

BEAUTYCOUNTER

# The New Beauty Standard

SOCIAL & ENVIRONMENTAL RESPONSIBILITY REPORT 2018



## Message from Gregg

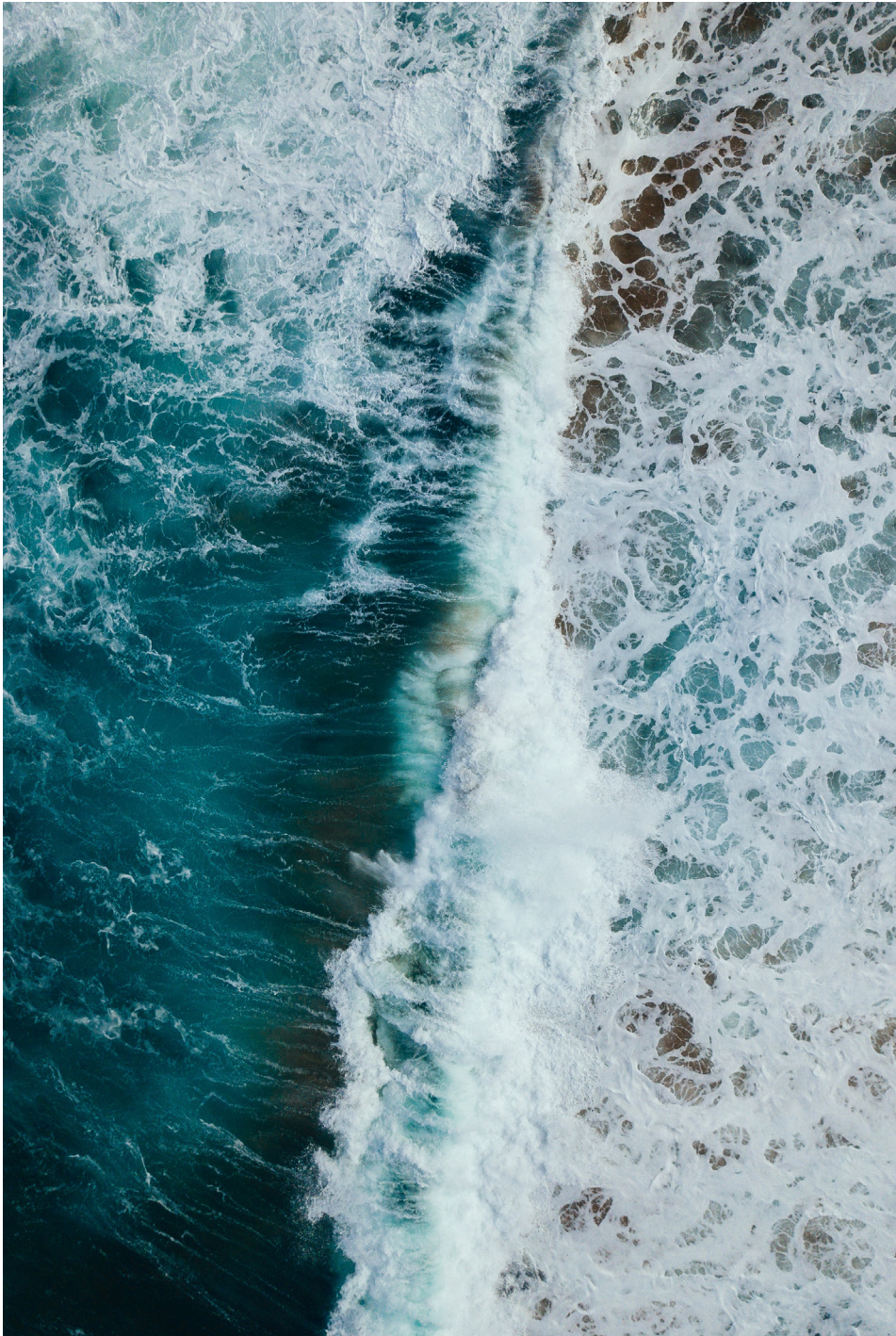
Over the past year, Beautycounter's Social & Environmental Responsibility (SER) efforts achieved a few groundbreaking moments in the company's history. Since our last SER report, we saw our highest-ever Certified B Corporation rating, received the top score in the Chemical Footprint Project survey, and officially endorsed landmark legislation to increase personal care product safety.

I am beyond pleased at the progress we continue to see year after year by taking a practical, forward-thinking approach to our SER efforts. We push ourselves to consider new and innovative ways to fulfill our mission to get safer products into the hands of everyone, while always prioritizing the health of our clients and the environment.

Creating high-performing products, packaging them beautifully, and delivering them quickly and reliably is not easy. Scaling sustainability while remaining conscious of pricing considerations is even more complicated. But our commitment to these efforts is simple. It is who we are. That commitment makes us 'counter' to the status quo, and it is what makes us acknowledge that we do not have all the answers.

