondents to prioritize. After analyzing the resulting prioritized list, along with the interviews and the written survey data, Forum developed the following three issue tracks explored at the Summit:

- 1) Chemicals of concern and transparency<sup>1</sup>
- 2) Waste and packaging
- 3) Consumer behavior: consumer choices and the product use phase

As an issue respondents were most concerned with transparency as it pertains to chemicals and ingredients – so it was combined with chemicals in the issue track.

Survey participants by sector:



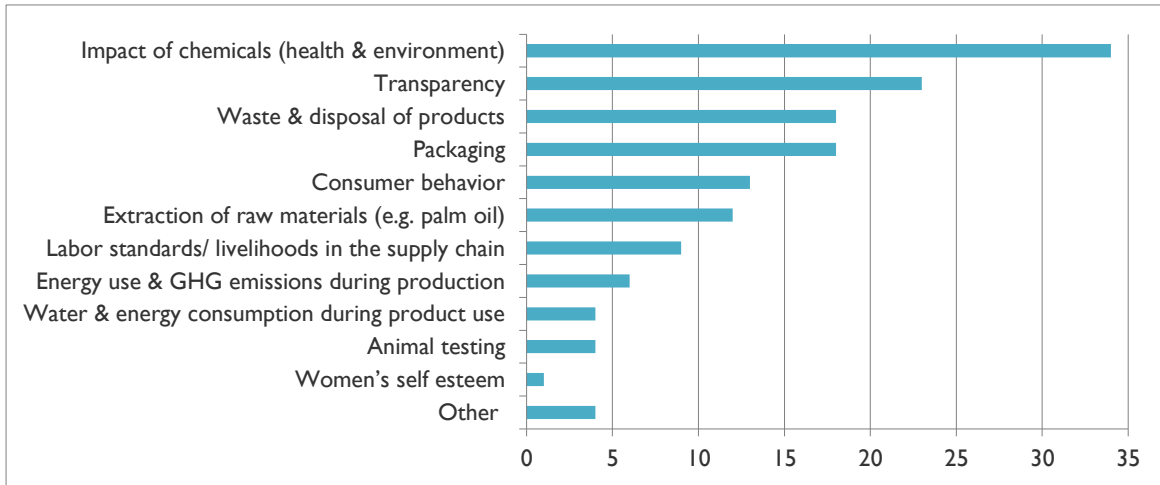

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<sup>1</sup> As an issue respondents were most concerned with transparency as it pertains to chemicals and ingredients – so it was combined with chemicals in the issue track.

### 3.1 Key Issues

Which of the following issues related to beauty and personal care products are of the greatest concern to your organization?

(Respondents were asked to identify their top three)



Survey results reveal that the impact of chemicals in the product on human health and the environment is the issue of primary concern to respondents. This is followed by transparency with issues around packaging, waste, and disposal, a close third. The interview findings agreed with the survey data.

Stakeholders said...

*"The most drastic change [in the industry] has been the increasing level of transparency about what is in products...We know what is in products, the implications, and [can] access that information widely."*

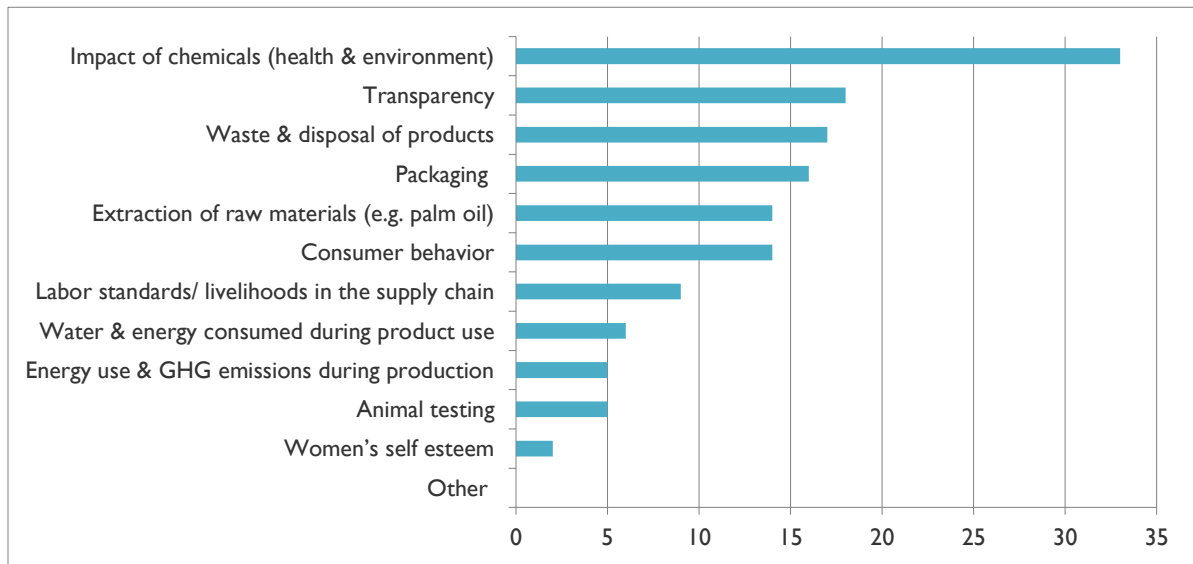
*"Packaging is a huge part of the physical footprint – it is what's left behind."*

