

**Kathy Elsesser:** Hi everyone. And welcome to Talks at GS. I am super excited to be joined today by Gregg Renfrew, the founder and CEO of Beautycounter. Gregg, thank you so much for being here. It's great to see you.

**Gregg Renfrew:** Great to see you as well and thanks for having me.

**Kathy Elsesser:** Let's start with your real entrepreneurial journey. Because many people may not know that Beautycounter is not your first adventure. You actually started a cleaning business back on Nantucket. And you also started something called The Wedding List. And The Wedding List was really ahead of its time - bringing together e-commerce and a wedding registry. So, what is it about you, do you think, that has encouraged that entrepreneurial spark?

**Gregg Renfrew:** That's a good question. You know, I think I've always been entrepreneurial. From the earliest days, my parents always instilled in me that you could provide solutions to problems. They always wanted me to be able to stand on my own two feet and be financially independent. And I think that I've always had a knack of seeing things that are emerging or, you know, imagine the possibility of what could become something interesting later on and trying to provide solutions for things. So yes, it's been part of my DNA since for as long as I can remember.

**Kathy Elsesser:** So, let's talk about Beautycounter. It's unique in a number of ways. You have a laser-like focus on ingredients. So, I said you make clean products. Can you talk a little bit about why you took that approach and what you call The Never List?

**Gregg Renfrew:** So, the Beautycounter journey began for me back in 2006 when I watched *An Inconvenient Truth*. I became extremely impassioned with the environmental health movement. And subsequent to that, and I'm sure every single person on this call listening will recognize this, I watched so many people that I love being diagnosed with different types of cancer in their early thirties, struggling with fertility issues, giving birth to kids with significant health issues. And I started to wonder, what is going so wrong with the earth? And what's going on wrong with human health? And I could point to in both scenarios our exposure to toxic chemicals. And with that knowledge began to make a lot of changes in my life. Was switching out my household cleaning products. Getting rid of my

nonstick pans. If you haven't done that, please do so. Switching from plastic to glass. And all of those things were pretty easy for me to do.

But when it came to skincare and color cosmetic products, there were no products on the market that met my needs. You had all the incumbent, all the traditional brands that we've all known and loved. And again, by the way, because I'm sure there are a lot of men on this call, this is as much about your deodorant, your shaving cream, your sunscreen as it is about my lipstick or body lotion. But I would see all those brands for the mass markets up until the luxury market. And they were all filled with all these chemicals that I knew were linked to those health issues I previously mentioned.

And then on the other end of the spectrum there were very earth friendly, natural, eco brands. But they didn't work very well. They weren't performance driven. They weren't trend driven. They weren't commercially viable in my opinion. And so, I started Beautycounter really with a desire to make the world healthier and safer for all. And our mission has been to get safer products into the hands of everyone because we believe that, you know, that that's really important for our health.

**Kathy Elsesser:** I think a lot of people believe or have a notion that the beauty industry is regulated. And in fact, it's not. So, can you talk a little bit about your perspective on that? As well as how you have approached Washington around some of these issues?

**Gregg Renfrew:** So, the beauty industry is on a whole is completely self-regulated. And most people don't understand that. And basically, if you look at our \$62+ billion industry, it's governed by one and a half pages of legislation. They date back to the Federal Food, Drug and Cosmetics Act of 1938. Subsequent to FDR passing that bill, that act, we've introduced tens of thousands of chemicals, over 80,000 chemicals into commerce. And less than 10 percent of them have been tested for safety on human health. There are about 10,000 to 12,000 chemicals commonly used in personal care products. And unfortunately, with the regulation that we have today, the FDA is not screening those chemicals for safety. Nor are they able to recall products when those chemicals are known to cause harm to health.

And so, for us, we've really been focusing on both the state and federal level on cosmetic reform because we believe that having

access to safe products should be your right as a citizen of the United States. And we also have the same feeling up in Canada.

And for clarification for those who are new to this issue, the EU banned or restricted 1,400 ingredients well over a decade ago. The United States has only banned 30 to date. And so, when you asked earlier about our never list, we've created our own list because no one else was setting the standards. And we said these are a list of ingredients that we choose never to formulate with because those ingredients are linked to significant health issues.

**Kathy Elsesser:** And as you talk about the health issues and the need for that self governance, ESG has also become sort of the self-governing mandate by many, many companies, both private and public. How do you incorporate sustainability into Beautycounter?

**Gregg Renfrew:** When we look at things like our definition of clean as a company, we have a holistic approach to clean which is inclusive of, you know, what is our carbon footprint? Do we have supply chain transparency? Are we creating systemic change? Are chemicals of concern being put in our products? Are the packages that we use, you know, recyclable?