It is with great pleasure that I present this year's Social & Environmental Responsibility Report. I hope that, as with everything that Beautycounter creates, this summary will inspire you to do more good.

gregg



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## Company Profile

Beautycounter is the leader in the safer skin care and cleaner cosmetics category. Based in Santa Monica, California, we are a national movement for improved transparency and accountability in the beauty industry, including advocacy to update federal regulations that have stood largely unchanged since 1938. Our mission is to get safer products into the hands of everyone. We develop and distribute nearly 130 high-performing products across skin care, color cosmetics, anti-aging, kids, baby, and personal care collections. We are a Certified B Corporation.

Founded by Gregg Renfrew in 2011, Beautycounter launched in 2013 as a direct-retail brand (direct-to-consumer through multiple channels) and is now available through more than 30,000 Consultants across North America, online at [Beautycounter.com](http://Beautycounter.com), and through strategic partnerships.



# Certified B Corporation

Beautycounter is proud to have been recently re-certified as a B Corporation with a score of 95—our highest rating ever and a 14-point jump from two years ago.

The B stands for Benefit, and it means that, unlike the traditional corporate structure, we consider people, the planet, and profits equally. We use the power of business to help solve social and environmental problems by voluntarily meeting rigorous standards of transparency, accountability, and performance. Becoming a Certified B Corporation is a difficult accomplishment, and we did it right from the very beginning.

To be certified as a B Corporation, a brand must meet high standards of social and environmental performance, accountability, and transparency. We are pleased to participate in this growing community of more than 2,000 Certified B Corps from 50 countries and over 130 industries working together toward one unifying goal: to redefine success in business.

Last year, we published our first Social & Environmental Responsibility Report, *Toward Better Beauty*, to be more transparent about our business practices. We created stricter practices and guidelines to address trace contaminants in our products. We reduced our chemical footprint, achieving the top score out of 25 businesses in the Chemical Footprint Project two years in a row. And we founded an in-house Community Expansion Department to promote the representation of everyone's voices in the movement for better beauty.

These factors contributed to our best-ever B Corporation score and we are proud to have earned our certified status for another two years.

Learn more about Beautycounter's B Corp status at <https://www.bcorporation.net/community/beautycounter>.





# What Does Transparency Mean to Beautycounter?

## SAFER PRODUCTS

We are proud to go beyond the current industry standards of transparency. For example, we share the ingredients we use to formulate our products, including all known components of fragrances that traditionally fall under the words “fragrance” or “parfum”. In our Ingredients Glossary, we list the sources of our ingredients and share whether they are naturally derived or synthetic. We also share the differences between our testing and ingredient screening processes.

## ADVOCACY

Since day one, we have decided to embody a forthright and outspoken approach in our advocacy efforts. This approach not only applies to the ways we engage politicians and lawmakers, but also to our broader community of Clients and Consultants with whom we openly share our policy positions, legislative priorities, and upcoming actions. We believe that to be successful, a company’s clients must be given the opportunity to actively participate in the social change toward which the company is working.

## EDUCATION

Transparency through education is difficult in today’s world, with an ever-growing focus on bite-sized pieces of marketing content aimed at consumers’ shorter attention spans. As a brand focused on safer products and education, we work to explain the reasons behind Beautycounter’s positions and decisions. We share all this information with our Consultants and Clients so that they may, in turn, make educated purchasing decisions.

Beautycounter always aims to educate through the sharing of information. With the amount of confusion that exists in the marketplace today about already complicated topics, it is important for us to communicate as effectively and with as much context as possible. Transparency has been one of our guiding principles since we started, and we will remain dedicated to it as we grow and continue to develop safer products for the whole family.







# What Does 'Safer' Mean to Beautycounter?

## WHAT DOES 'SAFER' MEAN TO A PURPOSE-DRIVEN SKIN CARE COMPANY?

When we started Beautycounter, we knew we had to avoid using harmful ingredients found in many common beauty products on the market. That is why we created our 5-Step Ingredient Selection Process, in which we prohibit over 1,500 ingredients from product formulations, screen ingredients for safety, and guide ingredient sourcing.

## WHAT DOES 'SAFER' MEAN IN A VIRTUALLY UNREGULATED INDUSTRY?

Since 'safer' has no official definition in the cosmetics and skin care industry, we had to define it for ourselves. To Beautycounter, 'safer' means that we do our best to choose ingredients with no known risk to health. However, there are still major data gaps regarding many cosmetics ingredients. We do not assume that the absence of data means an ingredient or chemical is safe. It simply means we don't know about its potential health impacts. So, as part of our Ingredient Selection Process, we review emerging data regularly and even occasionally commission our own non-animal studies when we are not able to gather enough information on a specific ingredient or chemical.

In addition, the nexus between safer and natural ingredients is something we explore and discuss with suppliers and clients, and we encourage other brands to do the same. In short, natural ingredients are not always safe, and synthetic ingredients are not necessarily harmful. Our goal is to create products using natural and synthetic ingredients that are healthier and safer.

# Ingredient Selection Process

Beautycounter created an Ingredient Selection Process to ensure that our customers feel confident in the safety of our products. Developing it was not simple, but understanding it is.

