

# RESPONSIBLE SOURCING POLICY

## OVERVIEW

At e.l.f. Beauty, Inc. ("e.l.f." or the "Company"), all of our products are manufactured by third-party suppliers, primarily in China. We are committed to ethical sourcing practices and being responsible stewards of our environment. By standing with every eye, lip, face and paw, we are committed to creating a culture internally—and in the world around us—where all individuals are encouraged to express their truest selves, are empowered to succeed, and where we strive to do the right thing for people, the planet and our furry friends. We expect our suppliers to uphold our principles and values when providing products and services to our Company.

## PROGRAMS AND PRACTICES

***we evaluate the sustainability performance of our third-party suppliers.***

We use the EcoVadis certification program to evaluate and monitor the sustainability performance of our third-party suppliers. EcoVadis 360° ESG assessments evaluate environmental and social performance of our suppliers based on four key areas:

- Environment,
- Labor and Human Rights,
- Ethics, and
- Sustainable Procurement.

As of FY 2024, 45 of our suppliers have completed assessments, covering 95% of our annual direct spending on finished goods and packaging. Our suppliers average score in FY 2024 was approximately 19% higher than the overall Ecovadis average (across 100,000 global suppliers), and we saw a 4% year-over-year improvement in our suppliers' average score relative to last year. Based on these assessments, we are partnering with our suppliers to prioritize actions and processes to ensure continuous improvement.

***Proud to be first in beauty with Fair Trade Certified™ production, with >85% of our product Fair Trade Certified™.***

In 2022, we became the first company in the beauty industry to have a third-party manufacturing facility Fair Trade Certified™. This was the culmination of a two-year effort where e.l.f. Beauty and Fair Trade USA™ partnered to create and implement an innovative new framework extending fair trade certification to beauty industry facilities. We have since expanded this program to certify additional facilities, including the first

Fair Trade Certified™ cosmetic brush manufacturing facility. Today, over 900 of our SKUs, representing more than 85% of our product volume, are produced in Fair Trade Certified™ facilities.

Fair Trade USA™ is a nonprofit organization that offers globally recognized sustainable sourcing certification programs. A Fair Trade Certified™ seal on a product signifies that it was made according to rigorous fair trade standards that promote sustainable livelihoods and safe working conditions for factory employees, protection of the environment and transparent supply chains. To achieve certification, facilities are required to pass audits and demonstrate adherence to over 100 compliance criteria that cover social responsibility, environmental responsibility, empowerment and economic development. Facilities must pass a stringent annual re-certification, which includes plans for continuous improvement.

### ***we are committed to responsibly sourcing sensitive ingredients and materials.***

Recognizing that the production of mica derivatives, palm oil derivatives, and paper and wood-based components can impact human rights and the environment, we are focused on ensuring that our procurement practices directly address these challenges. We have established robust goals related to mica and palm-based ingredients, as well as forest-based materials, and are working to achieve these.

- **Mica.** We are committed to ensuring that 100% of our mica is responsibly sourced, either through Responsible Mica Initiative (RMI) members in India or through supplier documentation of standards for other countries. In FY 2024, approximately 30% of the mica purchased by our suppliers for use in our products was sourced from India. All of this Indian mica was and continues to be sourced through RMI members who are committed to that organization's rigorous standards to enable a responsible and sustainable mica supply chain in India free of child labor. Our suppliers source the remaining 70% of mica for our products from other countries, primarily China. For this supply, we require documentation of fair labor standards through the supply chain.
- **Palm Oil.** We are working to ensure that any palm derivatives purchased by our suppliers are from sources certified by the Roundtable for Sustainable Palm Oil Sourcing (RSPO). RSPO is a global, non-profit organization focused on bringing together stakeholders across the palm oil supply chain to develop and implement global standards for sustainable palm oil. We seek for palm derivatives sourced for use in our new products to be RSPO-certified and we are transitioning existing products with palm derivatives to RSPO-certified sources. In FY 2024, the rate of RSPO-certified palm oil procurement was 75%<sup>1</sup>. This is up from 50% in FY 2023 and reflects meaningful progress towards our goal to achieve 100% RSPO-certified palm oil procurement by FY 2027.<sup>[1] SEP</sup>

- **Forest Materials.** We are increasing the amount of our packaging that is sustainably sourced. A focus area is the use of Forest Stewardship Council (FSC)-certified packaging materials. Forest Stewardship Council™ certification is a globally recognized standard that ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. We have set a goal for our paper cartons be 100% FSC-certified across all of our brands by the end of our FY 2025, as compared to 75% of our paper cartons being FSC-certified in FY 2023. We also expanded our FSC-certified commitment to include our cosmetic brushes, introducing a new goal for 100% of our wood brush handles to be FSC-certified by the end of FY 2025, as compared to <1% of our wood brush handles being FSC-certified in FY 2023. With e.l.f. Cosmetics' #1 position in brushes in the U.S. mass cosmetics category, we're proud to have a goal of 100% FSC-certification. By choosing products with the FSC label, consumers can be sure that the items they purchase have not been manufactured at the expense of the forest, or the animals, plants and people who rely on it. When consumers purchase FSC-certified products, they are directly supporting responsible forest management.

## OVERSIGHT

This Policy applies worldwide to all employees and partners of e.l.f. Beauty. These guidelines were approved by the Board of Directors and Executive Team of the Company.

Although every one of our teammates has the responsibility of mitigating our environmental impact, the primary oversight authority on such issues lies with our Board of Directors, through the Nominating and Corporate Governance Committee. In partnership with senior management, members of the Committee provide guidance on our overall ESG programs, including our environmental strategy and setting goals on environmental-related topics.

## MONITORING, AUDITING & VERIFICATION

We have published a **Supplier Code of Conduct** that details compliance expectations for suppliers with, among other things, paying fair wages, maintaining a safe and healthy workplace environment, prohibiting the use of child or forced labor, prohibiting discrimination and observing principles of human rights in the workplace. We conduct periodic onsite audits to ensure adherence.

*Last updated: September 2024*