



# E.L.F. BEAUTY FISCAL 2023 IMPACT REPORT

# CONTENTS

## ABOUT E.L.F. BEAUTY

- 4 A Message from our Chairman and CEO
- 5 e.l.f. Beauty at a Glance
- 8 Our Purpose
- 9 Stakeholder Engagement and Materiality
- 10 Our Impact and Commitments

## ENCOURAGE SELF EXPRESSION

- 13 Diversity, Equity and Inclusion (DEI)
- 15 DEI Training and Development
- 16 DEI in our Marketing
- 17 Human Rights

## EMPOWER OTHERS

- 19 Our Culture and Values
- 20 Employee Engagement
- 21 Employee Rewards and Wellness
- 23 Learning and Development
- 24 Community Activity

## EMBODY OUR ETHICS

- 28 Product Sustainability
- 31 Packaging Sustainability
- 35 Responsible Sourcing
- 38 Climate and Environment

## APPENDIX

- 44 About This Report
- 45 SASB Index
- 46 Commitment Endnotes
- 47 Note

**ABOUT THIS REPORT** Our Impact Report details how our organization is making a positive impact on people, the planet and our furry friends. The data in this report is as of March 31, 2023 and covers our fiscal year 2023, which ran from April 1, 2022 to March 31, 2023 (referred to as “this year” or “FY 2023” throughout the report).

# ABOUT E.L.F. BEAUTY



# While many companies have a mission or vision, often those are just words on a wall. **What separates e.l.f. Beauty is our actions** – we act with purpose to further our positive impact.

You can see that action in how we've built our diverse team. We are proud to be 1 of only 4 public companies in the US with a Board of Directors that is at least 2/3 women and at least 1/3 diverse (out of nearly 4,200 public companies). Our hope is to lead the way and have many more than 4 companies join these ranks.

**Our vision is to create a different kind of beauty company by building brands that disrupt norms, shape culture and connect communities through positivity, inclusivity and accessibility.**

**We are creating a different kind of company.**

**Period.** This starts with being purpose-led. 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.

**I'm proud of how we furthered our positive impact in FY 2023**—donating nearly 3% of our prior year's profits to drive positive impact in our communities, producing more than 75% of our products in Fair Trade Certified™ facilities, eliminating 2.5 million pounds of excess packaging since 2019, sourcing 75% of our paper cartons using Forest Stewardship Council (FSC)-certified paper and meeting reduction targets for our Scope 1 and 2 greenhouse gas emissions.

**Making a positive impact also drives our business performance.** We achieved major business milestones in FY 2023—delivering over \$500 million in net sales, over \$100 million in Adjusted EBITDA and 219% Total Shareholder Return (TSR). Our commitment to our people and High Performance Team (HPT) culture is evident in our 91% employee engagement and recognition by Newsweek on its annual list of the "Top 100 Most Loved Workplaces of 2022."

**But we can't rest on our laurels.** This Impact Report shares the aspirations we have set as we continue our sustainability journey, along with metrics for how we'll hold ourselves accountable. In the coming years, we seek to continue to build a best-in-class team, empower our communities and employees, further our sustainability initiatives and reduce our environmental footprint.

**By continuing to be intentional in how we live our purpose and values, we will show that anything is e.l.f.ing possible. 🚀**



*Tarang P. Amin*

**Tarang P. Amin**

**CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER**

# E.L.F. BEAUTY

## OUR PERSONA

# A BOLD DISRUPTOR WITH A KIND HEART

Fearless and heartfelt

## OUR VISION

To be a different kind of beauty company by building brands that disrupt norms, shape culture and connect communities through positivity, inclusivity and accessibility.

## OUR MISSION

We make the best of beauty accessible to every eye, lip, face and skin concern.

## OUR PURPOSE

e.l.f. stands with every eye, lip, face and paw.

ENCOURAGE SELF EXPRESSION

EMPOWER OTHERS

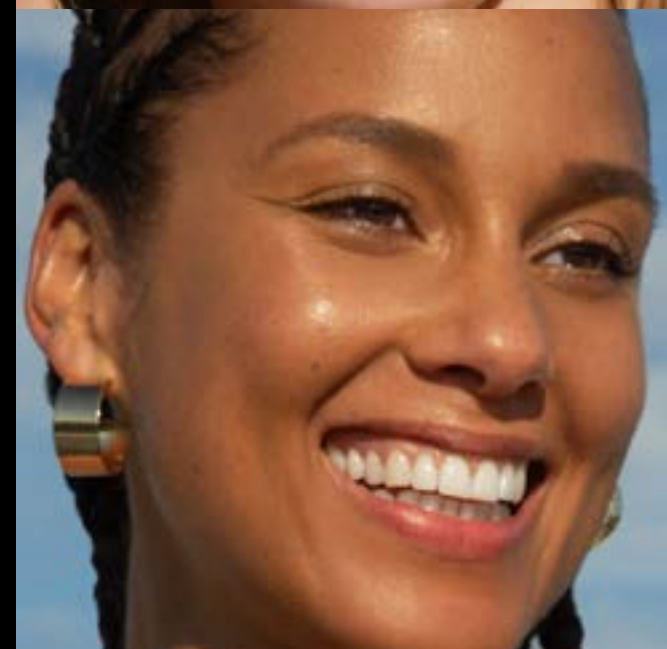
EMBODY OUR ETHICS

## OUR SUPERPOWERS

-  PREMIUM QUALITY
-  EXTRAORDINARY PRICES
-  UNIVERSAL APPEAL
-  VEGAN
-  CRUELTY FREE
-  E.L.F. CLEAN
-  FAIR TRADE CERTIFIED™

## OUR MANTRA

Anything is e.l.f.ing possible 



E.L.F. BEAUTY AT A GLANCE

**\$579M**

Net Sales

**#1**

Favorite Teen Brand<sup>1</sup>

**20%**

Adjusted EBITDA Margin

**339**

Full time Employees

**88%**

of Sales in US

**83%**

of Sales in Leading  
Global Retailers

Represents FY 2023 statistics

<sup>1</sup> e.l.f. Cosmetics, Piper Sandler Semi-Annual Taking Stock with Teens Survey, Spring 2023

AWARDS & RECOGNITION

**FASTCOMPANY**

2023 WORLD'S MOST  
INNOVATIVE COMPANIES

**WWD**

2022 MASS BEAUTY  
BRAND OF THE YEAR

**Forbes**

2022 AMERICA'S BEST  
MID-SIZED COMPANIES

**Newsweek**

2022 AMERICA'S MOST  
LOVED COMPANIES

**WWD**

2020-2023 MOST  
POWERFUL BEAUTY BRAND

**Forbes**

2023 BEST BRAND  
FOR SOCIAL IMPACT



# e.l.f.

eyes.lips.face.

Since 2004, e.l.f. Cosmetics has made the best of beauty accessible to every eye, lip and face. e.l.f. makes high-quality, prestige-inspired cosmetics at an extraordinary value and is proud to be clean, vegan, cruelty free and Fair Trade Certified™.

# e.l.f.

SKIN

Winning in skin the clean + kind way. e.l.f. SKIN offers ingredient-focused skin care for every eye, lip, face and skin concern. e.l.f. SKIN makes innovative formulas at an extraordinary value, and is proud to be clean, vegan, cruelty free and Fair Trade Certified™.

# WELL

PEOPLE

Since 2008, Well People has been a clean beauty pioneer leading the way with high-performing, plant-powered cosmetics and skin care. With over 100 EWG VERIFIED™ products, Well People stays far away from synthetic fillers, sulfates, preservatives, and fragrances.

# KEYS

SOULCARE

A new beauty philosophy created by Alicia Keys and a leading dermatologist that honors the connection between skin + soul by transforming your daily skincare routine into an empowering soulcare ritual.

## OUR PURPOSE

**We are guided by our purpose.**

We stand 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 STAND WITH EVERY EYE, LIP, FACE AND PAW

## ENCOURAGE SELF EXPRESSION

**We celebrate diversity and make  
the best of beauty accessible.**

## EMPOWER OTHERS

**We provide equal opportunities  
for growth and success.**

## EMBODY OUR ETHICS

**We strive to do the right thing for people,  
the planet and our furry friends.**



**STAKEHOLDER ENGAGEMENT AND MATERIALITY**

**We focus on the environmental, social and governance (ESG) topics that are important to our key stakeholders.**

In FY 2022, we hired an independent, third-party ESG advisor to conduct a materiality assessment to understand the ESG topics that are important to our key stakeholders. In FY 2023, we built on those insights and learnings to launch our formalized ESG strategy and commitments.

Our materiality approach consisted of a benchmark review of our peers and leading ESG ratings and frameworks (SASB, MSCI, ISS and Sustainalytics), in addition to desktop research and a series of surveys with internal and external stakeholders. We engaged with these key stakeholder groups:

- |                                  |                           |
|----------------------------------|---------------------------|
| <b>Board of Directors</b>        | <b>Investors</b>          |
| <b>Executive Leadership Team</b> | <b>Retail Customers</b>   |
| <b>Employees</b>                 | <b>Consumer Community</b> |

In the coming years, we plan to continue to engage with our key stakeholders on ESG issues and best practices to inform and refresh our strategy.

**MATERIAL ESG TOPICS TO E.L.F. BEAUTY'S KEY STAKEHOLDERS**



# MAKING AN E.L.F.ING IMPACT IN FY 2023

**+219%**

**TOTAL  
SHAREHOLDER  
RETURN (TSR)  
in FY23**

**91%**

**EMPLOYEE  
ENGAGEMENT  
19pp above industry  
benchmark and 2pp  
above last year's survey**

**1 OF 4**

**PUBLIC COMPANIES  
WITH BOARD OF  
DIRECTORS 2/3 WOMEN  
AND 1/3 DIVERSE  
(out of 4,200)**

**7 OF 75**

**ESG RISK RATING  
per Sustainalytics,  
out of 75 Personal  
Products Companies**

**>75%**

**PRODUCTS  
made at Fair Trade  
Certified™ facilities**

**2.5**

**MILLION POUNDS  
of excess packaging  
eliminated since 2019**

**300+**

**SKUS  
REFORMULATED  
to meet our standards  
of e.l.f. clean**

**~3%**

**OF PROFITS DONATED  
to drive positive impact  
in our communities**

**75%**

**OF PAPER CARTONS  
are made with Forest  
Stewardship Council™  
certified paper**

# OUR COMMITMENTS

	TOPIC	COMMITMENT	METRIC (HOW WE MEASURE OURSELVES)	FY22	FY23	ASPIRATION
ENCOURAGE SELF EXPRESSION	Diversity, Equity and Inclusion	Build a team that reflects the diverse communities we serve	Rank of our Board's gender diversity among US public companies <sup>1</sup>	Top 1.1% (#48 out of ~4,200)	Top 0.3% (#12 out of ~4,200)	<b>Top 1%</b>
			% of women in leadership positions (Director and above) <sup>2</sup>	72%	68%	<b>&gt;70%</b> (~in-line with total employee population)
			% of racial/ethnic diversity in leadership positions (Director and above) <sup>2</sup>	31%	29%	<b>&gt;40%</b> (~in-line with total employee population)
EMPOWER OUR COMMUNITIES	Empower our Communities	Donate 2% of our profits each year to drive positive impact in our communities	% of prior year reported net income donated <sup>3</sup>	4.6%	2.9%	<b>2%</b>
	Empower our Employees	Be the employer of choice in the beauty industry	Employee engagement % relative to industry benchmark <sup>4</sup>	+15pp	+19pp	<b>+10pp above benchmark</b>
		Reward our employees with a "one-team" approach	% of full-time employees paid annual equity awards in e.l.f. beauty stock <sup>5</sup>	100%	100%	<b>100%</b>
EMBODY OUR ETHICS	Product Sustainability	Create products that are 100% cruelty free	% of our brands certified by both PETA and Leaping Bunny <sup>6</sup>	100%	100%	<b>100%</b>
		Use ingredients that meet our standards of "clean"	% of products with glossary of key ingredients publicly available online <sup>7</sup>	100%	100%	<b>100%</b>
			# of ingredients restricted in product formulations <sup>8</sup>	>1600	>1600	<b>&gt;1600</b>
	Packaging Sustainability	Use responsibly sourced materials	% of paper product boxes made with Forest-Stewardship Council™ (FSC)-certified paper	23%	75%	<b>100% by FY25</b>
			% of wood brush handles made with FSC-certified wood	<1%	<1%	<b>100% by FY25</b>
		Reduce our packaging footprint	% reduction in packaging intensity vs. FY 2019 baseline <sup>9</sup>	New target in FY23	New target in FY23	<b>20% reduction by FY30</b>
	Responsible Sourcing	Use sustainable suppliers	% of products produced in Fair Trade Certified™ facility	0%	76%	<b>≥75%</b>
			Suppliers average EcoVadis' score % vs overall EcoVadis average <sup>10</sup>	+14%	+17%	<b>Above EcoVadis Average</b>
		Responsibly source sensitive ingredients	% of palm-based ingredients certified by the Roundtable for Sustainable Palm Oil Sourcing	50%	50%	<b>100% by FY27</b>
	Climate & Environment	Meet our 2030 science-based emissions targets	% reduction in absolute Scope 1 and 2 greenhouse gas emissions vs FY22 baseline <sup>11</sup>	Base year	94%	<b>42% reduction by FY30</b>
			Source renewable electricity to power our owned and operated facilities	% renewable electricity in our owned and operated facilities <sup>12</sup>	6%	100%

For more details on our metrics and calculation, please see the Commitment Endnotes in the [Appendix](#).