So, we look at it from a holistic standpoint and we go well beyond the industry definition of clean. And we think that the consumer today is rewarding companies for doing that, for actually taking those extra steps and incorporating it into everything they do, not just as a sort of marketing program off to the side.

**Kathy Elsesser:** And you obviously have a really clear definition of what you want your products to do and how you want or organization to function and what you want the priorities to be. Could you talk a little bit about Beautycounter's culture and how you try to instill the most important values into your employee base?

**Gregg Renfrew:** You know, we really try to focus on our mission. We try to instill the values of transparency, of thoughtfulness, of being forward thinking. When we say thoughtful, we mean looking holistically at issues. We've spent a lot of times, especially in the past year, leaning into our teams to try to understand how are you doing? You know, how are you doing emotionally? How is the workload? How can we best support you?

I believe wholeheartedly in servant leadership. And I believe that if you are as invested in your team's success as you are in your own, you will be far more successful. But look, I mean, I would be lying if I didn't say we had our own challenges culturally. And, you know, I really mean it when I say the workload is relentless for high-growth companies. So, for those that are on the investing, looking at black and white numbers on a page side of things, remember that there are real people trying to drive to those numbers. And it ain't easy. Let me tell you.

**Kathy Elsesser:** So, when we think about the crazy growth rate of Beautycounter, you know, you kind of came onto the scene and it wasn't as if there weren't enormous well-entrenched beauty players out there. How did you make inroads? Did you ever hear from the competition? Do you think they took you seriously? I'm sure they do now. But talk a little bit about the early days of your journey?

**Gregg Renfrew:** Well, they certainly take me a lot more seriously now than they did, you know, ten years ago or seven and a half years ago when we launched. I think that we always wanted to create a brand and we also wanted to create a movement. You know? For me, it was, I'm not a beauty junky. I mean, I've never even really been into wearing makeup. For me it was a mission. It was I wanted to make the world safer and healthier. And so, how do I do that? How do I leverage all the tools available to me today to meet the needs of today's consumer? But also, to transform an antiquated industry?

And I think wherever you see deeply rooted incumbents, it's always ripe with opportunity. And disruption is always right around the corner. And we're all enjoying that right now post COVID as the world's shifted. And so, this is an incredible moment in time to look at where things are going.

I think that we looked at, you know, first of all, what was emerging. And we looked at where the consumer market was going. And knowing that there was this emergence of gig economy, there was emergence of peer to peer selling, the power of storytelling and authenticity. And so, we were able to leverage that. We decided to have an omni channel approach that at the center was a community of women and men who are deeply passionate about this cause. And we really started kind of an underground conversation, knowing by the way, that department store and specialty store distribution of beauty products was waning. Knowing that the incumbents control the shelves. And they, by

the way, didn't want the story of safe ingredients out there. We were able to build groundswell while meeting the needs of our consumers through our stores and our website.

And all of the sudden we emerged as a force to be reckoned with. And I think that everyone knew it was going to come at some point. I think we just snuck up on them. And we did it in a way that really did use the power of storytelling and social and social networks to build momentum.

**Kathy Elsesser:** So, as you talk about disruption, you still opened your own retail store back in, I think it was 2018, was your first one in New York City. And you've got two more. One actually opened during the pandemic. What drove you to do that? What do you think the customer was looking for? What need were you trying to meet by opening those retail locations?

**Gregg Renfrew:** I think the intersection between community and content and commerce is critically important. And having a place to belong, a place to go, a place that feels like home, to be able to take your brand and fully allow a consumer to immerse themselves in this space because your brand is really important.

With that said, I think we've always tried to do things a little bit different. I mean, we added community focus to our stores. When we launched our Abbot Kinney store during COVID, I mean, first we were like, "Oh shoot, okay, we're locked into this lease, okay, what are we going to do?" And then we started looking at what was happening in Asia and this emergence of this shoppable content and live streaming. And we thought, wow, how do we now define the future of commerce? And so, we incorporated the content studio which we're now retrofitting our other stores to have so that we can actually reach a very broad audience, create live stream shopping right out of our stores. So that it's a new type of experience. And I think the stores of the future-- you know, people are still going to want to go and physically touch and feel product. But they also want to be able to broadcast out. And this allows us to have influencers, our community of sellers, and our corporate team broadcasting out to everyone, having interesting conversations and, you know, doing product drops. And it's been really interesting to see how that is working.

**Kathy Elsesser:** And speaking of expansion, you decided to move into the men's market with Counterman. So, talk a little bit about that. Why? And how is it different addressing this audience than maybe your traditional female audience?

