

# E.L.F. BEAUTY FISCAL 2022 IMPACT REPORT

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

The data in this report covers our fiscal year 2022, which ran from April 1, 2021 to March 31, 2022 (referred to as "this year" or "FY 2022" throughout the report).



# ABOUT E.L.F. BEAUTY



## A MESSAGE FROM OUR CEO

I am pleased to share e.l.f. Beauty's inaugural Impact Report, which details our environmental, social and governance (ESG) initiatives and accomplishments.



**Tarang P. Amin**  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

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

We have been an industry disruptor since the very beginning. Our trail blazing founders started the business 18 years ago by selling high-quality cosmetics online at an extraordinary value. As we've grown to be the #5 mass cosmetics brand in the United States per Nielsen, we continue to challenge traditional beauty norms by being fearless and heartful. We lead with empathy, intention and an innate desire to empower others.

**We have always taken a democratic view of beauty with a deep commitment to diversity and inclusion.**

We are proud to be one of only 26 public companies in the U.S. where members of underrepresented demographic groups represent at least a third of the Board of Directors (out of nearly 4,500 public companies), according to MSCI. We're also

proud that our employee base, which is over 75% women, over 40% diverse and over 65% millennial and Gen Z, is representative of the young, diverse community we serve.

**We continue to be guided by our purpose.** 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. Our commitment to our culture and people was recently affirmed by Fortune, who named e.l.f. Beauty to its annual lists of Best Workplaces in 2021.

**Purpose is more than words on a page, it is living up to our commitments and**

**creating impact.** In this past year, we debuted our new Social Impact site on [elfbeauty.com](http://elfbeauty.com), memorializing our commitment to transparent ESG practices. We celebrated eliminating over one million pounds of excess packaging

since the inception of "Project Unicorn." We committed to 100% clean beauty—reformulating a subset of our products so that we now restrict over 1,600 ingredients across our portfolio of brands. We announced that we were the first beauty brand to have a third-party manufacturing facility Fair Trade Certified™. And, we completed the first measurement of our greenhouse gas emissions to establish a baseline toward future environmental strategy development.

Our inaugural Impact Report is both a testament to what we have already achieved and a baseline from which to work as we look toward the future. **It is our intention to further lean into e.l.f. Beauty's superpowers and build new ones as we continue to deliver what matters most to the growing communities we serve.**

I look forward to sharing our progress with you in the months and years ahead.

*Tarang P. Amin*

# E.L.F. BEAUTY IS A BOLD DISRUPTOR WITH A KIND HEART – FEARLESS AND HEARTFUL.

## OUR VISION

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

## OUR MISSION

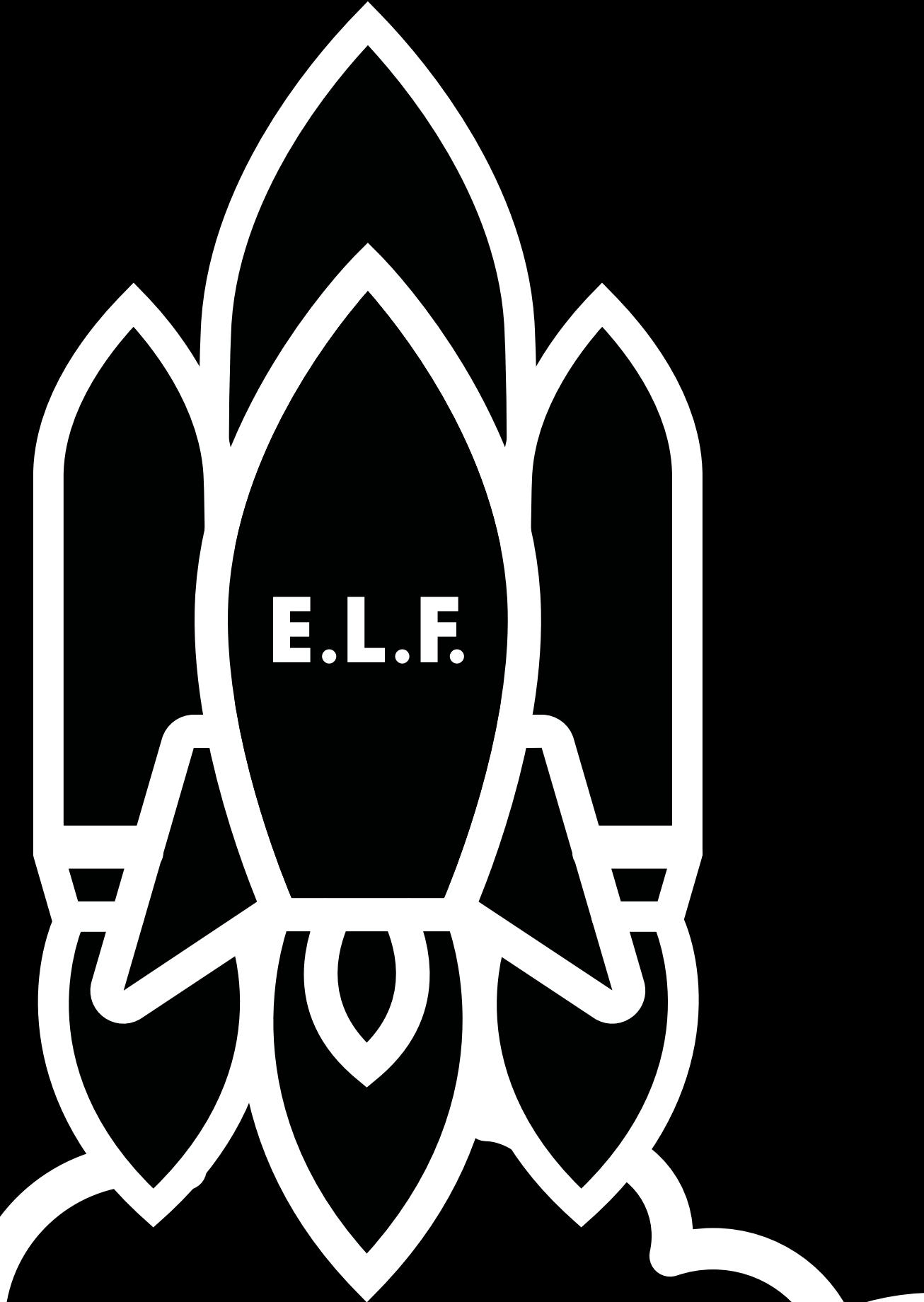
We make the best of beauty accessible to every eye, lip, face and skin concern.

## OUR SUPERPOWERS

Our products are clean, cruelty-free and offer extraordinary quality for price.

