

	<b>POLICY</b>	Effective Date	07/06/2016
	<b>Supplier Code of Conduct</b>	Revised Date	01/06/2021

SALLY BEAUTY HOLDINGS, INC.

Supplier Code of Conduct

Sally Beauty Holdings, Inc. and its global affiliates and subsidiaries (collectively “SBH”) share common core values. We are committed to applying high standards of ethics and business conduct in every country in which we operate and within every business relationship we have worldwide – this includes our business relationship with our vendors and suppliers (collectively “Supplier(s)”).

We expect our Suppliers to conduct business activities, including activities performed through subcontractors, within the guidelines of SBH’s Supplier Code of Conduct at all times. This Supplier Code of Conduct is in no way intended to conflict with the terms and conditions of any existing contract with SBH. In the event of a conflict, Suppliers must first adhere to Applicable Laws, then the contract terms, followed by this Supplier Code of Conduct.

I. We expect our Suppliers to fully cooperate with our compliance requests and comply with their obligations under Applicable Law and otherwise. SBH reserves all rights, by way of example, to cease any business relationship due to non-compliance with this Supplier Code of Conduct or SBH’s Code of Conduct and to conduct any, in person or remote, investigation and/or audit to verify compliance with this Supplier Code of Conduct or SBH’s Code of Conduct.

II. Compliance with Laws: We expect our Suppliers to maintain full compliance with all laws and regulations applicable to their business, and when conducting international business, or if their primary place of business is outside the United States, Suppliers must comply with local laws and regulations (collectively, “Applicable Law”). All requirements in this Supplier Code of Conduct are to be interpreted as obligations in addition to the foregoing requirement to comply with Applicable Law.

III. Maintain Accurate Records: Suppliers must create and maintain accurate and verifiable records, and not alter any record entry to conceal or misrepresent the underlying transaction represented by it. All records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented.

When a record is no longer needed to conduct current business, records should still be retained based on the applicable retention requirements.

IV. Ethical Sourcing: Our Suppliers must comply with the non-exhaustive ethical sourcing items below:

a. Child Labor. Our Suppliers must ensure that child labor is not used in the performance of their work. Workers must be: (i) at least 15 years old; (ii) the age of completion of compulsory education; or (iii) the minimum legal age for employment under Applicable Law, whichever is greater. For any worker under the age of 18, such worker must not perform hazardous work that is likely to jeopardize their health or safety, or compromise their education (e.g. night shifts, overtime).

b. Slavery, Human Trafficking, and Forced Labor. The employment relationship must be voluntary, and the terms of employment must comply with applicable laws and regulations. We are opposed to slavery, human trafficking, and forced (e.g. prison, indentured, bonded) labor and are committed to complying with Applicable Law prohibiting this exploitation. Workers must not be subject to traffic or exploitation by means of threat, force, coercion, abduction, or fraud. Workers must be free to leave work and terminate employment with reasonable notice. Workers must not be required to pay recruitment, hiring, agent, or brokers' fees in exchange for work. All fees and expenses charged to workers must be expressly disclosed to SBH and communicated to workers in their native language, in advance of work. Suppliers must not require workers to surrender government issued identification, passports, or work permits as a condition of working. Suppliers may only temporarily hold such documents to the extent reasonably necessary to complete legitimate administrative and immigration processing.

c. Conflict Minerals. Suppliers must, as applicable, adhere to U.S. federal laws and regulations requiring reporting companies to make specialized disclosure and conduct due diligence concerning their use of conflict minerals that may have originated in the Democratic Republic of the Congo or an adjoining country. Under the Securities Exchange Act of 1934, reporting companies that manufacture or contract to manufacture products that contain conflict minerals, as defined therein, must conduct due diligence on the source and chain of custody of the applicable conflict minerals, and file an annual report with the SEC.

d. CITES. Suppliers must comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

e. Land Rights. Suppliers must respect the legal land rights of individuals, indigenous people, and local communities. Developments and acquisitions of agricultural and forestry land are subject to free, prior, and informed consent of the affected local communities, including women and indigenous peoples, and other marginalized stakeholders.

