

# SienaBlü Sustainability Strategy



SienaBlü

# SUSTAINABILITY STARTING Line —

## a Summary

Sustainability is more than just a way of thinking, it's an exercise in embedding social, environmental, and good governance dimensions into every aspect of SienaBlü's (SB's) decision-making to reap the many potential rewards offered by the business cases for sustainability—and to help balance the planet's environmental systems while doing good for society at large.

Strategic planning has been defined as "...a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it" \*—and since sustainability must be so embedded so intentionally, it's an important first step to develop a carefully-considered plan combining short- and long-term goals tied to SienaBlü's overarching success.

We've audited SienaBlü's current operations to compare its practices with others in its industry, scanning industry standards for beauty and cosmetic packaging and materials design. We've engaged stakeholders and we've established a sustainable purpose and a big sustainable goal — and it's clear, this is a rare opportunity to make a significantly positive impact on the world and grow SB's business by tackling sustainability issues. This can be achieved by improving through the lens of sustainability and effectively communicating these changes to the world—but we have to start somewhere (somewhere manageable!). This document sets out to identify SB's priorities—exploring a vision to action this strategy, and outlining the steps we'll take in year one.

**This is a living strategy.**

Our progress depends on evolving an approach to this framework and achieving SB's sustainable purpose year over year. Sustainability is not a one-and-done, it's a moving target, something reaffirmed with each new commitment and in every decision made.

*\*read more in [JM. Bryson's Strategic Planning for Public and Nonprofit Organizations](#)*

### Key Takeaways

1. SB has achieved Bronze status through EcoVadis, establishing that the company is already sustainable to a certain degree, with a solid basis to become an industry thought-leader in the area of sustainability.
2. Positioning the SienaBlü brand as sustainable will help grow revenue and client trust.
3. The leadership team must address and centre sustainability issues internally and externally to ensure progress stays on the company's agenda, and simply cannot go forward with business as usual knowing what there is to know.
4. In order to achieve all of the above, a dedicated green team is needed to take the lead and hold the company accountable to its commitments.

# OUTLOOK

In 2019, the cosmetics industry was valued at approx \$532 billion, and it's been growing by nearly 5% year over year. The numbers are outstanding, and the outlook for SienaBlü to position itself as a go-to supplier has never been better.

Yet while the beauty industry can drive positivity and a sense of wellbeing for society at large, it also has some deeply troubling issues, most notably, its waste problem. According to the Environmental Protection Agency (EPA), a third of US-based landfill is from the beauty industry, with the majority of it coming single-use plastics and materials.

Sustainability within the industry should be the fulfillment of customer wishes in a way that balances SB's need to tackle this problem without compounding it through its own actions or production of its products. In this particular industry, 'sustainability' is typically synonymous with packaging that considers its entire life cycle; using recycled or recyclable materials, decreasing the use of single-use plastics, and leveraging consciously-curated do-no-harm ingredients and safe-to-use components. This is packaging that's conscious of its use and of its stress on the planet's resources, endeavouring to leave the smallest-possible footprint in its production and its shipment from start to finish.

But 'sustainability' doesn't stop at packaging—in the beauty and cosmetics sector, there is a chance to change the conversation of what is considered beautiful, increasing the sense of well-being delivered by becoming inclusive in both application and design, and in the end customer perspective and use through a broader, public-facing commitment to the representation and application of diversity policy.

## BUSINESS CASE

### Brand Perception

Sustainability issues have a strong link to brand perception. SienaBlü's leadership team currently invests in philanthropy, which is amazing and should continue doing it. However, environmental issues such as waste, energy use and climate change have almost equal impact on brand perception as corporate giving, so environmental commitments and reporting is 1.5x more impactful. It should go without saying this is also an opportunity to lead with a unique brand differentiator.

### Revenue Growth

According to a recent Nielsen report, a strong majority (73%) of global consumers say they'd "definitely or probably" change their consumption habits to reduce their impact on the environment. A third of SB's potential client leads will be swayed by a sustainable offering over the competition. In addition, many sustainability issues are implemented by reducing consumption which naturally translates to reduced overhead and expenses.

## Recruiting and Retention

Millennials specifically are more likely to choose to work in a company aligned to their values, and have demonstrated a willingness to go out of their way to work for a company that demonstrates a genuine commitment to corporate social responsibility, environment, and sustainability. If companies fail to prove that they are sincere about environmental and social sustainability, they risk alienating this key group both as customers and employees.