## OUR MANTRA

Anything is e.l.f.ing possible 

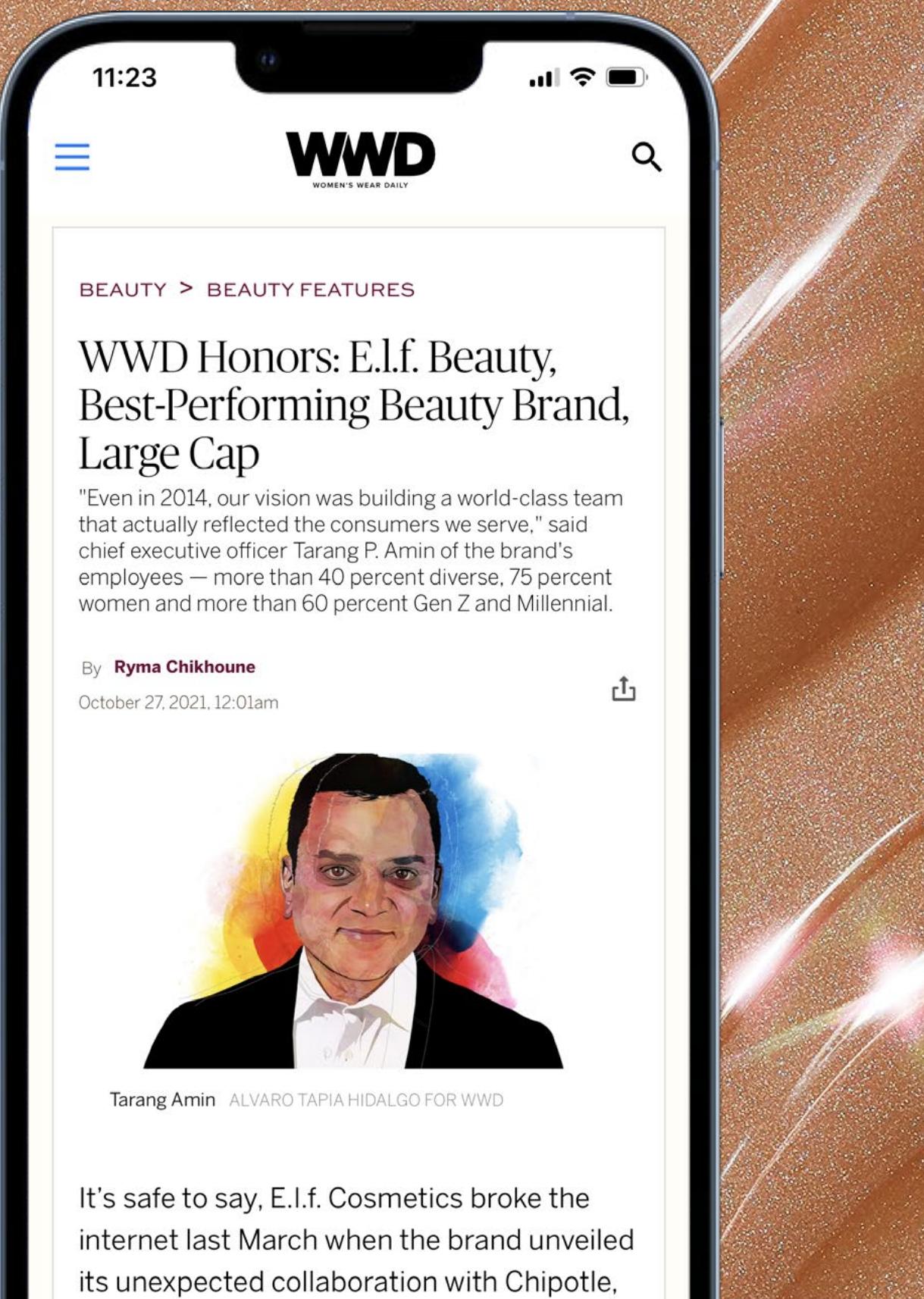


E.L.F. BEAUTY AT A GLANCE

# E.L.F. BEAUTY

# WWD

BEAUTY'S MOST  
POWERFUL BRANDS  
IN 2020 AND 2021



\$392M

Net Sales

#1

Favorite Teen Brand<sup>1</sup>

19%

Adjusted EBITDA Margin

303

Employees

89%

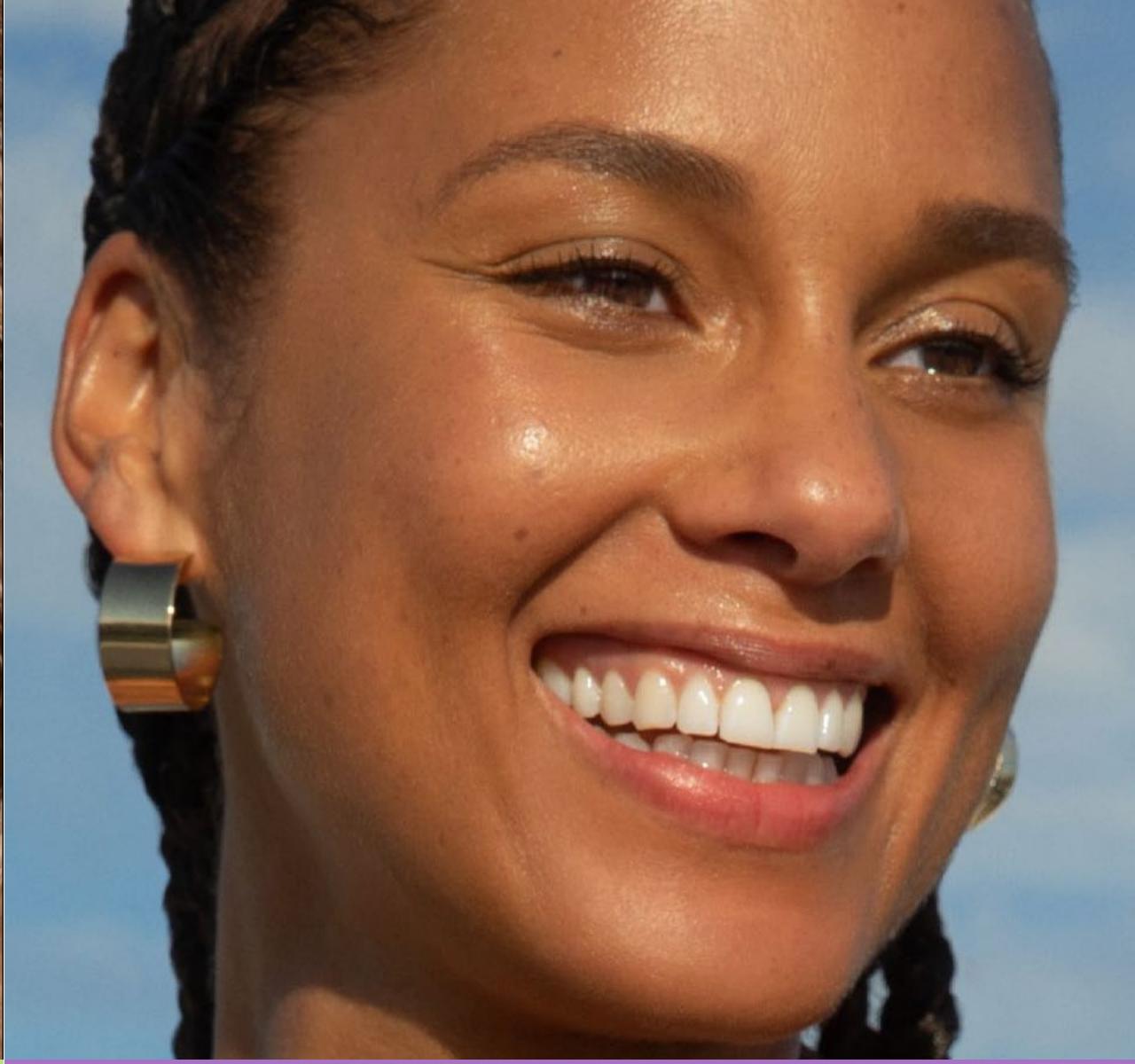
of Sales in US

14%

of Sales Online

Represents FY 2022 statistics

<sup>1</sup> e.l.f. Cosmetics, Piper Sandler Semi-Annual Taking Stock With Teens® Survey, Spring 2022



## 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 100% vegan, clean and cruelty-free.

## e.l.f. SKIN

Winning in skin the clean + kind way. e.l.f. SKIN offers ingredient-focused skincare for every eye, lip, face and skin concern. e.l.f. SKIN makes innovative formulas at an extraordinary value, always 100% vegan, clean and cruelty-free.

## WELL PEOPLE

A clean beauty pioneer with 40 EWG VERIFIED™ products, Well People has raised the standard for high-performing, plant-powered and cruelty-free beauty and skincare since 2008.

## KEYS SOULCARE

Created with Alicia Keys and inspired by her skincare journey, love of ancient beauty rituals, soulfulness and good vibes, Keys Soulcare goes beyond skincare to truly care for the whole self – body, mind and spirit.

## CORPORATE GOVERNANCE

# Our commitment to diversity, equity and inclusion starts at the top with a highly skilled and diverse Board.

Our Board of Directors (our “Board”) is responsible for establishing broad corporate policies, setting strategic direction and overseeing our Executive Leadership Team, who is responsible for the competent and ethical operation of our company on a day-to-day basis. Our Board currently has three standing committees: Audit, Compensation, and Nominating and Corporate Governance. Each committee is comprised entirely of independent directors and performs the duties as summarized in our Proxy Statement [↗](#).

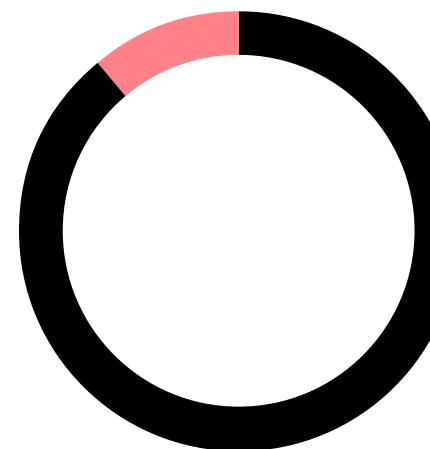
## BOARD COMPOSITION AND DIVERSITY

We believe diversity on our Board is important. A variety of perspectives improves the quality of dialogue, contributes to a more effective decision-making process, enhances overall culture and ultimately increases our capacity for long-term growth.

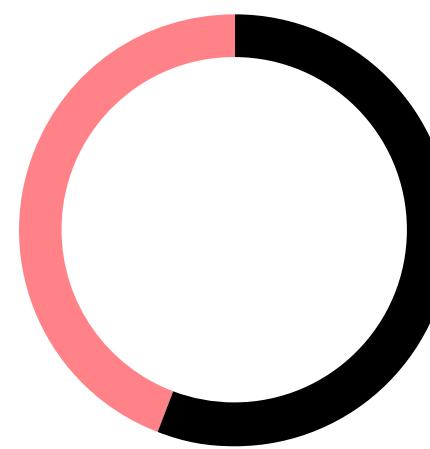
**Our Board is 56% women and 33% diverse. We are proud to be one of only 26 public companies listed in the United States where members of underrepresented demographic groups represent at least a third of the Board (out of nearly 4,500 public companies).<sup>1</sup>**

<sup>1</sup> Source: MSCI ESG Ratings

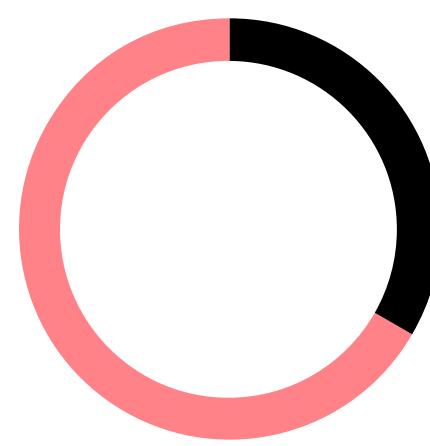
## BOARD STATISTICS



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

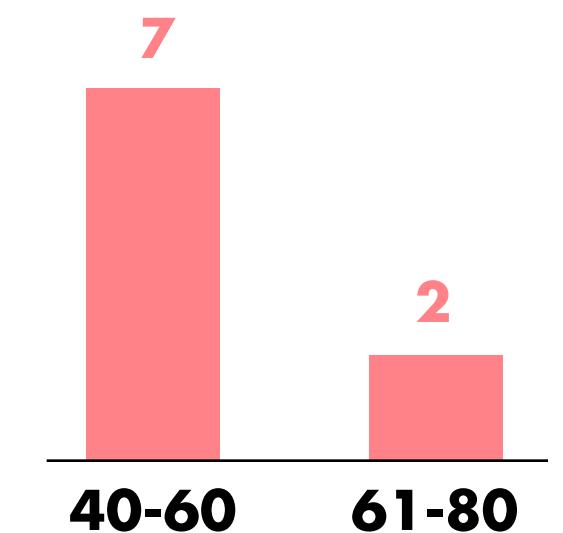


**56%**  
Women  
(5 of 9 Directors)

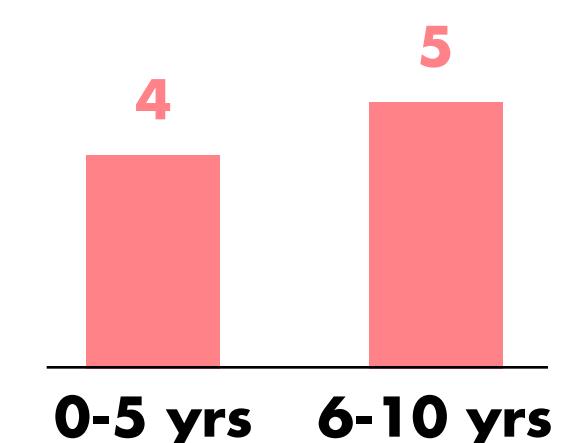


**33%**  
Diverse  
(3 of 9 Directors)

**58 Years**  
Average Age



**4.8 Years**  
Average Tenure



## CORPORATE GOVERNANCE

**Our Board assigned ESG oversight and responsibility to the Nominating and Corporate Governance Committee to ensure that we maintain our commitment to sustainability as we continue to grow and evolve as a company.**

### BOARD OVERSIGHT

The Nominating and Corporate Governance Committee has primary responsibility for our ESG policies and practices, as well as associated risks.