# ENCOURAGE SELF EXPRESSION

WE CELEBRATE  
DIVERSITY AND  
MAKE THE BEST  
OF BEAUTY  
ACCESSIBLE.

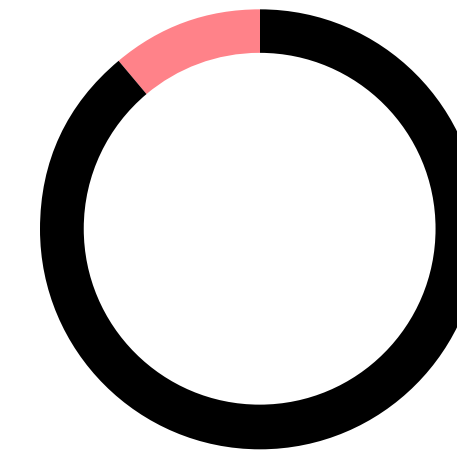
## DIVERSITY, EQUITY AND INCLUSION (DEI)

**We are making a commitment to be diverse – not just with words, but with actions.**

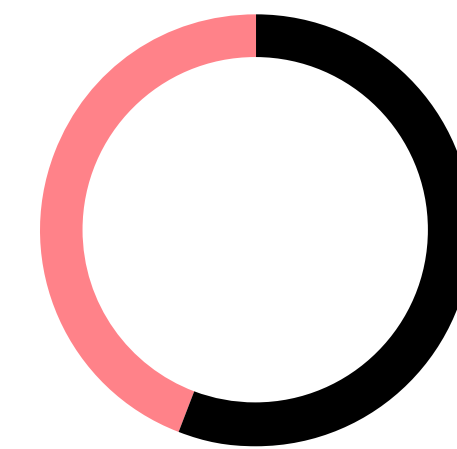
We take pride in saying “there’s no place like e.l.f.” What makes e.l.f. so special is that we live our values in our actions. **We are proud to be one of only four public companies listed in the United States with a Board of Directors that is at least two-thirds women and at least one-third diverse (out of nearly 4,200 public companies).** Our Board is representative of our values and of the communities we serve.

For more information on our Board of Directors and governance practices, see our [Proxy Statement](#).

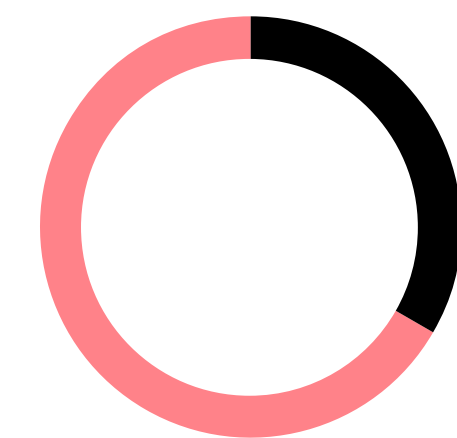
## BOARD STATISTICS



**89%**  
**Independent**  
(8 of 9 Directors)

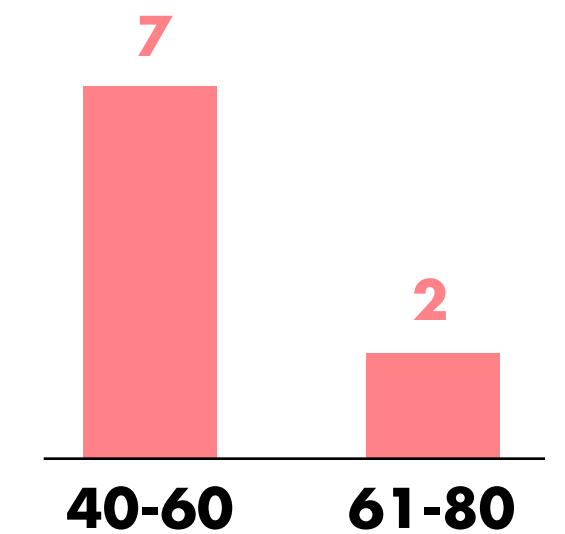


**67%**  
**Women**  
(6 of 9 Directors)

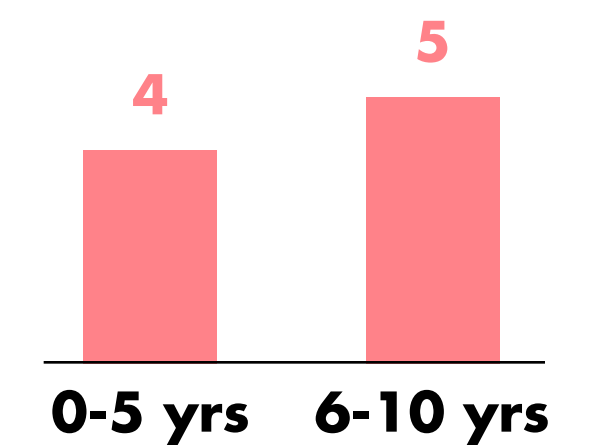


**33%**  
**Diverse**  
(3 of 9 Directors)

**57 Years**  
Average Age



**5.2 Years**  
Average Tenure



DIVERSITY, EQUITY AND INCLUSION (DEI)

**We believe it is important that our team reflects the diverse communities we serve.**

We're proud that our employee base, which is over 70% women, over 40% diverse and over 65% millennial and Gen Z, is representative of the diverse communities we serve.<sup>2</sup>

We are committed to increasing diversity representation—including but not limited to gender, race, sexual orientation, national origin, ability, and age—across our entire team.

For more information, see our [Diversity, Equity and Inclusion Policy](#).

<sup>1</sup> Executive Team includes our Executive Officers and the Vice President, General Manager of our China operations.

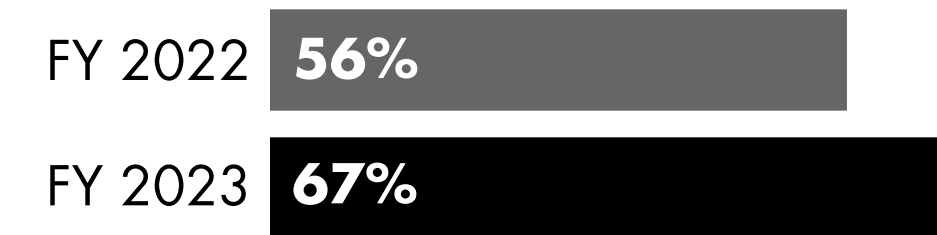
<sup>2</sup> Employee demographic figured based on our full-time employees as of March 31, 2023. Race/ethnicity percentages exclude our employees outside of the United States.

We are an equal opportunity employer and do not use gender or any other protected criteria as a factor in any employment decisions, such as hiring, promotions or compensation.

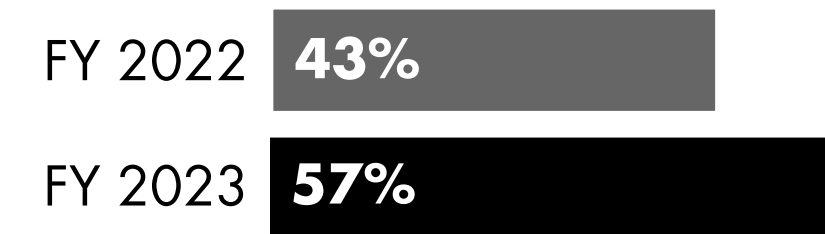
**REPRESENTATION OF WOMEN**

● Women

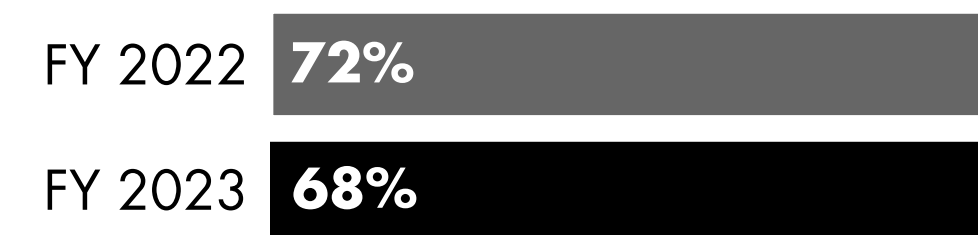
**Board of Directors**



**Executive Team<sup>1</sup>**



**Directors and Above<sup>2</sup>**



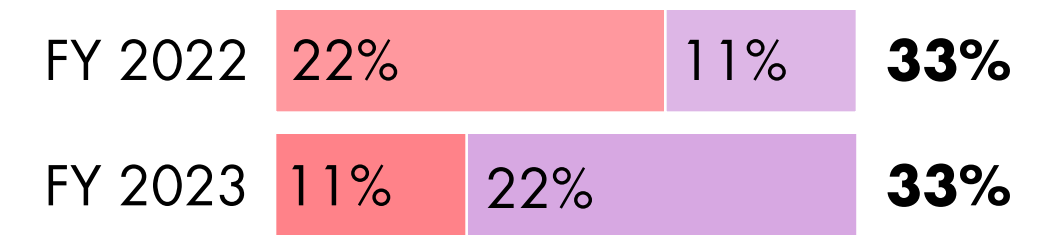
**All Employees<sup>2</sup>**



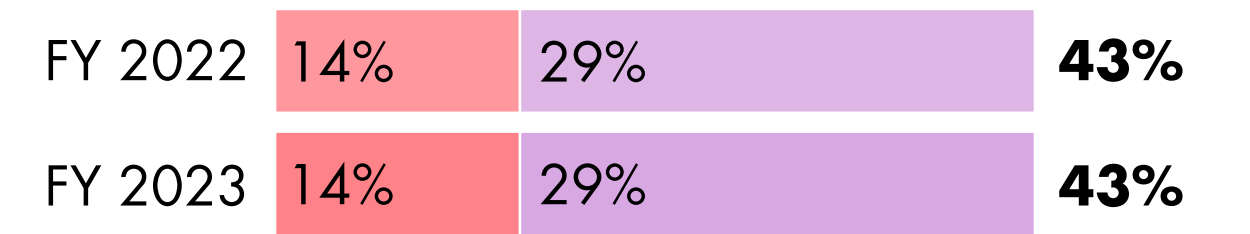
**REPRESENTATION OF HISTORICALLY UNDERREPRESENTED GROUPS**

● Black ● Hispanic  
● Asian ● Other

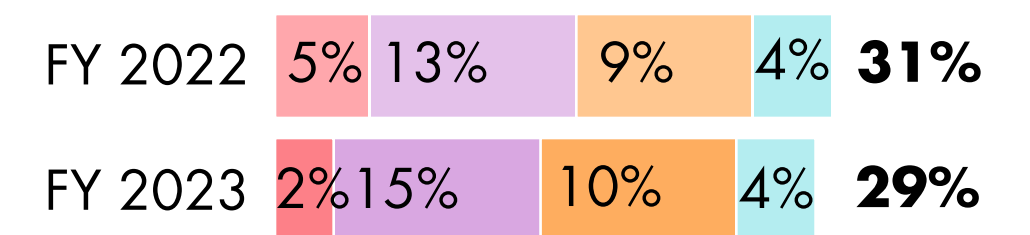
**Board of Directors**



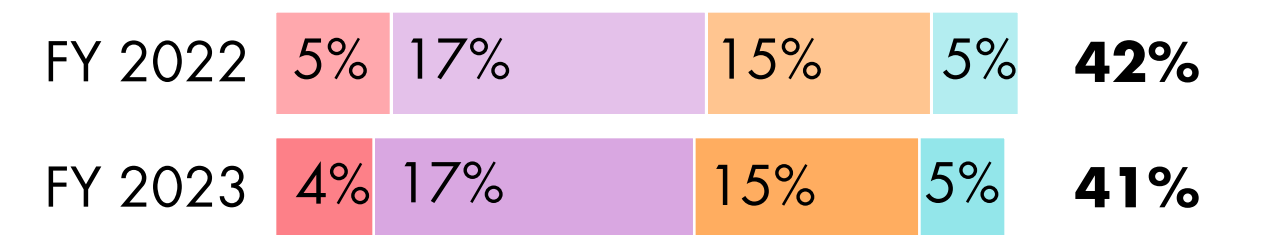
**Executive Team<sup>1</sup>**



**Directors and Above<sup>2</sup>**



**All Employees<sup>2</sup>**



## DEI TRAINING AND DEVELOPMENT

**We are committed to opening doors, minds and hearts in order to be part of the progress we want to see in the world.**

Being a bold disruptor with a kind heart and including “do the right thing” as one of our core values, serves as our guiding light and compels us to take brave actions.