## Enterprise Procurement

The majority of SB's prospective enterprise clients have public CSR commitments and sustainability reporting (Henkel for instance), who are increasingly demanding even the smallest SME suppliers rise to meet their sustainability procurement criteria. SB has already been on the receiving end of these demands, and it will only become more overt as these issues become increasingly pressing for the planet. Positioned and accredited as the sustainable solution provider, SienaBlü is immediately a vetted and more appealing partner to the Henkels of the world.

## KEY ISSUES

After engaging stakeholders in discussions for feedback and a developing broader understanding of the issues important to them, internal and external information was gathered, as well as the use of future thinking tools (like SASB's materiality map and the EcoVadis survey) to deepen SB's understanding of the strategic relevance of particular environmental and social issues within the industry. The intention was to better understand SB's operational and value chain impacts, and what role the organisation can play in contributing to positive systems change. Below are some of the important takeaways from that research.

KEY ISSUES AND OPPORTUNITIES	IMPLICATIONS
Plastics present the most pressing issue given the visibility and scale of the industry's waste problem, but while moving away from plastic may seem like an obvious solution, packaging sustainability is complex, and more than simply a plastic problem, touching all aspects of SB's decision-making from from design, to production, to transportation, to disposal and true sustainable improvement may be paradoxical (i.e. using lighter, more recyclable plastic), and not as 'sexy' for customers as simply zero waste.	Constant monitoring and improvement is key to success rather than going for only the most marketable wins—SB's commitments must be to exploring new technologies and considering every angle (from materials sourcing and impact, to energy use, to logistics and measuring and understanding these) before adopting new initiatives to maintain progress and educate all links in the value chain (including internal teams).
SienaBlü customers are too busy to think through the packaging and waste problem, and too focused on their margins and survival in the face of threats such as COVID to be as proactive as they could be.	Realizing revenue growth and positive brand perception depends on SB's ability to quickly educate and present rationale that justifies product choices clients can easily adopt (communicating a product offering focused on

	delivering the best possible price on low-impact materials that do not offset quality).
There are 3 levels of waste (wholesale, salons shipment, and end use).	Value-added partnerships to collect end-of-life products and advocacy at all levels of the industry should be SB's long-term goal.
ESG (environmental, social and governance) issues also encompass internal factors. We've taken a first step in establishing policies to move SB's own practices forward—so this strategy isn't just about what SB provides to customers, but the constant improvement and oversight required.	How can SB involve its team activities and task management to incorporate sustainability decision-making into the core of its corporate culture?

## STRATEGIC TOPLINE

A successful sustainability strategy requires focus. To achieve SB's goals of driving credibility, growing opportunity and retaining talent – SB must tackle issues the organization can affect MOST through successful and economically-viable internal resourcing and governance.

### The overview:

### SUSTAINABLE PURPOSE

Bring peace of mind to the beauty industry through innovative, turn-key and responsible product design that inspires the human spirit

### SUSTAINABLE VISION

To be a fully circular consumer goods design and manufacturing company with a measurable net positive impact by 2050.

### YEAR ONE OBJECTIVE

Product one report document (overview) by year end 2021 communicating context and progress for the year, SB's difference to customers, explaining progress, and educating clients and stakeholders on a new potential product innovation that advances environmental sustainability.

## **STRATEGY**

While finding pathways to more sustainable packaging is our top priority and our biggest opportunity—there’s more to ESG than simply the ‘E’. Year one will be about moving quickly to put SB on the road to leadership in sustainable packaging design, while laying the groundwork for accountability, transparency and progress across all of our priority environmental and social issues, by establishing the first metrics and targets we will track and communicate year over year. We’ll adapt this plan yearly, producing an overview of the results of our efforts, and modifying/adding metrics to add context and to meet benchmark reporting standards like the Global Reporting Indices hopefully by year three of our sustainability program.

## **YEAR ONE OVERVIEW**

### **Establish a Green Team**

To give SB’s employees a sense of ownership and help them understand the company is truly accountable, a dedicated team/committee will be key, with a team lead who will coordinate and keep track of the effort, and provide all involved parts with needed support and information. Ideally, this should be a person with project management skills and passion for sustainability tapped to execute the sustainability strategy. They will monitor and guard SB’s progress against this strategy and they should be empowered to brainstorm ideas, enhance policy and lead the internal feedback loop on SB’s progress.