Internally, our SVP, General Counsel and Chief People Officer is the executive sponsor of our ESG program. Our VP of Corporate Development and Investor Relations and our VP of Project Management serve as the project leads of ESG, with support from business leaders throughout the company. Members of this group meet at least monthly and provide regular updates to our Executive Team and Nominating and Corporate Governance Committee on the status and progress of our initiatives.



Our cross functional team of experts, including representatives from **brand, creative, human resources, innovation, IT, finance, operations, packaging and R&D**, are responsible for driving our day-to-day ESG strategy. In addition, we have employees across the company who are passionately driving action on ESG topics.

**"Our ESG program continues to be a top priority at the company and at the Board level. Our sustainability commitment penetrates all aspects of our business, differentiating us in a competitive marketplace as a new kind of beauty company that is purpose-led and results-driven."**

**BETH M. PRITCHARD, LEAD INDEPENDENT DIRECTOR**

## STAKEHOLDER ENGAGEMENT AND MATERIALITY

**We welcome and encourage our stakeholders to provide input and insight on the topics most important to them and how we can improve our ESG efforts.**

Over the last year, we worked with a third-party ESG advisor to conduct our first materiality assessment, with the goal of fine-tuning our understanding of the ESG topics that are important to our key stakeholders and our business.

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:

**Board of Directors**

**Executive Leadership Team**

**Employees**

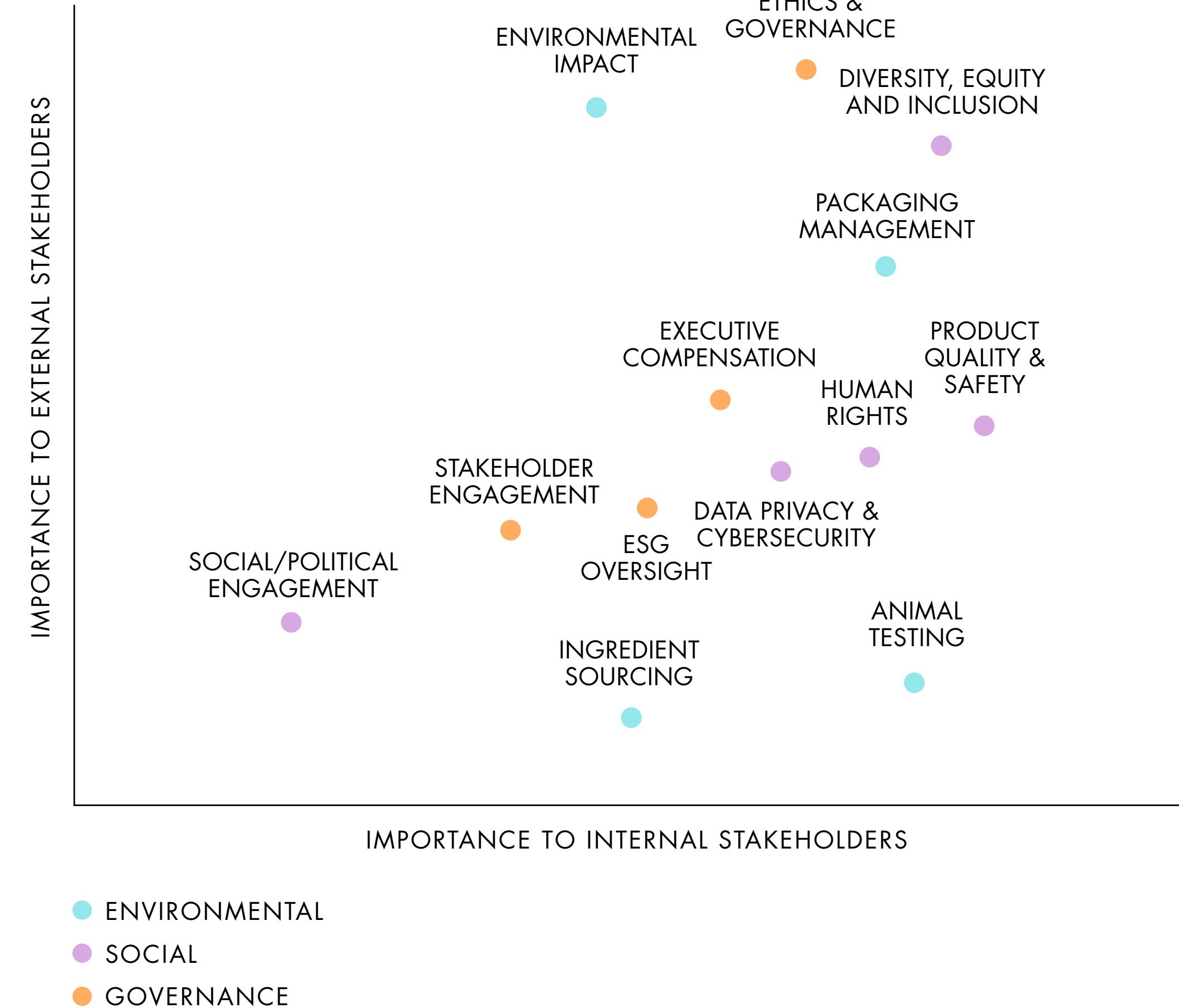
**Investors**

**Retail Customers**

**Consumer Community**

Our learnings represent feedback from a discrete point in time, and 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



## OUR PURPOSE AND COMMITMENTS

### We are guided by our purpose.

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.

In June 2021, we launched our **Social Impact** site [↗](#) to communicate the many initiatives, programs and policies we've put in place to further our Company's positive impact. During the coming year, we plan for our Board of Directors, executive leadership and internal ESG team to discuss the

results of our first materiality assessment and determine what new ESG goals, metrics and strategies to put in place.

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

## ENCOURAGE SELF EXPRESSION

We celebrate diversity and make the best of beauty accessible.

## EMPOWER OTHERS

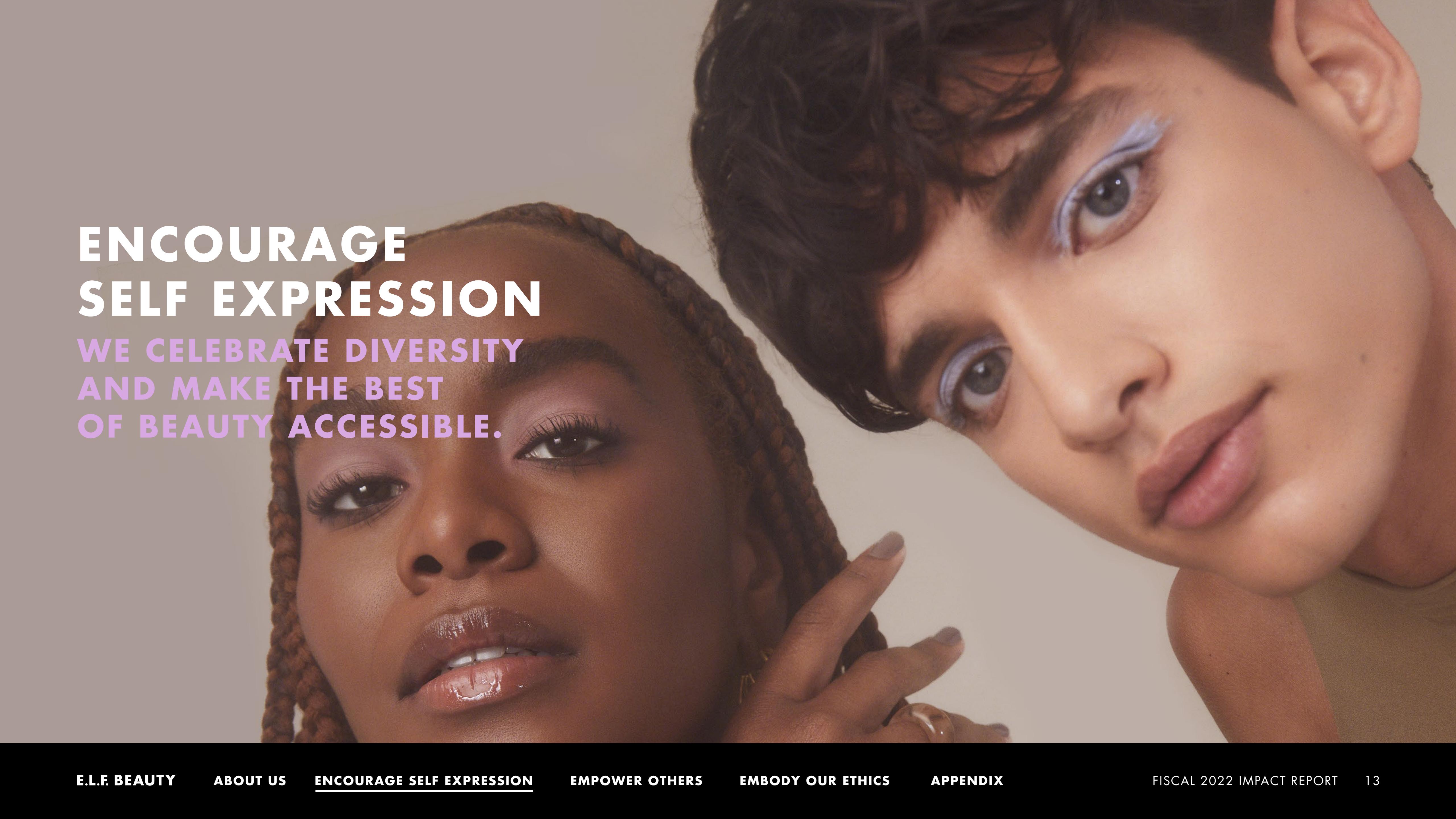
We provide equal opportunities for growth and success.

