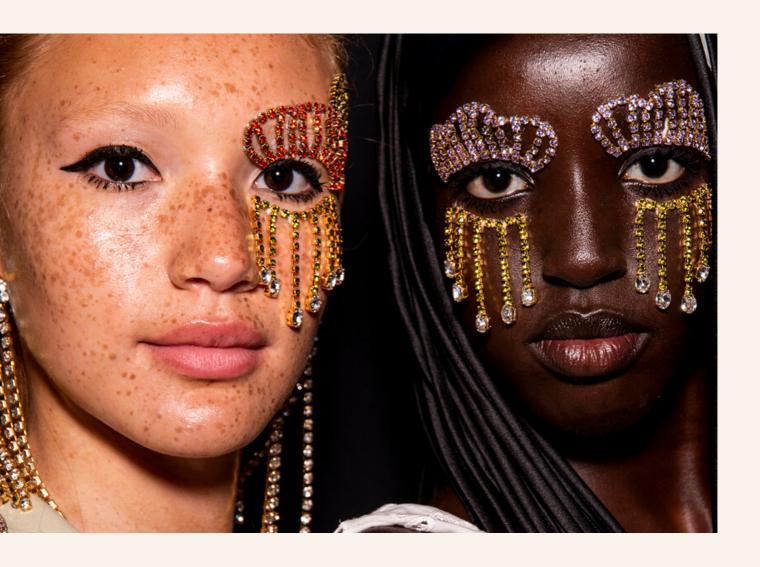
BRITISH COUNCIL

BEAUTY ANNUAL REPORT

2022



CEO'S WELCOME

As each year goes by, our original vision to raise the reputation of British beauty and its adjacent sectors becomes more attainable. We achieve more of our goals, tick off more of our to-do list, and move towards a more inclusive, equitable and sustainable beauty industry.

It would be remiss of me to not start this welcome without thanking our former Chair, Jane Boardman. Jane stepped down in July this year after four years of guiding our mission. She laid down a roadmap which we will use for years to come, to enable growth and innovation for future generations entering into the sector. We are indebted to Jane for her loyalty and wisdom, and we're extremely fortunate to have her as our inaugural Chair.

As we move into our 5th year we are thrilled to welcome our new Chair, Meribeth Parker.

Meribeth has decades of experience working at board level for fashion and beauty brands and not-for-profits. As an advocacy group working to support the industry and its sector specific trade organisations, we are fortunate to have someone at the helm with a vision for an organisation held to the highest standards of governance and transparency. I look forward to working with Meribeth to drive this industry even further forward over the coming years.

This year, our network and stakeholder community has continued to grow and our relationship with the government becomes more secure on all sides of the political spectrum, across all the government departments. We have achieved some incredible milestones this past year despite the challenges, and we look to support industry over the coming years as we brace ourselves for a turbulent trading period.

When we launched our three year roadmap in January 2022, we knew this year would be dictated by laying the foundations and infrastructure needed to execute varying



initiatives across all of our pillars. We are excited to launch and develop these with the help of various stakeholders over the next two years.

Despite these developments, our focus will always be on you, businesses, service providers, experts, advocates, innovators and creators. Everyone that makes up our brilliant and talented community.

A key learning that we all take away from the past few years is that standing together makes us stronger and, our resilience is built on this ability to support each other.

Thank you all for standing with us over the past twelve months.

Millie Kendall OBE, CEO, British Beauty Council

CHAIR'S FOREWORD

As the new Chair of the British Beauty Council I am honoured to be working with the wider industry and particularly our Patrons, Members, Advisory Board, Pillar Presidents, Committee Members and our Affiliate Board. Your commitment is so appreciated and together we can make a difference to achieve our objectives. The work the Council has already done in its early years is remarkable and I pledge to continue to drive us forward with the same pace and support that my predecessor Jane Boardman brought, bringing to life the vision of all five Founding Members.

I want to thank Millie Kendall OBE, our remarkable CEO, and her fantastic staff, for their passion and energy as well as my fellow Executive Board members. Everyone on the team shares the ambition and drive to ensure that the British beauty industry is well supported and represented.

