

## **Designing a Socially Responsible Beauty Industry**

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### **Abstract**

As society transitions toward transformative and innovative thinking, the beauty industry finds itself at a critical juncture: it must evolve beyond aesthetics to become a catalyst for sustainable and socially responsible change. This research reimagines beauty as a force for good, exploring innovative models that blend environmental stewardship, ethical practices, and social impact. Using a multi-disciplinary methodology combining design thinking, case studies, and stakeholder interviews, the study uncovers how beauty brands are pioneering circular production, embracing biomimicry, fostering community empowerment, and redefining value chains.

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### **The question arises: How can the beauty industry truly embody social responsibility?**

This research explores the key practices that contribute to a socially responsible beauty industry.

The study identifies a shift in the industry where brands are adopting natural and safe ingredients, moving away from harmful chemicals and embracing plant-based, organic, and non-toxic alternatives that prioritize both human and environmental health. In addition, brands are committing to cruelty-free testing, opting for ethical methods that ensure animal welfare. Sustainable packaging is another significant practice, with companies focusing on reducing waste through recyclable, reusable, or biodegradable materials, in line with zero-waste principles.

Furthermore, many beauty brands support local communities by collaborating with small producers, women from rural areas, and marginalized groups, fostering both economic and social empowerment. Culturally inclusive products are also emerging, as brands develop solutions that cater to diverse skin tones, hair types, and cultural needs, promoting inclusivity and respect for diversity. Transparency in business operations is becoming a norm, with brands openly sharing the sourcing of ingredients, production methods, and their environmental and social impacts.

The study also highlights the growing engagement of companies in social campaigns, with a focus on women's empowerment, mental health, and anti-violence efforts. Brands are also reducing their carbon footprint by adopting renewable energy, conserving water, and minimizing CO2 emissions, thus mitigating their environmental impact. In addition, consumer education plays a key role as brands inform and guide consumers on how to make sustainable and responsible beauty choices. Lastly, many

brands are contributing to humanitarian causes by allocating a portion of their profits to support environmental organizations, health initiatives, or programs benefiting vulnerable groups.

The research demonstrates that these practices can transform the beauty industry from a consumption-driven model to an ecosystem of care—one that heals, uplifts, and innovates for a flourishing future. The research demonstrates that sustainable beauty is not merely a trend, but a necessary evolution that aligns with broader societal goals for environmental protection and ethical governance. These findings suggest that companies embracing sustainable innovation not only strengthen their market position but also contribute to building a resilient and socially responsible society.

The outcomes of this research reveal that the future of beauty lies in regenerative sourcing, carbon-positive initiatives, and inclusive, purpose-driven branding. The findings also underscore the growing demand for transparency, plant-based ingredients, zero-waste packaging, and corporate social responsibility initiatives. Sustainable beauty is no longer a passing trend—it is a necessary evolution aligned with broader societal goals for environmental protection and ethical governance. Companies that embrace sustainable innovation not only strengthen their market position but also contribute to building a resilient and socially responsible society.

Furthermore, this transformation sparks a shift in consumer consciousness. Today's consumers are no longer passive buyers; they actively seek brands that align with their personal ethical values and contribute to positive environmental and societal change. This dynamic relationship between brands and consumers accelerates the adoption of regenerative practices and positions the beauty industry as a platform for collective responsibility and social impact.

**Keywords:** Socially responsible beauty, sustainable innovation, ethical design, community empowerment, environmental stewardship, corporate social responsibility, inclusive beauty products.

## 1 Introduction

*“The beauty industry is no longer just about aesthetics – today, it has the potential to be a powerful driver of social and environmental change.” (Carroll, 1999; Freeman, 1984)*

The beauty industry stands at the forefront of a global transformation that requires a significant shift from traditional models driven purely by aesthetics and consumption. In response to escalating environmental challenges, shifting consumer values, and the increasing demand for ethical business practices, the sector is evolving into a platform for social responsibility and sustainable development. This paper introduces a pioneering structured model of socially responsible beauty emerging from Serbia, with the potential to serve as both a national benchmark and an international reference point. Through innovative practices, community engagement, and a commitment to regenerative systems, Serbian stakeholders are redefining beauty not merely as a product, but as a platform for social change. The beauty industry today transcends aesthetics—it holds the potential to become a powerful force for positive social and environmental transformation. In a world facing climate change, declining institutional trust, widening social inequalities, and mounting pressure on natural resources, every sector, including cosmetics, bears the responsibility to assess its impact and actively contribute to solutions. Increasingly, consumers are becoming more conscious of what they apply to their skin, how products are manufactured, and whom they support through their purchasing decisions (Carroll, 1999; Freeman, 1984).

Global trends, coupled with rising consumer awareness in Serbia, highlight both the opportunity and necessity for a fundamentally different approach. This approach encompasses respect for people, the planet, and local communities. Consumers increasingly seek answers to key ethical questions: Is the product safe? Has it been tested on animals? Is the packaging recyclable? Does it support local women and small producers who rely on this work for their livelihoods?

