



**ABOUT:** The company strives to empower people to live happy, healthy lives and hold themselves to an 'Honest' standard. They believe that what you put on, in and around your body matters. They have developed safe and effective products and continue to be vocal and transparent about their mission.

**MISSION:** "We're a wellness brand with values rooted in consciousness, community, transparency and design. And we're on a mission to empower people to live happy, healthy lives. Every day and in every way, we hold ourselves to an Honest standard. Because we believe that what you put on, in and around your body matters. A lot."

**VISION:** "Performance and peace of mind. Meaningful transparency and thoughtful design. We're on a mission to change the world, one product at a time."

**PHILOSOPHY:** Tough on dirt, gentle on you and your family. For all of life's unexpected messes, hard-working essentials designed to do the dirty work – safely.

MARKET COMPETITORS



FUTURE SUSTAINABLE GOALS

- Commit to dramatically reducing virgin plastic in packaging.
- Use the highest percentage available of post-consumer resin (PCR) bottles.
- Use 100% renewable and/or recycled materials in all products, packaging, shipping materials, and office materials.
- Use re-usable packaging, higher post-consumer recycled or FSC-certified materials, shipping material, & fully biodegradable pillow pack materials.
- Ensure all electricity used in headquarters and warehousing is from 100% renewable sources.
- Reducing dependency on conventional fossil fuel energy sources.
- Purchase 100% RECs for operating our business operations, manufacturing, product shipping, and corporate travel at year end.
- Use natural daylight, energy efficient lighting, electric forklifts, and full recycling programs for all corrugate shipping boxes at our warehouse.
- Work with partners who abide by their Supplier's Code of Conduct that addresses three major areas: human rights, environment, and documentation.
- Renovate office space with low-impact, non-toxic, and sustainable materials from furnishings and water filtration, to interior lighting, no-VOC paints, and beyond.
- Source natural, organic, sustainably harvested, renewable, pure raw materials for their products.
- Track all the materials, ingredients, and packaging used in products to help us report on and understand trends in our cradle-to-grave impact.
- Ensure product (and packaging) are "Honestly Free" of toxins and questionable ingredients.
- Partner with the most credible suppliers and raw materials manufacturers who are geographically located as close to their operational headquarters as possible.
- Choose ground shipping whenever possible, as expedited air freight generally uses six times more energy than ground shipping they offer air shipping, despite its high environmental impact, as we understand the need for customer satisfaction and convenience as one of our important business promises.
- Seek formal certifications, acknowledgements, and associations, including:PETA: Cruelty Free & Vegan; Renewable Energy Credits

CUSTOMER PERSONAS



**Claire Liu, 29**  
Santa Monica, California

Claire, a millennial mother only wants the best care for her child, but one that comes at no cost to the environment. This meant shopping for baby products was a great source of anxiety. On the recommendation of her yoga buddies, Claire found herself browsing through The Honest Company Instagram profile and her brand loyalty was cemented. With the good of the planet at heart and their easily navigable subscription site, Claire now has a clean baby and a happy planet.



**Melissa Walker, 36**  
Manhattan, New York

Not only is Melissa a working single mother at the height of her career but she also has a toddler going through his terrible twos. Melissa is hard pressed for time and can't believe how quickly a baby can run out of diapers. A true multitasker, her value for efficient streamlined processes and guaranteed overnight delivery drew her to Honest. Time is of the essence for this on-the-go mom.

CONSUMER FACING STRATEGIES

- Honest has partnered with Baby2Baby to help provide diapers and clothing and basic necessities to low-income children across the US. They donated 1.5 million diapers in honor of Mother's Day. (2018)
- They partnered with the Wayfarer Foundation for their third annual Carnival of Love in downtown Los Angeles for the homeless individuals on Skid Row. Honest provided 12,000 travel size personal care and hygiene products to assist, and volunteers guided guests through the services offered. (2017)
- Honest Employees gifted 500 toys to families at Children's Hospital Los Angeles and the Ronald McDonald House of the Inland Empire. (2016)

- In Collaboration with State Bags, Honest gave away over 3,000 Backpacks to Children. When one purchases an Honest + State backpack, they give one to a child under 6 in Head Start, to ensure that they are prepared to go off to kindergarten with safe and stylish products. To celebrate this initiative, they hosted an official Kindergarten Readiness Event for 500 families in the Los Angeles Area. Following the kick-off event, they gave an additional 2,000 backpacks to children in Head Start programs across NJ, NY, and TX. (2015)

CHALLENGES THEY FACE

• Struggles to achieve sustainable growth after staggering in recent years by product problems.