We regularly host “masterclass” education events at our employee-wide Town Halls. At these “masterclasses,” **we invite thought leaders and change makers to elevate their voices and lead difficult conversations.**

We’re proud of the conversations we have had with our employees this past year to celebrate Black visionaries, Women’s Empowerment Month, Asian American and Pacific Islander (AAPI) Heritage Month, and the LatinX community.

We also offer a Behaviors of Inclusion course to all employees to practice behaviors of inclusion and learn how to be a better advocate for themselves and others. We’re pleased to report that over 90% of our employees have completed this training.

For more information, see our [Diversity, Equity and Inclusion Policy](#).

To celebrate LatinX heritage, e.l.f. Beauty hosted a “masterclass” for our employees with two incredible LatinX superheroes who shared the paths they’ve taken, the obstacles they’ve overcome and the meaningful lessons they’ve learned along the way.



**CRISTINA NUÑEZ**  
Co-founder and  
General Partner at  
True Beauty Ventures



**ÉVA GOICOCHEA**  
Founder of maude

**“Thank you so much for bringing these superwomen into our town hall to hear their inspiring stories firsthand.”**

**MARLO MULHALL, SENIOR MANAGER,  
CORPORATE DEVELOPMENT, E.L.F. BEAUTY**

## DEI IN OUR MARKETING

**We strive to break boundaries, create inclusion and empower individuals to be their authentic selves.**

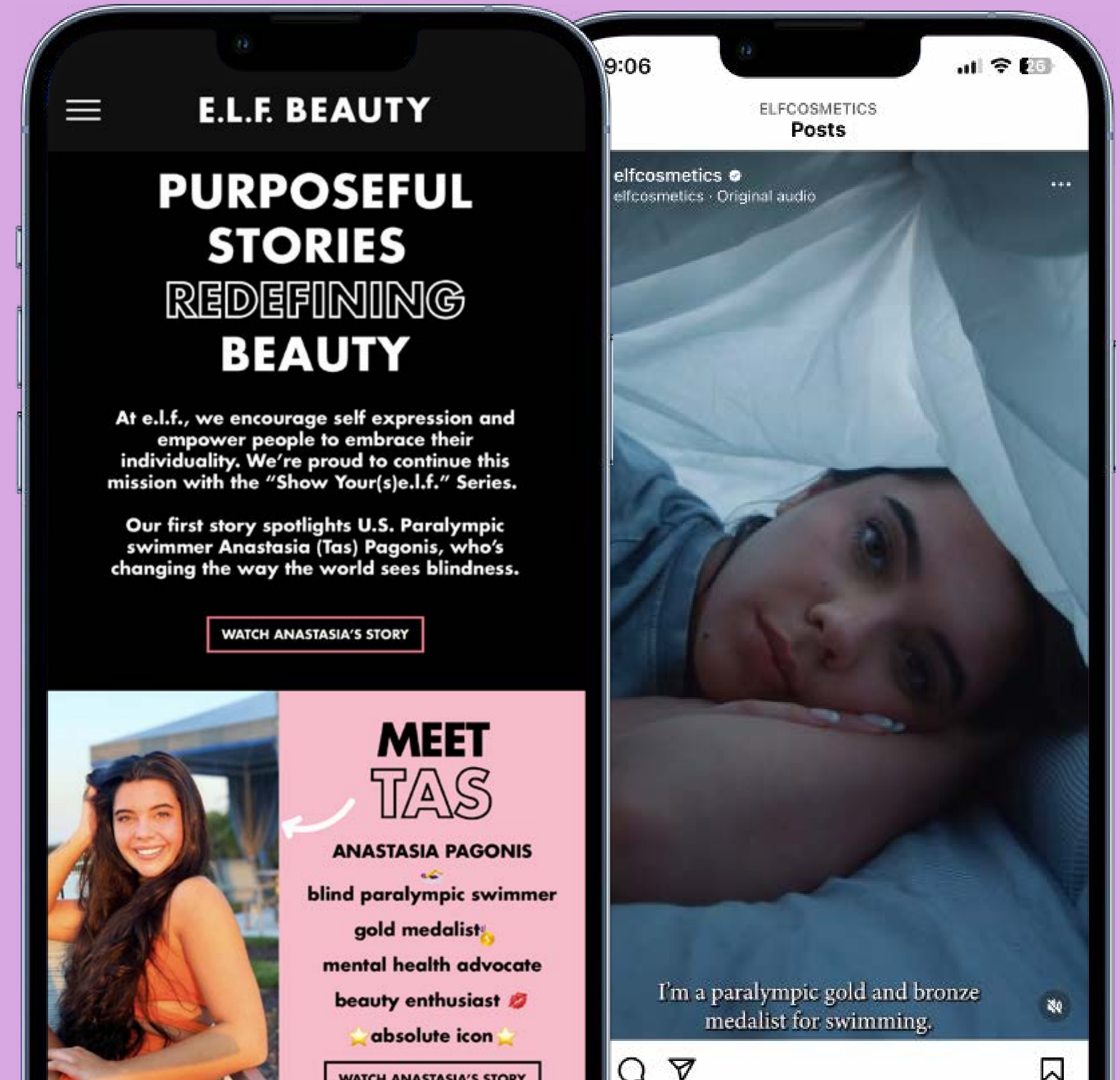
We take pride in leading with inclusivity through our marketing communications. In June 2023, we launched our new purpose-driven platform, Show Your(s)e.l.f., a YouTube series that features inspirational role models who have overcome adversity to bring more positivity, inclusivity and accessibility to the world.

We launched this series with Anastasia Pagonis, a 19-year-old blind Paralympic swimmer and world record holder, who proves that anything is e.l.f.ing possible, even in the face of the toughest obstacles.

Anastasia lost her vision gradually, becoming blind at the age of 14 due to a degenerative autoimmune disease. While she turned to social media to help herself deal with life, she quickly realized that sharing her story helped her community. By bravely showing herself turn challenges into triumphs, she uplifts others and brings faith to those who need it most.

To support Anastasia's hope to help lift others, we also donated \$75,000 to one of Anastasia's favorite organizations, "The Hidden Opponent," a nonprofit that raises awareness for student-athlete mental health.

Learn more about Anastasia and watch the first episode of "Show Your(s)e.l.f." [here](#) ↗.





## HUMAN RIGHTS

**We believe in a world where everyone can own their own beauty, without compromise.**

**We proudly support human rights and individual expression and freedom.** We've created a workplace where our employees' rights are respected, regardless of ethnicity, race or sexual orientation. We also expect our suppliers and partners to observe these principles when providing products and services to the company.

We establish our commitment to human rights in our published [Human Rights Policy](#), which is approved and overseen by our Board of Directors and Executive Team.

## At e.l.f. Beauty, we aren't afraid to take a stand on social issues.

Reproductive healthcare holds a deeply personal meaning to our employees and community. In addition to supporting our employees with adoption and fertility assistance and a generous family leave policy, we are proud to have acted with purpose in taking action this past year.

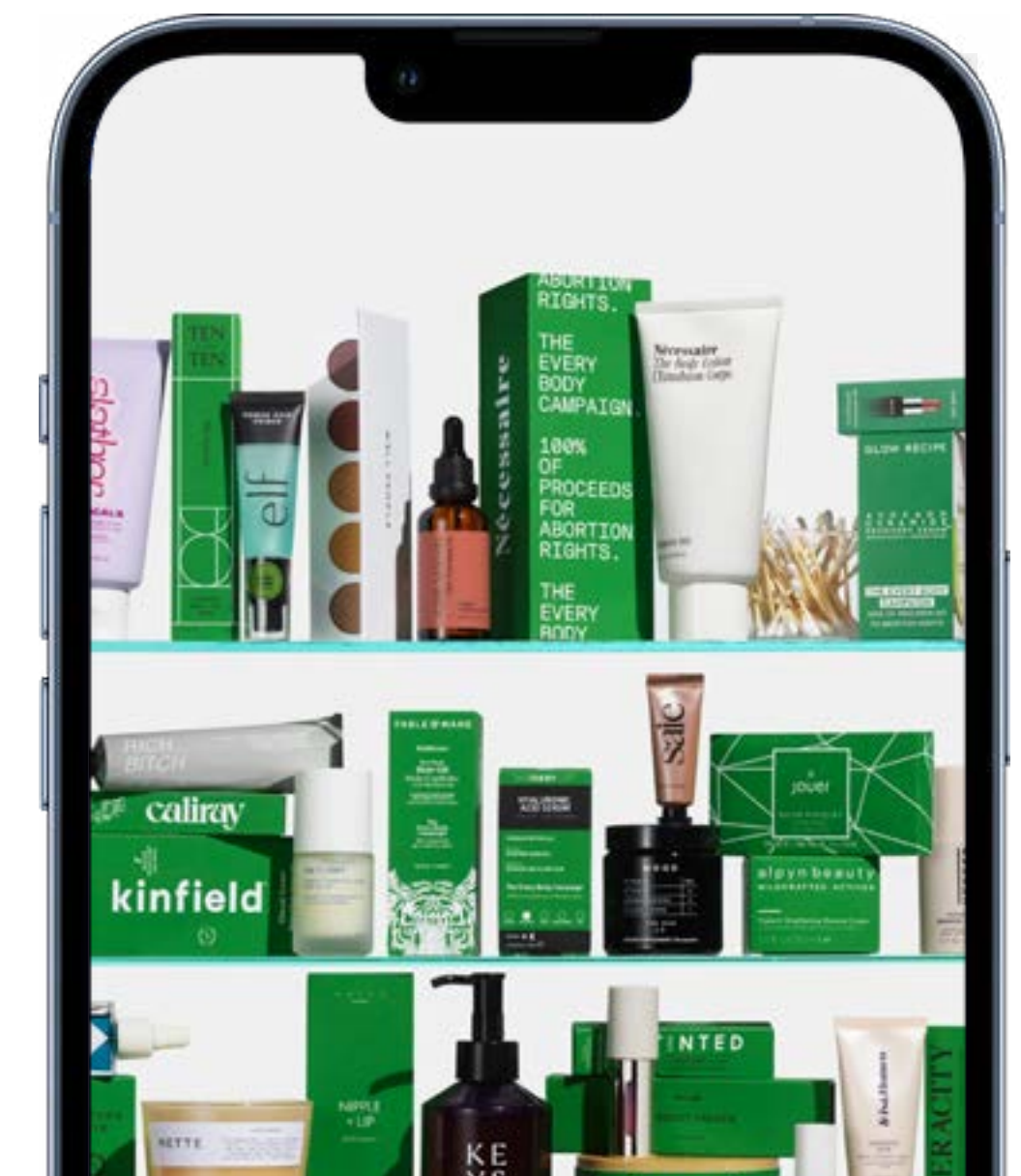
In October 2022, **we joined the Every Body Campaign, the largest beauty industry backed reproductive justice initiative in history.** We banded together with over 35 top brands across the beauty and wellness industries to raise awareness and funds for reproductive justice.

We repackaged some of our best-selling products (e.l.f. Cosmetics' Power Grip Primer, Well People's Power Palette Eyeshadow, and Keys Soulcare's Golden Cleanser) in a limited-edition "Every Body Green" carton, inspired by the green bandanas and smoke present throughout abortion rights demonstrations. 100% of the proceeds from products sold on the Every Body website were donated to SisterSong, a national activist organization dedicated to protecting those most impacted by anti-abortion legislation.

### THE EVERY BODY CAMPAIGN

**35+**  
brands banding  
together in support of  
reproductive justice

**100%**  
of proceeds donated to  
support reproductive  
freedom





# EMPOWER OTHERS

WE PROVIDE  
EQUAL  
OPPORTUNITIES  
FOR GROWTH  
AND SUCCESS.