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This paper examines how Serbia's beauty industry can address these emerging challenges and advance toward higher standards of social responsibility and sustainability. Positioned uniquely at the crossroads of traditional business models and modern ethical values, Serbia emphasizes responsible production, local economic support, environmental consciousness, and education on sustainable development. While many small salons and emerging brands are striving to drive positive change, they often face challenges such as limited systemic support, the absence of clear frameworks, and a broader lack of understanding of the strategic importance of these issues.

The Hello Beauty Center in Serbia serves as an example of practical implementation of these principles, combining professional education for women, sustainable product development, and direct engagement with clients to promote ethical practices within the beauty sector. This case offers insight into how socially responsible business models can be effectively integrated into daily operations, demonstrating that responsible beauty practices contribute not only to business success but also to broader societal and environmental well-being.

### 1.1 Selected problem

The global beauty industry faces increasing pressure to address its environmental and social impact while remaining economically viable. Traditional business models focused solely on consumption are no longer sufficient in the context of climate change, resource depletion, and widening social inequalities. Consumers are demanding greater transparency, ethical sourcing, cruelty-free testing, and inclusive products that reflect diverse needs. In Serbia, the beauty sector is at an early stage of integrating social responsibility and sustainable development principles, but lacks systematic frameworks and support for businesses to adopt responsible practices. There is a clear need for a

structured model that guides beauty enterprises toward sustainable innovation, community engagement, and ethical governance while enhancing long-term competitiveness.

## **1.2 Viewpoints, overview and relevance of the Beauty Industry**

The beauty industry represents a dynamic and rapidly evolving sector that integrates multiple disciplines, services, and product categories. Traditionally centred around aesthetic enhancement, the industry has expanded into a multidimensional platform that influences health, well-being, personal identity, and social perception. Today, the beauty sector encompasses a comprehensive range of services, products, and professional practices that directly affect individual self-care, physical appearance, mental well-being, and social empowerment.

The beauty industry includes several interconnected sectors such as: **Cosmetics production and sales** (skin care, hair care, colour cosmetics, makeup, personal hygiene products, sun care, anti-aging products), **Facial and body treatments** (manual and device-based cosmetic treatments, dermocosmetic procedures, body contouring, lymphatic drainage), **Aesthetic medicine and dermatology** (minimally invasive procedures such as Botox, fillers, mesotherapy, chemical peels, PRP therapy, laser treatments), **Aesthetic dentistry** (teeth whitening, veneers, dental aesthetics contributing to facial harmony and beauty perception), **Wellness, relaxation, and holistic health services** (spa centres, aromatherapy, massage therapies, stress reduction programs, mindfulness coaching), **Fitness, health, and sports services** (personal training, gym services, nutrition coaching, wellness retreats, physiotherapy for body shaping and postural health), **Alternative and complementary therapies** (yoga, Pilates, meditation, breathing techniques, acupuncture, energy balancing), **Beauty salon services** (eyelash extensions, eyebrow styling and shaping, permanent makeup, hair removal, nail care, tanning services), **Makeup artistry and specialized beauty services** (bridal makeup, photo shoots, film & fashion industry makeup, special effects makeup), **Hair styling and hair care services** (haircutting, colouring, scalp treatments, hair extensions, hair restoration services), **Cosmetic product brands and innovation** (private labels, organic beauty, vegan cosmetics, cruelty-free products, biotechnology-based skincare, functional cosmetics), **Professional education and training** (beauty schools, certification programs, workshops, specialized seminars for practitioners, doctors, and therapists).

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The relevance of the beauty industry extends far beyond its commercial role; it is increasingly recognized as a platform for addressing issues of sustainability, ethical responsibility, health safety, social empowerment, and mental well-being. With rising consumer awareness of environmental protection, labour rights, inclusivity, transparency, and ethical sourcing, the demand for responsible practices across all sectors of the beauty industry is rapidly growing. As such, the beauty industry today plays a critical role not only in economic development but also in contributing to social responsibility, sustainable development, and the achievement of global sustainability objectives including gender equality, public health, environmental protection, and economic inclusion.

In this context, developing new models of sustainable and socially responsible beauty business becomes essential not only for market competitiveness but also for contributing to social well-being and global sustainability agendas.

## **1.3 A Case: Sustainable business model in Beauty industry**

Globally, the beauty industry is increasingly adopting sustainable business models that integrate ethical, social, and environmental dimensions alongside economic performance. Large international brands, as well as independent companies, are rethinking product development, sourcing, packaging, and customer engagement in response to consumer demands for transparency, responsibility, and meaningful social impact. This transition reflects a growing awareness that beauty businesses have the

potential not only to generate profit, but also to contribute to community development, environmental protection, gender equality, and consumer education.