V. Employment Practices

- a. Fair Treatment. All workers must be treated with respect and dignity. Suppliers must ensure that their employees are afforded an employment environment that is free from violence, corporal punishment, physical, psychological, sexual, and verbal harassment, unreasonable restrictions on entering or exiting work facilities, or other abusive conduct.
- b. Non-discrimination. Suppliers must not discriminate, on the basis of race, ethnicity, social class, religion, color, sex, national origin, age, military veteran status, ancestry, sexual orientation, gender identity or expression, marital status, family structure, pregnancy, genetic information, or mental or physical disability, in hiring, processing job applications, promotions, job assignments, training, wages, benefits, and termination. Suppliers must not use mandatory pregnancy or HIV tests. All medical tests required of workers or applicants must be used in a non-discriminatory manner. Suppliers are required to make reasonable accommodations for workers of different religious backgrounds, and must have an equal opportunity employment policy that promotes gender equality in employment practices.
- c. Working Hours. Supplier must regularly monitor working hours to ensure the safety, health, and welfare of workers. Except in special or emergency situations, (i) Suppliers must limit working hours to no more than 60 hours per week, including overtime, and (ii) each worker must be entitled to at least one day off for every seven day work period. In all circumstances, working hours must not exceed the maximum amount permitted by Applicable Law.
- d. Wages and Benefits. Suppliers are required to pay their workers in a timely manner and provide compensation (including overtime pay and benefits) that, at a minimum, satisfy Applicable Laws. Suppliers are required to provide to their workers the basis on which workers are being paid in a timely manner via pay stub or similar documentation. Deductions from wages as a disciplinary measure are not permitted.
- e. Freedom of Association. SBH expects that Suppliers respect the rights of workers to establish and join an organization of their own selection. Workers must not be penalized or subjected to harassment or intimidation for the non-violent exercise of their right to join or refrain from joining such legal organizations.

## VI. Health and Safety

- a. Health and Safety. Suppliers must provide workers with a safe and healthy work environment. Suppliers must, at a minimum, comply with Applicable Law regarding working conditions and the standards in this Supplier Code of Conduct.
- b. Occupational Safety. Suppliers are required to monitor workers' potential for exposure to safety hazards (e.g., chemical, mechanical, electrical and other energy sources, fire, vehicles, and fall hazards) and identify, assess, and control these hazards through proper design, engineering and administrative controls, preventative maintenance, and safe work procedures (including lockout/tagout), and ongoing safety training. Where hazards cannot be adequately controlled by these means, Suppliers are required to provide workers with appropriate, well-maintained, personal protective equipment, together with training on when and how to use the equipment correctly and educational materials about risks to them associated with these hazards.

- c. Occupational Injury and Illness. Suppliers are required to put procedures and systems in place to prevent, manage, and track occupational injury and illnesses, such as encouraging worker reporting, classifying and recording injury and illness cases, providing necessary medical treatment, investigating cases, and implementing corrective actions to eliminate their causes.
- d. Physically Demanding Work. Suppliers are required to continually identify, evaluate, and control physically demanding tasks to ensure that worker health and safety is not jeopardized.
- e. Emergency Preparedness and Response. Suppliers are required to identify and plan for emergency situations and implement and train their workers on response systems, including emergency reporting, alarm systems, worker notification and evacuation procedures, worker training and drills, first-aid supplies, fire detection and suppression equipment, and unblocked facility exits.
- f. Machine Safeguarding. Suppliers are required to implement a regular machinery maintenance program. Production and other machinery must be routinely evaluated for safety hazards. Where appropriate, Suppliers are required to provide properly maintained machinery controls (e.g., physical guards, interlocks, barriers) when machinery presents an injury hazard to workers.
- g. Sanitation and Housing. Workers must have reasonable access to clean toilet facilities and potable drinking water. If Suppliers provide food accommodations, they must include sanitary food preparation, storage, and eating facilities. If Suppliers provide residential facilities, they must provide clean and safe accommodations. Such residential facilities must be equipped with fire alarm, detection, and suppression equipment, and workers must be provided with emergency egresses, reasonable and secure personal space, entry and exit privileges, reasonable access to hot water for bathing, adequate heat and ventilation, and reasonable transportation to and from work facilities (if not reasonably accessible by walking).

## VII. Anti-Corruption and Antitrust

- a. Anti-Corruption Laws. Suppliers must comply with the anti-corruption laws, directives and/or regulations that govern operations in the countries in which they do business, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. Regardless of Applicable Law, Suppliers must not offer or make any improper payments of money or anything of value to government officials, political parties, candidates for public office, or other persons. This includes a prohibition on facilitating payments intended to expedite or secure performance of a routine governmental action, even in locations where such activity may not violate Applicable Law. Personal safety payments are permitted where there is an imminent threat to health or safety. We expect our Suppliers to exert due diligence to prevent and detect corruption in all business arrangements, including partnerships, joint ventures, offset agreements, and the hiring of consultants.
- b. Illegal Payments. Suppliers must not offer any illegal payments to, or receive any illegal payments from, any customer, supplier, their agents, representatives, inspectors, auditors, or others. The receipt, payment, and/or promise of monies or anything of value, directly or

indirectly, intended to exert undue influence or improper advantage is prohibited. This prohibition applies even in locations where such activity may not violate Applicable Law.

c. **Gifts/Business Courtesies.** We expect our Suppliers to compete on the merits of their products and services. The exchange of business courtesies may not be used to gain an unfair competitive advantage. In any business relationship, our Suppliers must ensure that the offering or receipt of any gift or business courtesy is permitted by Applicable Law, these exchanges do not violate the rules and standards of the recipient's organization, are consistent with reasonable marketplace customs and practices, and will not adversely impact the reputation of SBH.

d. **Fair Competition.** We expect Suppliers to compete honestly and fairly, comply with applicable antitrust and competition laws and never participate in anti-competitive practices. Suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors.

