

IPSY

GLOBAL CODE OF CONDUCT FOR SUPPLIERS, VENDORS AND BUSINESS PARTNERS

Our Values and Commitment

This Global Code of Conduct (hereafter the “Code”) outlines the global standards we expect you to follow in your daily business activities on behalf of Personalized Beauty Discovery, Inc., dba, IPSY, and its affiliates (collectively, “IPSY”). As part of IPSY’s continuing effort to integrate strong environmental, social and governance practices, we are committed to conducting business in a legal, ethical, and responsible manner. Along those lines, we seek to do business with Suppliers who share our values and high ethical standards.

Your Obligations

This Code applies to all IPSY external vendors, brand partners, suppliers, manufacturers, contractors, subcontractors, consultants and their agents (hereafter “the Supplier” or “Suppliers”). Compliance with the Code is in addition to any agreement or contract between IPSY and our Suppliers. IPSY will only do business with Suppliers that comply with all applicable legal and regulatory requirements in the countries in which they do business. IPSY reserves the right to conduct audits to assure compliance, which may include assessing and scoring its Suppliers using third party platforms. Compliance with this Code is assessed in our business award decision. Any breach of this Code will be considered a breach of the applicable agreement or contract.

The provisions of this Code extend to all workers of our Suppliers, including workers who are engaged informally, on short-term contracts, or on a part-time basis. It is the responsibility of Suppliers to ensure that their subcontractors uphold the standards of this Code. Suppliers are expected to communicate the content of this Code to their workers and subcontractors and ensure that all measures are implemented accordingly.

In today’s challenging environment where there is growing regulation and enforcement activity, IPSY requires its Suppliers to be knowledgeable about and compliant with all applicable regulations and be committed to a high level of regulatory compliance. Suppliers doing business directly with IPSY are also expected to comply with their contractual obligations under any purchase order or agreement with IPSY.

IPSY reserves the right to update and amend this Code, and to inform Suppliers of any such amendments, in a timely manner.

No code can cover all policies or laws, so if you have questions about any of the information in this Code, or what is expected of you, please email legal@ipsy.com.

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STANDARDS OF SUPPLIER ENGAGEMENT

IPSY supports the International Labor Organization declaration on the Fundamental Principles and rights at work. To that end, we expect all Suppliers to share the following standards.

No Forced Labor or Human Trafficking

Suppliers shall not participate in or benefit from any form of forced labor. All workers have the right to engage in work willfully, without surrendering identification or paying fees. Workers have the right to freedom of movement.

Suppliers must prohibit corporal punishments, threats of violence, and any other form of mental or physical abuse, coercion, or intimidation.

No Child Labor

Suppliers shall not engage in or benefit from the use of child labor. The minimum age for full-time employment shall be as recommended by ILO or permitted by the law of the local country, whichever is older.

No Abuse

Physical abuse or discipline, the threat of physical abuse or other forms of intimidation towards employees shall be prohibited.

Employee Benefits and Compensation

Suppliers shall adhere to all applicable national laws or industry standards relating to wages, working hours, overtime and benefits in the country(ies) where they conduct business. Employees shall be entitled to at least one day off in seven and shall be given reasonable breaks while working and sufficient rest periods between shifts.

Reporting Misconduct

Suppliers are strongly encouraged to have systems for detecting and resolving noncompliant treatment of workers, including any treatment in violation of this Code.

Health and Safety

Suppliers must comply with all applicable health and safety laws, rules, regulations and industry standards, and ensure that their workers are offered a safe and healthy working environment, including, but not limited to, protection against fire, accidents and toxic substances. We expect our Suppliers to take all reasonable and necessary precautions to prevent accidents and injuries, analyze and minimize health and safety risk exposure, protect their physical assets, ensure business continuity and engender public trust. A Supplier must ensure that:

- A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing causes of hazards inherent in the working environment.
- Access to clean toilet facilities and to potable (drinking) water.

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COMPLIANCE WITH ANTI-CORRUPTION LAWS No Bribery

Suppliers must conduct business with honesty and integrity and demonstrate the highest standards of business ethics. No bribery, corruption or other unethical or illegal practices, with any entity or person is allowed. Suppliers shall have internal controls to safeguard against these practices. Suppliers shall comply with all applicable anticorruption statutes in their country (including the U.S. FCPA) and shall maintain accurate financial books and records, complying with all applicable legal and regulatory requirements and accepted accounting practices.

Suppliers must not enter into any agreements or understandings that restrict competition, fix prices, rig bids, allocate markets, or limit sales. To prevent financial fraud/money laundering, any payment by IPSY must be made to an onshore bank account titled in the name of the contracted vendor, Supplier, or other third party. Finally, Suppliers must have policies and procedures ensuring employees avoid conflicts of interest.

Corruption, Gifts & Entertainment

Suppliers shall not engage in any form of corruption, extortion or embezzlement, or otherwise seek to unjustly influence private individuals, public officials and/or the judiciary in order to obtain any improper benefit or advantage. Suppliers shall abide by all applicable anti-corruption law and regulations including commercial bribery in all countries in which they operate. Suppliers shall only provide gifts that are not extravagant, and any travel or entertainment provided by Suppliers shall be reasonable and appropriate. Any gifts, travel and entertainment shall not be for the purposes of corruptly influencing any public official in their duties or to secure an unfair business advantage. Suppliers will not offer any funding, donations, gifts and entertainment to any IPSY employees.

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ADDITIONAL INFORMATION

The IPSY Code of Conduct is based on the following international principles:

1. The Ethical Trading Initiative (ETI) Base Code <http://www.ethicaltrade.org/>
2. The United Nations Universal Declaration of Human Rights
<https://www.un.org/sites/un2.un.org/files/2021/03/udhr.pdf>
3. The Fundamental Conventions of the International Labor Organization www.ilo.org on labor standards covering:
 - The Abolition of forced labor
 - The Elimination of child labor
4. UN Global Compact Principles www.unglobalcompact.org covering:
 - Human rights
 - Labor standards
 - Anti-Corruption
5. UK Modern Slavery Act 2015 <http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>
6. UK Bribery Act 2010 <https://www.gov.uk/anti-bribery-policy>
7. US FCPA <https://www.sec.gov/spotlight/fcpa/fcpa-resource-guide.pdf>
8. DODD-FRANK ACT <http://www.cftc.gov/LawRegulation/DoddFrankAct/index.htm>