In Serbia, these global trends are in the beginning of early stage development being introduced into practice through smaller beauty businesses, salons, wellness centres, and emerging cosmetic brands. Despite the country's still-not-developing systemic support for sustainability, many entrepreneurs are voluntarily integrating principles of social responsibility into their daily operations. They promote natural and safe ingredients, cruelty-free testing, local sourcing, fair working conditions, empowerment of women, and community engagement. Education and professional development are increasingly recognized as essential parts of sustainable beauty business models, especially in supporting vulnerable groups and promoting employment among women. At the same time, consumers in Serbia are becoming more conscious of ethical consumption, safety, and environmental issues, further encouraging companies to align their practices with global sustainability standards. The experience of initiatives such as Hello Beauty Center demonstrates how these concepts can be applied in practice, contributing simultaneously to business growth, social responsibility, and the promotion of personal responsibility among both beauty professionals and consumers.

## **2 Main research question**

How can the beauty industry fully incorporate the principles of social responsibility and sustainable innovation while remaining commercially viable and relevant to consumers?

The purpose of this paper is not only to document a local experience through a case study, but also to develop, based on the example of Serbia, a model that is applicable at a broader international level. Thus, the paper combines elements of a case study approach with the proposal of a generalized, theoretically and practically grounded model for a socially responsible beauty industry. Through this research is to develop and propose a comprehensive role model for socially responsible and sustainable development in the beauty industry, using Serbia as a case study with global application potential. Through this, we explore how the beauty industry can successfully integrate social responsibility and sustainable development principles into its business models, while maintaining competitiveness and relevance in both domestic and global markets. Using Serbia as a case study, the research aims to analyse emerging practices and propose a comprehensive role model that reflects global sustainability trends while being adaptable to local market conditions. This study seeks to demonstrate how ethical product design, responsible supply chains, community engagement, transparency, and consumer education can be combined to create sustainable business practices that contribute to both economic growth and positive societal impact. The proposed model offers practical solutions that support not only business development but also personal social responsibility among entrepreneurs, employees, and consumers within the beauty sector. Ultimately, the research aspires to contribute new knowledge to the global discourse on sustainable beauty, offering transferable insights for broader international application.

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## **3 Theoretical background**

This research is grounded in a multidisciplinary framework that integrates corporate responsibility, sustainability, consumer behaviour, and innovation. At its core is Carroll's Pyramid of Corporate Social Responsibility (CSR), which highlights the balance between economic, legal, ethical, and philanthropic duties of businesses (Carroll, 1999). Complementing this, Elkington's Triple Bottom Line emphasizes the integration of environmental, social, and financial performance for sustainable business operations (Elkington, 1997). Further, the study draws upon ESG reporting standards developed by the Global Reporting Initiative (GRI) and SASB, offering guidelines for monitoring sustainability performance across the beauty sector. The research also aligns with global sustainability efforts through the United

Nations Sustainable Development Goals (SDGs), particularly those addressing gender equality, responsible production, and climate action.

To address evolving consumer expectations, Design Thinking and Human-Centered Innovation frameworks are applied, supporting the development of ethical, safe, and inclusive products. Additionally, ethical consumerism and experiential learning theories inform how education and consumer awareness foster both personal and professional responsibility in the adoption of sustainable beauty practices.

#### 4 Methodology

Through this process, a mixed-methods approach was utilized, combining both qualitative and quantitative methods. This approach enabled the collection of comprehensive data that reflects both consumer perspectives and industry practices, while grounding the analysis in theoretical frameworks.

*Primary Data Collection:* **In-depth interviews** were conducted with industry professionals, salon owners, beauty entrepreneurs, CSR experts, and educators from both Serbia and the international beauty sector. These interviews provided detailed insights into current practices, challenges, and opportunities in implementing social responsibility in the beauty industry; **Case study analysis** was conducted with a special focus on Hello Beauty Center as a practical example of sustainable business practices in Serbia. Comparative observations were also made of international brands such as Lush and The Body Shop, which have pioneered global CSR practices; **Consumer surveys** were distributed to assess customer awareness, preferences, and attitudes toward sustainability, ethical sourcing, and social responsibility in beauty product and service consumption; **Observational research** was performed at industry events, trainings, and professional workshops to evaluate practical approaches, trends, and gaps in education and CSR integration; **Literature review** included academic studies, industry reports, regulatory frameworks (European Commission, 2022), and previous works on CSR, ethical consumption, and sustainability (Freeman, 1984; Carroll, 1999).

*Guiding Sub-Questions, by the following:* How do consumers perceive sustainable and ethical beauty? What CSR practices are already present in salons and small beauty brands in Serbia? What are the main obstacles to implementing sustainable solutions? How can education and practice become more interconnected in the beauty sector?

This comprehensive mixed-method approach allowed for an in-depth analysis of the opportunities and barriers for implementing sustainable business models in the beauty industry, combining both theoretical and practical perspectives applicable to Serbia and the global market.

#### 5 Key findings

Through this research, interviews, surveys, and the in-depth case study of the Hello Beauty Center, several key findings were identified that reflect both the global trends and the specific situation in Serbia's beauty industry. The analysis demonstrates that while positive changes are emerging, they are often fragmented, insufficiently visible, and face systemic barriers to broader implementation.