**Gregg Renfrew:** Well, first of all, I think that we've always wanted to be head to toe. We felt that if you look in those that claim to be clean, and certainly certain of those companies are absolutely clean, but it was always, "We're a clean makeup brand, or a clean skincare brand." But we really wanted a comprehensive collection that met the needs of a woman and her whole family. So, first and foremost, that was critically important.

By the way, men are being hit by this just as hard as women. To think that this is a women's health issue is just totally crazy. And so, you know, we need to protect the men in our lives as much as we need to protect our women and our children. And although, you know, there are days during COVID that I don't know why I'm protecting the men in my life. But we're making it through. But I think in general, you know, you need to know that the deodorant you're wearing, that the sunscreen you're wearing, that the cream that you put on your body or, you know, your shave cream, that these things actually impact your health. Your skin is your largest organ. And to not provide a solution for men, we felt was, you know, was doing them a great disservice. So, that's why. That's why. Because all of the women who had been part of our community said, "Please create some products for men. They need them too." And you know, I have a son and I want to make sure he grows up healthy and is able to have children some day and lives a long, healthy life. Don't we all want that for our partners, our husbands, our brothers and sons? I think we do. Fathers. So, that's why.

**Kathy Elsesser:** So, you have your e-commerce. You have men's, you have women, you have a couple of your own retail stores in order to make sure you're having that full experience. You've also done some partnerships with very select group of people like a Sephora or a Target. I should say retailers. Was that a way to acquire customers? Was that a way to get the brand out? Give us a little sense for the background of those types of partnerships.

**Gregg Renfrew:** You know, we've been fortunate enough that a number of companies have approached us over the years. And we've always looked at it as how do we best serve our mission? Our mission is to get safer products into the hands of everyone. Not necessarily Beautycounter products.

So, in partnership with those retailers we were able to help them, educate them on safer ingredients, help them navigate

these murky waters that they're living in as well. It's an opportunity for us to acquire new customers, to support our community of independent sellers by validating in the market. You know, I always say it's like when you're dealing with your children and you're trying to tell them something and they don't listen to you because, you know, they don't think you're cool. And then the cool kid says that thing that you just said was really interesting or important and they start to listen. It's the same way that we felt about external validation. So, it's mission serving, it's brand awareness, it's reaching new customers. And it's been really successful for us.

**Kathy Elsesser:** And as the few times that you take a pause and you think about where Beautycounter is, if somebody was about to launch their own business, what, maybe two or three, lessons would you say, "Okay, here's things I learned along the way that you could be the beneficiary of"? What would you tell them?

**Gregg Renfrew:** I'd probably tell them not to do it. I'm always like, "Okay, just know what you're getting into." I love when people think about entrepreneurs, "Oh, you have this flexibility." And I'm like, no, overnight success as an entrepreneur is ten years of 24/7. That's overnight success. So, I think people need to know what they're signing up for.

But I think all joking aside, I think that there are several things that I've learned. One, I think, is more specific to women, but I think it can be applied to women and men, which is that you genuinely have got this. And if you feel in your heart that there is something that you're incredibly passionate about that provides a solution in the marketplace, don't wait for external validation or think that you need to depend on others to achieve your goals. You just need to go for it. And you just need to be willing to work really, really hard, to be extremely resourceful and resilient, and to stay the course.

**Kathy Elsesser:** And so, if you were to share with us your superpowers? Clearly a visionary. Clearly ahead of her time. What else would you say are the things that really help you and motivate you on a daily basis?

**Gregg Renfrew:** Well, I think that I am relentless in my commitment to my mission. That I really, genuinely, and authentically care deeply about the issues that we face as a nation, and specific around health and wellness. And so, I dedicate my life to this because it is important, and it

matters. So, I just think I do enjoy the front facing part of it. And I think I'm pretty good at it. Not perfect. But pretty good.

**Kathy Elsesser:** Well, on that note, we really appreciate your time Gregg. And we wish you continued success. And we appreciate you taking time to be here with Talks at GS.

**Gregg Renfrew:** Thanks for having me. It's great to be here.

*This transcript should not be copied, distributed, published or reproduced, in whole or in part, or disclosed by any recipient to any other person. The information contained in this transcript does not constitute a recommendation from any Goldman Sachs entity to the recipient. Neither Goldman Sachs nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this transcript and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. The views expressed in this transcript are not necessarily those of Goldman Sachs, and Goldman Sachs is not providing any financial, economic, legal, accounting or tax advice or recommendations in this transcript. In addition, the receipt of this transcript by any recipient is not to be taken as constituting the giving of investment advice by Goldman Sachs to that recipient, nor to constitute such person a client of any Goldman Sachs entity.*

*This transcript is provided in conjunction with the associated video/audio content for convenience. The content of this transcript may differ from the associated video/audio, please consult the original content as the definitive source. Goldman Sachs is not responsible for any errors in the transcript.*