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Hello OnTheWay, my name's Caroline Bouin. I'm manager of Impact Experimentation at Expanscience laboratories, and more specifically I've been working on the Mustela brand for the last three years. I studied in Rennes, and straight after my studies I went abroad to work and discover the world. I went off to Barcelona in Spain and I ended up staying there for over ten years.

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And after a while, I went off to Chicago in the United States. I had my three children overseas, and that's when my ecological awakening happened. It might sound a bit corny, but it was when my first child, my daughter was born, that I really became aware of the impact on our health of our daily actions, of the cosmetic products we use, of our food products, a whole lot of things.

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And it was really a wake-up call, a realisation that led me to take action, with a real desire to act, and to protect our future generations, so that we leave the planet in a habitable state for them, in the best possible condition. I've only been working for Mustela for the last three years. I've had a rather varied career, working in industry, on products, in perfumery, in more marketing types of roles.

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I followed my own path, and then I went back to working for a company. I had the opportunity to work for Expanscience, notably on developing Impact projects. That really made sense in terms of my personal beliefs and values. An so I accepted the challenge of taking on the projects that we're going to talk about today.

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The Expanscience laboratories are actually an independent, family-run French laboratory, with over 1,000 employees worldwide, operating in over 100 countries. Currently we have three activities: a dermo-cosmetics business with the Mustela brand, providing hygiene and skincare products for children and families. We also have a rheumatology business, with solutions for joint and osteoarthritis comfort.

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And finally there's third activity, that's more oriented towards BtoB, in active ingredients for cosmetics. The laboratories were founded by the father of the current president, Jean-Paul Berthomé. In 1950 he came up with the idea of creating an emulsion for cleaning and protecting babies' skin, and so the first baby cleansing milk was born, which would truly revolutionise hygiene for infants in the post-war period.

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And I think one of the unique features of our laboratories is that they've managed to retain their local roots. We've got a unique production and research and development site, where we design, create, and manufacture Mustela products, along with our products for combating osteoarthritis in Épernon, in Eure et Loir, very close to Paris. Another unique feature of the company is that 20 years ago, our president already knew that a company's responsibility should not stop at its products.

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After signing the United Nations Global Compact in 2004, he's been working on integrating social, societal and environmental responsibility into the heart of the company's strategy and its development model. And little by little, CSR is becoming part of the core of the company, and it's also trickling down to all the divisions, all the departments, and all the roles of the company.

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So in 2018, we were the first pharmaceutical and dermo-cosmetics laboratory in the world, and I'd like to emphasise how important this is, to have been awarded B Corp certification. This certification pushes us to go further, with a truly transformational element, and with the goal of creating value for our suppliers, for our employees, and of course for our customers.

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I think that another real feather in our cap was when, in 2021 to 2022, two of our women directors took part in the first *Convention des Entreprises pour le Climat*, or CEC. For people who aren't familiar with the CEC, it's a program for directors, designed to make their business models more sustainable. So that was really significant, a real upheaval, and a real milestone in the development of Expanscience.

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And then I think the other key moment was in 2021, when we became a mission-driven company. So it's a real commitment, with the goal of helping individuals shape their own well-being. And so it's very broad. We've got a very broad customer base, as it ranges from the elderly to young children, along with parents and pregnant women. Our central belief, I think, is that we cannot take care of individuals without taking care of our environment and the planet.

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So everything's interconnected, and we have to reconnect humans with nature, and deal with the problem at its source. That's the urgent issue. Our planet is facing unprecedented social, climatic, and life preservation challenges. And so we're convinced that companies have their role to play.

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At Expanscience we're lucky, as we really are a human-scale company. And ultimately this governance allows us to make some bold choices, and rethink our economic model so as to reduce and replace any of our negative externalities. For example, in 2023, we decided to stop air freight to our distributors in Latin America, and in 2024 we did the same for the rest of the world.

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So that allows us to stop doing certain things, and to make some pretty impactful decisions. I also think we're doing everything we can to achieve our goal, which is becoming a regenerative business by 2040. So what exactly does being a regenerative business mean? It's a company that acts in such a way that its activities, its products, and its services preserve resources by having as little impact as possible on ecosystems, and that even contributes to restoring them, and creating social and societal value.

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So it's very ambitious. That's why we've also set ourselves a timescale. We're aiming for 2040, but we're doing everything we can right now, via a very demanding roadmap, to achieve this goal that we've set for ourselves. I think my role as Impact Experiments Manager is rather unique, as it truly opens up the field of possibilities for the company.

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My main objective is to define new sustainable economic models, and to try to extract ourselves from the volume-based dynamic that we're currently in. Right now I'm working on two projects. The first is a project based around designing and implementing Eco Third-Spaces for families. This is all about resource spaces, where parents can find out about key elements for calmer parenting, a new form of parenting.