## STEP 1. BAN INTENTIONALLY

The Never List™ is made up of approximately 1,500 harmful or questionable ingredients we prohibit from our product formulations, including the nearly 1,400 ingredients banned in the European Union.

## STEP 2. SCREEN RIGOROUSLY

Using the best available sources, we screen every potential ingredient for information on specific hazards like cancer, developmental toxicity, hormone disruption, and infertility.

## STEP 3. LEARN CONSTANTLY

There are major data gaps on most cosmetics ingredients, so we review emerging data regularly and even occasionally commission our own studies.

## STEP 4. SOURCE RESPONSIBLY

We choose the best organic, natural, sustainable, and synthetic ingredients that meet our standards. Over 80% of the ingredients in our products are natural or plant-derived.

## STEP 5. SHARE TRANSPARENTLY

Every formula ingredient, including known components of fragrances, flavors, and intentionally added preservatives are listed on our product labels or on [Beautycounter.com](https://www.beautycounter.com).

**In August 2017, Beautycounter received the highest score among all companies that participated in the Chemical Footprint Project (CFP) survey for the second year in a row. This third-party survey verifies our use of low-hazard chemicals and ingredients.**

# Health and Safety Achievements

TO DATE

MOVING FORWARD

In August 2017, Beautycounter received the highest score among all companies that participated in the Chemical Footprint Project (CFP) survey for the second year in a row. This third-party survey verifies our use of low-hazard chemicals and ingredients.

The survey showcases how our brand’s commitment to ingredient safety and transparency is setting the standard across a variety of industry sectors, and provides a clear map for benchmarking corporate progress away from the use of hazardous chemicals and toward the use of safer alternatives. The four pillars of the CFP—Management Strategy, Chemical Inventory, Footprint Measurement, and Disclosure & Verification—enable participating companies to benchmark their progress internally and externally, and empower investors and purchasers to evaluate and hold companies accountable.

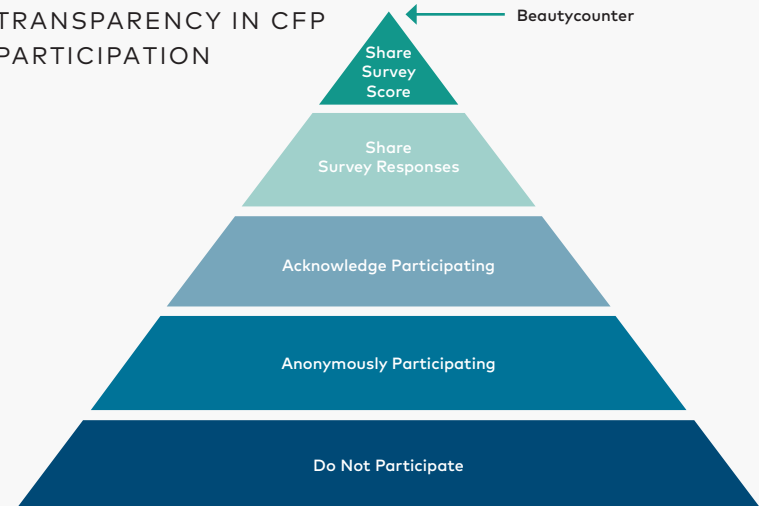
The results of the CFP survey reveal:

- Chemical footprinting is moving into the mainstream: A diverse range of companies now participate in the CFP Scorecard. This demonstrates its relevance to companies that may sell and manufacture building products and furnishings, packaging, medical devices, electronics, toys, apparel and footwear, and household and personal care products.


- Companies are quantitatively measuring their chemical footprints: With the growing demand for quantitative metrics that relate to impact, the 2017 results now provide quantitative information on metric tons of chemicals of high concern used and reduced over time. As the body of collected data grows, it will enable more rigorous analysis, benchmarking, and measurement of progress toward reducing chemical footprints.

For the second year in a row, Beautycounter received the **highest** score of companies who participated.

## LEVELS OF CORPORATE TRANSPARENCY IN CFP PARTICIPATION



**In addition to the  
1,500+ ingredients  
we prohibit from our  
product formulations,  
Beautycounter has  
screened approximately  
1,000 chemicals for  
their impact on health  
and the environment.**



# Health and Safety Achievements

TO DATE

MOVING FORWARD

There are still numerous data gaps regarding chemicals used in the cosmetics and skin care industry, both in products and packaging. To learn more, we have launched groundbreaking research programs with notable partners.

We started a partnership with Tufts University in 2017 to assess the endocrine activity of some cosmetics ingredients. Exposure at certain levels over a certain period of time to endocrine—or hormone—disrupting chemicals may lead to adverse health issues, such as pregnancy complications, certain cancers, obesity and type II diabetes mellitus. We are working with Tufts to study dozens of ingredients, both used in our formulas and in the industry at large. We plan to share these findings publicly to help shift the market toward potentially less harmful ingredients.