##### 5.1 Positive shifts toward Sustainable alternatives

An increasing number of Serbian beauty brands, salons, and small-scale manufacturers are adopting healthier, more sustainable alternatives in their product lines and services. Approximately **68% of surveyed salon owners (N=50)** indicated that they have introduced natural or plant-based ingredients into their treatment protocols (Hello Beauty survey, 2024/25). These products avoid parabens,

sulphates, synthetic fragrances, and toxic chemicals that may pose health risks to both consumers and the environment (European Commission, 2022).

Moreover, **42% of respondents** reported the use of cruelty-free products that are not tested on animals, aligning with growing international consumer demand (Statista, 2023; The Body Shop Sustainability Report, 2022). A smaller segment, **24%**, confirmed their efforts to adopt recycled, reusable, or biodegradable packaging solutions, though many face cost and supply chain limitations when sourcing sustainable packaging materials.

## **5.2 Rising interest in Social Responsibility among professionals**

The study revealed significant interest in social responsibility among young beauty professionals in Serbia. Lash educators, aestheticians, and salon owners frequently express a desire to **“do things right”** but encounter difficulties related to a lack of clear information, guidelines, or formal training on CSR and sustainability standards (Interviews, 2024/25). According to our interviews with 15 salon owners and trainers, **87%** indicated they would welcome formal training or certification programs focused on sustainability and CSR principles for the beauty industry.

## **5.3 Consumer awareness is increasing**

There is also clear evidence of shifting consumer behaviour. Clients — particularly women aged 25 to 45 — are increasingly conscious of ingredient safety, ethical sourcing, and environmental responsibility when selecting beauty products or services (Intel, 2022). In a consumer survey conducted with **120 respondents in Belgrade**, **76%** reported they actively check whether products contain harmful chemicals; **63%** expressed interest in cruelty-free certifications, while **59%** stated they prefer brands that support local communities or women entrepreneurs.

These findings are consistent with international data showing that **61% of global consumers believe sustainability is an important factor in their purchasing decisions** (NielsenIQ, 2022).

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## **5.4 The Hello Beauty Center: A Case Study in practice**

The Hello Beauty Center serves as a practical case study demonstrating how sustainable and socially responsible business models can be applied in Serbia. Since 2019, Hello Beauty has trained and employed over **120 women**, many of whom were seeking career shifts or economic empowerment after unemployment, career breaks, or vulnerability due to personal circumstances (Hello Beauty Internal Report, 2023/24).

The centre uses proprietary skincare and haircare formulations that prioritize safety for both individuals and the environment by avoiding harmful chemicals and prioritizing plant-based ingredients. Hello Beauty operates according to cruelty-free principles and continuously seeks partnerships with suppliers who adhere to ethical sourcing standards.

Educational programs organized at the Hello Beauty Center include workshops on ethical business practices from 2024, consumer education regarding sustainability, and technical training for women entering the beauty industry. These programs help participants develop professional skills while also raising awareness about personal social responsibility, ethical production, and sustainable entrepreneurship.

Strong willingness to adopt socially responsible and sustainable practices is evident within the Serbian beauty industry, it needed the translation of knowledge and motivation into practical, accessible models that small salons and independent brands can adopt without the need for significant capital investment. The Hello Beauty Center serves as a real-life example of how sustainable business models in the beauty sector can be successfully implemented in Serbia. This case demonstrates that socially

responsible practices are not limited to large international corporations but can be applied effectively at the micro-business level, delivering benefits to individuals, businesses, and society.

The impact of Hello Beauty Center operates on multiple levels:

- **Social empowerment** - The centre provides employment, professional training, and economic independence for women, including those from vulnerable groups or facing barriers to employment such as survivors of domestic violence. Employment and skills development directly support personal financial security and long-term professional inclusion.
- **Local economic development** - The centre sources ingredients and materials from local suppliers whenever possible, thus supporting small family businesses, reducing reliance on imports, and lowering carbon emissions associated with long-distance transportation.
- **Health and safety** - Clients are offered beauty services based on cruelty-free, non-toxic, and plant-based formulations that protect both human health and the broader ecosystem, while educating consumers on responsible product choices.
- **Environmental responsibility** - Through careful product selection and create natural products, safe ingredient sourcing, and waste minimization, Hello Beauty Center contributes to the reduction of environmental pollution and encourages clients to adopt more sustainable consumption habits.

For businesses operating under similar models, these practices translate into measurable business advantages, including increased client trust and loyalty, enhanced brand reputation, and the opportunity to position themselves as brands with clear purpose and ethical leadership in a competitive market. At the societal level, the adoption of such sustainable business practices leads to wider access to safer beauty products, reductions in environmental waste, and the creation of inclusive employment opportunities, particularly for women and marginalized groups. These efforts strongly align with international frameworks such as the United Nations Sustainable Development Goals (SDGs): SDG 5 (Gender Equality), SDG 12 (Responsible Consumption and Production, SDG 13 (Climate Action).