The company has conducted voluntary recalls of its baby powder and baby wipes, reformulated its laundry detergent after The Wall Street Journal reported on an ingredient-labeling issue, and battled class-action lawsuits over its ingredients and claims. Customers were posting images on social media of Honest baby wipes with dark spots. Tests conducted by the company confirmed the presence of mold in some product lots.

• Revamping the business.

March 2017, it named a new chief executive, replacing co-founder Brian Lee with Nick Vlahos, a consumer-products veteran from Clorox Co., and tasking the 49-year-old executive with revamping the business and improving quality control. The company has been cutting some products such as sunscreen and insect repellent to focus on its three core categories of baby, beauty and household products.

• Staying 'honest' and transparent.

In June 2017, the company agreed to pay \$1.55 million to settle a nationwide class action lawsuit claiming it misled buyers about ingredients in its laundry detergent and dish soap. To call something The Honest Company is a great marketing coup, but it [creates] some extra concern when things go wrong," said Andrew Gilman. The Honest Company has an apparent integrity issue. In summary: their products are alleged to include poor formulations of many of the very chemicals their brand is built on avoiding.

• They are a small company in a large-company industry

With enough weight, industry giants can demand higher standards from their suppliers and do a more diligent job of enforcing them. Smaller players don't have that luxury. For a lifestyle business selling boutique products, that's ok. For a would-be national brand, that's a problem. Either you get huge, or you stay local. In the middle is only death.

