

# Inside Lush: We took a tour of the cosmetics retailer's UK HQ and this is what we discovered

If Willy Wonka owned a factory in Britain in 2021, it would probably be Lush's Dorset HQ.

From the outside, it would be easy to walk past the grey warehouse building on the typical-looking industrial estate in Poole.

It is a dank, wet summer's day when I step through the doors of the cosmetic company's UK head office and I am immediately greeted with the aroma of lemon.

Just like Charlie Bucket in Roald Dahl's famous 1964 children's book, I'm asked not to divulge any of Lush's closely-guarded recipes before being taken onto the factory floor.

Entering the so-called 'Fresh' section of the factory, where many of Lush's soaps, face masks and body rubs are made, is like stepping into some sort of kitchen-turned- apothecary shop.

There are fruit and vegetables piled up on stainless steel counters; large glass jars full of powders – from turmeric, to lavender to polenta – lining the walls; and vast metal vats of what look like green and brown butter icing being stirred by hand.

Work here starts at 6am with a delivery of fresh fruit, flowers and vegetables – and the products (all natural and handmade) have a shelf life of just one month.

After trying my hand at filling some pots with a deliciously scented face mask (it's hard to believe it's not edible), I am taken over to the bath bomb building. Here, the magic of Christmas is already in the air.



The area of the factory where bath bombs are made  
(Image: Hannah Baker)

Even with a mask on, the scent inside is pretty overpowering. There are mountains of rainbow-coloured powders – pink, blue, purple, orange – that are being transformed by teams of workers into bath bombs.

Incredibly, one worker will make 2,000 in a single day, with the moulds being reused once the bath bombs have set.

From November there will be 300 staff based at the site, which

has already started to ramp up its operations ahead of what is expected to be its busiest period.

Lush, like the majority of retail businesses in the UK, was hit hard by the pandemic, making its biggest ever loss (-£45m) in 2020.

In sales terms, for the financial year ending June 2021, the company was about 23% down compared to 2019. The firm's group turnover was £437.8m – a 19.7% decrease on 2019.



Bath bombs being made ready for Christmas  
The retailer, which has stores in 48 countries, including

Russia, Norway, Australia, Finland and South Africa, employs 2,500 people in the UK – and nearly all of its retail staff were furloughed when Covid hit.

A whopping 95% of the company's shops around the world were closed at one point and the company was "burning millions of pounds", every month, according to finance director Kim Coles.

"When we first went into lockdown, our property director was saying to me that this was 'our war'. We were able to get people ready to work from home quite quickly though.

"At the time I was thinking about how we would control everybody, but suddenly you realise you can't keep up. You realise people don't need micromanagement."

With a foothold in so many countries (there are 30 people on the global leadership team worldwide), Lush decided to let each market work out what to do.





Kim Coles is the finance director of Lush  
(Image: Lush)

“There was a lot of sharing between each nation,” explained Ms Coles, who said the UK business was able to “breathe a sigh of relief” when the government’s furlough scheme kicked in.

“We got a lot of support and it kept us going. We knew we had to get digital fired up, but at that point only 10% of our sales were online.”

Lush, like many firms, was forced to adapt – and quickly. In the last 12 months the retailer has launched a number of initiatives, including a new website, subscription boxes and offering free postage and packaging for the first time.

The business also discontinued 150 products, which was around 25% of the range.

“The inventors wanted to clear space for new products. We have done a lot of different things that we wouldn’t have done had we not gone into lockdown.”

Despite the easing of restrictions and the reopening of shops, Ms Coles remains cautious about the future. The company is employing 25% fewer people than it did before Covid, but mostly through “natural attrition”, she explained.

“We are trying to preserve as many jobs as we can. As people have left we haven’t been replacing them and we had a lot of people on temporary contracts.



In the 'Fresh' section of the factory the products are made from fruit, flowers and vegetables delivered daily

"There hasn't been a big upheaval. A lot of people want to work for the company so they don't mind where they work within the business."

Most of Lush's staff are still working from home – and there are no plans to enforce a return.

"It will be when people feel ready. The pandemic has made working so much more flexible. Most teams can do anything from home.

"Our staff are very motivated. Nowadays I make myself go out at lunchtime and walk for half an hour. And I wonder why I haven't been doing that for the last 15 years."

Lush has only had to close a handful of its stores – and those



are mostly where leases have run out and where the landlords “weren’t helpful”, according to Ms Coles.

In the UK, Network Rail allowed Lush to stay in its units rent free amid the pandemic, while other landlords gave the company the option to defer payments.



Pots of ingredients in the ‘Fresh’ section of the factory  
(Image: Hannah Baker)

“From a cash flow perspective it was very helpful,” explained Ms Coles. “But some landlords were awful. We didn’t renew leases in Australia because of that and we closed six stores there.”

Lush recently joined the sustainability board of the British Beauty Council and is on a mission to influence more

businesses within the industry to do their bit to address the climate crisis.

More than half the company's products can now be taken home with no packaging – and the business says it saves on nearly six million plastic bottles from selling shampoo bars alone.

According to Ms Coles, the company is already carbon positive in the UK. This means the business has gone beyond achieving net-zero carbon emissions to actually create an environmental benefit by removing additional carbon dioxide from the atmosphere.

But Lush wants to go a step further by becoming the first cosmetics company to become carbon neutral through its supply chain.

“Ninety per cent of our footprint is through the supply chain so if we can work with suppliers we can make a big difference to that,” said Ms Coles.



Vats of coloured powder which are used to make bath bombs  
“We have a lot of forestry projects and we are opening a new

recycling plant at the end of October. We are doing a great deal around the environment and sustainability.”

Looking ahead to the longer term, Lush is planning to continue its expansion internationally. The business is currently looking at launching a digital-only offering in Poland – it would be the first market the business has entered without a physical store – and is also eyeing Vietnam and India.

The company has “a few” openings planned in the Middle East in the next year, but will mainly be reconsolidating in the wake of the pandemic.

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“It will be quite quiet on the [shop opening] front. The priority over the next 12 months is keeping everybody safe,” said Ms Coles.

So how does the company plan to continue differentiating itself from competitors moving forward?

“We have been described as ‘an oasis of kindness’ on the high street and I really think that is the foundation of what we do,” said Ms Coles.

“It is very expensive to do what we do, and we will be profitable again, but it is incredibly hard work that makes this model work.

She added: “We are successful but we are not driving to be a billion-pound business. We always talk about leaving the world ‘lusher’ than we found it, and I think that is probably what we are all about, and how our success can be measured.”

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