Further, in 2017 we collaborated with a research institute in San Antonio, Texas, to perform an extractable and leachable study of certain packaging materials and plastic resins. As we learn more, we plan to share these results with the public and other companies to help advance scientific research.

**There are still numerous data gaps regarding chemicals used in the cosmetics and skin care industry, both in products and packaging. To learn more, we have launched groundbreaking research programs with notable partners.**

# Health and Safety Achievements

TO DATE | MOVING FORWARD

Beautycounter is a Founding Member of the Environmental Working Group (EWG) VERIFIED™ program. EWG VERIFIED™ goes beyond labels and drives companies to disclose more ingredients seldom listed on product labels toward full transparency. This program is the first third-party non-toxic certification for personal care products.

As an EWG VERIFIED™ brand, we work to be transparent about every ingredient with which our products are formulated, educate consumers on product safety, and change the market so consumers may make the most informed purchasing decisions.

Among the criteria to be EWG VERIFIED™ are:

- Product must score “green” in the Skin Deep® Cosmetics Database
- Product cannot contain any ingredients on EWG’s ‘Unacceptable’ list
- Product cannot contain any ingredients on EWG’s ‘Restricted’ list that do not meet the restrictions set by authoritative bodies and industry institutions
- Product must follow standard ingredient naming guidelines
- Product label must fully disclose all ingredients, including those used in “fragrance”, a word that can encompass a mixture of several ingredients
- Product must pass initial basic microbial challenge tests to determine the product’s ability to kill or prevent the growth of microorganisms over a set period, and repeat these tests as appropriate

Please note: These are not all the criteria for a product to be EWG VERIFIED™. The full list may be found online at EWG.org/ewgverified.



BABY CALMING  
DIAPER RASH  
CREAM



CLEANSING  
BALM



COUNTERMATCH™  
ADAPTIVE  
MOISTURE LOTION





# Ingredient Sourcing, Packaging, and Environmental Footprint

Promoting a healthier environment is central to our mission. To that end, we have identified areas in which we can have the greatest impact and created long-term action plans to help minimize our negative impact on the planet. When possible, we practice sustainable ingredient sourcing and product packaging, and we work to limit our environmental footprint.

# Ingredient Sourcing

TO DATE |

MOVING FORWARD

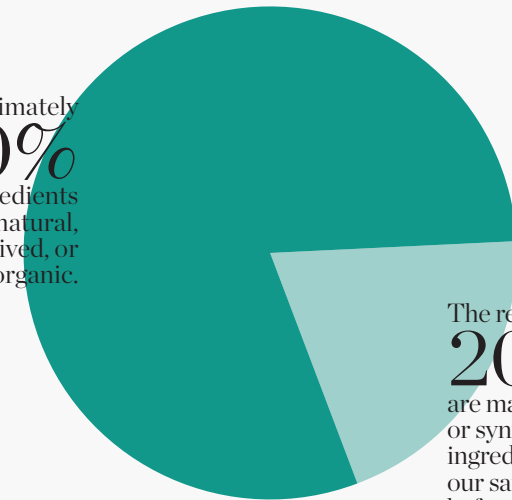
## DID YOU KNOW?

Some natural ingredients may contain unsafe contaminants, and some minerals and synthetic ingredients may be safer if they have been tested to have no known links to cancer, reproductive toxicity, hormone disruption and other health impacts.

Before you purchase a product that claims to be 'natural' or 'all-natural', check its hazard score on the EWG Skin Deep® Cosmetics Database.

Approximately 80% of our ingredients are natural, plant-derived, or certified organic. The remaining 20% are made of minerals or synthetic ingredients that passed our safety screening before they were approved for use in our formulas.

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# Ingredient Sourcing

TO DATE | MOVING FORWARD

## CERTIFIED ORGANIC INGREDIENTS AND MATERIALS

Beautycounter believes that organic farming is the better practice for agricultural products. However, many of the ingredients we need for our formulas are not available as certified organic, or price and market availability do not allow us to use only organic versions. We prioritize our organic sourcing based on:

- Potential trace contamination in the final ingredients
- The level of concern associated with growing practices
- Quantities used in our products
- Reliability of supply

To keep pesticides out of Beautycounter products, our goal is to increase our certified organic content with a focus on plant oils, as they are used in higher volumes than many other ingredients in our formulas.

We also seek to use Global Organic Textile Standard (GOTS) certified materials, which is a stringent organic labeling standard for cotton materials. GOTS certification prohibits the use of toxic heavy metals, formaldehyde, and genetically modified products in the processing and manufacturing process. In addition, printing methods using phthalates and PVC are prohibited. We aim to choose responsibly sourced products for bags, t-shirts, and other non-beauty related merchandise.

## SOURCING NON-GMO

Genetically Modified Organisms (GMOs) are plants that have been genetically altered. Effects of long-term exposure to GMOs are largely understudied and unknown, but they often require higher pesticide or herbicide use than non-modified plants. We give preference to non-GMO ingredients whenever we can. We also work to obtain certification from suppliers of the ingredients most likely to come from genetically modified soy or corn.

