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Aveda, Cradle to Cradle, and a Paradigm Shift in Cosmetics

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Aveda's Dominique Conseil

Marc Gunther: This is Marc Gunther for GreenBiz.com. I'm here today with Dominique Conseil. Dominique is the president of Aveda. Aveda, as you probably know, is in the business of selling beauty products. You've surely seen their stores around the U.S. and they are part of the Estée Lauder Companies which had about \$8 billion in revenues last year.

Aveda also has a longstanding commitment to becoming more sustainable, and we're talking with Dominique today because Aveda has become the first beauty company in the world to achieve what is called Cradle to Cradle endorsement for the company's certification for some of its products from the sustainability consultants, McDonough Braungart. Dominique, let me begin by asking you to briefly explain what this Cradle to Cradle endorsement for the company and certification means.

Dominique Conseil: Yes. Cradle to Cradle is a change of paradigm in design. It's really changing the way we make things and in designing we keep in mind the elimination of waste. So basically, it's designing not just for the economic success but also the community and the environment.

There are two basic ways to do Cradle to Cradle design. One is biological nutrients that go back to the soil and technological nutrients that get recycled and reused over and over again.

So Aveda typically does Cradle to Cradle designs by having products that are 95 percent botanical, so this is a biological nutrient, and they are packaged in packaging with very high recycled content, up to 100 percent in PET and up to 100 percent in HDPE, and of course use no virgin material, so that's a technological nutrient.

And Aveda, who practices this form of design, was honored by an endorsement as a Cradle to Cradle company, and it's very big honor because we are the first company in its industry -- in beauty -- to receive that kind of endorsement. Another company in America in another industry has also received this endorsement.

Now for the certification, well, we have seven products which are three shampoos, three conditioners, and one skin care product that received a gold Cradle to Cradle certification and our packaging has received silver certification.

MG: So it involves both the ingredients that go into the product as well as the packaging, and I also know Aveda has made use of renewable energy in terms of manufacturing its products. You do much of that manufacturing in Minnesota, correct?

DC: That's correct. Yes, we are 100 percent wind energy powered in our manufacturing since 2007, and we are 100 percent wind energy powered for also our head offices and school since 2008. And you're absolutely right. Cradle to Cradle design certification also contains an audit on the energy use, like if you make a resin for plastic packaging, well, what kind of energy do you use to process these resins.

MG: So let's talk for a minute about packaging. I'm told that the company took a risk some years ago and introduced refillable lipsticks. Now I have to say I'm not a cosmetics expert. I didn't even realize this was a new thing. But could you tell us a little bit about this lipstick packaging idea that you had and then how the marketplace responded?

DC: Yes. Again, it was a paradigm shift because all lipstick cases are all used only one time for the lipstick that they contain, and the idea was to reduce considerably an unnecessary waste by introducing the idea of a resealable lipstick case.

And as we considered the future consumers of this product as stakeholders, we found out that indeed they thought that this was a very good progress for the environment, and they mentioned to us that they would probably buy one case for three lipsticks. And when we introduced this in 2002, it was an overwhelming success and recycling was even more than planned. Consumers ended up buying one lipstick case for six lipsticks, so it was again a win not just for the economy that the Aveda company represents but also the environment.

MG: I take it it's good for you in terms of reducing packaging because you can deliver the product, the lipstick, without spending as much on a new package every time.

DC: Exactly. And the lipstick case was very innovative because it was made of composite material, recycled flax fibers from the agricultural business and recycled polypropylene from the industrial business, and this created a very unique looking and certainly very

environmental packaging.

MG: Dominique, have you found any places where there are tensions or conflicts between your environmental goals and your business goals and if so, how do you deal with those?

DC: No. Honestly, there are no conflicts. When a company starts to have sustainable agenda, there are some immediate wins. When you start an energy efficient policy, as you reduce emissions of carbon, you will also shave a part of your utility bill, so there is a kind of immediate benefit to your profitability as well. Now, of course, this kind of green agenda is not sufficient. It's not Cradle to Cradle. Being less bad is not good enough. You need to try to ensure this triple win -- the win for the economy, the win for the community, and the win for the ecology -- and that takes further approach.

And so you may ask, "Yes, but does this second, more effective approach to ecology come with a cost?" Well, in our case, it doesn't because we are innovation-driven, so we consider that the innovation we put in our products and in our ways of doing business is also the same innovative spirit in which we try new things for the benefit of the community and the environment. And these two sources of innovation -- products, business on one side and community, earth on the other side -- are really part of the value that we offer to consumers and to professionals of our industry, and we call this the Aveda Green Value Creation. So it's really not a cost. It's really not a line on the list of expense. It's part of the innovative process of creating better performing, higher integrity, higher quality, just better and more differentiated products.

MG: My last question is about your customers. You know, there's some controversy elsewhere in the cosmetics industry about chemicals and products, etc. I assume you've been spared most of that so you avoid any damage there, but is there an upside as well? Do you think there are customers who come to Aveda because they either agree with your environmental values or have trust that they're gonna get a product that's also safe for them?

DC: Oh, absolutely. It is both. When we investigated the motivations and the reason for buying of our customers, we found out that 70 percent of them knew about the Aveda mission and 91 percent of them said that this Aveda mission was personally important and relevant to them. So, of course, the community care and the earth care is part of that. But there is also safety; there's no question. I want to mention the Aveda green ingredient policy which has been on our Web site for quite some time and which was also a Cradle to Cradle effort.

With an objective of being always on the forefront of product safety, at different points in our history we have hired the services of third parties asking them to be very objective and to criticize as much as possible what we do to keep us on our toes. And the last such initiative was started in 2004, and it was the organization in Germany, EPEA, led by Michael Braungart, who is one of the co-authors of the Cradle to Cradle book, and they screened for us basically all our ingredients in the spirit really of making sure that ingredients that were good say ten years ago were still the best we could do today. So I do hope that with or without the knowledge of the Aveda green ingredient policy customers certainly buy Aveda knowing that it's a safe alternative.

MG: Great. Well, Dominique, thank you very much for taking the time to talk today.

DC: Well, you're welcome. It was a pleasure.

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