## OUR CULTURE AND VALUES

# Our team of talented superheroes fuel our business strategy.

**We place a high priority on attracting, recruiting, developing and retaining diverse global talent.** As a company, our shared values system motivates us, connects us and fuels our actions. Our team of talented superheroes embodies, fosters and inspires our values in others.

**Our continued investments in our people and culture have positioned us as an employer of choice both in the beauty industry and our local communities.** In FY 2023, we were recognized on Newsweek's list of "America's 100 Most Loved Workplaces 2022," as well as Forbes' list of "America's Best Midsize Employers 2023."

**"My favorite thing about working at e.l.f. is easily the people—e.l.f. has cultivated a powerhouse team that I feel extremely grateful to be working with and inspires me daily."**

**MADISON DAHLKE, MANAGER, INTEGRATED MARKETING COMMUNICATIONS, E.L.F. BEAUTY**

## OUR VALUES

### DELIGHT OUR COMMUNITY

Our community inspires and informs everything we do. We include, encourage and celebrate every eye, lip and face.

### DO THE RIGHT THING

In our actions and words, we lead with honesty and integrity. We stand up for what we believe and use our platform to make a positive difference.

### CHAMPION HIGH PERFORMANCE TEAMWORK

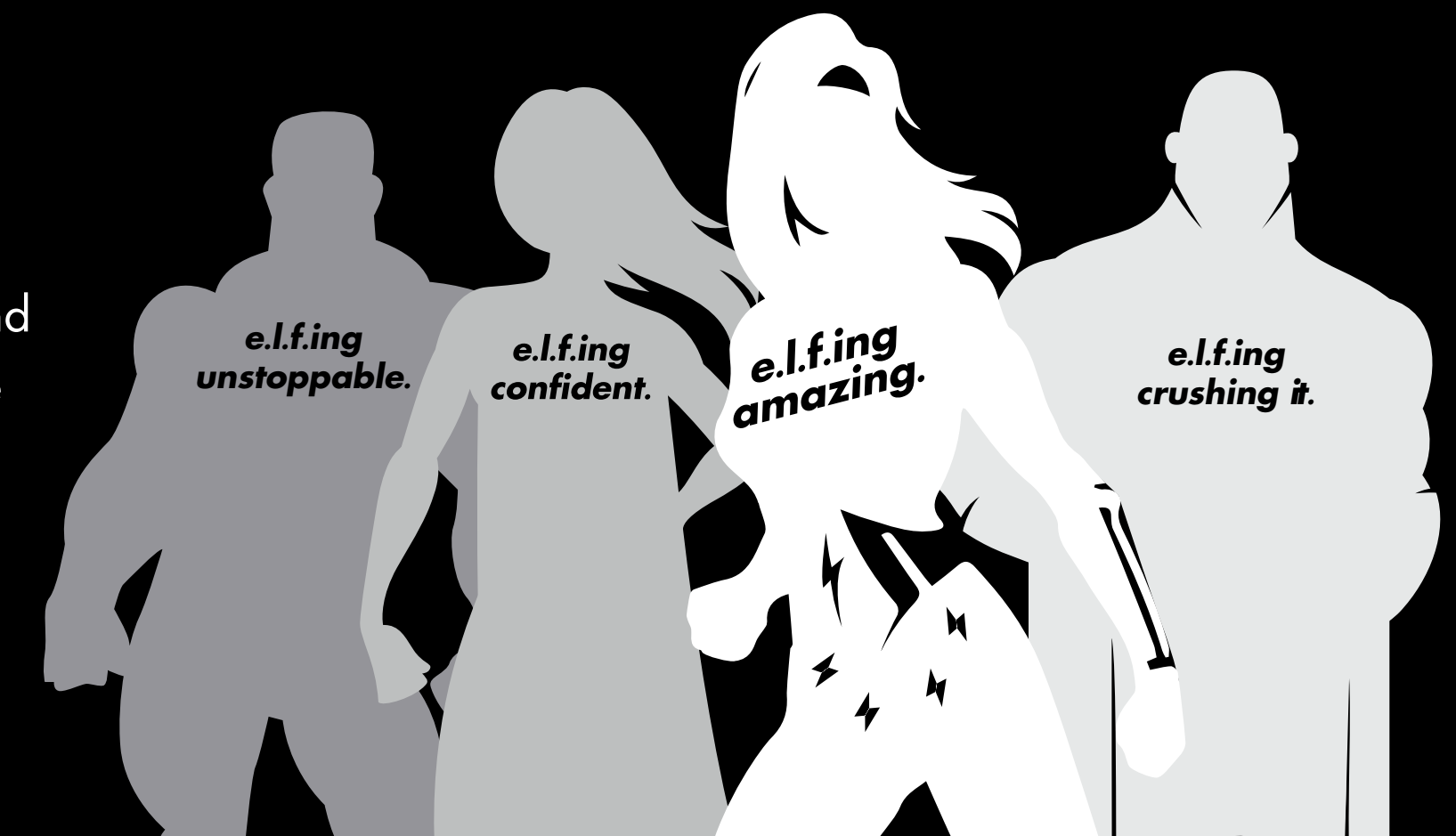
We treat each other with respect and leverage each other's strengths. We are open, honest and direct in the spirit of helping the team succeed.

### EXECUTE WITH QUALITY AND SPEED

Our community knows us by what they see, touch and experience. We are passionate about doing things well and at e.l.f. speed.

### EMBRACE CHANGE

Experimentation is fundamental to our growth. We fearlessly and bravely conquer new frontiers because we believe anything is e.l.f.ing possible.



## EMPLOYEE ENGAGEMENT

**Our employees are highly committed to e.l.f. Beauty and our vision, mission and values.**

We monitor the status of our employees' well-being, development and overall satisfaction. Engagement is a key factor we look to because it measures our team's connection and commitment to both e.l.f. Beauty and our vision, mission and values.

In 2023, we conducted our third annual engagement survey of all employees. All employees are offered the opportunity to participate and 86% submitted a response. **Our employee engagement results this year hit record highs—relative to prior surveys and to consumer industry benchmarks.** Our overall engagement score this year was 91% — 19 percentage points above the industry benchmark and two percentage points above our survey the previous year.

Our Executive Team members review survey data and outcomes with their teams to create and evolve action plans to further enhance our employee experience.

# 91%



**OVERALL ENGAGEMENT**  
+19pp vs industry benchmark

# 97%



**RECOMMEND E.L.F. AS A GREAT PLACE TO WORK**  
+14pp vs industry benchmark

### E.L.F. BEAUTY KEY STRENGTHS vs industry benchmark



**COMPENSATION**

## +30pp



**COMPANY VISION**

## +27pp



**JOB SATISFACTION**

## +25pp

### E.L.F. BEAUTY AREAS OF OPPORTUNITY vs industry benchmark



**CAREER GROWTH**

## +0pp



**SYSTEMS/ PROCESSES**

## +1pp



**IMPACT TO COMPANY**

## +5pp

Source: Culture Amp. Benchmark based on Culture Amp's Consumer Goods & Services 2023 Benchmark.

EMPLOYEE REWARDS AND WELLNESS

## We take a **“one-team”** approach.

We take a “one-team” approach with regard to compensation. Every employee (including our Executive Team) receives a base salary, is bonus-eligible under the same bonus target solely tied to our financial performance and receives an annual equity award.

**We are one of the few, if not the only, public beauty companies that grants equity on an annual basis to every single employee**—strongly aligning our team with the long-term interests of our shareholders. We believe this approach, which applies across all employee levels and geographies, is unique in the beauty industry and contributes to our success in hiring and retaining top talent and driving business results.

# ALL OF OUR EMPLOYEES ARE SHAREHOLDERS IN E.L.F. BEAUTY



## EMPLOYEE REWARDS AND WELLNESS

**Our benefits and programs are designed to support total well-being and promote the full potential of our employees.**

Our comprehensive benefits and programs help attract and retain our global talent and support our employees' growth and success.

For more information, see our [Human Capital Training & Development Policy](#).

## The benefits for our full-time employees include, among other things:

**Financial benefits** including competitive compensation as well as retirement savings plans and commuter benefits.

**Healthcare benefits** which begin on day 1 of employment.

**Family support and flexibility benefits** including up to 20 weeks of gender-neutral parental leave, as well as fertility and adoption support.

**Wellness and time off programs** including an employee assistance program, access to wellness coaching and flexible time off.

**Community impact programs** including employee donation matching programs and paid time off for volunteering.

**Education and career development programs** including tuition reimbursement and High Performance Teamwork coaching.

**Other benefits, such as "Pawternity Leave"** for the adoption of a shelter animal so that our employees can tend to the new furry friend in their lives.

### SPONSORING OUR EMERGING LEADERS

We sponsor emerging leaders in our company to participate in the Fashion Institute of Technology's (FIT) Cosmetics and Fragrance Marketing and Management (CFMM) Master in Professional Studies program, which is widely hailed as the "think tank" for the beauty industry. We cover full tuition for the two-year program for our sponsored employees, including the costs of any program trips.

**"Connecting with emerging professionals, hearing diverse perspectives and learning from top-tier professors, the CFMM program provides an incredible experience. My goal is to develop as an empathetic leader and work with peers to push the beauty industry towards being more inclusive, accessible, diverse and sustainable."**

**SHELBY NEWELL, SENIOR BRAND MANAGER, E.L.F. BEAUTY**

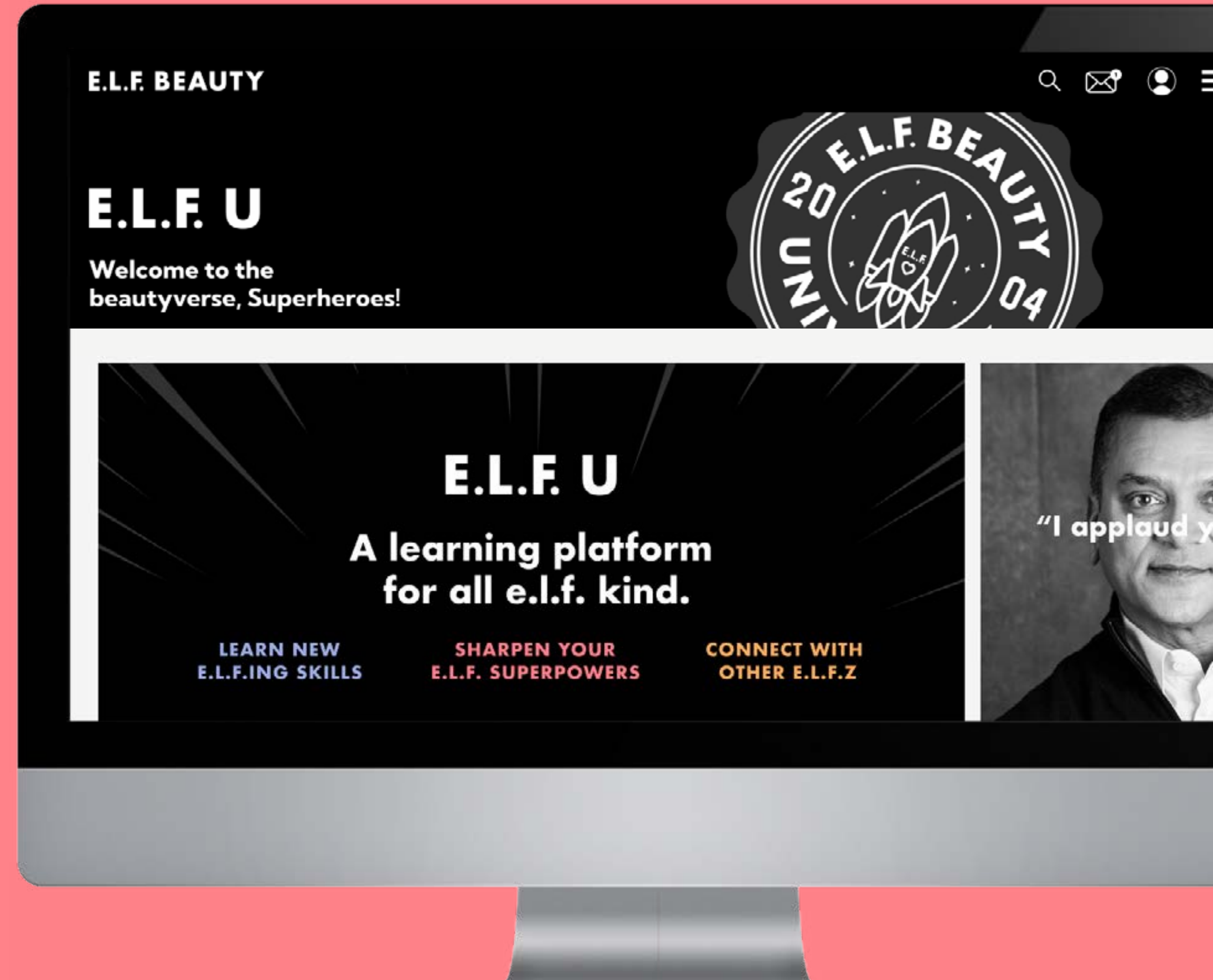
## We strive to empower the next generation of bold leaders.