When formulating safer beauty products, sometimes we are faced with a choice between a known harmful ingredient or a safer alternative that may come from a genetically modified source. Given that our company's priority is always ingredient safety, in these rare instances we will choose an ingredient that may have been genetically altered. It is not ideal, but we hope this will change as the industry continues to grow.

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# Ingredient Sourcing

TO DATE

MOVING FORWARD

## ROUNDTABLE ON SUSTAINABLE PALM DERIVATIVES

Palm oil is the most used and demanded vegetable oil in the world, and it is commonly used in the cosmetics industry. It is produced on plantations, which can involve highly unsustainable practices that contribute to greenhouse gas emissions, habitat destruction, and mistreatment of workers.

When we set out to make cosmetics, we wanted to avoid palm oil for the reasons outlined above, but we discovered that sometimes it is the only safer ingredient option.

As such, our goal is to source only palm-derived ingredients that are certified by the Roundtable on Sustainable Palm Oil (RSPO). Alternatives to palm oil, such as rapeseed and soybean (vegetable) oil, may threaten the environment even more because they require more land, pesticides, and fertilizers than palm, and do not produce as much yield. We believe the best solution is to urge the palm oil industry to utilize more sustainable practices through the RSPO program.

For suppliers, achieving certification is rigorous, and they may claim their products are RSPO certified only after they have completed the member application process. Beautycounter is working with our suppliers to prioritize RSPO certification, and many of them have pledged to transition to RSPO status.

As a leader in the safer skin care and cleaner cosmetics category, our mission to get safer products into the hands of everyone means that we are committed to moving the industry forward, not only in our formulations but in the way ingredients are chosen and sourced.



# Ingredient Sourcing

TO DATE

MOVING FORWARD

## BIO-MIMIC TECHNOLOGY

At Beautycounter, we believe that nature offers the best blueprint for successful and sustainable innovations. As such, we use a scientific concept called biomimicry to formulate some of our products. By taking inspiration from nature's time-tested patterns and strategies, we achieve formulas that nourish and beautify while still being eco-friendly.

For example, the lotus plant thrives in a humid environment where other plants cannot. Its outer layer allows water droplets to sit as spheres on the leaves and petals, allowing the plant to absorb just what it needs to maintain equilibrium. We used this 'lotus effect' when formulating mascaras and new lipsticks to deliver both long-lasting and moisturizing benefits.

Beautycounter's innovative Countermatch collection takes inspiration from skin by matching its structure and functions, giving it precisely the nourishment it needs and nothing it doesn't. It also allows products to adjust hydration levels throughout the day to keep skin within the optimal hydration zone. All formulations are free of harmful preservatives, and the unique packaging of our Eye Rescue Cream and Adaptive Moisture Lotion allow them to maintain freshness. These airless pump bottles allow us to use a different and innovative preservative system and reduce the interaction between air and the product.



**Nature is ever-adapting and evolving. By being attuned to the world around us, we aim to harness the secrets of our surroundings to lead the industry in innovation.**



# Ingredient Sourcing

TO DATE

MOVING FORWARD

## BIO-MIMIC TECHNOLOGY (CONT.)

We used biomimicry in our new One-Step Makeup Remover Wipes as well. The wipes are the result of a years-long effort to create an on-the-go cleanser that is both high-performing and sustainable. This past year, we made a breakthrough by introducing makeup remover wipes that are made of 100% wood pulp cellulose with the cleanser made from 95% plant-derived ingredients. The cleansing agent is derived from apple amino acids and the formula is entirely cold process which means that it is energy efficient.

Our goal with the wipes is to ensure that they not only dissolve makeup, dirt, and impurities but also do not add to Earth's growing landfills. Taking inspiration from nature, we aimed to achieve a sustainable system where a 'waste' product could be turned into a resource through composting. Our testing shows that not only are the makeup remover wipes effective at cleansing, but they are also biodegradable in a home compost environment.

Nature is ever-adapting and evolving. By being attuned to the world around us, we aim to harness the secrets of our surroundings to lead the industry in innovation. We believe that biomimicry is the future of safer, less-harmful product design, and we are proud to lead the way with our new product formulations.



## DID YOU KNOW?

You can use the recycle search on [earth911.com](http://earth911.com) to check recyclability. We aim to source packaging that is recycled in most major U.S. cities.

# Packaging Selection

TO DATE | MOVING FORWARD

## PACKAGING SELECTION PROCESS

As Beautycounter does with formula ingredients, we also maintain a Packaging Material Restricted Substance List (RSL): Think of this as The Never List™ for our packaging materials.

This list defines materials as approved, not preferable or needs approval, or prohibited from use in our products. Our Packaging Development Team refers to this when sourcing, designing, and selecting packaging options. Despite our efforts, the complexities of the packaging material supply chain can result in a lack of traceability, high levels of trade secrecy, and the reluctance of suppliers to disclose proprietary information. We took this challenge and made it into a solution. In 2017, we collaborated with a research institute in San Antonio, Texas, to perform an extractable and leachable study of certain packaging materials and plastic resins.

