Aveda

Packaging Best Practices

Increasing Plastic Film and Container Collection & Recycling Conference

10/12/05
“A world powered entirely by renewable energy. All products are made from either biological nutrients that replenish the earth after use, or technical nutrients that are perpetually recycled”

- Use of Solar or Wind power
- Use compostable / bio-degradable materials
- Use plastics or metals that are capable of being recycled and reused over and over

Cradle to Cradle
William McDonough & Michael Braungart
Zero Waste

If you can’t
Re-use it
Repair it
Recycle it
Compost it
You Shouldn’t Make It

A reality forced upon us by a growing consumer population and limited natural resources
“Our Mission at Aveda is to care for the world we live in, from the products we make to the ways in which we give back to society. At Aveda, we strive to set an example for environmental leadership and responsibility, not just in the world of beauty, but around the world”
Why Environmental Packaging?

What are your Priorities
(Environment / Cost / Design)

Corporate Social Responsibility (Sustainability)
• Fiscal
• Social
• Environmental

• Reduce Taxes
• Government Regulations

It’s the Right Thing to Do - Win, Win, Win
Shampoo

- Updated Design
- Reduced weight
- PCR 45% to 80%
- 150 tons virgin material saved
- $1mm saved
Design For End of Life

Design with single material types, or so that components can be separated for recycling & re-use

Use materials that are recycled (HDPE, PET, Aluminum, Tinplate Steel, Paperboard)

Use materials that can be composted

Build refill systems that can be reused
Design to have Minimum Impact on the Environment

Lightweight & Reduce size - to conserve resources, energy, and material to landfill

Minimize component parts and processes

Use recycled materials – PCR or PIR

Select materials that have minimum impact to the environment throughout their entire life cycle (Preferred Materials - MERGE)
Materials Use Manual

- PCR goals
- Preferred Materials
- Preferred Plastics Hierarchy

<table>
<thead>
<tr>
<th>Aveda’s Preferred Plastics Hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most Preferred</strong></td>
</tr>
<tr>
<td>✓ High Density Polyethylene (HDPE)</td>
</tr>
<tr>
<td>✓ Low Density Polyethylene (LDPE)</td>
</tr>
<tr>
<td><strong>Acceptable</strong></td>
</tr>
<tr>
<td>✓ Polyethylene Terephthalate (PET)</td>
</tr>
<tr>
<td>✓ Ethylene Vinyl Acetate (EVA)</td>
</tr>
<tr>
<td>✓ Polypropylene (PP)</td>
</tr>
<tr>
<td><strong>Least Preferred</strong></td>
</tr>
<tr>
<td>✓ Polyurethanes (PU)</td>
</tr>
<tr>
<td>✓ Polystyrene (PS)</td>
</tr>
<tr>
<td>✓ Acrylonitrile Butadiene Styrene (ABS)</td>
</tr>
<tr>
<td>✓ Polycarbonates (PC)</td>
</tr>
<tr>
<td>✓ Acrylic</td>
</tr>
<tr>
<td><strong>Prohibited</strong>*</td>
</tr>
<tr>
<td>✓ Polyvinyl Chloride (PVC)</td>
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</tbody>
</table>
Merge Metrics

- Packaging Resource Consumption
- Packaging Energy Consumption
- Virgin Materials Content
- Non-recyclable Materials Content
- Packaging “Bad Actors”
- Packaging Green House Gases
- Pallet Inefficiency
HDPE Virgin vs 80% PCR
HDPE 80% PCR
PET 100 % PCR & Color
Brilliant Re-launch

- Light weighted
- 100% PCR
- Eliminated cobalt blue glass
- Multi-fold global label added to eliminate paper unit carton
Light Elements

• First 100% PCR - HDPE jar
• Use of PP tool to run PCR – HDPE
• Bottles 100% PCR PET and 80% PCR PE
• Multi-fold global label to eliminate need for unit cartons
Tubes