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It's a really interesting project, as it's extremely cooperative and scalable, and ultimately it aims to bring together, at the levels of neighbourhoods, cities, and regions - health professionals, parenting support associations, as well as public organisations, such as Maternal and Child Protection, for example, in order to work together on the well-being of families. So it's a project that, from the perspective of creating value, of a new value proposition, is very very strong, and very very impactful.

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And the second project I'm working on is our packaging-free project. So that's selling dermo-cosmetic products in pharmacies. Our Mustela products are exclusively sold via pharmacies, at least in France, in packaging-free format. And this is really a pioneering approach, as it's pretty unique for dermo-cosmetic products made for babies to be sold in pharmacies in packing free format.

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So our goal for this packaging-free project is to offer parents a new way of moving towards zero waste, and having less environmental impact.

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How did this project come about? It came from an observation. By 2050, if we carry on as we've begun, there will be more plastic in the oceans than fish, thus the need to offer consumers some alternatives: zero waste solutions, which allow them to consume more eco-responsibly. And this observation is backed up by a second element, which is a regulatory context that promotes reuse, notably as part of the French Climate and Resilience Law.

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This law requires store areas of over 400 square metres to include 20% packaging-free products by 2030. So that's a deadline which is approaching very fast. And then there's a

second context, and a second law, which is the AGECL law, the anti-waste law for the circular economy, that requires the end of single-use plastic packaging by 2040.

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So that deadline is a bit further off. And these observations led us to realise that we have to create new solutions. So sales of packaging-free hygiene and beauty products are still very limited right now. That's notably due to a very limited offering. In fact, in the sector, 41% of French people would like to see more packaging-free beauty hygiene products in stores, so it's important to offer them a solution.

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So in 2019 we launched our experiment, and started out on our adventure into packaging-free. The first step was to test whether our products and formulas were compatible with this method. Not all products are suitable for this format. There can be flow problems with slightly thicker products. These are products that we call non-rinsed, such as cleansing milks and creams.

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The second step was finding a partner who could make us the machines to sell our products in packaging-free format. So we started out on a very small scale, once we'd found the right partner, and we started with two pharmacies, supplying just two products: an organic cleansing gel and a gentle cleansing gel. We then developed a new machine, with a digitalised solution, with an on-screen interface, in an attractive all-wood unit, that reflected the values that we wanted to share with our consumers.

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Maybe some people would like to know how this sort of machine works. Actually, it's very simple. You just follow the instructions on the screen of the unit. So the customer selects their product, places their container under the dispenser, and the bottle automatically fills in a few seconds, with no contact between the product and the consumer, so as to avoid any bacteriological risks.

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And then, in a few seconds, a label is automatically printed, with the INCI list of ingredients, the batch number, and the regulatory information for use, which allows for the traceability of the product. It's really simple, it's child's play. In fact, a lot of children help fill up bottles from our machines. And so from setting up these two pilot points of

sale, we started to roll them out, and deploy our machines in more and more pharmacies, and we now have 40 machines installed in 40 pharmacies: 24 in France, 14 in Belgium, and 2 in Italy.

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We very quickly realised, by analysing the impacts and our sales, that pharmacists are key in the collaboration and the implementation of our fleet of packaging-free machines. And that consumers, in light of this new format we were offering them, really needed to be supported, at least during their first purchase. So we're really talking about an assisted first purchase, hence the importance of pharmacists taking on an advisory role, and even offering this alternative as opposed to a classic disposable product.

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So our best in class pharmacists approach to consumers in their stores, and tell them about this alternative method of consuming in a more eco-responsible way. "Do you know that you can actually also buy our Mustela products in a refillable format?"

It's also important to point out that we launched a special glass bottle, that we named *Reviens*, so that consumers would understand that there was a reuse system, to encourage circularity and reuse.

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And we actually set up a life cycle analysis or LCA. For those who aren't familiar with the term, a life cycle analysis, or LCA, allows us to demonstrate that using the bottle is eco-friendly after two and a half uses. So it's more eco-friendly to refill your glass bottle than to use a classic product in a disposable plastic bottle.

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The life cycle analysis also allowed us to be sure that the packaging-free format really does make sense. We were really very worried about that: about the possibility that maybe we hadn't been going in the right direction. And it was also important for us to potentially be able to correct and improve certain points in our experiment.

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Hence the importance of that study. So for anybody who doesn't know what a life cycle analysis is, essentially it's a study of a product throughout its life cycle, from the extraction of raw materials, right up to its end of life. And it takes into account raw materials, the transport of products, and its use phase, along with its consumption.

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So at the consumer's house, we look at water, electricity, soap, etc. And all that allows us to evaluate its impact on the environment. So the LCA really becomes our compass for making the right decisions, and deciding on our next corrective actions. And, as with any experiment, you have to learn by taking sideways steps, and always questioning what you already have.

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Hence the developments of our different machines. And in fact the range of dermo-cosmetic products, and even more so products for babies and young children, is still very limited, as I mentioned earlier, and especially since COVID, the packaging-free market has seen a sharp downturn in growth, notably for reasons of hygiene.