The results of the study shed light on an industry that provides little visibility on the chemical composition of materials. For Beautycounter, the results provide guidance for the selection of packaging materials for our products. Our 360° approach to sustainability means that we will work to match the screening of packaging to the standard of safety in our formulations.

# Packaging Selection

TO DATE

MOVING FORWARD

## LIFE CYCLE ASSESSMENTS

Beautycounter uses a Life Cycle Assessment tool called Compass (Comparative Packaging Assessment) to calculate the cradle-to-grave impact of the majority of our packaging materials.

Compass provides data on packaging scenarios that help inform sustainable package decisions and lessen the company's environmental footprint.

They account for the following processes:

1. Extraction and processing of raw materials
2. Manufacturing
3. Transportation and distribution
4. Use (and reuse)
5. End of life

The metrics that are used for assessment include:

- Fossil fuel consumption
- Water consumption
- Biotic resource consumption
- Mineral consumption
- GHG emission
- Clean production: human impacts
- Clean production: aquatic toxicity
- Eutrophication

The information provided is based on industry standards and practices. The tool can be used to evaluate design alternatives, calculate total environmental impacts, and make better packaging decisions.

LCAs allow us to compare packaging choices and consider a wide range of factors, including material safety, recyclability, and carbon footprint. For example, Beautycounter uses LCAs to help us understand the trade-offs between using glass and other materials. We know that glass is a preferred material because it is not made with toxic ingredients and is easy to recycle. However, shipping and producing glass results in carbon emissions. By utilizing LCAs, we can compare the overall carbon footprint of different packaging options before making key shipping decisions. Further, we can assess the global environmental impacts of different types of packaging, including water and energy consumption, greenhouse gas emissions, and water toxicity.

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# Packaging Selection

TO DATE

MOVING FORWARD

We go to great lengths when choosing our product packaging. For example, we restrict polyvinyl chloride (PVC)—a plasticizer with phthalates—and bisphenol A (BPA) and opt for glass, paper, and safer plastic materials.

Choosing more sustainable packaging materials can be complex. Sometimes packaging that is better for the environment can have a hidden ecological footprint, making the comparison to standard options more complicated. For example, bio-based plastics (or bioplastics) were once hailed as a sustainable alternative to traditional fossil fuel-based plastics.

However, there are hidden costs to bioplastics as well. To be labeled a bioplastic, a material only needs to be composed of 20% renewable materials, with the remaining 80% based on fossil fuel-derived substances. Moreover, the majority of bioplastics is made from genetically modified corn, which requires higher levels of herbicides and displaces the cultivation of other food crops, resulting in an agricultural monoculture.

We endeavor to take these challenges head-on when assessing packaging sustainability and choosing the best option on the market where possible, while pushing the industry for better alternatives.

## PACKAGING AND RECYCLABILITY

The majority of our product packaging, including all of our secondary packaging and shipping materials, is recyclable in many communities in North America. We list all primary packaging information on our product web pages. As the capabilities of recycling facilities vary, we encourage our Consultants and Clients to check their local recycling programs.

We are working to reduce our packaging over time and we thank you for being patient with us as we move through this process.

## PAPER BOXES

100% of all our paper packaging is Forest Stewardship Council (FSC) certified. The FSC sets the gold standard for forest-sourced products and independently certifies that these standards have been met. FSC certification gives customers the option to choose products like paper and wood that have been sourced in an eco-friendly, socially responsible, and economically viable manner. We are proud to source only FSC certified paper packaging.

More and more, consumers are concerned with the origins of the paper products they buy and want to make responsible choices. For businesses that use forest products, FSC certification indicates that you care about the origin of your products and their impact on the world.

## GLASS BOTTLES

Glass is one of the safest packaging materials on the market and is easily recycled in many cities. We are proud to use glass bottles for many of our products, including our face and body oils. By mid-2018, for products packaged in glass bottles, Beautycounter will only use glass made in North America.

# Environmental Footprint

TO DATE

MOVING FORWARD

Beautycounter is committed to neutralizing our carbon footprint not only in the production and distribution of our products, but closer to home as well. With a move to our new corporate headquarters in Santa Monica this year, we are continuing the eco-friendly initiatives we have engaged in since day one, such as purchasing non-toxic cleaners and recyclable products, composting, and providing public transportation benefits for employees.

In addition, we are partnering with the Center for Environmental Health to source furniture that is free of certain toxic chemicals. By purchasing flame retardant-free furniture, we protect the health of our employees and visitors from the endocrine-disruptive and neurotoxic effects of flame retardant chemicals used to treat furniture.



# Environmental Footprint

TO DATE

MOVING FORWARD



## CARBON FUND

In partnership with the non-profit CarbonFund.org, we purchased the equivalent of 211 metric tons of CO<sub>2</sub> emissions in carbon offsets to match 100% of our 2017 business air travel and corporate headquarters emissions.

