

Case Problem

Ethique: Scaling Sustainability, Preserving Purpose in a Digital Age

The global cosmetics industry has long contributed to environmental degradation through its reliance on plastic packaging and synthetic formulations. In response to this challenge, Ethique, a Christchurch-based company founded in 2012 by Brianne West, has become a pioneer in zero-waste beauty. The company produces solid beauty bars, such as shampoos, conditioners, and cleansers, that are vegan, ethically sourced, and sold in compostable packaging. Ethique's mission is to eliminate plastic waste from the beauty industry while promoting ethical sourcing and sustainable production.

Initially funded through crowdfunding, Ethique quickly gained attention for its values-based approach and consumer appeal. In 2017, it raised NZD 500,000 in 90 minutes on PledgeMe, enabling product expansion and overseas distribution. Since then, it has expanded its operations to over 24 countries, and it reports that it has saved more than 40 million plastic bottles from landfills. In 2020, Ethique sold a 75% stake to US-based private equity firm Bansk Group to support global growth. While this investment accelerated market expansion, including entry into major retailers such as Ulta in the US, it also introduced new pressures to balance mission with profitability.

As Ethique scales, it faces strategic tensions. Operating across multiple markets exposes the company to challenges around ethical ingredient sourcing, logistics emissions, and pricing pressures from both niche and mainstream competitors. Maintaining its B Corp certification and brand integrity will require sustained attention to governance, transparency, and stakeholder alignment. At the same time, the business must remain financially viable while offering high-quality, environmentally conscious products that often carry higher production costs than mass-market alternatives.

In response to increasing operational complexity, Ethique is exploring how artificial intelligence (AI) can support its goals. AI-driven tools may enhance supply chain visibility, improve demand forecasting, support personalised customer engagement, and streamline impact reporting. However, the adoption of AI also introduces potential tensions—such as risks of over-automation, data privacy concerns, and the challenge of maintaining a human-centred, ethical brand identity in a digitally optimised environment.

Looking ahead, Ethique aims to double its revenue over the next five years, maintain a B Corp score above 100, and increase its environmental impact by preventing an additional 60 million plastic bottles from entering landfills. To achieve this, the company is considering raising NZD 10 million in growth capital. It must now determine where and how to scale, what channels to prioritise, how AI can be deployed meaningfully, and how to secure funding while staying true to its founding purpose.

Requirement:

You have been appointed as a member of the strategic advisory team of Ethique. Drawing on *kaupapa Māori* principles such as *kaitiakitanga* (environmental guardianship), *manaakitanga* (care and respect for others), and *whanaungatanga* (relationship-building), prepare a report addressing the following four areas:

- Recommend priority markets and customer groups for Ethique's next phase of growth. Your strategy should consider both commercial potential and alignment with the company's *kaupapa* (mission) and brand *wairua* (essence). Reflect on how distribution choices can uphold *mana* (reputation) while enabling greater impact.

- Develop a five-year financial forecast including revenue, expenses, and profit/loss (year-by-year). Comment on the cost structures associated with maintaining ethical sourcing, fair employment practices, and low-waste operations. Where relevant, consider opportunities to enhance *mahi tahi* (collaborative partnerships) to reduce financial risk.
- Propose how Ethique can adopt AI to support its growth while staying true to its values. Consider applications such as demand forecasting, traceable supply chains, or sustainability reporting. Evaluate risks to *tikanga* (core principles), including concerns around automation, data ethics, and maintaining a human-centred customer experience.
- Recommend a capital-raising strategy to secure NZD 10 million in a way that protects Ethique's *mana motuhake* (self-determination). Evaluate options such as impact investors, green bonds, and/or kaupapa-aligned funding partnerships. Your advice should reflect the importance of long-term *whanaungatanga* (relationships) with funders, customers, and communities.

General Instructions on Report Writing

- To respond to the case problem, you are encouraged to apply well-reasoned analysis, imagination, and creativity informed by secondary data (e.g. publicly available reports, academic literature, or industry insights). You may also use primary data (e.g. interviews or surveys), but if you do so, you are responsible for securing appropriate ethical approval in advance.
- Your report should demonstrate strategic insight, ethical awareness, and critical thinking. While credible sources should inform your analysis, it is expected that you will make reasonable assumptions where specific data is unavailable. Clearly explain and justify these assumptions to support the relevance and feasibility of your recommendations. Your proposals should reflect a thoughtful balance between purpose-driven strategy and practical implementation.
- The final report must be submitted in Word format, with a **maximum limit of 1,200 words** (excluding references, tables, and appendices). Use 1.5 line spacing and Times New Roman, 12-point font. References should follow APA 7th style.
- Students may use generative AI tools (such as ChatGPT) to assist with brainstorming, structuring, or editing during the report-writing process. However, all submitted work must reflect your group's original thinking and be properly reviewed and critically evaluated by team members. You are expected to comply with AUT's guidelines on the use of generative AI in assessment, which can be found here: [AUT: Generative AI and Assessment](#)
- Submit your report by **5pm on 30 August 2025** (New Zealand date and time) to accounting.socialimpact@aut.ac.nz
- Clearly include the names of all team members on the front page of the report.

Note: The case problem was developed by Dr. Zahir Ahmed and reviewed by Associate Professor Syrus Islam, Dr. Lisa Nguyen, Dr. Claire Cui, and Dr. Lucy Wei from the Department of Accounting at Auckland University of Technology, New Zealand.