*"[Increasingly significant] is the idea that products you use in your home and on your person can have slow but impactful changes to personal health and well-being... What people put in, on, and around their body."*

### 3.2 Potential for Action

Which social and environmental issues related to beauty and personal care products have the most need/ potential to be addressed through combined action between different value chain actors?

(Respondents were asked to identify their top three)



Areas with the most need and potential for collaborative action reflected the top issues of concern: chemicals, transparency, packaging, waste and disposal topped the list. Consumer behavior, ranking high as both an issue of concern and having potential for collaboration – as well as frequently mentioned in stakeholder interviews – was also explored in summit discussions.

Stakeholder interviews provided a more in-depth look at this question, suggesting specific challenges that might be taken on through collaboration across the value chain. Interviewees suggested that collaboration between retailers, brands, and chemical manufacturers – as well as consumers, NGOs, and researchers – could contribute to a more consistent, harmonized understanding of priorities and needs across the industry.

Stakeholders said...

*“I think [most effective are] the partnerships that can reach across the supply chain – the retailers having an understanding with their suppliers that they will reward leadership.”*

*“Transparency is the easiest thing for us all to agree on, and not the easiest to do – but it’s hard to argue against people knowing what they’re putting on their body.”*

*“I think [collaboration] should reach to the consumer as well. If you can bring them in and help them understand the choices [companies] are making, they can help make better choices too.”*

### 3.3 Agreement on the need to act and to collaborate

The survey asked respondents several questions about some of the key issues pertaining to the beauty and personal care industry.

90% of respondents disagreed with the statement that “beauty and personal care products are already sustainable and no further action is needed.” A similar percentage saw a clear business case for their organization to address the key impacts of products.

Interestingly, there was a strong feeling that other actors in the supply chain held the key to solutions. 60% of respondents agreed with the statement “Other actors in the supply chain have more power to influence products than I do.” This lack of empowerment to act was also reflected in the interviews, and many felt that others had more power to create change.