2022 has been another challenging year for so many individuals and businesses in our industry. Just as we put the pandemic behind us we found ourselves facing another tumultuous year. The cost of living crisis, energy prices, and political uncertainty has kept the team very busy alongside our ongoing four key focus pillars of Environmental Social and Governance (ESG), Talent, Growth and Policy & Influence. We have a clear roadmap with exciting launches and initiatives planned for 2023. This work is not possible without your incredible support, and we thank you.

We will also update the Value of Beauty Report in 2023 to ensure that we are always representing the true value, scale, and contribution we make to the wider British economy. We are here to make your collective voices heard and this is an essential tool.

As we close the year and look to 2023 I thank you again for your ongoing support and look forward to getting to know many more of you in the months ahead.



Meribeth Parker, Chair, British Beauty Council

TEAM UPDATE

As the British Beauty Council's influence continues to grow, its team has expanded accordingly. The small team that entered 2022 has now developed, thanks to your help. With Diana Kennedy returning from maternity leave in Q1 of 2023, the Council will be able to activate the programmes and initiatives that have been in development in the last year.



Millie Kendall OBE, CEO

Millie has been creating and marketing beauty brands for the past 30 years, and has worked with the UK's leading retailers. Awarded an MBE in 2007 for services to the cosmetics industry; in 2022, Millie was awarded an OBE in the New Years Honours List



Emma Pinto, Business Development and Brand Partnerships

Emma is responsible for business development and partnerships at the Council with new and existing brands. She has 6 years experience in sales, marketing and events at some of the UK's largest fashion & beauty retailers.



Ryan Woor, CFO

COO of M&C Saatchi Talk and president of international PR network SERMO. Expertise in finance, legal business strategy and general management. Committed to improving gender diversity across the communications industry.



Mahreen Maqsood, Partnerships

Formerly a Beauty Buyer, Mahreen has over a decade of experience within sales, buying, and partnerships within the beauty industry. Mahreen supports the team with generating new leads and developing new brand partnerships.



Helena Grzesk MBE, COO

Helena has over 20 years of experience in the beauty, spa and hospitality industry. In 2022, Helena was awarded an MBE in the New Years Honours List for services to the beauty industry.



Tina Lui, Project Manager

Tina joined as a Project Manager for the Council in 2022. She has a decade of diverse beauty industry experiences in sales, marketing, NPD and strategy.



Victoria Brownlie, Chief Policy Officer

Victoria has 15 years of experience affecting political change from animal welfare to local government. Former Director of Policy and Public Affairs at the National Hair & Beauty Federation.



Grace Warn, Digital Editor

Grace joined the British Beauty Council in August 2022. Previously at consumer titles, she has a developed knowledge of beauty production and journalism.



Diana Kennedy, Head of Partnerships & Engagement

Diana joined the British Beauty Council in 2018, starting out as an Executive Assistant to Council's CEO where she supported in the formation and start up of the organisation. She now heads-up partnerships for the Council.



Nicole Dove, Digital Media

Nicole joined the company on a full-time basis in the role of a Digital Media intern, after previously volunteering for the company for six months.



Unity Stuart, Executive Assistant to CEO and COO & Pillar Coordinator

With over 10 years' experience as a senior administrator, Unity joined the team in September 2021. She supports the CEO Millie Kendall and COO Helena Grzesk as Executive Assistant as well as Pillar Administrator

POLICY & INFLUENCE



CONTINUED SUPPORT POST-COVID

The British Beauty Council's <u>COVID recovery work</u> in 2022 followed on from the support it secured during the pandemic. This included the formation of a dedicated personal care team within the Department for Business, Energy and Industrial Strategy (BEIS), and £500m of support for the businesses to reopen from lockdown. It also worked with government and stakeholders in England, Scotland, Wales and Northern Ireland to create safer workplace guidance for all beauty sectors.

The Council lobbied BEIS and HM Treasury to ensure COVID support was delivered to businesses that needed it most. The Chancellor responded with a top-up of over £100m in <u>Additional Restrictions Grants (ARG)</u> and the reintroduction of the Statutory Sick Pay Rebate scheme.

Support continued with campaigning during the drafting of the <u>Commercial Rent (Coronavirus) Act 2022</u>. This ensured the beauty industry was included within the eligibility criteria of support offered to business tenants requiring arbitration assistance with landlords regarding pandemic-related rent debt.