In last year’s engagement survey, our employees told us they were eager for more learning and development opportunities. As part of **our commitment to listen to our employees**, in FY 2023 we hired our first-ever VP of People Development—with her main focus on designing and implementing a comprehensive learning and development strategy, while also working to increase employee engagement, support career goals, create opportunities for growth, and meet development needs.

**We recently celebrated the launch of “E.L.F. U,” our first ever employee learning and development platform.** E.L.F. U is designed to boost skills and knowledge across a wide range of topics. It offers engaging, customizable content developed both by external experts and e.l.f. employees. Employees can immerse themselves in a diverse range of interactive courses, instructor-led workshops, and on-demand learning experiences—all designed to strengthen their potential.

**“One of the big differences in our culture is our emphasis on continued growth and learning, and then putting that into action.”**

TARANG P. AMIN, CHAIRMAN AND CHIEF EXECUTIVE OFFICER



## COMMUNITY ACTIVITY



# WE STAND WITH EVERY EYE, LIP, FACE, PAW AND FIN.

**We continue to be guided by our “porpoise” – we proudly stand with every eye, lip, face, paw and fin, committing to do the right thing for people, the planet, and our furry and finned friends.**



On the fins of e.l.f.'s first television commercial, in March 2023, we expanded our purpose to stand with our finned friends. The commercial featured award-winning actress Jennifer Coolidge revealing how dewy, glowy and dolphin-like her skin is with our viral sensation Power Grip Primer.

In expanding our purpose, **we donated \$100,000 to Whale and Dolphin Conservation (WDC)**. WDC aims to make an environmental impact through ending captivity of whales and dolphins through relocation and campaign efforts, bringing an end to whale and dolphin hunting, and creating healthy seas through scientific research and education. Our donation will support research and educational programs at WDC to inspire and engage girls in marine life conservation and help them discover career pathways rooted in STEM.



**“Hands-on activities ‘stick’ with people and are an incredibly important way to engage students in marine science and conservation. We are so excited to work with e.l.f. to expand our elementary education program, inspiring students to protect the whales and dolphins who help protect our planet.”**

**REGINA ASMUTIS-SILVIA, EXECUTIVE DIRECTOR FOR WDC NORTH AMERICA**

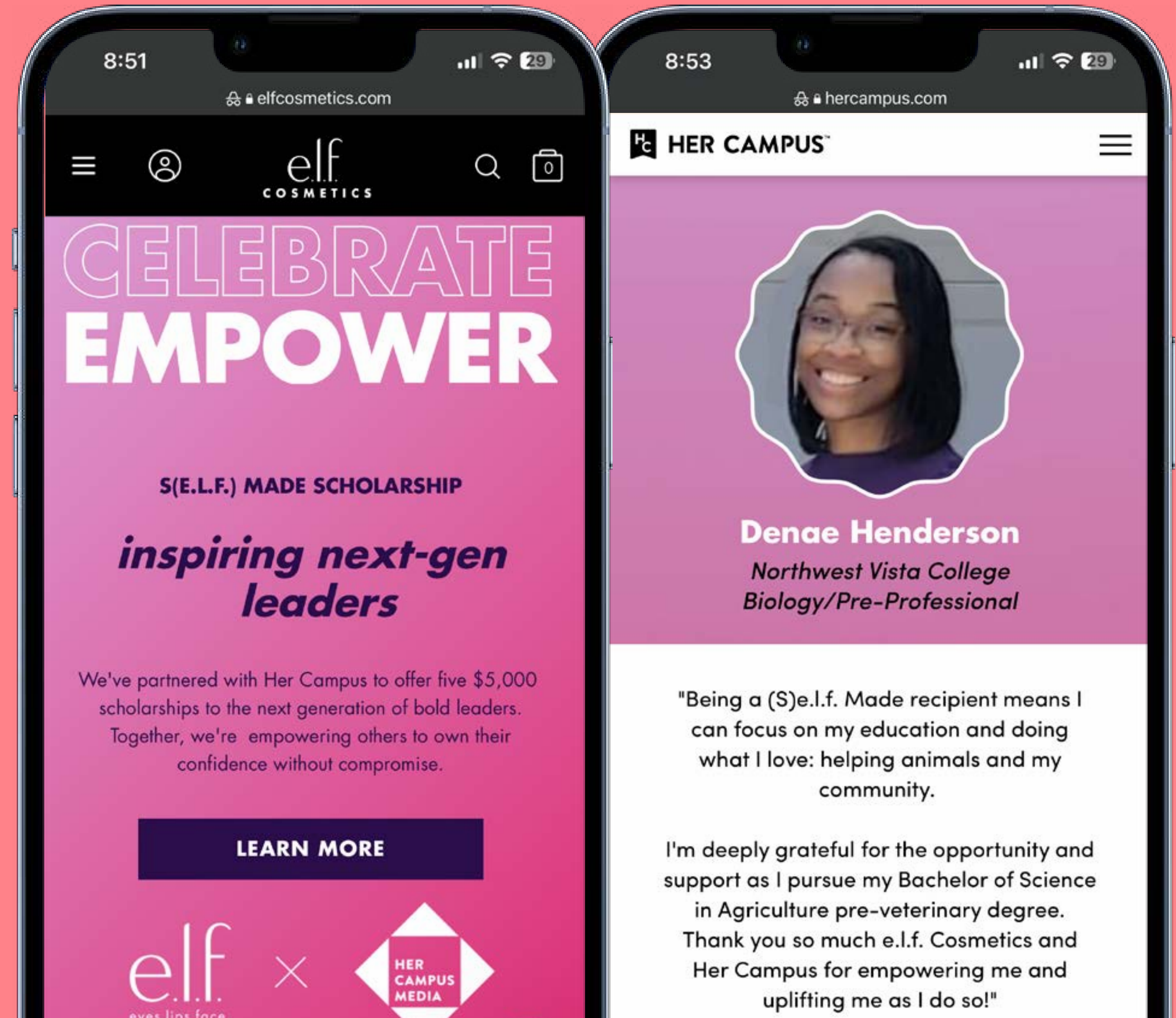


## COMMUNITY ACTIVITY

# We use our platform to empower our community and shine a spotlight on their talents.

**e.l.f. has a history of using the power of our platform to help others rise.** We intentionally collaborate with emerging talents offering our platform as surround sound to fuel their aspirations.

In March 2023, in celebration of Women's Empowerment Month, **we teamed up with Her Campus Media to give away \$25,000 in scholarships to the bold leaders of tomorrow.** Fittingly named the '(S)e.l.f. Made Scholarship', we asked applicants to write a 250-word essay telling us how this scholarship would help empower themselves and others. Five lucky winners won a \$5,000 scholarship along with an exclusive prize pack filled with e.l.f. must-have products.



## COMMUNITY ACTIVITY

# BEAUTY THAT GIVES BACK.

**We are committed to donating 2% of our profits each year to drive positive impact in our communities.**

% OF PROFITS  
DONATED  
ANNUALLY

**2%**  
GOAL

**3%**  
FY 2023

In FY 2023, we donated over \$635,000 to various organizations through a combination of sponsorships, corporate matching of employee donations and product donations. These donations represented **nearly 3% of prior year profits—exceeding our goal to donate 2% of our profits each year to drive positive impact in our communities.**

We have a unique Holiday Employee Match program that offers employees the ability to triple their donations to the nonprofit organizations most important to them – we match

employee donations, up to \$500 per employee, and our CEO then personally donates to match each employee donation. During our 2023 Holiday Employee Match program, e.l.f. donated nearly \$25,000 of corporate funds to over 100 organizations across a range of important causes including women’s reproductive rights, food security, animal welfare, health research, racial/gender justice, education and others.

For more information, see our [Charitable Contributions Policy](#).

## PULL UP FOR CHANGE IMPACT FUND

Over the past two years, we have teamed up with Pull Up For Change for their “Make It Black” program to celebrate the beauty of Black. This year, our new O FACE Satin Lipstick in All Night was part of the collection which supports the Pull Up For Change Small Business Impact Fund and its mission to advance the economic wellness of black communities worldwide by inspiring change at a corporate, community and individual level. To date, e.l.f. Beauty has donated \$50,000 to support this cause.



# EMBODY OUR ETHICS

**WE STRIVE TO DO THE  
RIGHT THING FOR PEOPLE,  
THE PLANET AND OUR  
FURRY FRIENDS.**



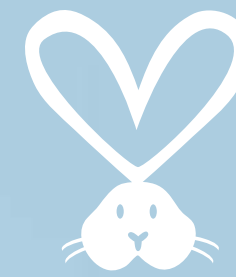
## PRODUCT SUSTAINABILITY

**We never test on animals and are proudly 100% cruelty free, worldwide.**

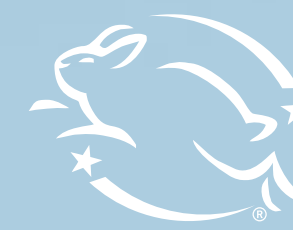
In our internal attitude and usage studies, **our community consistently ranks “cruelty free” among the most important product features when purchasing cosmetics.** We are proudly double-certified as “cruelty free” across all of our brands, with certification as “Global Animal Test-Free” by People for the Ethical Treatment of Animals (PETA) and under the Leaping Bunny program.

For more information, see our [Animal Welfare and Testing Policy](#).

**We are proud to be double certified as “cruelty free” across all of our brands.**



**PETA Certified:** People for the Ethical Treatment of Animals (PETA)’s “Global Animal Test-Free” certification is a label given to companies and brands who have verified that their facilities and their suppliers do not conduct, commission, pay for, or allow any tests on animals for their ingredients or finished products.



**Leaping Bunny Certified:** Certification under the Leaping Bunny Program is operated by the Coalition for Consumer Information on Cosmetics in the US and Canada. Companies with this certification certify that no animal testing was conducted on materials or formulations at all stages of product development, in addition to recommitting to the program annually and being open to third-party audits.