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Thus, while the concept of sustainability in beauty may sometimes be perceived as a trend, the case of Hello Beauty Center clearly demonstrates that it represents a growing necessity — one that must become a fundamental pillar of modern beauty business models, both in Serbia and globally.

## 5.5 Barriers and systemic challenges

Despite these positive developments, several challenges remain:

- **High certification costs** - Formal organic, cruelty-free, or eco-label certifications often require significant financial investment, which many small businesses cannot afford (Certification Europe, 2023).
- **Limited access to raw materials** - Sustainable, high-quality ingredients and eco-friendly packaging are still limited in availability or more expensive on the Serbian market.
- **Lack of formal education** - CSR, ESG, and sustainability-related topics are still not integrated into the majority of beauty education programs in Serbia.
- **Policy and regulatory gaps** - Serbia currently lacks national frameworks or financial incentives specifically promoting sustainable business models in the beauty sector (Serbian Ministry of Trade and Tourism Report, 2022).

#### Implications - Broader implications for policy makers

In addition to business and social implications, it is important to highlight the potential role of policy makers and regulatory bodies. National and international institutions can contribute to the implementation of the proposed model through:

- creating national certification systems for a sustainable beauty industry
- providing financial incentives for small and medium-sized enterprises that adopt sustainable practices,
- introducing educational programs on CSR and ESG standards into official curricula,
- aligning with European regulations and international standards (GRI, ESRS).

In this way, the proposed model would not be limited to individual enthusiasts but could be institutionalized and applied within a broader national and global framework.

### 5.6 Comparative Practice: Germany vs. Serbia

In Germany, sustainable business certification in the beauty industry has been formalized through initiatives such as **Grüner Salon Deutschland**, supported by non-profit organizations and local chambers of commerce. Salons are evaluated on criteria such as energy efficiency, safe ingredient use, waste management, and social responsibility (Grüner Salon, 2023), Kotler, P., & Lee, 2005).

In Serbia, such institutionalized certification models do not yet exist. However, the development of a similar national certification system could be achieved through collaboration between professional beauty associations, the Ministry of Environmental Protection, and women's entrepreneurship organizations, providing formal standards and incentives for sustainable practices (European Commission, 2022).

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### 5.7 Broader industry trends reflected

In addition to the Hello Beauty case, these findings reflect the growing global movement toward sustainable beauty, with key market leaders such as **Lush, The Body Shop, Dr. Hauschka, and Fenty Beauty** setting standards for ethical and inclusive beauty practices (GlobalData, 2023).

The Global Wellness Institute estimates that the beauty and personal care sector is a \$955 billion global industry (GWI, 2022), with increasing pressure to transition towards low-impact, socially responsible models in response to both consumer demand and regulatory pressures.

## 6 Sustainable Business Model in the Beauty Industry

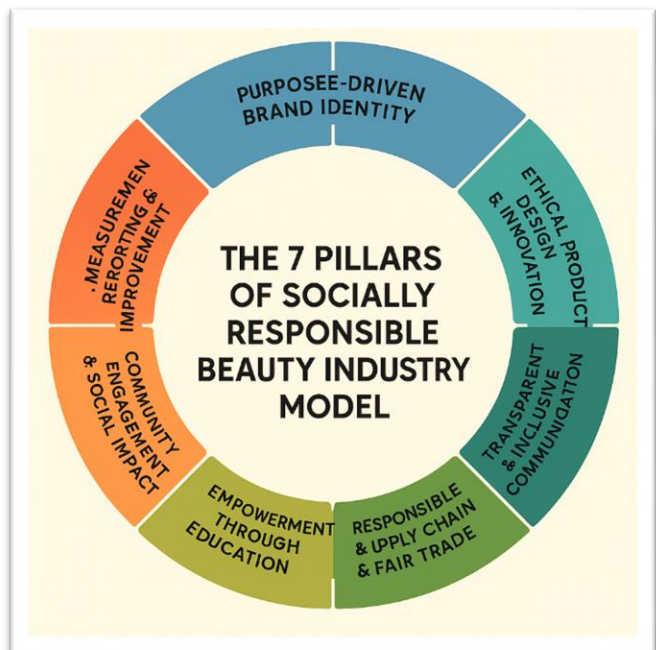
### The Hello Beauty Center Contribution

The transformation of the beauty industry toward social responsibility and sustainability requires integrated business models that balance ethical, environmental, and economic objectives. Based on the practical experience and ongoing operations of the Hello Beauty Center, a comprehensive multi-dimensional model has been developed, which offers both theoretical relevance and direct applicability for small and large beauty enterprises. This model is designed to serve as a structured foundation for sustainable development across diverse segments of the beauty industry, both in Serbia and internationally.