A carbon offset is a credit for greenhouse gas reductions that can ‘offset’ the emissions created by a business or individual. An example of a carbon offset is a reforestation project that absorbs carbon dioxide from the atmosphere. Carbon offsets like these support small and medium scale reforestation projects throughout the U.S. For example, the Carbon Fund has worked with hundreds of landowners throughout the US—including Texas, Illinois, and Michigan—to sequester over 500,000 metric tons of carbon dioxide emissions.

Additionally, we have been working with the Carbon Fund to offset the carbon footprint of our major events, including Leadership Summits and incentive trips for our Independent Consultants.

We also purchased 76 Renewable Energy Certificates to match 100% of our 2017 headquarters energy consumption. The certificates support the development of clean renewable energy.

To date, we have offset 4,259 metric tons, which is the equivalent of planting 14,200 trees.



## WATER CONSERVATION

Beautycounter partnered with a leading water restoration organization, the Bonneville Environmental Foundation (BEF), to work on offsetting our water footprint. We purchased 257 Water Restoration Certificates, thereby offsetting 120% of our 2017 office water usage. In doing so, we restored nearly 260,000 gallons of water to critically dewatered streams.

Our Water Restoration Credits supported the Colorado Delta Base Flow Project. The Colorado River Delta, one of North America’s great desert ecosystems, at one time provided millions of acres of freshwater and wetland habitat to hundreds of fish and wildlife species. BEF, working with Pronatura Noroeste, the Colorado River Delta Water Trust, and National Geographic supports a series of base flow restoration projects that restore over a billion gallons of water during the dry summer months to help native vegetation and habitation throughout the delta.

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# Community Expansion

TO DATE

MOVING FORWARD

From our inception, Beautycounter has endeavored to build community. In fact, that aim is fused into the mission itself: We work to get safer products into the hands of everyone. This goal is based on the fundamental notion that everyone, different as we all may be, values many of the same things – our health, the safety of our loved ones, and the freedom to make informed choices. When we recognize our commonalities and appreciate our differences we can change the world.

To us, the word ‘inclusion’ is more than a catchphrase. We seek to be inclusive in all we do: This involves building diverse teams and a supportive work environment at our headquarters and within our field of Consultants, creating culturally relevant imagery and product offerings within the Beautycounter portfolio, and fostering relationships in the community that connect us with individuals of all backgrounds.

Our commitment to community expansion continues to grow year-over-year. In the past 12 months, Beautycounter has established an internal working group of HQ associates to address a community expansion strategy, created a dedicated Community Expansion Department within the Office of the CEO tasked with driving increased inclusivity across the company, and assembled a Women of Color Task Force that is comprised of selected members of the Consultant field to ensure we continue to reach out and support the needs of that market authentically. A few of the results of these efforts include a repository of collateral, assets, and products that ensures that all women see themselves in our materials and have access to safer color cosmetics.

While we are proud of the progress we have made so far, we also look forward to the opportunities ahead. Each step that we take, and each person we reach brings us that much closer to everyone.

# Community Expansion

TO DATE

MOVING FORWARD

MAY 2017

## Leadership Summit

Founder & CEO Gregg Renfrew addresses 2,000+ Summit attendees, committing to the continued expansion of the Counter Brands community.

JULY 2017

## Community Expansion Advisory Group (CEAG) Formed

The Office of the CEO hosts the first off-site meeting with external advisors to discuss alignment on strategy, positioning, and prioritization of community expansion initiatives. The CEAG includes internal associates, along with external advisors, and serves to provide guidance to all aspects of Counter Brands' community expansion efforts.

AUGUST-  
OCTOBER 2017

Beautycounter holds cross-functional strategy discussions regarding the women of color initiative with key stakeholders.

OCTOBER 2017

## All-Company Quarterly Off-Site

Neil Phillips, Advisor on the CEAG and founder of the non-profit, Visible Men, joins the company at its quarterly, full-staff meeting, delivering his "Inside Diversity" address to all associates.

MARCH 2018

## Shade Range Extension

Beautycounter extends the Tint Skin line, beginning with two deeper shades, Cocoa and Espresso.

JUNE 2017

## Working Group Established

Immediately following LS '17, Beautycounter forms an interim, cross-functional group of HQ associates to focus on community expansion strategy and prioritization.

AUGUST 2017

## Beautycounter Creates Community Expansion Department

Gregg announces the creation of a new sub-department within the Office of the CEO, Community Expansion, tasked with driving increased inclusivity and expansion efforts at all levels across the company. The first dedicated Community Expansion role is created and the position is filled with an internal promotion.

## Women of Color Task Force Assembled

The CEAG, in coordination with the Beautycounter Sales Team, forms the Women of Color Task Force. Similar to the various other task forces initiated by the company, it is comprised of selected members of the Consultant Field, and engages with HQ regarding various projects.

SEPTEMBER 2017

## Biltmore Incentive Trip

Gregg delivers "Our Focus on Community Expansion" address to Incentive achievers.

DECEMBER 2017

## Beautycounter Releases Updated Field Support Materials

The Sales, Creative, and Marketing Teams ramp up development of materials and assets to support historically under-represented Field members.