Aspects	Upstream	Users	Downstream	Issues	Opportunities	
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>• Use of land to grow plant-based ingredients</li> <li>• Transportation of employees, materials, products, packaging</li> <li>• Transportation of goods from China to the US - increased carbon footprint</li> <li>• Energy use in factories, manufacturing, office, climate control (heaters, ACs)</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation to and fro stores when purchasing product</li> <li>• Use of washer, dryer and other electrical appliances</li> <li>• Use of non biodegradable, toxic and one-time use cleaning accessories like sponge, spray bottles, etc</li> <li>• Pairing unsustainable cleaners with The Honest Co.'s products</li> <li>• Misinformed overuse of the products due to habit</li> </ul>	<ul style="list-style-type: none"> <li>• Compromises health of certain species of plants and animals</li> <li>• Ocean plastics, greenhouse effect, ozone depletion</li> <li>• Expansion of landfills due to plastic use in product packaging</li> <li>• Transportation for waste collection and disposal</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> <li>• Only some products are USDA bio based certified</li> <li>• Components of a single product are sourced from different countries from all over the world</li> </ul>	<ul style="list-style-type: none"> <li>• Localize ingredient sourcing to minimise transportation and carbon footprint</li> <li>• Optimize packaging</li> <li>• Reduce overall emissions</li> <li>• Expansion market for sustainable cleaning accessories</li> <li>• Educate user on proper use and consumption of product</li> </ul>	
<b>Energy</b>	<ul style="list-style-type: none"> <li>• Climate control (HCFC's) of stock, factories, offices.</li> <li>• Transportation of employees, materials, products</li> <li>• Energy used in manufacturing, production and distribution</li> <li>• Research and Development</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation to and fro stores when purchasing product</li> <li>• Use of washer, dryer and other electrical appliances</li> <li>• Use of exhaust, lighting, and temperature/climate control</li> <li>• Use of water</li> </ul>	<ul style="list-style-type: none"> <li>• Processing recycled plastics</li> <li>• Transportation for waste collection, disposal</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> <li>• Only some products are USDA bio based certified</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize packaging</li> <li>• Localize ingredient sourcing</li> <li>• Invest in more solar and wind energy</li> <li>• 100% renewable energy should be used in production and distribution</li> <li>• Achieve better cleaning through more energy efficient processes</li> </ul>	
<b>Water</b>	<ul style="list-style-type: none"> <li>• Source of water</li> <li>• Water consumption</li> <li>• Water content in product</li> <li>• Consumer and factory effluence</li> <li>• On site water purification methods from suppliers</li> <li>• Purpose of some products have not been well thought out/designed</li> </ul>	<ul style="list-style-type: none"> <li>• Use of scarce water sources.</li> <li>• Run offs</li> <li>• Water consumption in manufacturing and production</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer use of shower, bath, water closet, washing, cleaning</li> <li>• Use of washer, dryer and other electrical appliances</li> <li>• Misinformed overuse of the products due to habit</li> </ul>	<ul style="list-style-type: none"> <li>• Compromises health of certain species of plants and animals</li> <li>• Contamination of local water bodies and groundwater</li> <li>• Microplastics</li> </ul>	<ul style="list-style-type: none"> <li>• Water use in factory operations</li> <li>• Company expansion, leads to higher impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Create cleaning products that require less water use in homes</li> <li>• Develop more concentrated products that use less water in formulations</li> <li>• Reduce the amount of water use in factory operations"</li> </ul>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>• Harvesting and consumption of raw materials</li> <li>• Farming practices</li> <li>• Emissions due to ingredient sourcing</li> <li>• Contamination of air-water-land from factory processes</li> <li>• Water and air shipments</li> </ul>	<ul style="list-style-type: none"> <li>• Use of non biodegradable, toxic and one-time use cleaning accessories like sponge, spray bottles, etc</li> <li>• Pairing unsustainable cleaners with The Honest Co. products</li> <li>• Use of Aerosol in certain products</li> </ul>	<ul style="list-style-type: none"> <li>• Compromises health of certain species of plants and animals</li> <li>• Microplastics</li> <li>• Ocean plastics</li> <li>• Waste</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> <li>• Deforestation</li> <li>• Ocean acidification</li> <li>• Watercycle</li> <li>• Food web</li> <li>• Shipment methods</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness building campaigns for eco system preservation</li> <li>• Collaborations with national parks, institutions that preserve local eco- systems</li> <li>• Provide funding for habitat restoration</li> <li>• R&amp;D for biodiversity preservation</li> <li>• Educate user on proper use and consumption of product</li> </ul>	
<b>Chemicals/ Toxins</b>	<ul style="list-style-type: none"> <li>• Run-off from production</li> <li>• Release of toxins from production</li> <li>• Research and Development</li> <li>• Water and air shipments</li> </ul>	<ul style="list-style-type: none"> <li>• Can cause irritations and side effects</li> <li>• Higher risk of exposure to poisonous toxins and chemicals</li> <li>• Pairing unsustainable cleaners with The Honest Co. products can cause unpredictable reactions</li> <li>• Not following specific instructions on the labels can lead to unpredictable reactions, overuse of the products</li> <li>• Extending life of the product beyond its intended use (expiry date)</li> <li>• Use of Aerosol in certain products</li> </ul>	<ul style="list-style-type: none"> <li>• Products are not 100% biodegradable</li> <li>• Run-off after consumption</li> <li>• Compromises health of certain species of plants and animals</li> <li>• Microplastics</li> <li>• Synthetic Material run-off</li> <li>• Waste excretion</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> <li>• Only some products are Safer Choice certified</li> <li>• Only some products are USDA certified</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize plant based ingredients in formulas</li> <li>• Educate user on proper use and consumption of product</li> <li>• Acquire more certifications on products</li> </ul>	