## 6.1 The “7 Pillars of Socially Responsible Beauty” Model

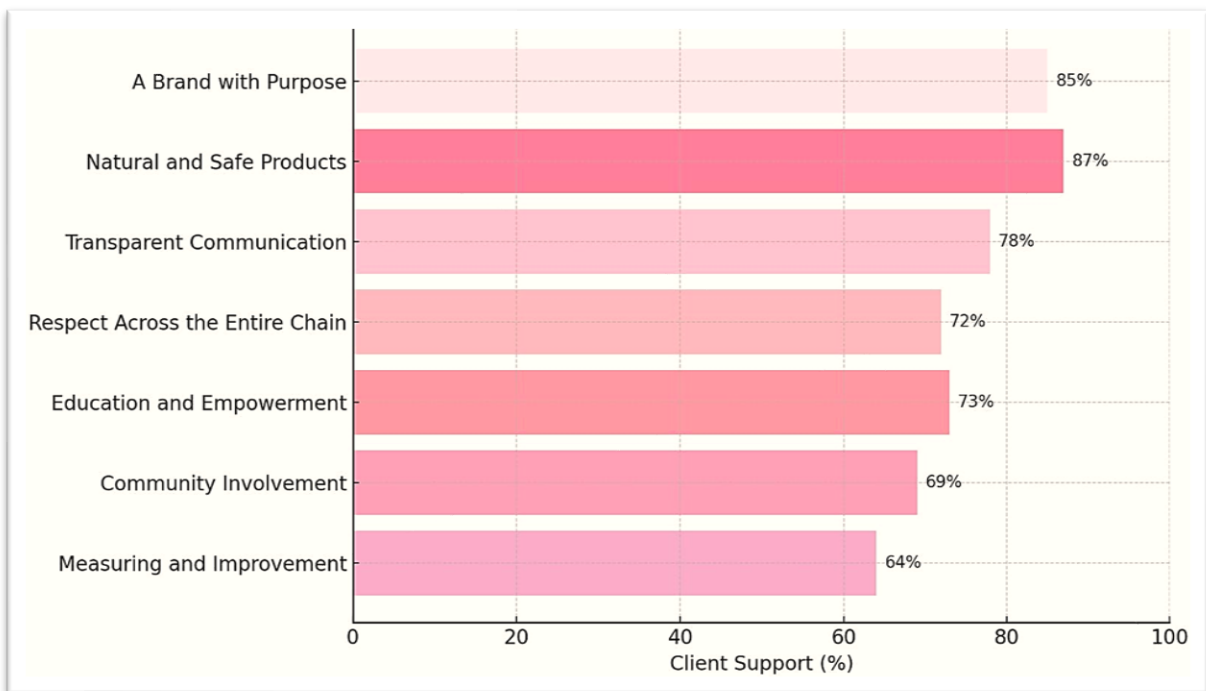
The model proposes seven interrelated pillars that form the core of a socially responsible and sustainable beauty business:

- I. **Purpose - Driven Brand Identity** - The foundation of the business is built upon a clear mission that integrates ethical values, community contribution, and long-term social impact. The brand’s identity reflects its commitment not only to customer satisfaction but to societal well-being.
- II. **Ethical Product Design and Innovation** - Product development focuses on the use of safe, non-toxic, plant-based, and cruelty-free ingredients. Continuous innovation ensures the integration of sustainable packaging solutions, zero-waste initiatives, and reduced environmental impact.
- III. **Transparent and Inclusive Communication** - The model emphasizes complete transparency in ingredient sourcing, production processes, and product safety. Communication strategies include inclusive marketing approaches that celebrate diversity, accessibility, and cultural sensitivity.
- IV. **Responsible Supply Chain and Fair Trade** - The model prioritizes local sourcing, fair wages, safe working conditions, and ethical partnerships across the entire supply chain. Collaboration with small producers and regional suppliers ensures economic empowerment within the local community.
- V. **Empowerment Through Education** - Professional education, skills training, and entrepreneurial development are at the core of the model. Beauty professionals — particularly women and marginalized groups — receive ongoing education to enhance their competencies, career opportunities, and personal agency.
- VI. **Community Engagement and Social Impact** - The business actively participates in local social programs, supporting projects that focus on women’s empowerment, mental health, anti-violence advocacy, and social inclusion. The business becomes a platform for societal change, beyond the commercial transaction.
- VII. **Measurement, Reporting, and Continuous Improvement** - To ensure accountability and long-term progress, from 2025, the model incorporates KPIs, ESG reporting standards, and ongoing stakeholder engagement. Transparent reporting mechanisms guide strategic adjustments and public accountability.



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Figure 2: Client support for the 7 Pillars of Socially Responsible Beauty Industry