## PRODUCT SUSTAINABILITY

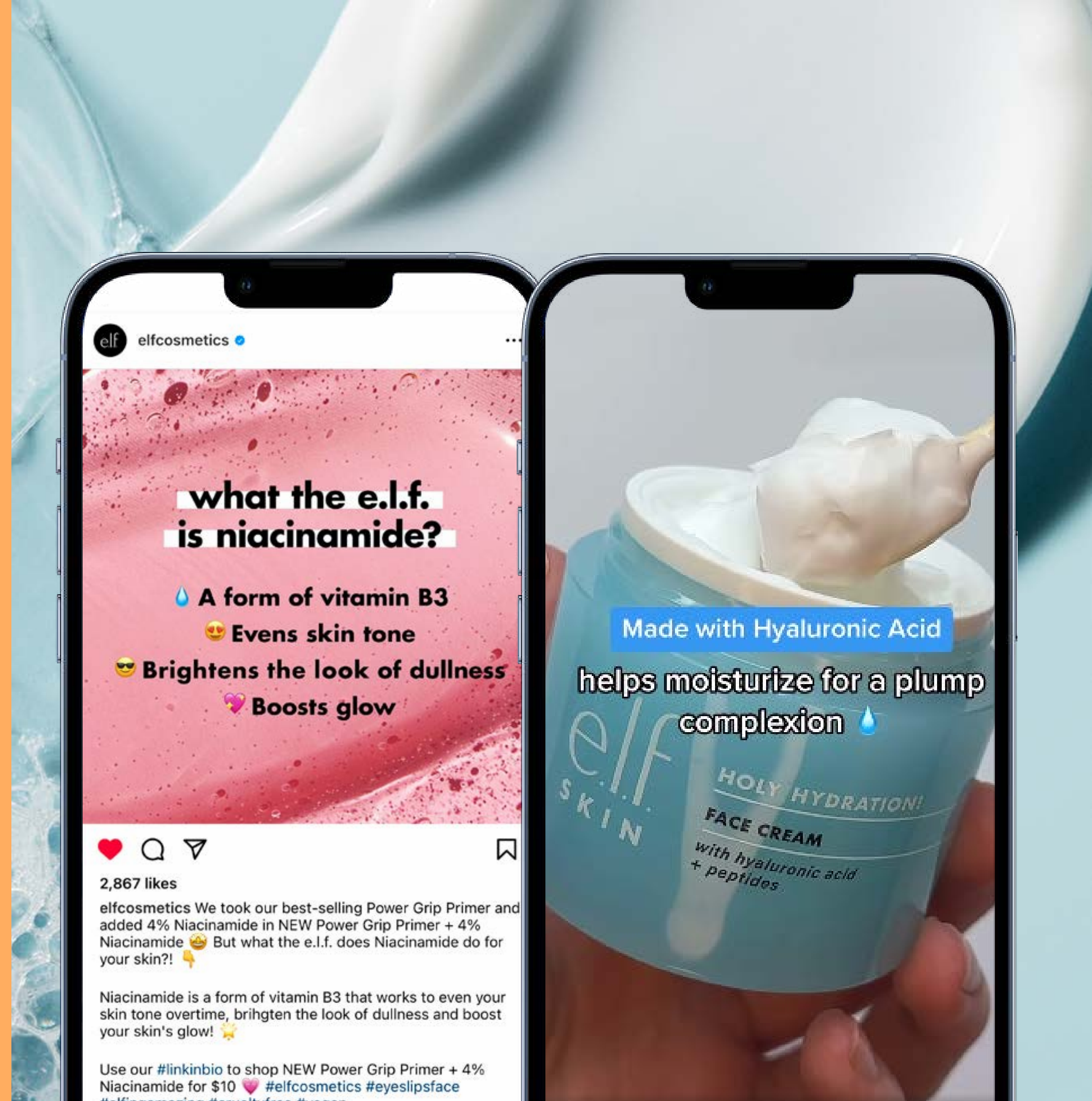
# We are transparent with our community about the ingredients we use.

The concept of “clean beauty” continues to be a widely discussed topic, with many definitions used across the beauty industry. At e.l.f. Beauty we are committed to 100% clean beauty and are transparent with our community about what “clean” means for us.

On each of our brand’s e-commerce websites (elfcosmetics.com, elfskin.com, wellpeople.com and keyssoulcare.com), we publish a full ingredient list for each product. We also explain what each ingredient means and why it is used in our product formulas. For example, we host fun and engaging ingredient education sessions on our social channels.

We view this as a two-way communication, encouraging our community to provide product feedback and leave questions on the product review and Q&A tabs, respectively. This interaction provides important inputs to our product quality and safety procedures.

For more information, see our [Ingredient Safety & Transparency Policy](#).



PRODUCT SUSTAINABILITY

# We formulate our products with ingredients that meet our standards of “clean.”

We formulate our products to meet Food and Drug Administration (FDA) and European Union Cosmetic Regulation (EUCR) restrictions on over 1,600 ingredients, including parabens, phthalates, palm oil, sulfates, formaldehyde, nonylphenol ethoxylates, triclosan, triclocarban, toluene, coal tar, lead, mercury, acrylamide and hydroquinone, as well as other substances.

We regularly evaluate the list of ingredients with which we choose not to include in our products, including reviewing our manufacturing processes and partners and considering new scientific data and broader consumer sentiment. In FY 2023, we reformulated over 300 product SKUs to exclude several additional ingredients above and beyond FDA and EUCR restrictions, including cyclic silicones D5 and D6 and PFAS.

RESTRICTED

**1,600+**  
Ingredients

REFORMULATED

**300+**  
SKUs in FY 2023

**Well People is a clean beauty pioneer**, raising the standard for plant-powered, high-performance beauty since 2008. In FY 2023 Well People doubled its number of Environmental Working Group (EWG) VERIFIED™ products, a leading standard of “clean and healthy” in the beauty space. Today, Well People has over 100 EWG VERIFIED™ products, representing nearly 80% of the formulated product line.



**An EWG VERIFIED™ product indicates that the product:**

**Avoids EWG’s ingredients of concern:**

Products cannot contain any ingredients on EWG’s “Unacceptable” list, meaning ingredients with health, ecotoxicity and/or contamination concerns.

**Provides full transparency:**

Must meet EWG’s standards for ingredient disclosure on the label and provide full transparency to EWG, including fragrance ingredients.

**Uses good manufacturing practices:**

Product manufacturers must develop and follow current good manufacturing practices to further ensure the safety of their products.



## PACKAGING SUSTAINABILITY

# We are committed to reducing the environmental impact of our packaging.

Product packaging is central to our brands and goes beyond just holding and protecting our products. Our packaging serves to engage with and inspire our community, visually showcase our amazing cruelty free and clean formulas and convey important product information. At the same time, packaging represents a meaningful portion of our environmental footprint, driving our continued focus to further reduce this impact.

For more information, see our [Packaging Sustainability Policy](#).

Our packaging sustainability strategy is grounded in these principles:

01

### PACKAGING FOOTPRINT REDUCTION

**Create a smaller, less intensive packaging “footprint.”** This includes, where possible, removing secondary cartons, streamlining components to use less material, and eliminating or reducing the use of certain packaging finishes.

02

### SUSTAINABLY SOURCED PACKAGING

**Increase reliance on packaging materials from sustainable sources.** This includes Forest Stewardship Council™ (FSC) certified paper cartons and exploring sustainable alternatives to virgin plastics, such as post-consumer recycled (“PCR”) plastics.

03

### RECYCLABLE & REUSABLE PACKAGING

**Utilize packaging materials and forms that can be recycled or reused** to divert from landfills. This includes exploring recyclable and/or refillable components and product cartons and shippers that are recyclable.

## PACKAGING FOOTPRINT REDUCTION

**We are committed to reducing the amount of packaging that we use.**

Our commitment to reducing packaging is a central element of our sustainability journey. Less packaging corresponds to fewer material inputs, fewer transportation ton-miles, and less waste end-of-life, all helping to reduce our carbon footprint.

In FY 2023, we celebrated another significant milestone on our reduction journey – having now **eliminated more than 2.5 million pounds of excess packaging** since the inception of “Project Unicorn” in 2019. Project Unicorn was designed to elevate our product assortment, presentation, and navigation on-shelf, and resulted in significant streamlining of our packaging footprint.

This year we are pleased to establish **a new goal that reflects this commitment, seeking to achieve a 20% reduction in packaging intensity by FY 2030.**<sup>1</sup> As we continue to further our efforts, we expect to introduce additional packaging goals that reflect our ambitions.

<sup>1</sup>Packaging intensity determined as average packaging weight per measure of formula versus a 2019 baseline.

### 2,500,000 POUNDS OF EXCESS PACKAGING IS EQUAL TO:



**9,500 baby elephants.**



**200,000 puppies.**



**75,000 baby dolphins.**



**1,000 unicorns.**



PACKAGING SUSTAINABILITY

# SUSTAINABLY SOURCED PACKAGING

**We are expanding our commitment to use responsibly sourced materials.**

A focus area is the use of Forest Stewardship Council™ (FSC)-certified packaging materials. Last year, we set a goal for our paper cartons to be 100% FSC-certified across all our brands. We have made significant strides towards meeting this goal, reaching 75% for FY 2023, up from 23% in FY 2022.

We have 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. With e.l.f. Cosmetics' #1 position in brushes in the U.S. mass cosmetics category,<sup>1</sup> we're proud to have a goal of 100% FSC-certification.

<sup>1</sup> Source: e.l.f. Cosmetic Brushes are the #1 best-selling cosmetic brush based on highest dollar and unit sales from data reported by NielsenIQ through its Scantrack Service for the Mass Market Color Cosmetics category for the L52 week period ending May 20, 2023, for the US xAOC market. Copyright © 2023, Nielsen Consumer LLC



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. 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.

**% OF E.L.F. BEAUTY PAPER CARTONS THAT ARE FSC-CERTIFIED**

**75%**  
FY 2023

**100%**  
FY 2025 GOAL

**% OF E.L.F. BEAUTY WOOD BRUSH HANDLES THAT ARE FSC CERTIFIED**

**<1%**  
FY 2023

**100%**  
FY 2025 GOAL

# RECYCLABLE AND REUSABLE PACKAGING

**We have projects underway to increase the recyclability of our products.**

In FY 2022 we teamed up with How2Recycle® to conduct packaging-specific recyclability evaluations. **We are pleased to introduce How2Recycle® labeling for e.l.f. SKIN products.** This new labeling will appear on product packaging and on our product pages, guiding consumers on what elements of our packaging are recyclable and clarifying what not to recycle to reduce contamination in recycling streams.

In conjunction with the introduction of this recyclability labeling, we continue to focus on identifying opportunities to utilize packaging forms and materials that are curbside recyclable. We also have projects underway to utilize post-consumer recycled (PCR) content in place of virgin plastics and are exploring refillable formats.



Variation in recycling programs, unclear labeling, and inaccurate recyclability claims make proper recycling a challenge. How2Recycle®, a project of the Sustainable Packaging Coalition®, is a standardized labeling system that clearly communicates disposal instructions. It involves a coalition of forward-thinking brands who want their packaging to be recycled and are empowering consumers through smart packaging labels.



## RESPONSIBLE SOURCING

**We partner closely with our suppliers to ensure responsible sourcing that upholds our principles and values.**

Our products are manufactured by third-party suppliers. In FY 2022, **we launched a sustainability certification program** through EcoVadis to evaluate and monitor the sustainability performance of our suppliers.

In FY 2023, we **partnered with our suppliers to prioritize and implement actions to drive continuous improvement.** We actively engaged with our suppliers on sustainability topics and introduced specific goals for our supplier base related to sustainable procurement, climate-related measurements and action plans, and the use of renewable energy.

The results of this work are reflected in year-over-year EcoVadis score improvements for our suppliers and continued outperformance in our suppliers' average score relative to the EcoVadis average (across 100,000 global suppliers).

**We require all of our suppliers to adhere to our published Supplier Code of Conduct** [🔗](#) which details compliance expectations for suppliers regarding, 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.

## ECOVADIS SUPPLIER ASSESSMENTS

EcoVadis is the world's largest provider of business sustainability ratings, with a methodology built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000.

**EcoVadis assessments evaluate environmental and social performance of suppliers based on four key areas: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.**

**45**  
**E.L.F. SUPPLIERS ASSESSED**

**95%**  
**DIRECT SPEND COVERED**

**+4%**  
**SCORE IMPROVEMENT**  
**E.L.F. SUPPLIERS YEAR-OVER-YEAR**

**+17%**  
**FY23 E.L.F. SUPPLIER PERFORMANCE**  
**VS. ECOVADIS AVERAGE (ACROSS 100,000 GLOBAL SUPPLIERS)**

## RESPONSIBLE SOURCING

# We are the first company in the beauty industry to have a third-party manufacturing facility Fair Trade Certified™.

In August 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, with more in progress. **Today, over 700 of our SKUs, representing more than 75% of our product volume, are produced in Fair Trade Certified facilities.**

For each product produced at a Fair Trade Certified facility, e.l.f. Beauty makes a monetary contribution directly to the facility workers who made the product, funding programs and activities that benefit the workers and their communities.

For more information, see our [Responsible Sourcing Policy](#).



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 thorough 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 were excited to partner with Fair Trade USA to establish the framework for the first cosmetics-production in their factory program. We knew it would not only set a new standard at e.l.f. but for the entire beauty industry in hopes that it will become widely adopted across the sector.”**

**NEHA GOHIL, VICE PRESIDENT OF GLOBAL SOURCING AND STRATEGIC EXTENSIONS**



## RESPONSIBLE SOURCING

# We are committed to responsibly sourcing sensitive ingredients.

Recognizing that the production of mica and palm oil derivatives 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 and are working to achieve these.

## MICA

Mica is a naturally occurring mineral used to provide opacity and pearlescent appearance in many of our pigmented products. **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 2023, 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

Palm derivatives are used in a portion of our products. **We are working to ensure that 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 from across the palm oil supply chain to develop and implement global standards for sustainable palm oil.

Since FY 2023, any palm derivatives sourced for use in our new products are RSPO-certified and we are transitioning existing products with palm derivatives to RSPO-certified sources. In FY 2023, the rate of RSPO-certified palm oil procurement was 50%<sup>1</sup>. Our goal is to achieve 100% RSPO-certified palm oil procurement by FY 2027.

