

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 2023, 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 2023 was approximately 17% 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.

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.

Fair Trade USA™ is a nonprofit organization that offers award-winning, rigorous, and 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 strong, 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.

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. By shopping Fair Trade Certified products, consumers can further e.l.f. Beauty's commitment to do the right thing for all people, the planet and our furry and finned friends.

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 have set a public goal to have 100% of our Indian mica responsibly sourced through Responsible Mica Initiative (RMI) members. 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 any palm derivatives purchased by our suppliers are from sources certified by the Roundtable for Sustainable Palm Oil Sourcing (RSPO) and set a public goal to achieve 100% RSPO-certified palm oil procurement by FY 2027 as

compared to 50%¹ in FY 2023. 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.

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 2023

¹ This reported figure is not audited through RSPO Certification.