INVESTIGATION INTO THE VALUE OF COMPLEMENTARY THERAPIES

The British Beauty Council gave oral evidence at the All-Party Parliamentary Group on Beauty and Wellbeing inquiry regarding the effectiveness of touch therapy for mental and physical health treatment.

The Council was invited to give evidence due to its work on the report recently published alongside other sector-specific organisations on 'The Effects of Personal Care Services on Mental Health & Wellbeing'. The report found that introducing more personal care services, like massage and touch therapy, into society could reduce mental health problems in the population by around 10%.

Outcomes of this inquiry are expected to be released in 2023.



REGULATION OF THE AESTHETICS SECTOR

The Health and Care Act 2022, which received royal assent in April, gave the Government powers to bring forward a licensing scheme for beauty practitioners who operate in England. This will be introduced via secondary legislation and, once in force, will make it an offence to perform particular non-surgical cosmetic procedures without a license.

Details around how the licensing scheme will work are to be decided by separate legislation in the coming years. The British Beauty Council is working alongside sector–specific organisations to assist in the scoping of this legislation with Government.

In the meantime, the Council has created online consumer and practitioner <u>FAQ resources</u> which have received a combined reach of 3k since they were published in July 2022.

POLICY & INFLUENCE

COST OF LIVING CRISIS

2022 saw the cost of living rise at its fastest rate in 40 years due to increasing demand for energy and goods.

In March, the British Beauty Council worked with sector-specific organisations to issue a <u>cross-sector survey</u> which assessed the seriousness of the situation. It generated stark feedback from 1,774 businesses in a 48-hour period, finding that 94% of enterprises' utility bills had significantly increased compared to the same period last year.

Following this, the Council lobbied Government to introduce energy support measures to help businesses, rather than solely domestic households.

As a result, the team worked with the Department of Business, Energy and Industrial Strategy to ensure that business owners were given the opportunity to provide clear data on how their enterprises are being affected by energy cost increases for inclusion in an Energy Bills Relief Scheme Review.

The Council also showcased the rising cost of maintaining salons in its #CostOfCutting video. The visit to Neil Moodie's Studio in London documents the average cost increase of running appliances in comparison to 2019.

This work has been reinforced by media engagement on the issue. Editorial features from Elle, Business of Fashion, BeautyMatter, and other publications have been secured to ensure increased awareness and engagement.

The British Beauty Council will continue to work with policymakers and stakeholders to lobby for business support into 2023.



WATCH THE VIDEO

DOWNLOAD THE VIDEO

TALENT

FUTURE TALENT PROGRAMME

Despite the hair and beauty industry supporting almost six hundred thousand jobs – one in every 60 jobs in the UK – the value of beauty careers has been long underestimated in the national curriculum.

The British Beauty Council is tackling this stigma with the <u>Future Talent Programme</u>, a beauty-specific career development resource.

With vital access enabled by the Department for Education and BEIS, the programme will be seeded out to secondary schools nationwide in order to inspire and educate young people in the most formative years of their education.

In order to tap into Gen–Z beauty lovers, the British Beauty Council has worked with key opinion leaders including Jamie Genevieve, Plastic Boy, and The Welsh Twins to create a series of short films covering beauty careers in STEM.

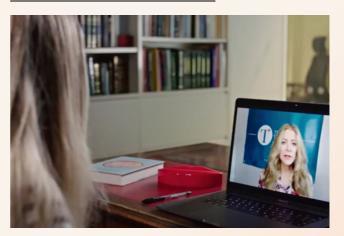
Following the signing of a trailblazing Memorandum of Understanding with STEM Learning, the British Beauty Council was supported by Estée Lauder, L'Oréal, No7 Beauty Company, Superdrug, Deciem and The Fragrance Foundation to execute the initial films.

The Council is also seeking beauty professionals to become STEM Ambassadors. These industry leaders will visit schools and colleges across the UK once a year to spread the word about the power of beauty.

This initiative will ensure that all sectors of the industry will have a pipeline of new talent for years to come, thus sustaining the British industry as a key leader in global beauty.



CREATOR COLLECTIVE



The British Beauty Council launched an industry-first influencer skincare education programme, in collaboration with No7 Beauty Company, to tackle misinformation in the beauty industry.