## EMBODY OUR ETHICS

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

# MAKING AN E.L.F.ING IMPACT

OUR PROGRESS IN FY 2022		READ MORE
<b>ESG Strategy &amp; Recognition</b>	<b>Launched a new Social Impact page of our website</b> to memorialize our commitment to transparent ESG practices	<a href="#">Social Impact Site ↗</a>
	<b>First materiality assessment completed</b> to understand the ESG issues important to our key stakeholders and business	<a href="#">Stakeholder Engagement and Materiality</a>
	<b>+32% year-over-year improvement in our Sustainalytics ESG score, now +24% better than peer average</b> (ranking #14 out of 104 companies in Household Products industry)	<a href="#">Sustainalytics ESG Risk Ratings ↗</a>
<b>Encourage Self Expression</b>	<b>1 of 26 public companies in the U.S.</b> with ≥33% underrepresented demographic groups on Board (out of ~4,500 public companies)	<a href="#">Diversity, Equity and Inclusion</a>
	<b>+14pp year-over-year increase in female leadership</b> , with Executive Team now 57% female vs. 43% a year ago	<a href="#">Diversity, Equity and Inclusion</a>
	<b>&gt;90% of our employees completed our Behaviors of Inclusion training</b> to practice behaviors of inclusion and learn how to be a better advocate for themselves and others	<a href="#">DEI Training and Development</a>
<b>Empower Others</b>	<b>#4 Best Small and Medium Workplaces</b> in Manufacturing and Production in 2021, according to Fortune	<a href="#">Our Culture and Values</a>
	<b>89% overall employee engagement</b> —15 points above the industry benchmark and one point above our survey the previous year	<a href="#">Employee Engagement</a>
	<b>7 new or enhanced employee benefits launched</b> , as part of our commitment to listen to and reward our employees	<a href="#">Employee Rewards and Wellness</a>
	<b>~\$185,000 donated to support and empower underserved communities</b>	<a href="#">Community Activity</a>
<b>Embody Our Ethics</b>	<b>Achieved double-certified “cruelty-free” status</b> from People for the Ethical Treatment of Animals (PETA) and Leaping Bunny across each of our brands	<a href="#">Product Sustainability</a>
	<b>Publicly committed to 100% clean beauty</b> , restricting over 1,600 ingredients and reformulating over 350 product SKUs	<a href="#">Product Sustainability</a>
	<b>Eliminated 1 million pounds of excess packaging</b> since the inception of “Project Unicorn”	<a href="#">Packaging Sustainability</a>
	<b>Set new sustainably sourced packaging goal</b> for 100% of e.l.f. beauty paper cartons to be Forest-Stewardship Council (FSC)-certified by FY 2025, vs 23% in FY 2022	<a href="#">Packaging Sustainability</a>
	<b>Rolled out EcoVadis sustainability certification program to our suppliers</b> with average score +10% higher than EcoVadis average	<a href="#">Responsible Sourcing</a>
	<b>First beauty company to have a third-party manufacturing facility Fair Trade Certified™</b>	<a href="#">Responsible Sourcing</a>
	<b>First measurement of greenhouse gas emissions completed</b>	<a href="#">Climate Change and Emissions</a>



# ENCOURAGE SELF EXPRESSION

WE CELEBRATE DIVERSITY  
AND MAKE THE BEST  
OF BEAUTY ACCESSIBLE.

## DIVERSITY, EQUITY AND INCLUSION

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

We are deeply committed to diversity, equity and inclusion (DEI) as exemplified by the diversity of both our Board of Directors and our employee base. Our Board is 56% women and 33% diverse. We are proud to be one of only 26 public companies listed in the United States where members of underrepresented demographic groups represent at least a third of the Board (out of nearly 4,500 public companies)<sup>1</sup>. **We're also proud that our employee base, which is over 75% women, over 40% diverse, and over 65% millennial and Gen Z, is representative of the young, diverse communities we serve.**

We are committed to ensuring that diversity is represented across our entire team – including but not limited to gender, race, sexual orientation, national origin, ability and age. **We promote DEI at all levels of our workforce, and our senior leadership team takes full ownership of our DEI initiatives and programs.**

For more information, see our Diversity, Equity and Inclusion Policy [\[2\]](#).

## REPRESENTATION OF WOMEN

- Women

### Board of Directors

FY 2021 **56%**

FY 2022 **56%**

### Executive Team<sup>2</sup>

FY 2021 **43%**

FY 2022 **57%**

### All Employees

FY 2021 **73%**

FY 2022 **77%**

## REPRESENTATION OF HISTORICALLY UNDERREPRESENTED GROUPS

- Black
- Hispanic
- Asian
- Other

### Board of Directors

FY 2021 22%  11%  **33%**

FY 2022 11%  22%  **33%**

### Executive Team<sup>2</sup>

FY 2021 14%  29%  **43%**

FY 2022 14%  29%  **43%**

### All Employees<sup>3</sup>

FY 2021 8%  15%  14%  5% **42%**

FY 2022 6%  18%  13%  6% **43%**

<sup>1</sup> Source: MSCI ESG Ratings

<sup>2</sup> Executive Team includes our Executive Officers and the Vice President, General Manager of our China operations.

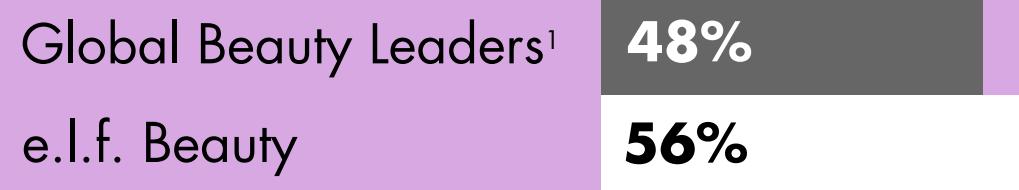
<sup>3</sup> Race/ethnicity percentages exclude our employees in China.

## DIVERSITY, EQUITY AND INCLUSION

**Our commitment to diversity, equity and inclusion is core to our company DNA.**

### REPRESENTATION OF WOMEN

#### Board of Directors



#### Executive Team<sup>2</sup>



#### All Employees



<sup>1</sup> Global Beauty Leaders includes Coty, Estee Lauder and L'Oréal.

<sup>2</sup> Executive Team for e.l.f. Beauty includes our Executive Officers and the Vice President, General Manager of our China operations.

## DIVERSITY, EQUITY AND INCLUSION GOALS OF GLOBAL CONSUMER INDUSTRY LEADERS

**ESTEE LAUDER** **Gender parity within Board of Directors by 2025**  
**(56% of our Board is women)**

**E.L.F. BEAUTY** **ESTEE LAUDER** **Gender parity for women in senior leadership positions worldwide by 2025**  
**(57% of our Executive Team is women)**

**VF CORP** **Achieve 25% BIPOC representation within US Director and above population by 2030**  
**(43% of our Executive Team, and 43% of our employees are diverse)**

**COTY** **Roll out diversity, equity and inclusion training for all associates by 2025**  
**(>90% of our employees completed our Behaviors of Inclusion course)**

## DEI TRAINING AND DEVELOPMENT

**To drive change, we believe there must be continuous education, learning and sharing.**

We are committed to providing DEI programs and initiatives that support our employees. **We invest and participate in DEI education and provide numerous opportunities for our employees to learn from and engage with others.**

We offer a Behaviors of Inclusion Course to all employees, through our partnership with LifeLabs Learning. In this workshop, **our employees 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.

We regularly host masterclass education events for our employees to lean into cultural moments such as Black History Month; International Women's Month; Asian American and Pacific Islander (AAPI) Heritage Month; Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Pride Month; and LatinX Heritage Month. Our intention is to educate, empower and inspire with extraordinary panels of leaders and allies so that we can fuel an even brighter future.

**"I admire these fierce women! So much kind passion."**

**PATRICK O'KEEFE, HEAD OF INTEGRATED MARKETING COMMUNICATIONS, E.L.F. BEAUTY**

**To celebrate AAPI Heritage Month, e.l.f. Beauty hosted a masterclass with three superheroes** who gave our employees a peek into the paths they have taken, obstacles they have overcome and unforgettable lessons they have learned along the way. All in genuine and generous service to pay it forward, lighting the path for others.



**PRIYA ROA**  
**Executive Director,**  
**Glossy**



**MIMI SWAIN**  
**Chief Revenue**  
**Officer, Ring**



**PRAMA BHATT**  
**Chief Digital Officer,**  
**Ulta Beauty**

Additional information about our DEI programs and initiatives is included in our Diversity, Equity and Inclusion Policy [↗](#).

## DEI IN OUR MARKETING

**We take pride in leading with inclusivity through our marketing communications.**

Our brands have long underscored our company's commitment to inclusivity. **We intentionally cast diverse models, creators and community members who represent marginalized and underserved communities** to celebrate diversity in all its forms and emphasize the beauty of body positivity.

In May 2021, Keys Soulcare launched a #PraiseYourBody social media campaign to accompany the launch of its Body Care product offerings, encouraging our community of "lightworkers" to share their own personal love letters to their bodies and further foster the positive vibes our community has created.