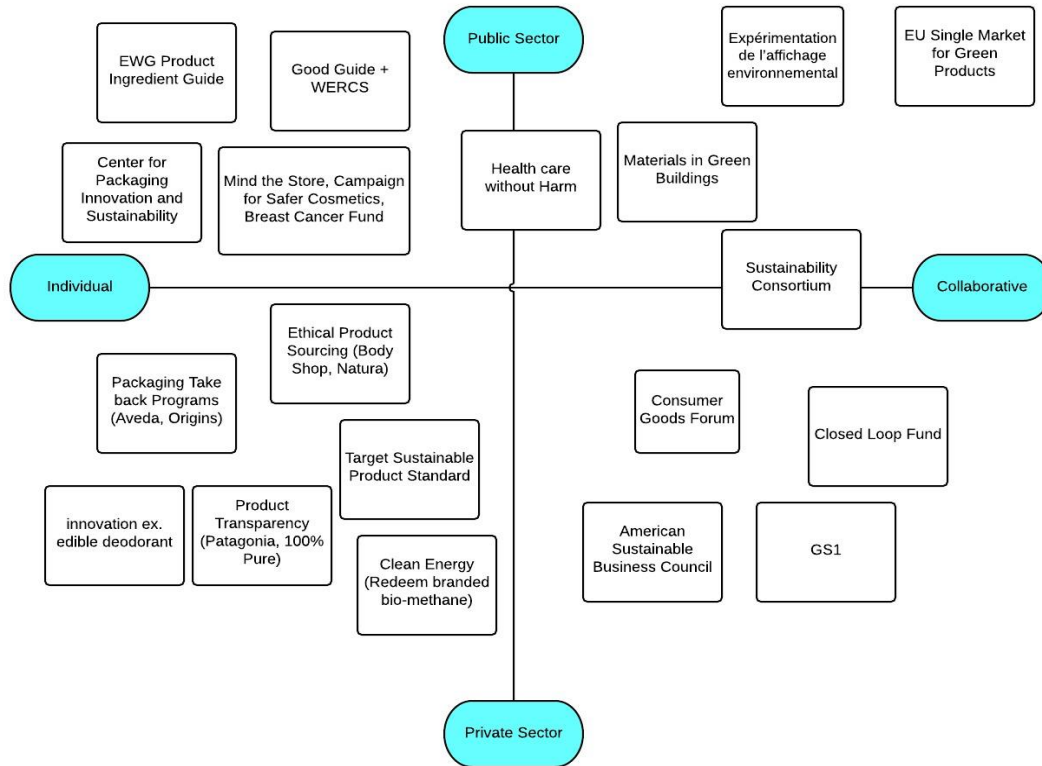
Stakeholders said:

*“The nuance is, the retailers and consumers are demanding the functionality [of the product] but the formulators are deciding how to deliver it. So they really are the key.”*

*“Retailers have enormous ability to drive change. They have to demand it.”*

*“When it comes to chemicals... It's very difficult for us to ask [the manufacturers] to make a change.”*

## Appendix 4: Existing Initiatives



This graph only presents a small section of work being done to improve the sustainability of this sector. The data is based on survey responses from participants and is not comprehensive. During the summit, participants were asked to consider the existing initiatives in order to make sure that any action items identified would be building on existing work.

## Appendix 5: Anti-Trust Guidelines

### Anti-trust Guidelines

All aspects of the Summit were carried out under the following Anti-trust guidelines:

Participants must avoid any discussion of the following subjects in order to avoid even an appearance of impropriety:

- Do not discuss current or future prices, price quotations or bids, pricing policies, discounts, rebates, or credit terms.
- Do not discuss cost information such as production costs, operating costs, or wage and labor rates.
- Do not discuss profits or profit margins, including what is a “fair” profit margin.
- Do not discuss allocating markets, territories, or customers.
- Do not discuss current or future production or purchasing plans, including plans to take facility downtime, production quotas, or limits on output.
- Do not discuss refusing to deal with any suppliers, customers, or competitors (or any class or type of suppliers or customers).
- Do not require or pressure any supplier, customer, or competitor to adopt any particular actions or policies.
- Never agree on any aspect of future pricing or output.

## Appendix 6: Summit Agenda

Time	Session	Format
<b>7:45 – 8:00</b>	<b>Arrival and Coffee</b>	
<b>8:00 - 8:30</b>	Introductions	Plenary
<b>8:30 – 9:00</b>	Welcoming Remarks and Ground Rules	Plenary
<b>9:00 – 9:45</b>	Research Results	Table groups
<b>9:45 – 10:45</b>	Reading the System Map	Table groups
<b>10:45-11:00</b>	<b>Break</b>	
<b>11:00 – 12:00</b>	Identifying Areas for Action on the System Map	Breakout groups
<b>12:00 – 13:00</b>	Prioritizing Areas for Action	Breakout groups
<b>1:00 – 1:45</b>	<b>Lunch</b>	
<b>1:45 – 2:15</b>	Finding Solutions	Plenary
<b>2:15 – 3:45</b>	Innovation into Actionable Solutions	Breakout groups
<b>3:55 – 4:50</b>	Solutions Feedback and Prioritization	Plenary
<b>4:50 – 5:15</b>	Next Steps	Plenary
<b>5:15 – 5:30</b>	Final Remarks	Plenary
<b>5:30</b>	<b>Close</b>	



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