It is a first-of-its kind initiative designed to up-skill content creators. The programme provides exclusive access to 'Science of Skincare' education modules created by experts and scientists, via a digital learning platform.

This campaign was born from a belief held by beauty brands, and the wider industry, that influencers must be communicating information based on scientific truth. As a result, consumers will have the confidence that they are getting factual information about the products and services that people they follow are recommending.

The programme's content is endorsed by experienced skincare experts including Alison Young, Alice Hart-Davis, and Dija Ayodele.

It was presented by Elizabeth Barnett Lawton, the Council's inaugural Pillar President for Education.



GROWTH



TRADE HUB

The cosmetics industry plays a key role in boosting the value of UK trade. With this in mind, the Council is devoted to ensuring that beauty businesses have the resources they need to trade overseas – despite increased red tape post–Brexit, post–Covid, and during this sustained period of economic uncertainty.

This has culminated in the creation of the industry's first overseas trade directory in collaboration with the Department for International Trade.

The <u>Trade Hub</u> supports UK brands, offering new and innovative products, with their entrance into global markets, thereby improving the country's reputation as a leader in the beauty sphere. This also demonstrates to the world that the UK still has much to offer post-Brexit.

The collated resources cover importing and exporting regulations in the UK, EU, China and the USA.

Over the coming year, the Council hopes to expand the resources beyond the current offering as their overseas network continues to grow.

BEYOND BEAUTY ADVERTISING EXCELLENCE COURSE

The Council created the <u>Beyond Beauty Advertising Excellence</u> learning path in collaboration with Meta in Q3 of 2022. Based on the knowledge that 95% of beauty businesses in the UK are SME's, the course ensures micro and small brands have the tools to create best in class campaigns for their products and services.

The programme covers all corners of social marketing including targeting and creative effectiveness, as well as how to bid for advertising space on socials and tips for Instagram shopping.



ENVIRONMENTAL, SOCIAL & GOVERNANCE

SUSTAINABLE BEAUTY COALITION

Since its inception, the <u>Sustainable Beauty Coalition</u> has been a proactive Council arm dedicated to planet-friendly beauty.

This year, the taskforce has focused on combatting plastic waste in the industry and setting out new ways of working when it comes to packaging and disposal. The team's work in this space materialised during British Beauty Week at the first Plastic Solutions Summit.

The gathering saw a group of high-level leadership professionals from across the industry formulate a new approach to plastic use in all beauty sectors. This work will continue into the new year, with further updates and a whitepaper to follow.

Additionally, the steering committee – led by Weleda's Jayn Sterland – made its first additions to the <u>Planet Positive Beauty Guide</u>. Now, consumers and brands can use the guide to learn more about sustainable sourcing, packaging, and social sustainability.

The SBC also launched an open-source interactive recycling map to allow consumers to find their local beauty recycling points. Currently, the finder highlights over 2000 in-store recycling drop off points and freepost services from the likes of Boots, Space NK, Holland & Barrett and The Perfume Shop.



DIVERSITY, EQUITY & INCLUSIVITY



The British Beauty Council aims to amplify and celebrate the voices of all the communities that the industry serves. It also ensures that each and every person involved feels seen, heard, valued, and excited to engage with beauty.

The Council has developed five unique taskforces that have been created to identify and tackle key issues across the beauty supply chain. The members of each working group are appointed for their unique and valuable insight into the sector, directed by cochairs, Sharon Lloyd and Kylie Hopwood.

The taskforces are:

- INCLUSIVE CUSTOMER EXPERIENCE
- EDUCATION
- INCLUSIVE PRODUCT AND SERVICE DESIGN
- POLICIES AND PRACTICES
- SUPPLIER DIVERSITY

The campaigns carried out by each of these taskforces will combine to deliver the British Beauty Council's DEI Roadmap.

The Council actively champions a more inclusive and holistic education curriculum. It has supported the Vocational Training Charitable Trust (VTCT) and the NCFE to develop T Level Technical Qualifications in Hairdressing, Barbering and Beauty Therapy. As well as participating in a number of scoping panels the stakeholders have carried out an equality, diversity and inclusion stakeholder review. The Council's input has been focused on ensuring working practices are providing meaningful curriculum change.

The <u>British Beauty Council Leadership Impact Award</u> was awarded for the first time in 2022. The accolade is given to graduates at Solent University.