### **Establish Critical Baselines for Improvement**

Targeting two important issues: climate change and waste, a critical step will be to conduct a life cycle assessment of SB’s highest volume product in order to understand potential angles for incremental improvement, and take a measure of SB’s organizational GHG emissions to set a baseline for future reduction.

### **Begin to Tackle Key Issues**

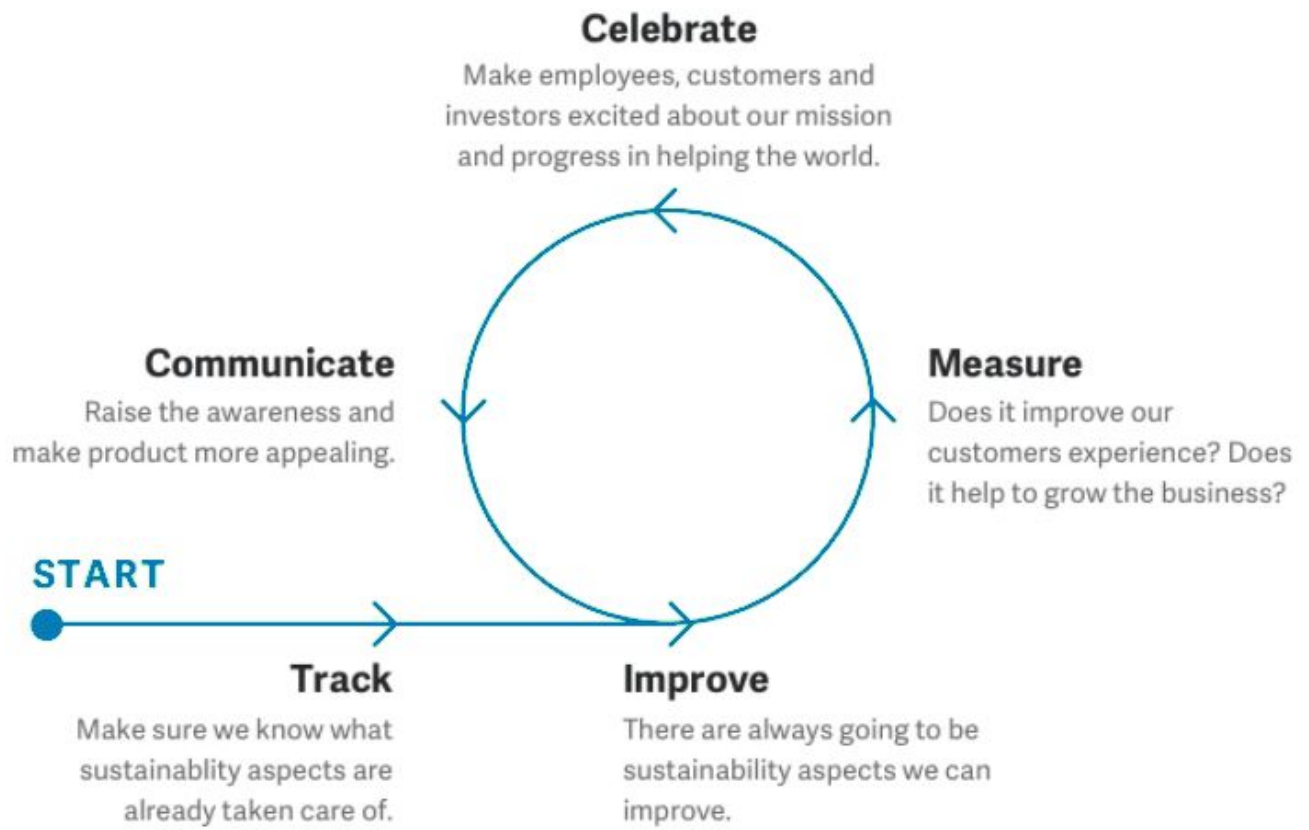
In high priority, high impact areas through initiatives (labeled ‘1’) outlined within the framework of this strategy (see appendix 1).

### **Continue to Improve Low-Visibility Issues**

A commitment should go further to the ESG issues that are not necessarily as visible to SB’s customers (secondary initiatives prioritized as ‘2’), like training, and inclusive recruitment policies (see appendix 2).