### % OF PALM OIL-BASED INGREDIENTS THAT ARE RSPO CERTIFIED

**50%**  
FY 2023<sup>1</sup>

**100%**  
FY 2027 GOAL

<sup>1</sup> This reported figure is not audited through RSPO Certification

# We are committed to reducing our carbon footprint.

With climate change presenting one of the biggest challenges of our time, we are working to reduce our carbon footprint. In FY 2022, we completed our first measurement of greenhouse gas (GHG) emissions, establishing a baseline from which to develop our carbon reduction approach and establish corresponding targets.

From this starting point, in FY 2023 we made meaningful progress:

- We established and met our science-based target for Scope 1 and 2 emissions<sup>1</sup> through the Science Based Targets initiative. The target is for a 42% reduction in these emissions by 2030.
- We identified and began acting on key focus areas to reduce our carbon footprint. As we progress this work, we plan to evaluate science-based targets for our Scope 3 emissions.
- As part of our transparency and reporting efforts, July 2023 marked our first annual disclosure through CDP’s Climate Change questionnaire.

We recognize this is a journey – we plan to continue to focus our efforts, evaluate our progress and expand into additional opportunities to meet the challenge.

For more information, see our [Climate Change and Emissions Policy](#).

<sup>1</sup> This includes emissions from electricity and natural gas used in our leased buildings.

Consistent with other companies in our sector, the majority of our footprint is attributable to Scope 3, and in particular Purchased goods and services (Category 1) and Upstream and downstream transportation and distribution (Categories 4 & 9). In FY 2023, while GHG emissions increased on an absolute basis relative to FY 2022, they decreased on a revenue intensity basis.

## GHG EMISSIONS BY SCOPE MTCO<sub>2</sub>e



- Scope 1: Direct emissions from owned or controlled sources
- Scope 2: Indirect emissions from generation of purchased electricity
- Scope 3: Indirect emissions from the value chain

This environmental footprint covers GHG emissions following the GHG protocol. e.l.f. Beauty’s measured categories include Scope 1, 2 and 3 emissions. Of the 15 possible Scope 3 categories, we measured categories 1, 3-7, 9 and 12 as reflective of significant impact. For FY 2023 we refined our methodology for purchased goods and services (Category 1) to include the emissions associated with raw materials used in product packaging. We have restated FY 2022 emissions to reflect this methodology update.

## Our carbon reduction approach focuses on four key areas.

Following our first measurement of our GHG emissions in FY 2022, we have since defined and started acting on the key areas that we believe will drive reductions in our Scope 1, 2 and 3 emissions: Operations, Product, Supplier Engagement, and Transportation & Distribution.

### SCOPE 1 & 2 EMISSIONS: DIRECT EMISSIONS

Energy used in own operations: includes electricity and natural gas used in our leased buildings.

#### Operations

In FY 2023, we set near-term GHG emissions targets for Scopes 1 and 2 through the Science Based Target initiative (SBTi) following a 1.5°C scenario. Concurrently, we **transitioned to 100% renewable electricity at all our offices and US retail distribution center** through a combination of utility-provided renewables and Renewable Energy Certificates, meeting our new reduction targets with the plan to continue to do so moving forward.

### SCOPE 3 EMISSIONS: INDIRECT EMISSIONS IN OUR VALUE CHAIN

This includes our two largest categories: Purchased goods & services (Category 1) and Upstream and Downstream transportation (Categories 4 & 9).

#### Product

With the carbon life cycle impact of our products as a leading contributor to our total carbon footprint, we are taking steps to **gain visibility to product-level carbon impact** during product development. This includes implementing the Sustainable Packaging Initiative for Cosmetics (SPICE) tool to quantify and evaluate sustainability in packaging design.

#### Supplier Engagement

As we **engage with our suppliers on sustainability**, GHG emissions is a key topic. We work with suppliers representing 95% of our direct spend to measure their Scope 1 & 2 emissions. Beyond reporting, we are challenging our strategic suppliers to develop emission reduction plans. And, recognizing the value of shared learnings, we have instituted “supplier roundtables” centered on sustainability and plan to build this out as a key element of our supplier management program.

#### Transportation & Distribution

Most of our product travels by ocean from our suppliers to our distribution centers. While ocean is the least emissions-intensive mode, we will continue to **identify ways to reduce the impact of transportation and distribution**. This includes improving efficiency through light-weighting shipping materials, optimizing container loading and identifying opportunities in our distribution network, including our Ecommerce operations.

## CLIMATE AND ENVIRONMENT: CASE STUDY

### We're getting our ship together.

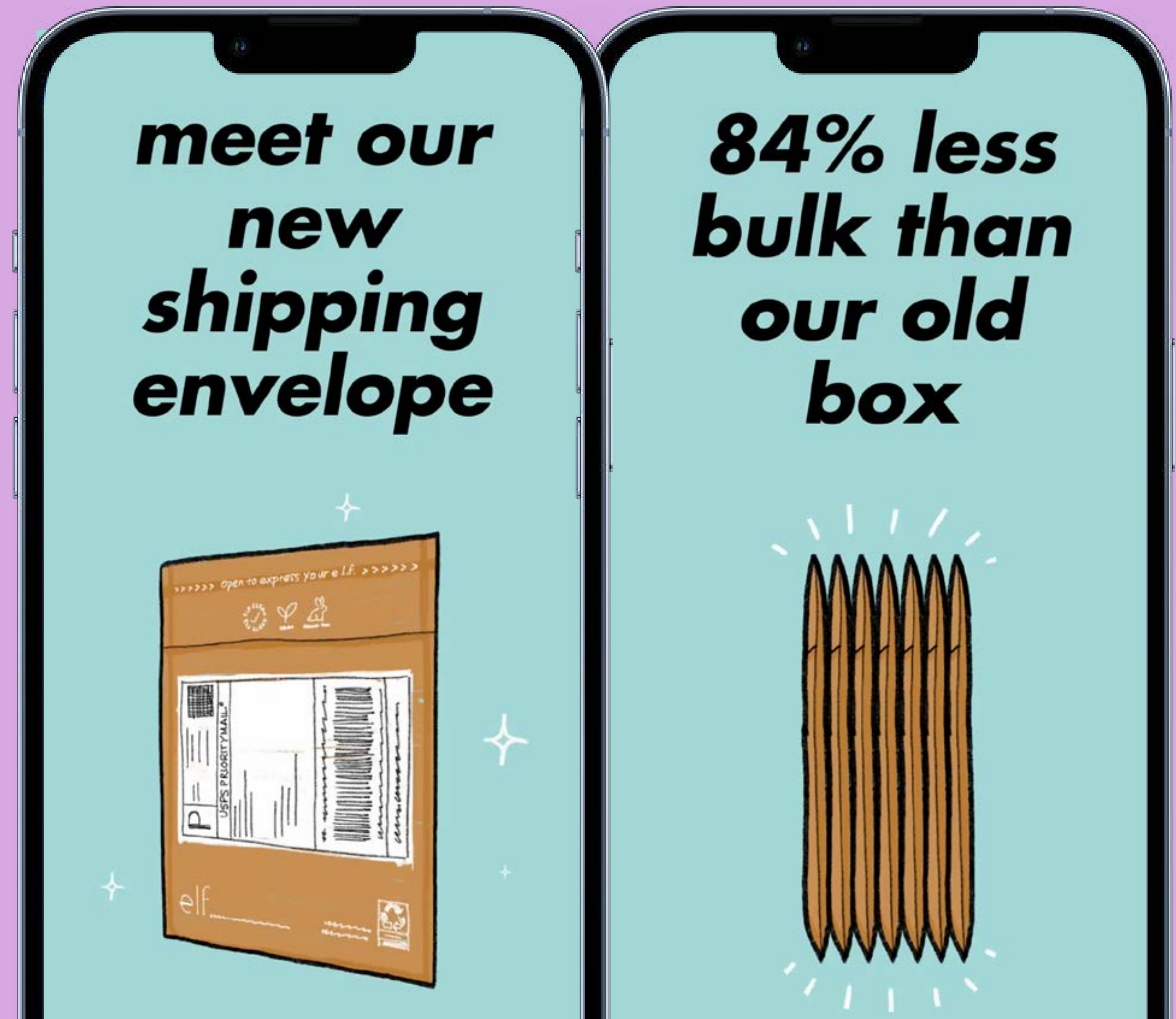
We recently completed a project to improve the way we ship our Ecommerce orders, delivering an enhanced customer experience along with a better sustainability profile.

We listened to feedback from our community and introduced sleek new shipping envelopes for Ecommerce orders in place of our old, larger shipping boxes. These new envelopes are recyclable and use 84% less material than our old box, reflecting our focus on reducing packaging and waste.

To improve delivery times, we transitioned our US ecommerce operations from a single distribution location to three distribution locations. Our three-node model aims to improve delivery times and reduce fuel consumption and greenhouse gas emissions by reducing the average distance to our consumers.<sup>1</sup>

Lastly, we're purchasing high-quality, A-rated carbon offsets to address the greenhouse gas emissions associated with shipping our Ecommerce orders.

<sup>1</sup> Estimated based on studies regarding multi-node distribution models, new lighter average packaging, and purchase of carbon offsets.





## CLIMATE AND ENVIRONMENT

# We're finding ways to reduce water usage to help conserve this essential natural resource.

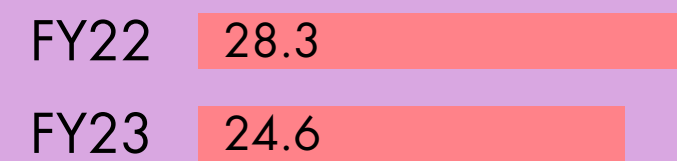
We understand the importance of water to our business, from being an ingredient in our products, to its use by our suppliers in their manufacturing processes.

We began measuring water usage in FY 2022 and are in the process of using this information to further understand our impact and identify water reduction opportunities. This includes engaging with suppliers to ensure that they support our principles of minimizing environmental impact. In FY 2023, while water consumption increased on an absolute basis relative to FY 2022, it decreased on a revenue intensity basis.

### WATER CONSUMPTION (cubic meters)



### WATER CONSUMPTION PER \$ MILLION REVENUE (cubic meters)



For more information, see our [Water Policy](#).

## Getting clean without the water

In FY 2023, we worked with a key supplier to evaluate their glass bottle cleaning process. This study identified an opportunity to use compressed air, rather than water, to effectively clean the bottles prior to being filled with our product.

This new process is expected to reduce water withdrawn by over 350 cubic meters (90,000 gallons) per year for our Halo Glow Liquid Filter product line, with plans to expand this practice to additional product lines.

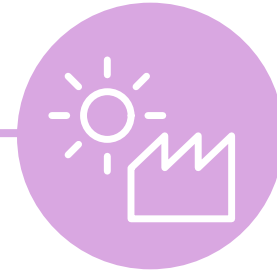
**350**  
CUBIC METERS OF WATER  
SAVED PER YEAR  
(90,000 GALLONS)



## CLIMATE AND ENVIRONMENT

# We are making sustainability a focus throughout our supply chain.

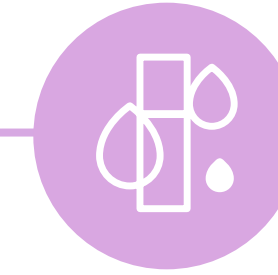
We continually look for ways to implement sustainable practices in our supply chain. This work includes joint efforts with suppliers, looking for opportunities in our own operations, and actively seeking out and eliminating waste. We believe sustainability is not just good for business, including delivering cost savings, it's also about staying true to our values and doing the right thing.



### Solar energy

Four of our key suppliers are investing in solar energy infrastructure at new manufacturing sites, with site-specific solar energy utilization ranging from 50% to 90%.

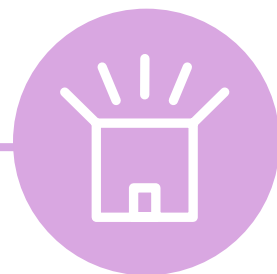
*Impact: Reduced reliance on carbon-based energy sources*



### Water-efficient processes

Working with a supplier, we've introduced a new way to clean glass bottles during production with compressed air rather than water.

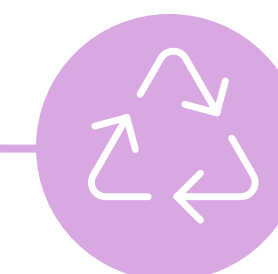
*Impact: 350 cubic meter annual reduction in water used*



### Light-weighted shipping materials

In FY 2023, we completed a project to light-weight the shipping materials used to transport our products from factories through our supply chain, eliminating waste.