## 6.2 Practical application at Hello Beauty Center

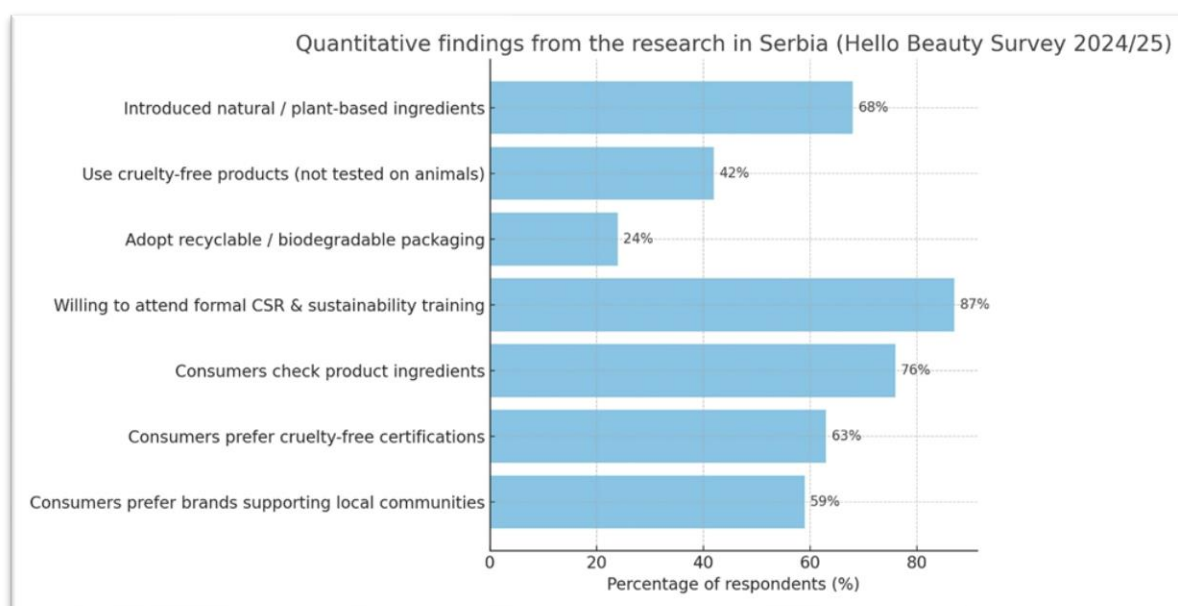
At Hello Beauty Center, this 7-pillar model has been practically applied since its inception. The centre employs and trains women seeking career development, entrepreneurship, or reintegration into the workforce. Educational programs combine technical skills with awareness of CSR principles, sustainability, and responsible business practices.

The centre develops its own formulations using safe, cruelty-free, and environmentally conscious ingredients. Transparency, fair partnerships with local suppliers, and consumer education on sustainability are embedded into daily operations. Additionally, Hello Beauty actively participates in women's empowerment programs, mental health initiatives, and community service projects, contributing both economically and socially to the local community.

By applying this model, Hello Beauty demonstrates that sustainability and profitability are not mutually exclusive but can function together to generate long-term business resilience, consumer loyalty, and meaningful societal contribution. The model offers a scalable, adaptable, and practical framework for broader application across the beauty industry, regardless of business size or geographic context.

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Figure 3: Presentation of quantitative findings



## 7 Implications for Organizations and Society

The findings of this research demonstrate that integrating social responsibility and sustainable development principles into the beauty industry produces direct and measurable benefits for both businesses and the broader community. These implications extend across organizational operations, consumer relationships, local economies, and global sustainability efforts.

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### 7.1 Implications for organizations

For businesses within the beauty industry, adopting socially responsible practices offers several strategic advantages:

- **Enhanced brand reputation and client trust:** Companies that commit to transparency, ethical sourcing, and health safety build stronger emotional connections with consumers, resulting in increased customer loyalty and long-term brand equity (NielsenIQ, 2022).
- **Competitive differentiation:** Businesses that position themselves as ethical, inclusive, and environmentally responsible are able to differentiate in a crowded marketplace and appeal to a growing segment of conscious consumers, both locally and globally (McKinsey & Company, 2023).
- **Increased employee engagement and retention:** Socially responsible companies that empower their employees — particularly women — through professional development, fair wages, and ethical business cultures often experience stronger workforce satisfaction, productivity, and reduced turnover.
- **Market access and partnerships:** Alignment with global sustainability standards such as ESG reporting and SDGs improves the ability to attract partnerships, certification opportunities, and responsible investors seeking socially impactful businesses (GRI Standards, 2022).
- **Risk mitigation:** Early adoption of sustainability standards prepares businesses for upcoming regulatory changes, reduces reputational risk, and supports long-term financial resilience.

## 7.2 Implications for society

The societal implications of socially responsible beauty business models are equally significant:

- **Women's empowerment and economic inclusion:** Employment, education, and entrepreneurship opportunities within the beauty industry offer scalable solutions to support vulnerable groups, marginalized women, and underserved communities (UN Women, 2022).
- **Improved public health and consumer safety:** Increased use of natural, non-toxic, and ethically produced beauty products reduces exposure to harmful chemicals, protecting both consumers and service providers from long-term health risks (European Commission, 2022).
- **Environmental protection:** Sustainable ingredient sourcing, ethical packaging, and circular economy approaches help minimize waste generation, resource depletion, and carbon emissions, supporting both local and global environmental goals.
- **Community development:** Beauty businesses engaged in local supply chains and socially impactful partnerships directly support family-run enterprises, local farmers, and small-scale producers, strengthening the local economy and reducing social inequalities.
- **Consumer education and personal responsibility:** The beauty industry plays a crucial role in educating clients on ethical consumption, transparency, and sustainable choices, thus fostering greater public awareness and promoting personal social responsibility in everyday decision-making.