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And since then, the market has struggled to get going again. So the experiment actually revealed a rather interesting obstacle, notably the glass bottle, for parents of young children, who felt a certain danger in putting a glass bottle on the edge of their kids' bathtubs. That was the reason why we decided to offer a plastic alternative to consumers, which is reusable, of course.

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An interesting point to highlight, is that the LCA also brought to light the need, in order to be more eco-friendly, of adding more product dispensers. So the more different product dispensers we have in our units, the lower their environmental impact. Because ultimately, these machines, well they have an environmental impact in themselves - they use materials: wood, steel, the PCs inside them, and so on.

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And so that's why, two years ago, we set up a consortium with four other dermo-cosmetic laboratories, to provide consumers and pharmacists with a single machine, grouping together fifteen products sold in packaging-free format, from eight different brands, using a one unique glass bottle for all of them. This actually allows us to share the costs, to involve the entire value chain, and also to increase visibility and impact.

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I'd say that it was really a mini revolution for us, in terms of ways of cooperating, in that change of posture: we call it coopetition. It's the combination of competition and cooperation. And that's a very nice term, that also underlines a shared approach, where, working together, we can offer consumers new ways of doing things.

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So how was this decision to create a consortium and move towards coopetition made? Actually, it was pretty simple, as at Expanscience we're absolutely certain that just working alone we wouldn't be able to really change or alter current trends. And we knew we'd have to join forces with other companies. We had already been experimenting by ourselves for several years, along with pharmacists, of course.

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And the idea of seeking out other laboratories to experiment with seemed obvious. So there are Expanscience laboratories, with our Mustela brand, and four other laboratories: Pierre Fabre, NAOS with their Bioderma brand, La Rosée, and Garancia, who now form the five members of the consortium. Some of them had also been experimenting with packaging-free formats in slightly different ways.

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And so we pooled all of our expertise together, to redefine a new roadmap, a new packaging-free project, with a single dispenser unit to supply to consumers and pharmacists. So what's been happening on the consumer side of things? They also want to contribute, to do something more, and consume more sustainably.

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As I was saying earlier on, unfortunately, what's on offer is sometimes too limited. They would like to see more packaging-free products, and that's not necessarily happening.

What we're also seeing, maybe a little less so right now, is high price inflation. That's also a determining factor that might push consumers towards this new, more sustainable and more eco-friendly form of consuming.

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And so also the importance of offering and guaranteeing a significant enough reduction in price, to move consumers towards this new form of buying, and then build loyalty. For your first purchase, you have to buy the container. In France the glass bottle costs three euros, or fifty cents for the plastic bottle, and then the packaging-free product costs 15 to 20% less than the version you find on store shelves in the classic disposable format.

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So we're very happy, because we're going to expand the project, we'll soon be welcoming new laboratories to further extend our impact, and deploy even more dispenser units with the Consortium, with Pharma Recharges, which is the name of the dispenser unit, and the dynamics of the consortium. We're currently in six points of sale, with the goal of opening in another ten points of sale by 2025 with this new laboratory group who we're going to be working together with very soon, working together in the same direction.

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The six sales points of sale, so the six pharmacies currently operating these Pharma Recharges dispenser units, are located all over France. We didn't want them to be exclusively in Paris, of course. We also wanted to provide this dispenser unit to different pharmacies around France. So they're all over: in the East, in the West, in a selection of pharmacies.

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An important point, and in fact one that we brought to the consortium, having worked as a single brand with our Mustela machines, is that the teams at pharmacists, as I mentioned earlier, have a really key role in triggering the initial purchase, which is decisive for consumers. Hence the importance of not necessarily looking for the biggest pharmacies.

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But it's really important. The number one element in deploying a packaging-free dispenser unit, is the commitment and motivation of the pharmacy teams. So straight away we shared this information with the consortium, and that allowed us to move a bit faster when we deployed, to make better choices, to be more precise in the selection of our pharmacists, of our points of sale for these units, these shared Pharma Recharges machines.

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In fact a lot of people volunteered, a lot of pharmacies applied and asked if they could have these dispenser units. And they couldn't. As I said, it was an experiment, and so we couldn't deploy them too widely. We're learning. The goal of this process is to learn, to collect, to readjust, and so on. So we're not sure about volumes for the moment.

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In fact we're thinking about it. And then, when we have the right solution, we'll be able to deploy them more widely. But yes, pharmacists are really very enthusiastic about having these machines. So they still need to have a minimum store area, as a machine with fifteen product dispensers is really quite imposing. But that's how it is. If not, there's always the option of the Mustela dispenser.

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So, to finish, what I wanted to share with you all, is that I really believe in the power of narrative and storytelling. In the end, by transforming our visions of the world through innovative and engaging stories, through concrete actions, we can change society. And stories aren't just tools for understanding the world: they're also ways of changing it.

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I also believe this is what will allow us to make transformations here and now, because, as we all know, we really need to take urgent action.