**VIII. Conflict of Interest:** We expect our Suppliers to avoid all conflicts of interest or situations giving the appearance of a potential conflict of interest, in their dealings with SBH. Our Suppliers must provide notification to all affected parties in the event that an actual or potential conflict of interest arises. This includes a conflict between the interests of SBH and personal interests or those of close relatives, friends, or associates.

#### **IX. Information Protection**

a. **Confidential/Proprietary Information.** We expect our Suppliers to properly handle sensitive information, including confidential, proprietary, and personal information. Information must not be used for any purpose (e.g., advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from the owner of the information.

b. **Intellectual Property.** Our Suppliers must comply with all Applicable Law governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

c. **Information Security.** Suppliers must protect the confidential and proprietary information of others, including personal information, from unauthorized access, destruction, use, modification and disclosure, through appropriate physical and electronic security procedures. Suppliers must comply with all Applicable Law respecting data privacy. Suppliers shall ensure extension of this requirement to all sub-tier sources they employ.

d. **Public Disclosure of Business Relationship or Dealings with SBH.** Suppliers wishing to inform third parties or to make it publicly known that they do business with SBH must request and receive written or e-mail consent from an employee of Sally Beauty employed as a Vice President or above, or the designee of such an individual.

X. Environment: We expect our Suppliers to operate in a manner that actively manages risk, conserves natural resources, and protects the environment. We expect our Suppliers to apply environmental management system principles, in order to establish a systematic approach to the management of risks, hazards, and opportunities associated with the environment, including potential risk from regulatory non-compliance, reputational loss, and opportunities for business growth through operational and product stewardship. Suppliers are required to obtain and keep current all required environmental permits, approvals, and registrations, and follow applicable operational and reporting requirements. Suppliers are required to identify and manage the safe handling, movement, storage, and disposal of chemicals and substances that pose a threat to the environment, including providing workers with appropriate training on the safe-handling and disposal of hazardous substances. Suppliers are also required to monitor and control wastewater or solid waste generated from operations before disposing in accordance with Applicable Law. Suppliers must characterize, monitor, control, and treat regulated air emissions before discharging, in compliance with Applicable Law.

XI. Quality: Suppliers must take due care to ensure their work product meets SBH's quality standards. We expect our Suppliers to have processes in place that ensure the delivery of a product whose quality meets or exceeds the contract requirements. Additionally controls and processes that enable Suppliers to identify defects and implement corrective actions must be in place.

XII. Code Expectations and Violations:

a. Suppliers shall take active steps, including audits and inspections, to ensure compliance with this Supplier Code of Conduct and applicable legal requirements. If a Supplier identifies areas of non-compliance, the Supplier agrees to notify SBH of the non-compliance as well as its corrective actions, including a timeline.

b. Supplier must maintain a training program for management and workers to implement the requirements set forth in this Supplier Code of Conduct.

c. Suppliers should report violations of this Supplier Code of Conduct or SBH's Code of Conduct to SBH at [Suppliercode@sallybeauty.com](mailto:Suppliercode@sallybeauty.com).

d. SBH or its representatives may engage in monitoring activities to confirm Supplier's compliance to this Supplier Code of Conduct, including on-site inspections of facilities, use of questionnaires, surveys or report cards, review of publicly available information, or other measures necessary to assess Supplier's performance.

e. Whistleblower Protection. Suppliers must provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation, and Supplier must have a process to investigate and resolve such issues and concerns. We expect our Suppliers to take action to prevent, detect, and correct any retaliatory actions.

f. Consequences for Violating Code. In the event of a violation of any of the above expectations, SBH may pursue corrective action to remedy the situation. In the case of a violation of law or regulation, SBH may be required to report those violations to proper authorities. SBH reserves the right to terminate our relationship with any Supplier under the terms of the existing procurement/purchasing contract.

g. Ethics Policies. Commensurate with the size and nature of their business, we expect our Suppliers to have management systems in place to support compliance with Applicable Laws and this Supplier Code of Conduct. We expect our Suppliers to implement their own written code of conduct and to flow down the principles in this Supplier Code of Conduct to the entities that furnish them with goods and services.