- PCR at 35%
- Next steps – PCR in caps and LDPE in tubes
Innovation in Material Use and Design

Uruku Lipstick Accessory Case And Refill

- Award Winning Design
- Innovative Materials
- Environmental Impact
- Breakthrough use of PCR and natural fibers
Folding Cartons & Setup Boxes

30% PCR – Eagle – Clay coated one side
35% PCR – Clay coated news
55% PCR – Prokote
80% PCR – Bending chipboard
100% PCR – Cover Stock (Genisis and Domtar)
(Printed with Soy inks)

Setbox – 85% PCR 15% Pre-Consumer

Thermoform Platforms & Clamshells – 100% PCR-PET
Sewn Items and Accessories

Replace PVC with PEVA
Use organic cotton
Cost Impact & Supplier Partnerships

• Material Costs – Virgin vs PCR

• Processing Costs - Tubes

• Supplier partnerships for innovation

• Supplier sources for reliable & clean PCR
Outreach

• Sharing technology & innovation
• Share supplier names to increase demand for environmental materials
• Drive principles throughout the Estee Lauder Companies
• A Driver to Industry
  - Sustainable Packaging Coalition
  - Institute of Packaging Professionals
  - SoL Sustainability Consortium - PP Pooling
  - Aluminum Pool
  - PLA – Agent of Change for non-GMO corn
  - FSC pencils – alternate wood sources
Benchmarking Success

2003 Package Weight by Brand

<table>
<thead>
<tr>
<th>Brand</th>
<th>Weight per Unit (grams)</th>
</tr>
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<tbody>
<tr>
<td>Aramis</td>
<td>100</td>
</tr>
<tr>
<td>Aveda</td>
<td>80</td>
</tr>
<tr>
<td>Bobby Brown</td>
<td>60</td>
</tr>
<tr>
<td>Bumble &amp; bumble</td>
<td>40</td>
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<tr>
<td>Clinique</td>
<td>60</td>
</tr>
<tr>
<td>Crème de la Mer</td>
<td>80</td>
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<tr>
<td>Estée Lauder</td>
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<tr>
<td>JM</td>
<td>80</td>
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<tr>
<td>Kate Spade</td>
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<tr>
<td>MAC</td>
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<tr>
<td>Origins</td>
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<tr>
<td>Prescriptives</td>
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<tr>
<td>Stila</td>
<td>60</td>
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<tr>
<td>No Bom-unidentified brand</td>
<td>20</td>
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</tbody>
</table>
The Foundation
What Makes It All Work?

**Estee Lauder**
Strong International Company w/
  Global Distribution
  Global Operations & Purchasing Power
  Entrepreneurial Management Style

**Aveda**
Top Down Direction w/ Clear Mission
Empowered Decision Making w/ Access to Management
Risk Tolerant
a balanced diet for lips.
Five deliciously rich formulas to meet all your lips’ needs—from creamy conditioning color to satiny gloss that drenches lips in moisture and shine.

**Lip Liner**—generous-coverage, creamy color to shape and define, lasts all day and helps reduce feathering. Now infused with refreshing certified organic peppermint flavor.

**Lip Glaze**—semi-translucent satin gloss, with angled wand for smooth application. Flavor combines certified organic peppermint and ginger.

**Lip Replenishment**—colorless, conditioning treatment to help reduce peeling and flaking—restoring softness to lips.

**Lip Color Concentrate**—full-coverage moisturizing color to smooth and saturate lips.

**Lip Color Sheer**—lightweight moisturizing color, to smooth lips. With naturally derived reflective minerals for sheen.

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treating lips, and the earth, with care.
Our environmentally responsible lip color case—with 30% flax fibers and up to 65% post-consumer recycled aluminum—is a refillable system, reducing waste. Use it with our Lip Replenishment, Lip Color Concentrate and Lip Color Sheer. And all of our lip colors are packaged in a 100% recycled newsprint shell.