### **Communicate SB’s commitment to sustainability internally and externally**



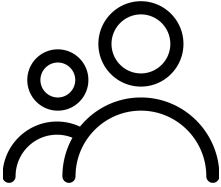


SB’s customers and its employees should feel they’re a part of the company’s agenda, not that their participation is a “nice to have”. We’ll announce SB’s commitment to improve, integrate these messages into SB’s front-facing materials to understand how they affect business growth, give customers confidence, help employees feel they have a “permission” to act, and invite all groups to feedback to improve the plan.



# SIENABLÜ'S SUSTAINABILITY FRAMEWORK

SienaBlü will adopt the five following impact areas as a best-in-practice approach to measure the success of its sustainability program. These impact areas capture every aspect of SB's business, keeping its compass aligned to important growth opportunities and help uncover how to improve.

## IMPACT AREAS

GOVERNANCE	ENVIRONMENT	OUR PEOPLE	CUSTOMERS	COMMUNITY
				
Accountability to our sustainable purpose	Lowering our environmental impact and that of our product.	Employee engagement, wellbeing and development.	Thought leadership, education and Integration of sustainability into our offering.	External engagement that advances beauty and cosmetic product design for environmental and social good.
<b>COMMITMENTS</b>				
Be a company that's profitable in a responsible and ethical way.	Mitigate climate change and reduce waste by increasing our products' circularity through innovative design, sourcing and low-carbon transport.	Promote an accessible and inclusive beauty and cosmetic design industry, so anyone can participate.	Help our customers leverage our offering as a starting point to create real, positive social and environmental change.	Mobilize our resources to become a force for good within our broader community.
<b>YEAR 1 INITIATIVES</b>				
-Appoint Green Team (1) -ESG Communications (1)	-Life Cycle Assessment (1) -Emissions Baseline (1)	-Implement DEBI Policies and New Onboarding / Training (2)	-Join SPICE (1) -Create Sustainable Product Guidance (1)	-Implement Volunteer- Hours Program (2) -Launch Design Diversity Grant (2)



# APPENDIX 1



# GOVERNANCE INITIATIVES

## **Our commitment**

Be a company that's profitable in a responsible and ethical way.

## **Year One**

- *Appoint and Invest Authority in Green Team*
- *Begin Sustainability Communications*

## ESTABLISH A GREEN TEAM AND GREEN LEADER WITH AUTHORITY

### GOAL

Build internal capacity to implement and track the progress of SB's sustainability program, drive credibility internally, and start to create a culture of sustainability by giving employees agency over the outcomes.

### DESCRIPTION

A small team committed to change can be a mighty force in transforming the sustainability of a company. We recommends finding and identifying the 'super greens' at SienaBlü, and inviting them to take part in this 2-to-3 person (or more) internal task force which should include a member of the executive not necessarily in its leadership role. Is there someone who suggested tree-planting as the last team-building exercise? The person who constantly recycles or eschews take-out at lunch citing environmental impact? Find them, then deputize and empower them to be SB's sustainability force for good. Over time, the objective is to provide tools and resources, and to break down obstacles for them as they follow this plan. Help them help you!

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### STEPS

1. Identify and deputize team, start team by reviewing, improving and suggesting targets for internal environmental policy
2. Leverage internal project management tools to establish program sustainability program initiatives, roles and responsibilities, requirements to meet objectives, timeline and budget needs for all aspects of this plan
3. Team to evaluate, improve and implement the current employee handbook environmental policy, identifying areas for enhancement and additional metrics and roles and responsibilities
4. Team lead to push initiatives ahead throughout the year, and report to the executive team on a monthly or weekly basis
5. Don't just document the Green Team goals and progress—document the Green Team in action, use photos, announcements and blogs etc. to allow the team to be transparent (and excited!) about what they're up to
6. Empower the Green Team to choose one or more external sustainability commitments such as [1% for the Planet](#), a local or a social/beauty-related that would excite and energize all of SB's employees

## BEGIN SUSTAINABILITY/ESG COMMUNICATIONS

### GOAL

Start to get into the habit of planning for and incorporating this strategy's sustainable purpose, commitments, program initiative details and progress across all channels.

### DESCRIPTION

SienaBlü's first step, embedding a sustainable purpose into its brand DNA, is the perfect opportunity to capitalize on the potential for sustainability to transform perceptions about its offering. Sustainable marketing is only effective when it's measurable—the positive outcomes of the partnership with R&G to produce this strategy as well as the efforts to scan and communicate SB's current state with EcoVadis have already given sustainability programming plenty to leverage. Going forward, the goal will be to expand on these communications through customer education, and ultimately the production of an overview for SB's clients at the end of its first year.