**"All bodies are beautiful because they contain possibility."**

**ALICIA KEYS, CO-CREATOR OF KEYS SOULCARE**



## We proudly support human rights and individual expression and freedom.

**We create 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 endorsed and overseen by our Board of Directors and Executive Team.

## We stand with a woman's right to choose and support reproductive healthcare access for all.

As a company of over 75% women and dedicated to empowering others, we believe in protecting women's rights. In response to legislative and judicial developments in 2022 around reproductive rights, e.l.f. Beauty outlined the following actions:

### SUPPORTING OUR EMPLOYEES

e.l.f.'s reproductive care benefits – particularly our fertility and adoption program – have long been part of our efforts to support the privacy, safety and freedom of family planning for our employees.

e.l.f. will cover the cost of travel and lodging to provide our employees with full access to reproductive care services.

e.l.f. supports employees using flexible time off to speak out and join non-violent demonstrations occurring around the United States.

### CREATING A SAFE SPACE

We want to create a safe and open space for conversation that is inclusive of all viewpoints around this topic, and our e.l.f. Executive Team can be reached at any time to talk to employees.

e.l.f. employees have access to our Employee Assistance Program (EAP), 24 hours per day, seven days a week to discuss personal concerns or pressures.

### DONATING TO THE CAUSE

We made a corporate donation of \$25,000 to Planned Parenthood Federation of America and also matched employee donations.



## HUMAN RIGHTS

### We proudly support the rights of the LGBTQ+ community.

Since 2020, we have teamed up with the It Gets Better Project, an inspiring non-profit organization with the mission of uplifting, empowering and connecting LGBTQIA+ youth around the globe through storytelling.

Together with the It Gets Better Project, we held a "It's Pronoun Time" masterclass session in FY 2022 to educate our employees on what pronouns are (in the context of the LGBTQ+ community), why they are important, how to use gender-inclusive pronouns, and more. We're pleased that over 75% of our employees participated in this masterclass.

In June 2022, we created a Big Mood Mascara Pride Limited Edition, with 100% of the proceeds donated to the It Gets Better Project. In addition, across all of our brand websites ([elfcosmetics.com](http://elfcosmetics.com), [wellpeople.com](http://wellpeople.com) and [keyssoulcare.com](http://keyssoulcare.com)) consumers were able to round up their purchases to the nearest dollar to benefit the It Gets Better Project. We donated over \$20,000 in total to the It Gets Better Project this year.

**"I felt truly seen when I found the makeup community in middle school...the online beauty world was my safe space. Now, I am e.l.f. proud to be able to create products and tools for people, especially young LGBTQ+ people, to find a creative outlet to express themselves."**

**MILES GEORGE, ASSOCIATE DIRECTOR,  
PRODUCT DEVELOPMENT, E.L.F. BEAUTY**

**IT GETS BETTER PROJECT.**





**EMPOWER  
OTHERS**

**WE PROVIDE  
EQUAL  
OPPORTUNITIES  
FOR GROWTH  
AND SUCCESS.**

## OUR CULTURE AND VALUES

# Our talented employees are the core of our business strategy.

We place a high priority on attracting, recruiting, developing and retaining diverse global talent.

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 2022, we were recognized on the Fortune list of the Best Small and Medium Workplaces in Manufacturing and Production, as well as the Best Small and Medium Workplaces in New York in 2021.

**"I continue to encourage new hires to embrace a culture many thought only existed at big tech companies. After weeks of thinking our culture was something non-sustainable, most finally realize that e.l.f. is truly an HPT hub that is embraced by all!" BO BUSCH, DIRECTOR, CUSTOMER SUPPLY CHAIN, E.L.F. BEAUTY**

## OUR VALUES

Our team of talented superheroes embody, foster and inspire our values in others. As a company, **our shared value system motivates us, connects us and fuels our actions**.

### 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

We closely monitor the status of our employees' well-being, development and overall satisfaction.

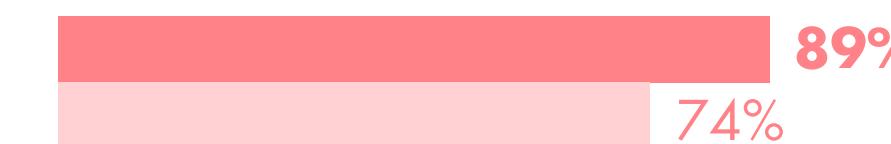
We conduct an annual engagement survey of all employees. All employees are offered the opportunity to participate and in FY 2022 81% of our employees submitted a response. The responses returned an **overall highly favorable employee engagement** score of 89%—15 percentage points above the industry benchmark and one percentage point above our survey the previous year.

Following the survey, our Executive Team members reviewed the data and outcomes with their teams to create action plans on how we can further enhance our employee experience.

# 89%

OVERALL ENGAGEMENT

+15pp vs industry benchmark



# 95%

RECOMMEND E.L.F. AS A GREAT PLACE TO WORK

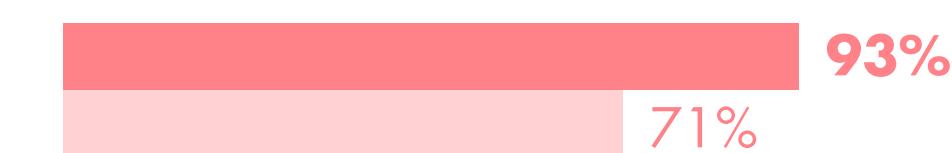
+10pp vs industry benchmark



The survey highlighted strengths relative to the industry benchmark across three key areas:

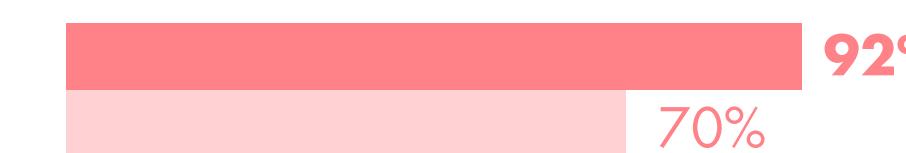
### VISION

**+22pp**  
vs benchmark



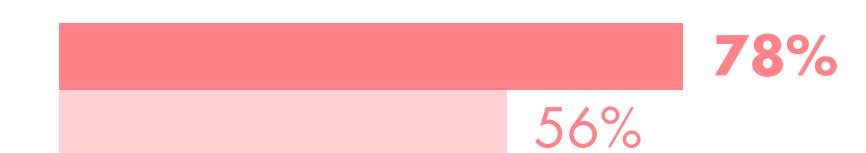
### COMMUNICATION

**+22pp**  
vs benchmark



### SATISFACTION

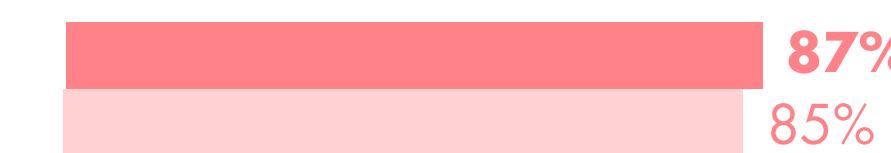
**+22pp**  
vs benchmark



The survey also showed areas where our employees see opportunities for growth. We were pleased that even in these areas, e.l.f. continues to outperform the industry benchmark:

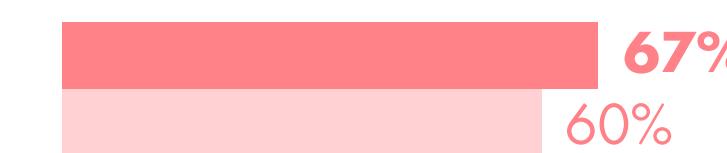
### GROWTH

**+2pp**  
vs benchmark



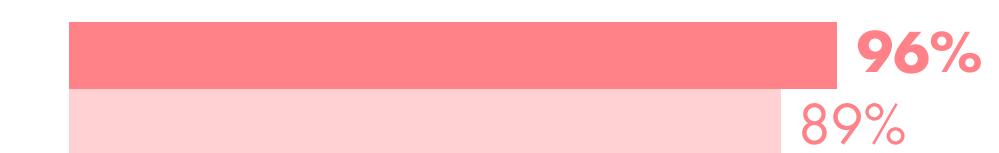
### SYSTEMS & PROCESSES

**+7pp**  
vs benchmark



### PRIDE IN ROLE

**+7pp**  
vs benchmark



Source: Culture Amp. Benchmark based on Culture Amp's Consumer Goods & Services 2022 Benchmark

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

With regard to compensation, **we take a “one team” approach.** All full-time employees receive a base salary, are bonus eligible under the same bonus plan, and receive an equity award in e.l.f. Beauty stock. 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.

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

In the United States, where over 70% of our workforce is located, 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** including flexible spending accounts, disability and life insurance, all of which begin on Day 1 of employment.

**Family support and flexibility benefits** including up to 20 weeks of parental leave for the birth or adoption of a child, or the placement of a foster child, 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, High Performance Teamwork coaching, as well as ongoing learning and training opportunities.

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

**“I’m so proud to own a piece of our company and to share in our value creation. There really is no place like e.l.f.!”**

**MICHELLE FLORENTINO, SENIOR SALES PLANNING MANAGER, E.L.F. BEAUTY**

## EMPLOYEE REWARDS AND WELLNESS

**As part of our commitment to listen to our employees and continue to evolve our benefits, during FY 2022, we introduced several new and enhanced benefits.**

**"We believe the combination of our unique culture, total compensation, workplace flexibility and care for the team is unmatched. We continually lean on employee feedback to enhance the entire proposition of working at e.l.f."**

**SCOTT MILSTEN, GENERAL COUNSEL & CHIEF PEOPLE OFFICER, E.L.F. BEAUTY**

## ENHANCED COMPENSATION

**Special equity award:** In March 2022, we issued all non-Executive full-time employees a special equity award with a one-year vesting period (as compared to a four-year vesting period for annual equity grants).

**Commuter stipend:** Beginning in April 2022, we offered a monthly commuter stipend to all individuals who commute into one of our corporate offices.