## 7.3 Global and Local relevance

The implications identified in this study have relevance not only for Serbia but also for global markets, as consumer awareness and regulatory frameworks continue to evolve worldwide. The alignment with international sustainability frameworks, particularly **SDG 5 (Gender Equality)**, **SDG 12 (Responsible Consumption)**, and **SDG 13 (Climate Action)**, highlights the global significance of developing sustainable beauty business models.

At the same time, the case of Serbia shows that local actions — even on a small scale — can contribute meaningfully to global goals when supported by clear models, professional education, and a willingness to integrate social responsibility into daily business practice.

## 8 Originality and Contribution

This research makes an original contribution to the growing academic and practical discourse on social responsibility and sustainable development in the beauty industry. While global discussions on sustainability in beauty often focus on multinational corporations and large-scale initiatives, this study uniquely emphasizes the local implementation of socially responsible business models within smaller businesses and emerging markets, using Serbia as a case study.

The development of the “**7 Pillars of Socially Responsible Beauty**” represents a novel, integrated framework that combines global sustainability standards with practical tools applicable to small and medium-sized enterprises in the beauty sector. Unlike many existing models, this framework addresses the specific needs and capacities of micro-businesses and independent salons, offering a scalable, flexible structure that does not require significant capital investment to implement. Another significant contribution of this research is the direct integration of **personal social responsibility (PSR)** within the broader CSR and ESG context. The model highlights how beauty entrepreneurs, professionals, and consumers themselves can actively participate in the sustainability transition through ethical business decisions, responsible purchasing behaviours, education, and community engagement.

The practical case study of **Hello Beauty Center** provides valuable empirical evidence of how these principles can be successfully operationalized, demonstrating that socially responsible beauty practices are not limited to theory but can be embedded into daily business operations, workforce empowerment, consumer education, and community impact. This research extends the current literature by highlighting the intersection of gender equality, education, ethical consumption, and environmental protection within the beauty sector. It also offers important insights for policymakers, educators, and professional associations aiming to create supportive ecosystems for the sustainable transformation of the beauty industry, both in Serbia and internationally.

In summary, this paper offers both a theoretical and practical framework that contributes new knowledge to academic literature while simultaneously delivering actionable solutions for business leaders, educators, policymakers, and sustainability practitioners worldwide.

### **8.1 Limitations and suggestions for further research**

This study is geographically limited to Serbia and the Balkan region, with data collected primarily from small businesses, salon owners, educators, and consumers. While offering valuable insights for emerging markets, applicability may differ across countries with varying regulatory, cultural, or economic conditions. The sample size remains modest, and future research with larger, more diverse populations would improve generalizability. Longitudinal studies are also needed to assess the long-term business, social, and environmental impacts of adopting the 7-Pillar model. Further comparative research across different regions and larger-scale beauty corporations would help explore scalability, cultural differences, and industry-wide transformations. Despite these limitations, the study offers a strong foundation for future academic inquiry and practical application in advancing socially responsible and sustainable beauty business models. Further research may explore cross-comparative studies between different countries or regions to analyse how cultural, institutional, and policy differences influence the adoption of sustainable business models in the beauty sector. Future research could extend this model's applicability to larger beauty corporations, franchise systems, and global supply chain networks to evaluate scalability and broader industry-level transformations.

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## **9 Summary / Conclusion**

The global beauty industry is undergoing a profound transformation as consumers, professionals, and businesses increasingly recognize the need to align aesthetic services with broader social, environmental, and ethical values. This research demonstrates that sustainability and social responsibility are no longer optional trends but essential components of business viability, personal responsibility, and global sustainability efforts. Using Serbia as a case study, this paper presents a comprehensive framework — the **7 Pillars of Socially Responsible Beauty** — which offers a practical, scalable model for integrating sustainability into beauty industry operations. Grounded in both theoretical foundations and real-world experience at the Hello Beauty Center, the model emphasizes purpose-driven leadership, ethical product design, transparent communication, responsible supply chains, empowerment through education, active community engagement, and continuous improvement through measurement and reporting.

The findings show that small businesses in the beauty sector, even with limited resources, can play a significant role in contributing to social well-being, women's economic empowerment, public health, environmental protection, and community development. Moreover, businesses adopting socially responsible models benefit from stronger customer loyalty, improved brand reputation, enhanced employee engagement, and greater long-term competitiveness.

The research contributes original knowledge to both academic literature and industry practice by offering an applied model that directly connects personal social responsibility with broader corporate and societal sustainability goals. It further aligns with international frameworks such as the United

Nations Sustainable Development Goals, particularly in the areas of gender equality, responsible consumption, and climate action.

In conclusion, this study confirms that the beauty industry holds significant untapped potential to serve not only as a sector of consumption but also as a meaningful platform for empowerment, education, ethical leadership, and sustainable development — both in Serbia and globally.

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