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### STEPS

1. Share SB's team handbook internally and get feedback from the team to sustainability survey
2. Website redesign to incorporate SB's brand's sustainable vision and its ESG outlook
3. Create internal documentation that tracks progress so the entire team can see it at any given time
4. Establish an "sustainability overview" document that meets our year one objective, communicating the outcomes of SB's sustainability program initiatives and how they adhere to this framework, and provides context on efforts and results at the end of year one (and every year from now!)



# ENVIRONMENTAL INITIATIVES

## **Our commitment**

Mitigate climate change and reduce waste by increasing SB's products' circularity through innovative design, sourcing and low-carbon transport.

## **Year One Program**

- *Product Life Cycle Assessment*
- *Establish Emissions Baseline KPI*

## CONDUCT PRODUCT LIFE CYCLE ASSESSMENT (LCA)

### GOAL

Understand SB's highest-volume (and most economically vital) product, and it's impact from extraction to manufacture to delivery to end of life to identify pathways to lowering SB's impact for society, partners and the planet.

### DESCRIPTION

How sustainable is SB's most popular design(s)? Answering this question isn't easy – because there are countless factors involved. The goal of an LCA is to not only create data but also to facilitate decision-making. An LCA is a very specific analysis. It provides the groundwork for SB's product improvement programming within this sustainability strategy, as SB's audience can only derive context from product impacts we've actually measured. Our product research, design and development teams can take advantage of an LCA to comply with regulatory requirements for strident sustainability certifications, dream up new low-waste or low-emission products, identify issues within the procurement and manufacturing supply chains, and identify marketing and communications opportunities to differentiate SB offerings from that of its competitors, and give us baseline product metrics with which to set key sustainability performance indicators. Ultimately, this information empowers the leadership team to achieve the ultimate sustainable vision for SienaBlü, and is a must.

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### STEPS

1. Identify the key product(s) to be assessed and the area(s) of impact most important to its development as above
2. Evaluate expert analysis suppliers for an LCA assessment and contract the best option
3. With the help of outside consultancy, identify SB's scope of the LCA (i.e. cradle-to-gate, cradle-to-cradle, gate-to-gate, and/or Economic input-output life cycle assessment)
4. Establish a product roadmap and strategy to lower impact, maintain quality and achieve trusted accreditation for our core product line(s)
5. Establishing core sustainability metrics we will use to track progress year over year

## ESTABLISH EMISSIONS BASELINE AS KEY PERFORMANCE INDICATOR

### GOAL

As of creating this strategy, the world is not on track to meet its emissions targets, and this presents an existential threat to life, let alone the economy. Establishing Scope 1, 2 and 3 emissions this year will be a non-negotiable priority of this plan.

### DESCRIPTION

Simply put, the intention is to track emissions according to the most stringent international standards. We recommend using the [Ecometrica platform](#), which is an internationally-leading, scalable digital tracking software service that provides GHG intelligence based on tens of thousands of emissions factors for timely, useful, consistent, continuous information on SB's global footprint. They also helpfully offer additional tracking focuses for those ready to leverage greater oversight.

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### STEPS

1. Work with a GHG consultant such as Ecometrica to establish and track yearly GHG emissions
2. Create a percentage reduction target milestones with the goal to meet IPCC recommendations to maintain a 1.5°C future, and SB's overarching vision to achieve net positive status by 2050
3. Identify low-hanging fruit for immediate reductions now and into the future



# CUSTOMER INITIATIVES

## **Our commitment**

Help SB's customers leverage its offering as a starting point to create real, positive social and environmental change.

## **Year One**

- *Create new Sustainable Product Guidance*



## CREATE NEW SUSTAINABLE PRODUCT GUIDANCE FOR CUSTOMERS\*

### GOAL

To design and produce more sustainable products, we must listen to customers—in order to start the conversation, we must provide deeper insight into why certain choices are more important in terms of environmental impact, cost, quality and provide them with the tools they need to share this information to their own customer and end user.

