

CROWD GETS
BEHIND THE
BEAUTY OF
SUSTAINABILITY

ethique



Christchurch based social enterprise company Ethique creates and manufactures sustainable beauty products from its own purpose-built laboratory.

FOUNDER AND ENTREPRENEUR BRIANNE WEST started the business in 2012 in the kitchen of her home. She started formulating and creating solid haircare and beauty bars with a goal of reducing the number of plastic bottles that were ending up in landfills. Brianne took her company from the kitchen table to a new 780 square metre purpose-built laboratory, opened in June 2017. "We are struggling to keep the warehouse full - demand has been incredible" she explains.

Brianne details the issues that we are currently facing with respect to plastics in the environment. A major problem is that there are approximately 80 billion plastic bottles disposed of each and every year, however only 12% of plastics are actually recycled. There are approximately 8 tonnes of plastic that end up in the ocean every year. According to global studies 9 out of 10 fish ingest micro-plastics and at this rate by 2050 there will be more plastic than fish in the sea. That is a pretty scary thought!

In order to tackle such a major issue, the company had to look at various strategies to reach beyond New Zealand. These include PR and marketing on a global scale, and ensuring that distribution is able to cope to reach all corners of the world. Increasing demand creates the further challenge of being able to increase production to be able to meet that demand.

In 2015 Ethique entered into the crowd funding space in order to raise funds to assist with an extension to its operations and provide some much-needed working capital. It took two weeks to raise \$200,000. This allowed the company to make further progress in the New Zealand market, mainly in the development of their product range and also for some much-needed expansion of their production facilities.

Then in 2017, around the time of the move to their new premises, things really started to take off. Ethique was getting some real traction within New Zealand, both from online sales, but also distributing into various boutique stores and pharmacies. At the same time, worldwide sales from their website were growing. This led to discussions with major distributors in both Australia and the United States. The result was the need for a major overhaul to its manufacturing to meet the demand that these distributors were going to place on Ethique.

A decision was made by the board of directors that an additional crowd funding capital raise would be undertaken, utilising the 'PledgeMe' platform. The aim of this round would be to raise another \$500,000 to further assist with a global marketing and PR campaign, worldwide distribution and working capital. The launch of the capital raise was announced at the 2017 Social World Enterprise World Forum, held in Christchurch. The board agreed to offer additional shares to existing shareholders and then to the public. In just over 90 minutes the company had achieved its goal of raising \$500,000! An amazing effort which truly shows that people have a real interest, they believe what Ethique stands for and they want to be a part of it.

Brianne commented that, "We decided to crowdfund again because we love involving our customers and supporters as much as possible in all facets of our business and bringing them along for the ride. Over 80% of the first round of investors were Ethique customers, so it's awesome to see them get another opportunity to own a piece of the brand they love."

Craig Hamilton, Director at Staples Rodway Christchurch says, "I am extremely proud to be involved with Ethique, and I believe that this company has a very bright future. It's about the story and the passion that Brianne and her team bring every day and I love being part of their team. They all work so hard and every bottle they save from landfills and the ocean is amazing. I was astonished to learn that just one hair-

care bar saves 3 bottles from being disposed into landfills and each online order sent receives a personalised hand-written card detailing the number of bottles that they have saved."

On a final note, Brianne appreciates the support of Staples Rodway for her business. "Over the past 12 months the rate of growth and the changes that we have had to make on an almost daily basis have been phenomenal. Staples Rodway and, in particular, Craig have been amazing. The timeliness of information, management reporting and the many iterations of cashflow forecasts as the business has changed and new markets are being entered into, coupled with the Crowd Funding process - we would have been lost without their support.' www.ethiquebeauty.com