<b>Air Pollution</b>	<ul style="list-style-type: none"> <li>• CO2 Chemistry</li> <li>• Health of employees affected by toxin release</li> <li>• Transportation of employees, materials, products</li> <li>• Transportation of goods from China to the US causes the most emissions</li> <li>• Water and air shipments</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation to and from stores when purchasing product</li> <li>• Use of non biodegradable, toxic and one-time use cleaning accessories like sponge, spray bottles, etc</li> <li>• Pairing unsustainable cleaners with The Honest Co. products</li> <li>• Use of washer, dryer and other electrical appliances</li> <li>• Use of Aerosol in certain products</li> </ul>	<ul style="list-style-type: none"> <li>• Compromises biodiversity</li> <li>• Use of electrical appliances and water heating contribute to greenhouse effects</li> <li>• Transportation for waste collection and disposal</li> <li>• Diapers increasing methane gas</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> <li>• Product afterlife not completely thought out</li> </ul>	<ul style="list-style-type: none"> <li>• Localize ingredient sourcing for products</li> <li>• Invest in clean fuel for transport</li> </ul>	
<b>Waste Management</b>	<ul style="list-style-type: none"> <li>• Use of non-sustainable packing for gift sets, accessorizing, etc.</li> <li>• Packaging for online shipments through third party retailers</li> <li>• Research and Development</li> <li>• Byproducts in production</li> </ul>	<ul style="list-style-type: none"> <li>• Misinformed overuse of the products due to habit</li> <li>• Use disposal of non-biodegradable, toxic and one-time use cleaning accessories like sponge, spray bottles, etc and Honest Co. packaging</li> <li>• Emissions and effluence from pairing other cleaners with The Honest Co. products</li> <li>• Receipts and shopping bags</li> <li>• No proper channels for composting for biobased certified products</li> </ul>	<ul style="list-style-type: none"> <li>• Processing processed plastics</li> <li>• Disposal of receipts and shopping bags</li> <li>• Microplastics</li> <li>• Virgin plastic used in packaging</li> <li>• Only some products are USDA bio based certified</li> </ul>	<ul style="list-style-type: none"> <li>• Non recyclable plastic used in packaging</li> <li>• Not all packaging is recyclable</li> <li>• Company expansion, leads to higher impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize all packaging for eventual reuse, recycling or composting</li> <li>• Optimize packaging to make products lighter and reduce transportation emissions</li> <li>• Increase composting + recycling performance in our factory</li> <li>• Package free products</li> <li>• Educate user on proper use and consumption of product</li> <li>• Refillable bottles</li> </ul>	
<b>Ozone Layer</b>	<ul style="list-style-type: none"> <li>• Release of CO2, Methane</li> </ul>	<ul style="list-style-type: none"> <li>• CO2 Emissions</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon emissions</li> <li>• CO2 Emissions</li> <li>• Ocean Plastics</li> <li>• Methane</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce use of aerosol</li> <li>• Attention guided toward product afterlife, methane, etc.</li> </ul>	
<b>Ocean</b>	<ul style="list-style-type: none"> <li>• Contamination of local water bodies and groundwater reaches the ocean</li> <li>• Shipment containers and shipping</li> <li>• Compromises health of certain species of plants and animals</li> </ul>	<ul style="list-style-type: none"> <li>• Use of non biodegradable, toxic and one-time use cleaning accessories like sponge, spray bottles, etc</li> <li>• Pairing unsustainable cleaners with The Honest Co. products</li> <li>• Use of aerosol in certain products</li> </ul>	<ul style="list-style-type: none"> <li>• Algae Toxicity</li> <li>• Aquatic Toxicity</li> <li>• Compromises health of certain species of plants and animals</li> <li>• Microplastics/microfibers</li> <li>• Improper waste disposal</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> <li>• Contamination of local water bodies and groundwater reaches the ocean</li> </ul>	<ul style="list-style-type: none"> <li>• Localized sourcing</li> <li>• Awareness building campaigns for eco system preservation</li> <li>• Align company processes with their sustainability goals</li> </ul>	
<b>Deforestation</b>	<ul style="list-style-type: none"> <li>• Packaging</li> <li>• Land use (supply, warehouse, factory and offices)</li> <li>• Plant based Products</li> <li>• Ocean impacts</li> <li>• Purpose of some products have not been well thought out/designed</li> </ul>	<ul style="list-style-type: none"> <li>• Packaging of Raw materials</li> <li>• Use of land to cultivate plants for natural oils, fragrances and other plant based raw materials</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of Landfills due to more waste</li> <li>• Expansion of facilities (The Honest Co. and other 3rd party companies)</li> <li>• Soil degradation, landslides, etc</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion leads to higher impacts</li> </ul>	<ul style="list-style-type: none"> <li>• Afforestation initiatives</li> <li>• Package - free products</li> <li>• Awareness building campaigns for eco system preservation</li> <li>• Align company processes with their sustainability goals</li> </ul>	
<b>Social Equity</b>	<ul style="list-style-type: none"> <li>• Value Chain</li> <li>• Mogul's Top 100 innovators in diversity and inclusion - Rank 18</li> <li>• Purpose of some products have not been well thought out/designed</li> <li>• Resources in company are diverted to fix issues that can otherwise be avoided</li> <li>• CA Transparency Act</li> </ul>	<ul style="list-style-type: none"> <li>• Health of employees affected by toxin release</li> <li>• Health and well being improvement, financial security and female empowerment to households in need</li> </ul>	<ul style="list-style-type: none"> <li>• Increases the wealth disparity between the rich and the poor</li> </ul>	<ul style="list-style-type: none"> <li>• Compromises health of certain species of plants and animals</li> <li>• Human engagement with the lifecycle analysis of product</li> <li>• Community driven campaigns, avenues for volunteering, job creation</li> </ul>	<ul style="list-style-type: none"> <li>• Company expansion, leads to higher impacts</li> <li>• Greenwashing</li> <li>• Misleading advertisements and information</li> <li>• Between 1990 and 2006, 267,000 children under the age of 5 were treated in emergency rooms for cleaning product related injuries</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness building campaigns with designers, artists, venues, festivals, educators, corporations, etc</li> <li>• Increase transparency across the life cycle of the product</li> </ul>