## INCREASED FLEXIBILITY AND WELLNESS

**Flexible time off:** Beginning in January 2022, we transitioned to a flexible time off policy, which allows our full-time employees to take an unlimited amount of paid time off days at their discretion, with prior approval by their manager.

**Thanksgiving week closure:** In November 2021, we closed our corporate offices for the first time for the entire week of Thanksgiving, a policy that we announced we will repeat in calendar 2022.

**Extended holiday weekends:** Beginning in March 2022, we announced we would close our offices on the Friday before all three-day weekends—extending those five holiday weekends to four days.

**Year-round half-day Fridays:** Beginning in February 2022, we announced we would close all of our corporate offices at 2:00pm local time on Fridays year-round, extending what was previously a summer policy.

## PROFESSIONAL DEVELOPMENT

**Tuition Reimbursement:** In January 2022, we launched a new tuition reimbursement program that covers up to \$2,500 in annual education expenses.

## 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 our effort to lead with purpose and empower our communities, e.l.f. Beauty continually looks for new frontiers to champion empowerment. With this in mind, e.l.f. Cosmetics was one of the first beauty brands to venture into gaming. We teamed up with Loserfruit (LuFu), one of the world's top women gamers, who uses her platform to uplift and inspire gamers. We then launched our own Twitch Channel, e.l.f. YOU, to further empower and support women gamers and creators.

In January 2022, e.l.f. launched a #elfitup TikTok Hashtag Challenge to find aspiring makeup and skincare artists to work with The Future X, a first-of-its-kind pop group scouted on TikTok by internationally renowned producer Simon Fuller. With entries pouring in and the challenge reaching over 14 billion views, three insanely talented makeup artists and one skincare expert were chosen for the opportunity to live their dream.



Photo: BusinessWire



**"We are opening hearts, opening minds and opening doors for the next generation of creators."**

**KORY MARCHISOTTO,  
CHIEF MARKETING OFFICER, E.L.F. BEAUTY**

## COMMUNITY ACTIVITY

**We support and empower underserved communities by partnering with like-minded organizations.**

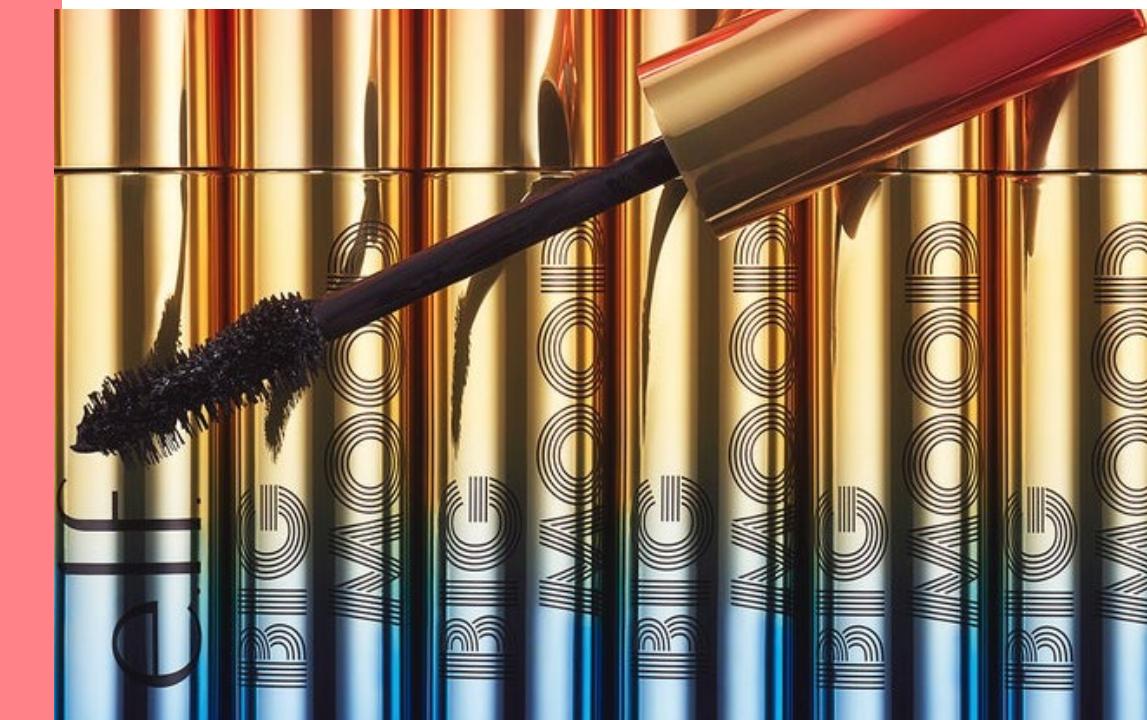
In FY 2022, e.l.f. Beauty donated nearly \$185,000 to various charities through a combination of formal partnerships and corporate matching of employee donations.

Through these partnerships and our employee donation matching programs, we support the causes that are important to our diverse employee base across a range of sectors including social justice, the environment and animal rights, among others.

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

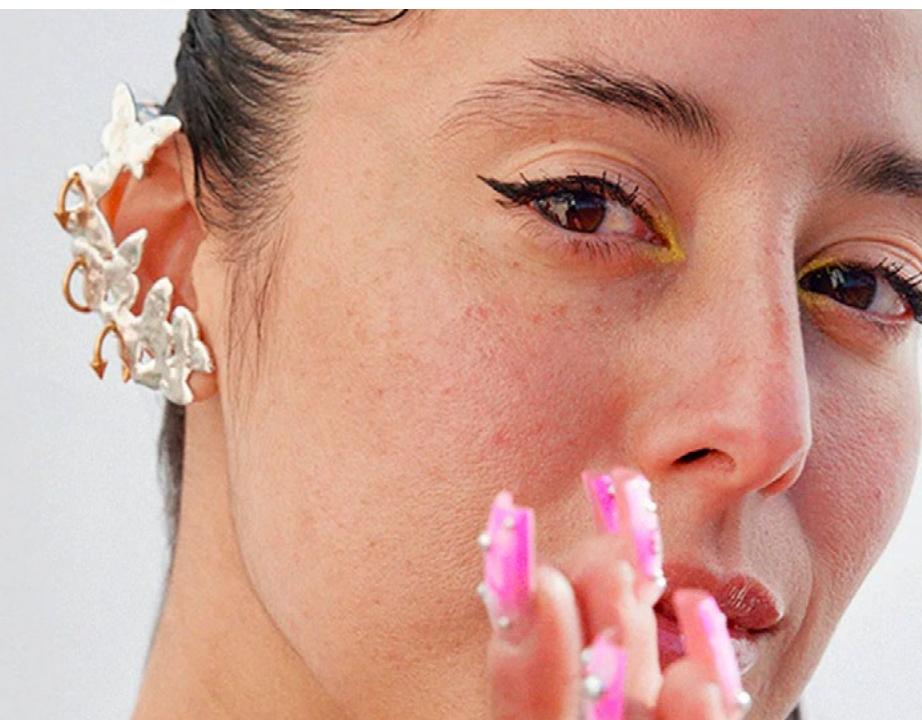
## IT GETS BETTER PROJECT

A non-profit organization committed to uplifting, empowering and connecting lesbian, gay, bisexual, transgender and queer youth around the globe through storytelling. In June 2022 in celebration of Pride Month, we created a limited-edition Pride collaboration, presenting our fan favorite **Big Mood mascara in rainbow chrome** packaging, and donated 100% of the proceeds, over \$20,000 in total, to the It Gets Better Project.



## Project Glimmer

A non-profit organization dedicated to inspiring every girl to envision and realize an empowered future. In March 2022 in celebration of International Women's Day, we teamed up with Georgina Trevino to create a **limited edition handcrafted e.l.f. ear cuff**. Consumers were invited to a special drawing to win one of ten ear cuffs and we donated to Project Glimmer for each drawing entry. We donated over \$25,000 in total to Project Glimmer.



## PULL UP FOR CHANGE

A non-profit organization committed to advancing the economic wellbeing of Black communities around the world. In February 2022 in celebration of Black History Month, we teamed up with other beauty brands to participate in "Make it BLACK," an initiative developed by Pull Up For Change to create meaningful conversations around the vilification of Black. We created a limited edition **MAKE IT BLACK Total Face Sponge** and donated 100% of the proceeds, over \$35,000 in total, to the Pull Up For Change Impact Fund.



## COMMUNITY ACTIVITY

# girls inc.

**Girls Inc. is a non-profit organization equipping girls to navigate gender, economic and social barriers and grow up healthy, educated and independent.** As part of our partnership with Girls Inc., we donated \$50,000 in FY 2022, and invited Girls Inc. to participate in e.l.f. Beautyscape, an annual event that empowers beauty's rising stars with the opportunity to build a cosmetics and skincare collection that is sold through a national retailer. The Girls Inc. alumnae had the opportunity to be mentored by e.l.f. Beauty business leaders, while gaining experience and advice from our marketing, creative and sales teams.

**"e.l.f. aligns well with our values and mission of inspiring all girls to be strong, smart and bold."**

DR. STEPHANIE J. HULL,  
GIRLS INC. PRESIDENT & CEO



# EMBODY OUR ETHICS

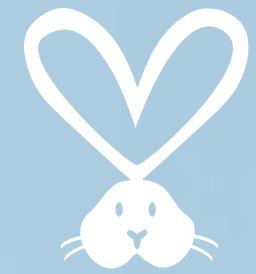
**WE STRIVE TO DO THE  
RIGHT THING FOR PEOPLE,  
THE PLANET AND OUR  
FURRY FRIENDS.**



## PRODUCT SUSTAINABILITY

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

In our internal attitude and usage studies, **consumers consistently rank “cruelty-free” as one of the top five most important product features when purchasing makeup.** In FY 2022, we achieved Leaping Bunny certification for e.l.f. Cosmetics, e.l.f. SKIN and Keys Soulcare, adding to our existing Leaping Bunny certification for Well People and our certifications by People for the Ethical Treatment of Animals (PETA) across our brands.