MEDIA & ADVERTISING





This year, the Council has maintained a strong presence across all social platforms with an average reach of 89.5K, a year on year growth of 17%.

The Council has also had an increased and sustained presence across editorial channels. Coverage highlights include; a one-page advertising spot for British Beauty Week in ES Mag and a long-form editorial inclusion in the Evening Standard newspaper. There has also been continued support from titles including Elle, Harper's Bazaar, Vogue Business, Marie Claire and the Business of Fashion.

Coverage has been continuous due to the introduction of British Beauty Council quarterly press conferences which provide a key touch point for journalists throughout the calendar year.

In Q1, the launch of both the <u>Creator Collective</u> and the <u>Trade Hub</u> saw a boost in engagement across social and editorial channels. The Council also hosted Instagram content to highlight the launch of the fourth consecutive Hair the Love campaign.

Mid-year, CEO Millie Kendall and former-Chair Jane Boardman were interviewed for the webinar 'British Beauty Council: The Journey so Far'. This event not only solidified the Council's work so far but also set out clear plans for the future, thus providing a key reference for press and media.

British Beauty Week saw success across all channels. The British Beauty Week Instagram account saw an impressive +207% reach across the month and the website received 14,000 unique views.

The Council's ongoing collaboration with Meta has enabled increased social reach. Upon the launch of the <u>Future Talent Programme</u>, the stakeholder provided advertising credits for boosting of content across the Council's platforms.

2022 EVENTS

The British Beauty Council has continued to engage with its diverse range of stakeholders via both online and IRL events and has seen impressive attendance throughout the year.

The British Beauty Council hosted the initial launch of its Future Talent Programme at No11 Downing Street. Influencer, Estée Lalonde; Principal Chemist at Beauty Science Labs UK, Tumi Siwoku; Managing Director of L'Oreal UK and Ireland, Thierry Cheval; and BEIS Minister, Paul Scully MP, all spoke at the event.

The Council's 'Understanding the American Marketplace' summit, hosted alongside Spring and BeautyMatter, received high interest. The event saw speakers from the likes of Deciem, Ciate, Byoma and Hero Cosmetics share their tips for expansion into an increasingly tricky US market. This collaboration will continue into 2023.

The Council has collaborated with leading brands to host panel talks and shopping events. In July 2022, it worked with Nioxin on a hair-loss focused panel talk featuring Nadine Baggot, Lisa Snowdon, Mark Blake and Emma Guns. At the close of the year, it supported the launch of the first beauty festival for Women of Colour, The Beauty Beat.

Meta, The NPD Group, and WGSN have collectively hosted more than 10 insight webinars throughout the year for the Council's Patrons and Partner Members.

Members of the team have also been welcomed as speakers at many of the key beauty industry gatherings throughout this year.













BRITISH BEAUTY WEEK 2022



In 2022, <u>British Beauty Week</u> ran from the 5th to 11th September.

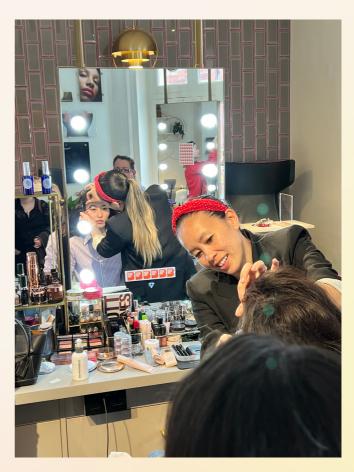
At over 120 digital and IRL events, beauty consumers were able to connect with a diverse cross–section of the industry as businesses came together to host workshops, webinars, and panel discussions.

On the event, Millie Kendall, CEO of the British Beauty Council, said: 'Seeing the industry come together at such a challenging time to celebrate what beauty means to Britain was overwhelming. From large and small brands to retailers and creators, so many people stepped up. It really showcased the power of beauty.'

BBW 2022 in numbers:

- Over 100 events took place nationwide
- 46 brands and businesses took part
- +207% social media reach across platforms
- +317% social media engagement across platforms
- 14,000 unique visits to https://britishbeautyweek.co.uk/
- · 30+ forms of print/digital media coverage







Thank you for your ongoing support in 2022. We look forward to working with you in the New Year.