### DESCRIPTION

Ensuring our customers understand our product design difference and the sustainable progress we're making protects them from the malpractice of greenwashing and cuts down on the imprecise, unclear, incomparable, unsubstantiated or irrelevant informational noise facing consumers when making sustainable choices that can result in mistrust and confusion. We'll provide a full overview of our LCA findings, and our strategy for improvement, as well as our product roadmap to help guide their understanding and their choice, and cement our credibility as a partner able to provide guidance and easy choices.

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### STEPS

1. Create marketing and communications materials or a customer portal to provide deeper product information and guidance, please refer to the UN's [Guidelines for Providing Product Sustainability Information](#).
2. Establish a communications cycle to relay useful updates or progress into the future.
3. Develop a plan to survey and engage your customers for feedback, and foster deeper partnership and understand the evolving sustainability issues important to them

# APPENDIX 2



# OUR PEOPLE INITIATIVES

## **Our commitment**

Promote an accessible and inclusive beauty and cosmetic design industry, so anyone can participate.

## **Year One**

- *Implement Diversity, Equity, Belonging and Inclusion Policies and New Onboarding / Training*

## DIVERSITY, EQUITY, BELONGING AND INCLUSION (DEBI) TRAINING AND ONBOARDING

### GOAL

After going through the process of creating an in-depth DEBI policy for V1 of SB's employee handbook, now it's time to implement it.

### DESCRIPTION

The death of George Floyd was the racially-charged tipping point that changed North America's viewpoint on racism and racial justice as we know it. No longer can organizations get by while attempting to disassociate themselves with the issues of the day. Employees and job seekers want to know what social justice initiatives and declarations to advance equality an organization is making before they engage—and authenticity is key. We also know, as SB's policy states, that many of the greatest design thinking and ideas come from a diverse mix of minds, backgrounds and experiences, so a commitment to cultivating an inclusive work environment doesn't just prove we're listening and changing, it makes us better competitors in the marketplace of ideas.

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### STEPS

1. Establish a Resource Group or Communications Channel—acting as a safe space or repository to voice ideas and concerns
2. Leveraging best practices and working collaboratively across the entire team, establish procurement diversity criteria by which to evaluate suppliers and manufacturing partners and communicate this policy to potential partners
3. Establish internal recruitment targets and practices for underrepresented groups within the SienaBlü team
4. Update the hiring process and job description templates to include diversity declarations
5. Create a fair compensation plan as part of the DEBI policy
6. Implement bias training as per the policy
7. Include bias training and a anti-racism toolkit that includes resources and links related to the beauty and cosmetics industry as part of the onboarding process
8. Communicate commitments to confronting anti-black and anti-indigenous racism in your community and your supply chain in all your materials



# COMMUNITY INITIATIVES

## **Our commitment**

Mobilize SB's resources to become a force for good within the broader community.

## **Year One**

- *Implement Volunteer Hours Program*
- *Launch BIPOC Design Diversity Grant*

## IMPLEMENT VOLUNTEER-HOURS PROGRAM

### GOAL

Support the community and employee mental wellbeing by scheduling volunteer hours into work time.

### DESCRIPTION

We established a perk in SB's employee handbook to offer up to 25 hours of paid work time off per year (or 2hrs per month) to each team member to participate in the volunteer program of their choice with a registered nonprofit, local community or other charitable organization. Leaning into this policy will lead to deeper employee engagement and retention, and broader connectivity and visibility for the organization within the local community and beyond.

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### STEPS

1. Formally announce initiative and encourage participation with an open door policy and no judgement
2. Identify local, values-aligned organizations preferred by the executive team for employees that want to participate but need suggestions
3. Incentivize employee participation by allowing the Green Team to drive enthusiasm and create a tracking and storytelling framework for employee volunteer time

## LAUNCH BIPOC DESIGN DIVERSITY GRANT

### GOAL

Become a greater force for good by sponsoring a design bursary for a BIPOC student in a product design post-secondary program.

### DESCRIPTION

By sponsoring design education for a BIPOC student, we're able to give back to the community, foster diversity in the design space, and confront some of the systemic obstacles to achieving diversity and inclusion hiring targets. The SB leadership team can partner with a post-secondary program or school locally within the community or in regions targeted for growth to create an ongoing relationship with a source for up and coming talent while promoting BIPOC participation and a BIPOC POV on product design.

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### STEPS

1. Set the grant parameters and budget
2. Establish a partnership with a chosen post-secondary institution to administer the grant in SienaBlü's name
3. Determine whether there are additional opportunities to promote SB's work and sustainable advocacy to up-and-coming design talent in the community