*Impact: 100,000 pounds annual reduction in cardboard*

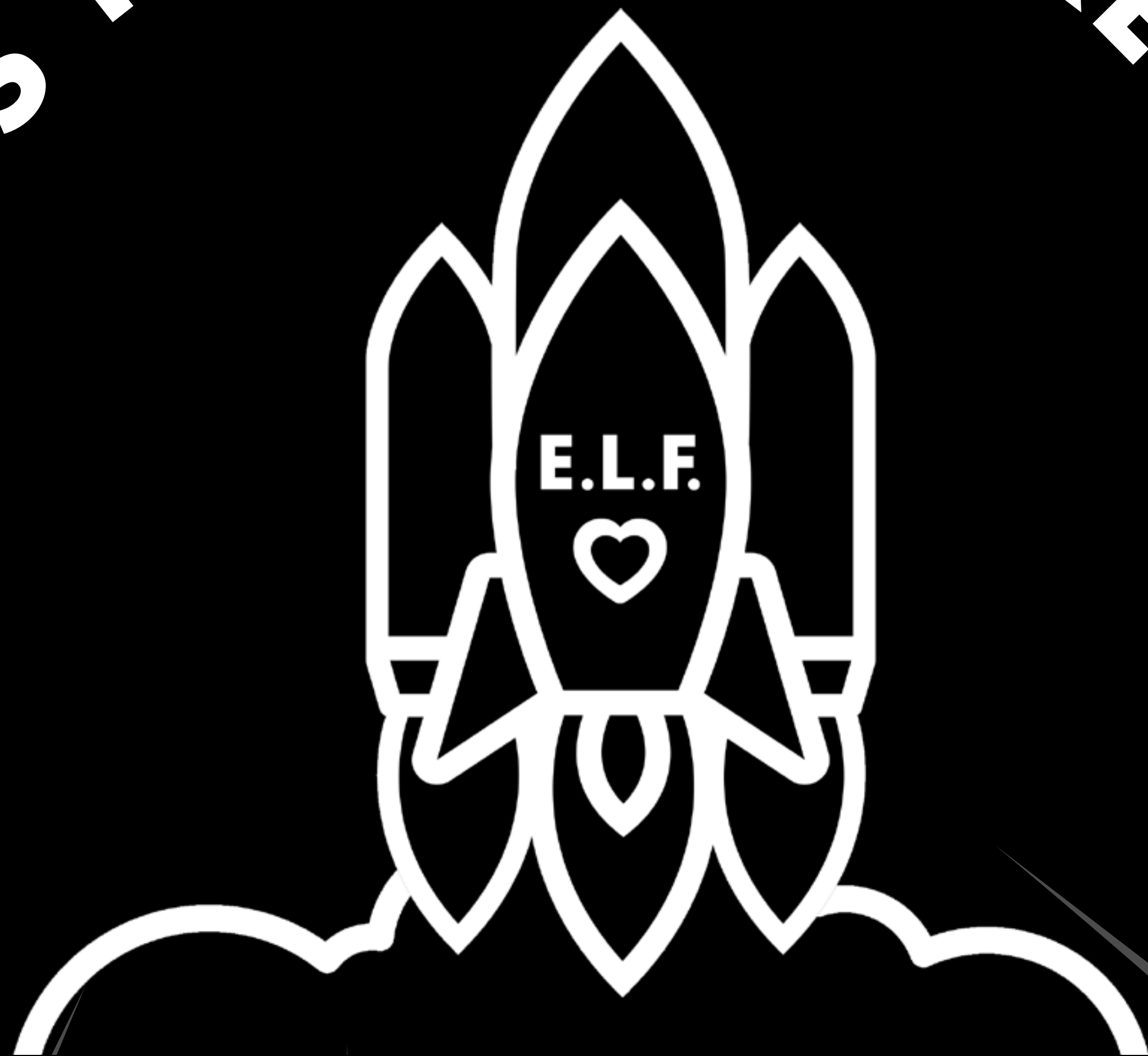


### Distribution center recycling

In FY 2023, we expanded recycling practices at our US retail customer distribution center. We're now recycling more materials, including all cardboard, plastic wrap, label paper, pallets, and more.

*Impact: Over 1.3 million pounds of material recycled per year achieving an 85% waste diversion rate*

THERE'S NO PLACE LIKE E.L.F. 





# APPENDIX

**Our Impact Report details how our organization is making a positive impact on people, the planet and our furry friends.**

Unless otherwise stated, the data in this report is as of March 31, 2023 and covers our fiscal year 2023, which ran from April 1, 2022 to March 31, 2023 (referred to as “this year” or “FY 2023” throughout the report).

We leverage various ESG reporting agencies and frameworks to support and inform our ESG data collection and reporting. Included in this report is our completed FY 2023 Sustainability Accounting Standards Board (SASB) Report for the Household and Personal Products Industry.

Additional information about e.l.f. Beauty can be found on our **Social Impact Site** [🔗](#) as well as in our public financial filings, including our **FY 2023 Annual Report** [🔗](#) and **FY 2023 Proxy Filing** [🔗](#).

## SASB INDEX

Topic	SASB Accounting Metric	SASB Reference Code	Location or Response for FY 2023
<b>Water Management</b>	Total water withdrawn: Thousand cubic meters (m3)	CG-HP-140a.1	141.3 thousand cubic meters
	Total water consumed: Thousand cubic meters (m3)	CG-HP-140a.1	14.3 thousand cubic meters
	Percentage of each in regions with High or Extremely High Baseline Water Stress	CG-HP-140a.1	96% is withdrawn and consumed from regions with High or Extremely High Baseline Water Stress
	Description of water management risks and discussion of strategies and practices to mitigate those risks	CG-HP-140A.2	We monitor our water usage, recognizing that water is essential to our business, including as a product ingredient and as used by our suppliers in their facilities. We began measuring water usage in FY 2022 and are using this information to better understand our impact and identify improvement opportunities. This includes engaging with our suppliers to ensure that they support our principles of minimizing environmental impact. We describe our policies and practices in our <a href="#">Water Policy</a>
<b>Product Environmental, Health, and Safety Performance</b>	Revenue from products that contain REACH substances of very high concern (SVHC)	CG-HP-250a.1	\$0. e.l.f. Beauty does not use any Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) substances of very high concern (SVHC) in any of our products
	Revenue from products that contain substances on the California DTSC Candidate Chemicals List	CG-HP-250a.2	\$0. e.l.f. Beauty does not use any substances on the California Department of Toxic Substances Control (DTSC) Candidate Chemicals List in any of our products
	Discussion of process to identify and manage emerging materials and chemicals of concern	CG-HP-250a.3	We describe our product environmental, health and safety policies and practices in our <a href="#">Ingredient Safety and Transparency Policy</a>
<b>Packaging Lifecycle Management</b>	(1) Total weight of packaging (in thousands of metric tons)	CG-HP-410a.1	2.6 thousand metric tons
	(2) percentage of packaging made from recycled and/or renewable materials	CG-HP-410a.1	e.l.f. Beauty does not currently track these measurements, and will evaluate measurement for future reports
	(3) percentage of packaging that is recyclable, reusable, and/or compostable	CG-HP-410a.1	e.l.f. Beauty does not currently track these measurements, and will evaluate measurement for future reports
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	CG-HP-410a.2	A description of our strategies to reduce the environmental impact of packaging throughout its lifecycle is disclosed in this report as well as in our <a href="#">Packaging Sustainability Policy</a>
<b>Environmental &amp; Social Impacts of Palm Oil Supply Chain</b>	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	CG-HP-430a.1	70 metric tons palm oil derivatives. 50% RSPO. Palm derivatives are used in a portion of our products. We are working to ensure that that any palm derivatives purchased by our suppliers are from sources certified by the Roundtable on Sustainable Palm Oil (RSPO), a global standard for sustainable palm oil. Additionally, we require that any palm derivatives in new product formulations be certified by the RSPO. The reported RSPO figure is not audited through RSPO Certification. For more information, see our <a href="#">Ingredient Safety and Transparency Policy</a>
<b>Activity Metric</b>	Number of manufacturing facilities	CG-HP-000.B	0. e.l.f. Beauty does not own or lease any manufacturing facilities. For more information on our principal owned and leased properties, please see our FY 2023 <a href="#">Form 10-K</a> , page 36

## COMMITMENT ENDNOTES

1. Source: FactSet, as of June 2, 2023. Includes non-blank check public companies headquartered in the United States.
2. Employee demographic figured based on our Director and above full-time employees as of March 31, 2023 and March 31, 2022. Race/ethnicity percentages exclude our employees outside of the United States.  
We are an equal opportunity employer and do not use gender or any other protected criteria as a factor in any employment decisions, such as hiring, promotions or compensation.
3. Includes charitable contributions as well as inventory donations and/or contributions.
4. Source: Culture Amp. Benchmark based on Culture Amp's Consumer Goods & Services 2023 Benchmark and 2022 Benchmark.
5. Every employee (including our Executive Team) receives a base salary, is bonus-eligible under the same bonus target solely tied to our financial performance and receives an annual equity award of e.l.f. Beauty stock.
6. We are proudly double-certified as "cruelty-free" across the e.l.f., Well People and Keys Soulcare brands, with certification as "Global Animal Test-Free" by People for the Ethical Treatment of Animals (PETA) and under the Leaping Bunny program.
7. On each of our brand's e-commerce websites (elfcosmetics.com, elfskin.com, wellpeople.com and keyssoulcare.com), we publish a full ingredient list for each product. We also explain what each ingredient means and why it is used in our product formulas
8. We formulate our products to meet Food and Drug Administration (FDA) and European Union Cosmetic Regulation (EUCR) restrictions on over 1,600 ingredients, including parabens, phthalates, palm oil, sulfates, formaldehyde, nonylphenol ethoxylates, triclosan, triclocarban, toluene, coal tar, lead, mercury, acrylamide and hydroquinone, as well as other substances.
9. Packaging intensity determined as average packaging weight per measure of formula versus a 2019 baseline.
10. Reflects our suppliers' average EcoVadis score relative to the EcoVadis average (across 100,000 global suppliers).
11. Scopes 1 and 2 reduction target of 42% versus a FY22 baseline was established through the Science Based Targets initiative. In FY23, we achieved a 94% reduction versus the FY22 baseline. Moving forward, we plan to evaluate science-based targets for our Scope 3 emissions.
12. Transition to 100% renewable electricity at all our offices and US retail distribution center achieved through a combination of utility-provided renewables and Renewable Energy Certificates.

## NOTE

Our Impact Report and the corporate responsibility/sustainability portions of our website contain forward-looking statements within the meaning of the federal securities laws, including those statements relating to our future ESG commitments, initiatives and goals. Although we believe that the expectations reflected in the forward-looking statements are reasonable, actual results and the timing of selected events may differ materially from those expectations. Factors that could cause actual results to differ materially from those in the forward-looking statements include, among other things, the risks and uncertainties that are described in our most recent Annual Report on Form 10-K, as updated from time to time in our reports filed with the Securities and Exchange Commission (the “SEC”).

Additionally, our approach to the disclosures included in our Impact Report and the corporate responsibility/sustainability portions of our website may differ from our approach to the disclosures included in mandatory regulatory reports, including filings with the SEC. Our Impact Report and the corporate responsibility/sustainability portions of our website are intended to provide information from a different perspective and, in certain cases, in more detail than that required to be included in our filings with the SEC. Climate related science, data and methodologies are rapidly evolving; those underlying our climate-related analysis and strategy remain subject to evolution over time. As a result of improvements to the quality and completeness of our data and updates to our methodology over time, we may include information in future disclosures that differ from those contained in our Impact Report and the corporate responsibility/sustainability portions of our website.

Our Impact Report and the corporate responsibility/sustainability portions of our website contain third-party data. We have not, and do not intend to, independently verify third-party data.

You are urged to consider these factors carefully in evaluating the information included in our Impact Report and the corporate responsibility/sustainability portions of our website (including forward-looking statements). Unless otherwise specified, all information included in our Impact Report and the corporate responsibility/sustainability portions of our website (including forward-looking statements) speaks only as of the date hereof. Except as required by law, we assume no obligation to update or revise any information (including forward-looking statements) contained in our Impact Report or the corporate responsibility/sustainability portions of our website (including forward-looking statements) for any reason, even if new information becomes available in the future.

# E.L.F. BEAUTY

For more information on our ESG policies and initiatives, please visit our website:  
<https://www.elfbeauty.com/social-impact/>

For questions regarding e.l.f. Beauty's ESG efforts or the content of this report, please contact [impact@elfbeauty.com](mailto:impact@elfbeauty.com).