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

**PETA Certified:** Each of our brands is certified by People for the Ethical Treatment of Animals (PETA) as “Global Animal Test-Free”, 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:** Each of our brands has also been certified by the Leaping Bunny Program, 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.



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

## PRODUCT SUSTAINABILITY

# We formulate our products with clean ingredients.

All of our products are formulated 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 review our manufacturing processes and partners, as well as broader consumer sentiment, to expand the list of ingredients we choose not to formulate with. On top of the over 1,600 ingredients restricted by the FDA and EUCR, in FY 2022 we identified an additional 49 ingredients that we no longer use. Our team reformulated over 350 product SKUs to exclude these ingredients.

### RESTRICTED

**1,600+**

Ingredients

### REFORMULATED

**350+**

SKUs in FY 2022



## PRODUCT SUSTAINABILITY

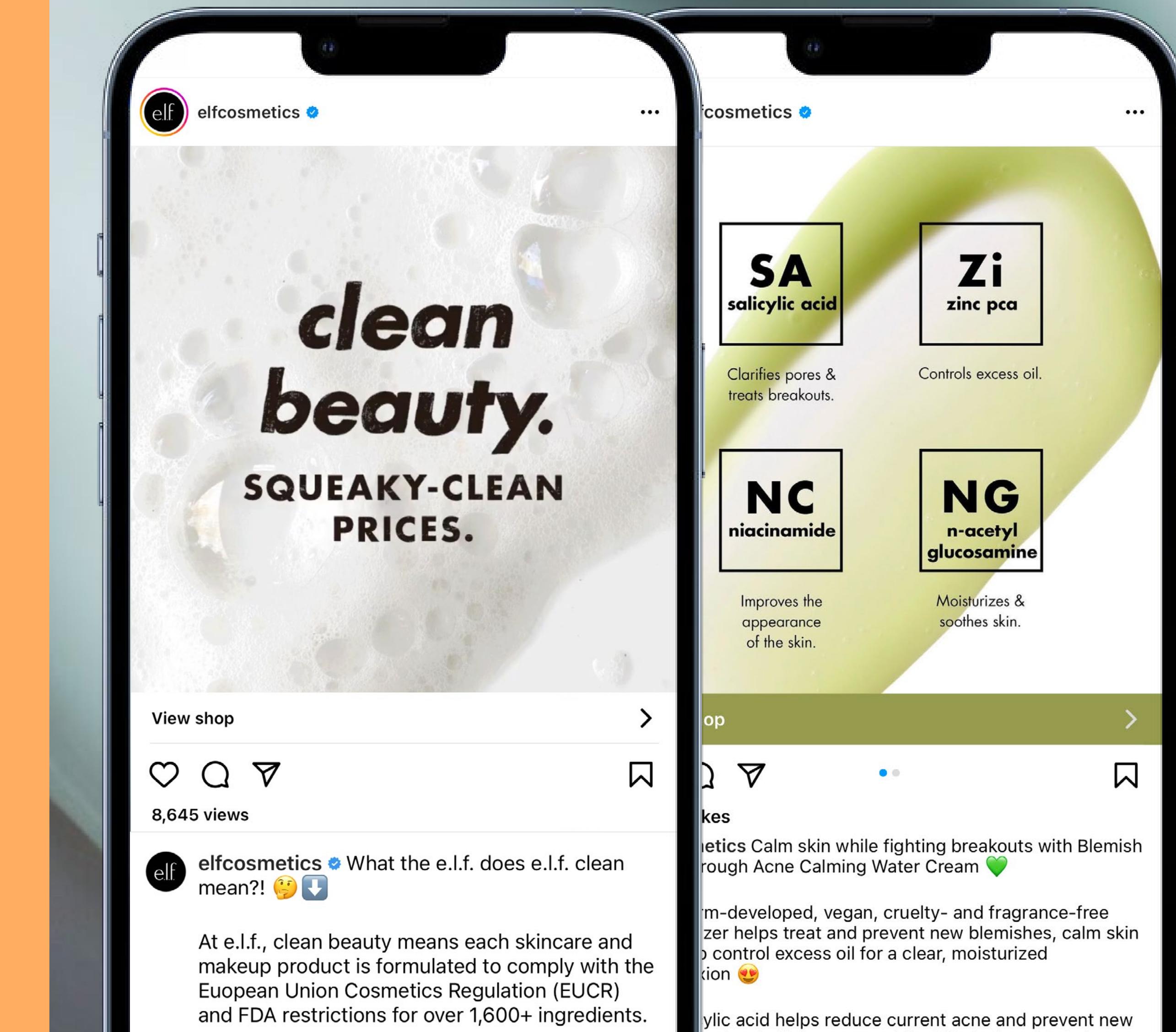
### We are transparent with our consumers about the ingredients we use.

The concept of “clean beauty” is a popular topic in beauty today with a lot of definitions used in the industry. In January 2022, **we publicly committed to 100% clean beauty** and used our social media channels to help explain to our community what “clean” means for e.l.f. Beauty.

**We publish the full ingredient list for all of our products** on our brand e-commerce websites [elfcosmetics.com](#), [wellpeople.com](#), and [keyssoulcare.com](#), under the **INGREDIENTS** tab on each product’s page. We also take the time to explain to our community what each ingredient means and why we use the ingredient in our product formulas.

Our community can also provide feedback and leave questions about each product on the **REVIEW** and **Q&A** tabs respectively. This interaction provides important inputs to our quality and safety procedures.

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



We are committed to advancing sustainability and continuing to find ways to minimize our environmental impact.

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 three principles:

01

## PACKAGING FOOTPRINT REDUCTION

**Enable 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 SUSTAINABILITY

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

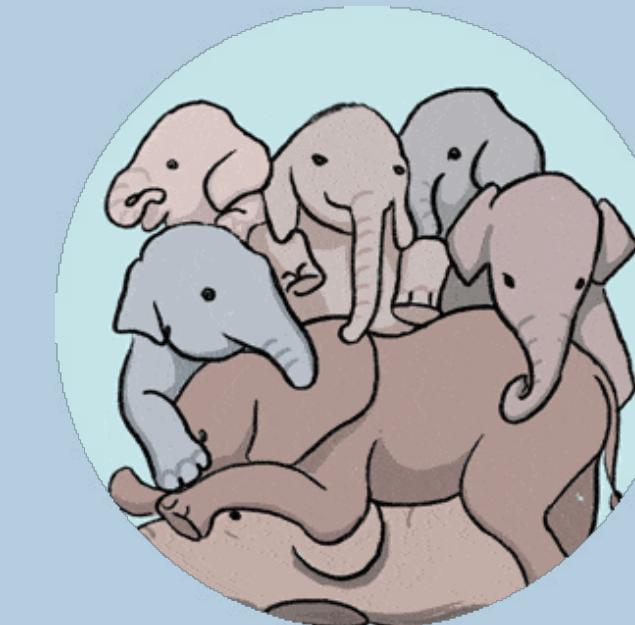
In November 2021, we celebrated a significant milestone on our sustainability journey – **eliminating more than one million pounds of excess packaging since the inception of “Project Unicorn.”**

Project Unicorn was designed to elevate e.l.f. Cosmetics' product assortment, presentation, and navigation on-shelf, and resulted in **significant streamlining of our packaging footprint.** The elimination of excess packaging was achieved by removing secondary cartons, vacuum-formed trays and paper insert cards, slimming down secondary packaging, and designing a patented approach to display product on shelf. Project Unicorn streamlined packaging for more than 200 SKUs across multiple categories. Building on this success, we are actively pursuing further opportunities to eliminate excess packaging across our product assortment.

**“When we thought outside the box, we were able to eliminate the box.”**

**ASHLEY ROSEBROOK, CHIEF CREATIVE OFFICER, E.L.F. BEAUTY**

**1,000,000 POUNDS OF EXCESS  
PACKAGING IS EQUAL TO:**



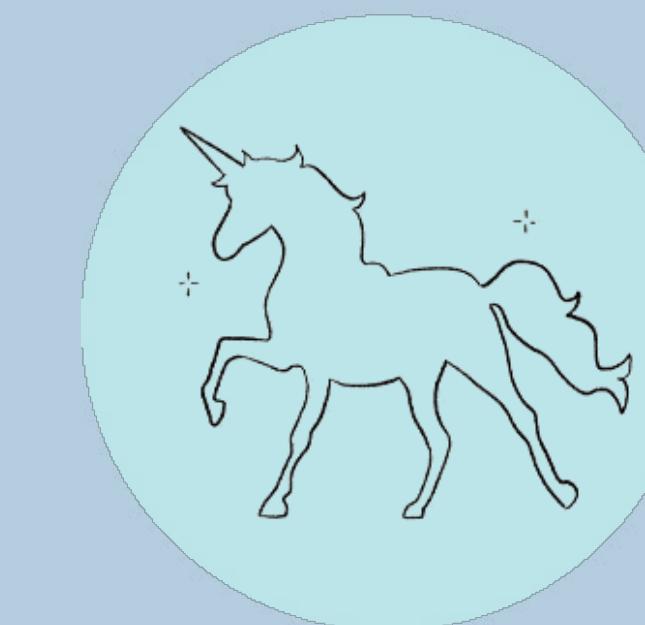
**3,800 baby elephants.  
(AND, NUT-FREE TOO)**



**375,000 kittens.  
(ME-WOW!)**



**5,300,000 cupcakes.  
(NOT TO MENTION SPRINKLES)**



**1,000 unicorns.  
(THEY'RE PROBABLY 1,000 LBS EACH, RIGHT?!)**

## We are increasing the amount of our packaging that is sustainably sourced.

A key area of our initial focus is the use of Forest Stewardship Council (FSC)-certified paper for our products that use paper cartons. FSC 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 23% of our paper cartons FSC-certified today. All of our paper cartons for the Well People, Keys Soulcare and e.l.f. SKIN brands are FSC-certified and we are in the process of transitioning our paper cartons for e.l.f. Cosmetics.

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

**23%** **100%**  
FY 2022 FY 2025 GOAL



## PACKAGING SUSTAINABILITY

We have projects underway to increase the percentage of our packaging that is recyclable, refillable, reusable, or made from recycled materials.