SPRING 2018

Beautycounter grows our in-house team, including the hiring of a VP of Corporate Communications and Community Expansion.



# Giving Back

TO DATE | MOVING FORWARD

Giving back is central to who we are at Beautycounter. We have generously donated to trusted non-profit partners since day one. We carefully select leaders that are aligned with our mission and support these organizations throughout the year.

To date, Beautycounter has made over \$1.7 million in cash and product donations to the organizations listed on this page. We will continue to dovetail our company's work with supporting organizations that stand up for protecting public health, advancing scientific research, advocating for women's empowerment, and preventing cancer.



THE GIRL EFFECT

COACH  ART



ewg

bc  
pp Breast  
Cancer  
Prevention  
Partners



environmental  
defence  
INSPIRING CHANGE

LIPSTICK ANGELS 



GOOD+  
FOUNDATION

Children's  
Hospital  
LOS ANGELES 

  
CANCER SUPPORT  
COMMUNITY.

# Advocacy Achievements

TO DATE

MOVING FORWARD

When Beautycounter began working on cosmetics reform nearly five years ago, consumer awareness of this issue was virtually nonexistent. Since then, by giving our Consultants information to educate friends, family, and clients about the need to update regulations governing personal care products, we have created the cultural climate that laid the foundations for current political action.

In March 2018, we celebrated our five-year anniversary by bringing 100 Consultants from all 50 states to lobby on Capitol Hill in Washington, D.C. Concurrently, more than 1,400 Consultants held over 250 meetings with Members of Congress and Members of Parliament across the U.S. and Canada, advocating for updates to each country's laws governing personal care products.

Beautycounter's efforts at both the federal and state levels are creating measurable change in our laws. In October 2017, California passed landmark legislation requiring manufacturers to disclose cleaning product ingredients for the first time. Beautycounter Consultants, Clients, and staff played an important role in raising the issue's profile by making calls to the governor's office, thus pushing the bill across the finish line.

We are proud to be the leading company advocating for more health-protective legislation across North America. But we know that in order to win meaningful policy reform, we need more like-minded businesses to join our efforts. To that end, in August 2017 in Washington, D.C., Beautycounter founded and launched the Counteract Coalition, a collective of clean skin care and beauty companies that want more health-protective laws. The coalition provides an opportunity for us to lock arms, amplify our work, and effect meaningful change.



# Advocacy Achievements

TO DATE

MOVING FORWARD

As Beautycounter enters our third year of expanding into Canada, our advocacy efforts continue to grow. 2018 marks an important year as the Canadian Environmental Protection Act (CEPA), Canada's primary environmental law, undergoes reform. Beautycounter has partnered with Environmental Defence, our trusted non-profit partner, to ensure that CEPA is passed with health-protective provisions specific to personal care products.

The tide is turning as consumers demand transparency and safer products. Beautycounter will continue to advocate for laws that put consumers first, utilizing the power of our Consultants and Clients to transform an outdated industry and realize our mission of getting safer products into the hands of everyone.

You can join us in this mission today by texting "BetterBeauty" to 52886. We will then send you a link to email your Members of Congress, asking them to take action on harmful ingredients commonly used in the personal care industry.



**Text "BetterBeauty"  
to 52886 to urge  
Congress to pass more  
health-protective  
personal care laws.**

# Advocacy Achievements

TO DATE

MOVING FORWARD

<p>NOVEMBER 2014 First trip to D.C.</p>	<p>JUNE 2015 Introduction of the Personal Care Products Safety Act (S.1014).</p>	<p>NOVEMBER 2015 Beautycounter's first Congressional Briefing.</p>	<p>SEPTEMBER 2016 First hearing on cosmetics safety since 1974.</p>	<p>MAY 2017 Re-introduction of the Personal Care Products Safety Act (S.1113).</p>	<p>OCTOBER 2017 Beautycounter supports the passage of the Cleaning Products Right to Know Act in California.</p>	<p>MARCH 2018 Second D.C. incentive trip with more than 100 meetings on Capitol Hill. Concurrently, hundreds of District Meetings were held across North America.</p>
<p>MARCH 4, 2015 Thousands of phone calls during March Forth anniversary celebration.</p>	<p>JULY 2015 Beautycounter helps pass the Toxic-Free Kids Act in Oregon.</p>	<p>JANUARY 2016 Beautycounter introduces text action at socials.</p>	<p>MAY 2016 First D.C. incentive trip for Consultants.</p>	<p>MARCH 2017 More than 75 district meetings held across the U.S. and Canada.</p>	<p>SEPTEMBER 2017 Beautycounter launches the Counteract Coalition, a collective of clean beauty brands pushing for product safety reform.</p>	<p>DECEMBER 2017 Submission of comments to the Canadian government urging for the restriction of phthalates used in personal care products.</p>



**Over the past five years, our Consultants and Clients have made more than 6,000 calls, sent more than 80,000 emails, and attended more than 1,000 meetings with lawmakers.**

BEAUTYCOUNTER

We're more than a beauty company.  
We're a movement.