In FY 2022, we partnered with How2Recycle®, a project of the Sustainable Packaging Coalition®, a membership-based group that brings together businesses, educational institutions, and government agencies to collectively broaden the understanding of packaging sustainability and develop meaningful improvements for packaging solutions. We are currently conducting packaging-specific recyclability evaluations with the goal of communicating product-specific recycling instructions to our consumers.



**How2Recycle®**

The majority of our product packaging components for the Keys Soulcare brand are created with glass. Across our brands, our US ecommerce shipping boxes are recyclable and made with a portion of recycled materials.



## RESPONSIBLE SOURCING

**We expect our suppliers to uphold our principles and values when providing products and services to our company.**

All of our products are manufactured by third-party suppliers, primarily in China.

**In FY 2022, we launched 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. Over 40 of our suppliers have completed assessments, covering over 90% of our annual spend on finished goods and packaging. Our suppliers' average score was approximately 10% higher than the EcoVadis average (across 95,000 global suppliers). Based on these assessments, we are partnering with our suppliers to prioritize actions and processes to ensure continuous improvement.

**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.

## ECOVADIS VALUE CHAIN SCORECARD PILLARS



### ENVIRONMENT

#### OPERATIONS

Energy & GHGs

Water

Biodiversity

Pollution

Materials & Waste

#### PRODUCTS

Product Use

Product End of Life

Customer Safety

Advocacy



### LABOR & HUMAN RIGHTS

#### HUMAN RESOURCES

Employee Health & Safety

Working Conditions

Social Dialogue

Career Management & Training

#### HUMAN RIGHTS

Child & Forced Labor

Discrimination & Harassment

External Human Rights Issues



### ETHICS

Corruption & Bribery

Anti-Competitive Practices

Data Security



### SUSTAINABLE PROCUREMENT

Supplier Environmental Performance

Supplier Social Performance

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

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.**

Our first third-party manufacturing facility in China was Fair Trade Certified in August 2022, and we are currently in the process of seeking certification for additional facilities. **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 re-certification annually, which includes plans for continuous improvement.

Over 200 of our products will display the Fair Trade Certified™ seal of approval. Each time a consumer buys a Fair Trade Certified product, **e.l.f. Beauty will make a contribution directly back to the facility workers who made the product for use in improving 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 friends.

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



**"Our organization is based on the simple idea that the products bought and sold every day are connected to the livelihoods of others. With e.l.f. Beauty working with its suppliers to achieve Fair Trade certification, it's a world-changing way of doing business."**

**PAUL RICE, FOUNDER AND CEO, FAIR TRADE USA**

## CLIMATE CHANGE AND EMISSIONS

**We are committed to monitoring our overall environmental impact, including measuring greenhouse gas emissions.**

In FY 2022, we completed our first measurement of greenhouse gas (GHG) emissions of our offices, distribution centers and value chain. With this baseline data established for Scope 1, 2, and 3 emissions, we plan to develop our carbon reduction strategy and establish corresponding targets.

This environmental footprint covers carbon emissions following the GHG protocol. Consistent with other companies in our sector, the majority of our footprint is attributable to Scope 3 and in particular Category 1: Purchased goods and services and Categories 4 & 9: Upstream and downstream transportation and distribution.

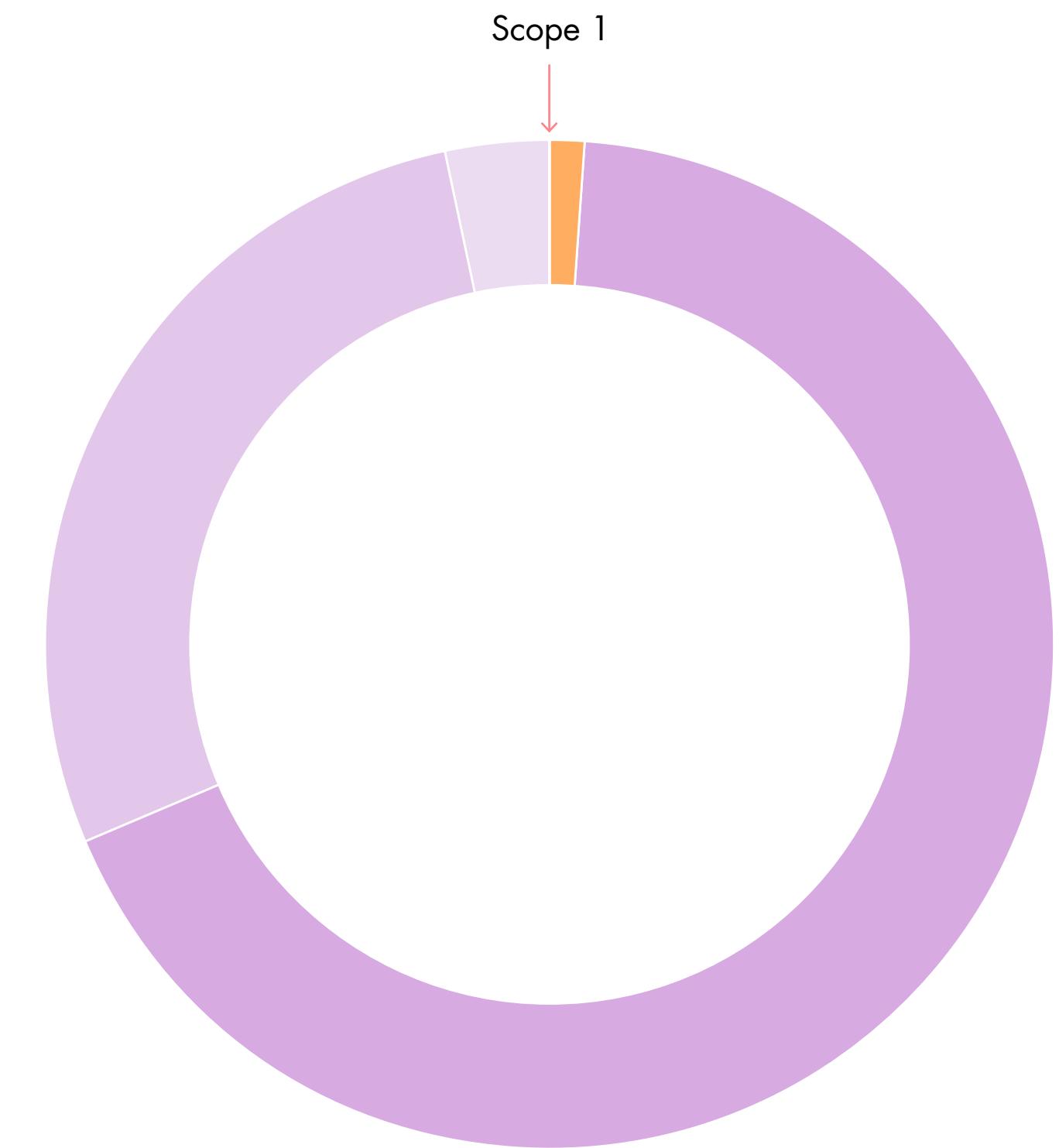
In FY 2022, we also completed our first measurements of our water use and will be evaluating this data to identify improvement opportunities. See data enclosed at the end of this report.

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

### FY 2022 Greenhouse Gas Emissions by Scope in MTCO<sub>2</sub>e

- 12** ● Scope 1  
Direct emissions from owned or controlled sources
- 242** ● Scope 2  
Indirect emissions from the generation of purchased electricity, steam, heating and cooling
- 20,915** ● Scope 3  
Indirect emissions from the value chain
- 14,278** ● Category 1  
Purchased goods and services
- 5,942** ● Categories 4 & 9  
Upstream and downstream transportation and distribution
- 695** ● Other Scope 3 categories

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, and 9 as reflective of significant impact.



**THERE'S NO  
PLACE LIKE E.L.F. ❤**



# APPENDIX

**Our inaugural 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 covers our fiscal year 2022, which ran from April 1, 2021 to March 31, 2022 (referred to as "this year" or "FY 2022" throughout the report).

e.l.f. Beauty leverages various ESG reporting agencies and frameworks to support and inform our ESG data collection and reporting. Included in this report is our completed FY 2022 Sustainability Accounting Standards Board (SASB) Report for the Household and Personal Products Industry.

We did not seek third-party assurance for this report; however, we will consider doing so for future reporting. The information and data contained in this report was vetted by internal subject matter experts on the various ESG topics included in this report.

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 [annual report](#) and [proxy filing](#).

We appreciate and welcome feedback on our ESG initiatives and reporting and invite you to contact [impact@elfbeauty.com](mailto:impact@elfbeauty.com).

## SASB INDEX

Topic	SASB Accounting Metric	SASB Reference Code	Location or Response for FY 2022
<b>Water Management</b>	Total water withdrawn: Thousand cubic meters (m <sup>3</sup> )	CG-HP-140a.1	85.7 thousand cubic meters
	Total water consumed: Thousand cubic meters (m <sup>3</sup> )	CG-HP-140a.1	e.l.f. Beauty does not currently track these measurements, and will evaluate measurement for future reports
	Percentage of each in regions with High or Extremely High Baseline Water Stress	CG-HP-140a.1	96% is withdrawn 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, for the operation of our offices and distribution facilities, and as used by our suppliers in their factories. We began measuring water usage in FY 2022 and are in the process of 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.
<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 <b>Ingredient Safety and Transparency Policy</b> ↗
<b>Packaging Lifecycle Management</b>	(1) Total weight of packaging (in thousands of metric tons)	CG-HP-410a.1	2.5 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 <b>Packaging Sustainability Policy</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	0. e.l.f. Beauty does not use palm oil in its products. Additionally, we require that any palm derivatives in new product formulations be certified by the RSPO (Roundtable on Sustainable Palm Oil), a global standard for sustainable palm oil. For more information, see our <b>Ingredient Safety and Transparency Policy</b> ↗
<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 2022 <b>Form 10-K</b> ↗, page 36

# 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).**