

2025 Modern Slavery and Human Trafficking Statement for the year ending 30 September 2024

The Modern Slavery and Human Trafficking Statement for the year ending 30 September 2023 is for all the legal entities as set out in the Annex (hereafter referred to as Sally Europe).

Sally Europe¹ does not condone any kind of slavery, forced labour or human trafficking within its operations and supply chain. Modern Slavery is a crime and a violation of fundamental human rights. We accept that we have a responsibility to understand where there may be risks in our business and supply chain and to mitigate those risks by having transparent and collaborative partnerships with our suppliers and ensuring that our people have awareness and appropriate training to identify and manage such risks.

This statement has been published in accordance with the Modern Slavery Act 2015² and it sets out Sally Europe’s current activity and what plans we have in place within our own supply chains and business operations to tackle this issue and prevent Modern Slavery. This is a long-term and complex global issue with no quick solutions but we are committed to continuously improving our practices to help support the eradication of Modern Slavery.

Signed by Olivier Badezet, in the capacity of Director of the companies mentioned in Annex 1

Signature 

Date2025

The Board of Director of Sally Salon Services Ltd has approved this statement on 28 MARCH, 2025

This statement has been approved in the Leadership committee on March 25, 2025.

¹ Sally Europe is the brand name for our operating legal entities in the UK and Europe
² Echoed in the California Transparency in Supply Chains Act (US), the Corporate Duty of Vigilance (France) and the Child Labour Due Diligence Law (Netherlands)

Our Business and markets

Sally Europe is the international division of Sally Beauty Holding Inc. (NYSE:SBH), the global distributor and specialty retailer offering professional beauty products to both retail consumers and salon professionals. Sally Europe was created in November 2017 following the operational consolidation of our UK and European trading entities.

Sally Europe is a specialist wholesaler, distributor and retailer of professional hair and beauty products and services. Sally Europe sells third party branded finished products as well as private label goods.

Sally Europe operates in the UK, Republic of Ireland, France, Belgium, Germany, The Netherlands and Spain and has 431 stores in these countries as well as digital channels and teams of direct sales consultants in certain countries. The business unit Sinelco sells to wholesalers across multiple countries.

Our customers are primarily hair and beauty professionals however; we also attract the consumer who wants professional quality products.

Sally Europe employs approximately 2275 Headcount – FTE: 1769,19 colleagues throughout our operations covering our stores, warehouses and head offices. We also engage a dedicated sourcing team.

Sally Europe is on a constant journey of transformation. Our focus is on assessing and simplifying our supply chain and streamlining our processes and procedures, all of which will help create a closer and more transparent partnership with our suppliers to deliver on our commitments to our customers and our values and standards. Also, being part of a global organisation provides us with opportunities to use our leverage to create a unified approach in mitigating these risks.

Our Supply Chain

We currently source *products for resale* from 942 suppliers located in 33 different countries. Almost 80% of our suppliers are located in Europe or North America. Below is a summary of where our suppliers are located.

Continent/Region	Amount	% region	% world
Africa	0		0,0%
America	69		7,3%
Caribbean	0	0,0%	0,0%
Central America	0	0,0%	0,0%
Northern America	69	100,0%	7,3%
Southern America	0	0,0%	0,0%
Asia	192		20,4%
Central Asia	0	0,0%	0,0%
Eastern Asia	183	95,3%	19,4%
Southern Asia	6	3,1%	0,6%
Western Asia	1	0,5%	0,1%
Middle East	2	1,0%	0,2%
Oceania	0		0,0%
Europe	681		72,3%
Eastern Europe	10	1,5%	1,1%
Northern Europe	420	61,7%	44,6%
Southern Europe	90	13,2%	9,6%
Western Europe	161	23,6%	17,1%
Total	942		100,0%

We also source *goods and services not for resale* from approximately 3706 suppliers located in 24 different countries. The table below shows the geographical location of these suppliers. Over 99% are located in Europe and cover general corporate, consultancy, utility and compliance services.

Location	Amount	%
Australia	2	0,1%
Belgium	619	16,7%
Canada	3	0,1%
Switzerland	6	0,2%
China	3	0,1%
Czech Republic	1	0,0%
Germany	142	3,8%
Denmark	1	0,0%
Spain	152	4,1%
Finland	2	0,1%
France	318	8,6%
United Kingdom	2023	54,6%
Hong Kong SAR	1	0,0%
Ireland	152	4,1%
India	1	0,0%
Italy	9	0,2%
Korea	1	0,0%
Malta	1	0,0%
Netherlands	228	6,2%
Norway	1	0,0%
Sweden	6	0,2%
Singapore	1	0,0%
Slovenia	1	0,0%
United States	32	0,9%
Total	3706	100,0%

Our Risk Assessment

We assessed the features of our business which are particularly vulnerable to the risks of modern slavery and identified the following two areas:

- our suppliers of products for resale (existing and new)
- our recruitment policies and procedures (with a focus on the use of recruitment agents)

For our Suppliers of products for resale, we undertook a high-level assessment against generic risk factors, including geographic risk, sector risk, and relationship risk and applying a risk based approach across our extensive supply chain we concluded that our primary focus would be on high risk countries and high risk sectors. Therefore our initial focus is on suppliers located in Asia and/or who supply electronics and/or textiles for clothing/apparel goods.

What we've done – our due diligence

We have focused on our immediate supply chain.

For prospective *new* suppliers operating in Asia we apply a two-stage assessment before approving them as a Sally Europe supplier. Initially there is **pre-qualification stage** where the supplier is visited by our sourcing team who meet with the owner and managers, inspect the premises and manufacturing environment, discuss the organisational design and set up of the supplier, including its workforce, and request evidence of standards and/or audits. If the supplier passes this pre-

qualification stage (Satisfactory), the supplier moves to the second stage and can either demonstrate ISO certification or a third party external audit or is subject to an external social audit and manufacturing audit³. On passing these audits, the supplier is accepted as an approved supplier and is included in the internal global audit programme.

Alternatively, if deficiencies are identified during the pre-qualification assessment (Needs Improvement), we share our findings and comments with the supplier to give the supplier the opportunity to agree and implement remedial plans if it wishes to work with us. Our sourcing team will re-visit the supplier after an agreed period and if the supplier is deemed Satisfactory, the supplier will pass to the second stage of the assessment.

Any suppliers who demonstrate instances of modern slavery, bribery or other serious issues which are not accepted or tolerated by our businesses are immediately rejected (Fail).

For our *existing* suppliers, applying a risk based approach, we are developing a risk matrix to assess and grade each vendor on certain risk criteria, namely: are they a global vendor and therefore already subject to the external audit programme; the length of time they have been business partners; the frequency of internal visits; how well known they are in the market; whether we can rely on a third parties external audit of the supplier; the country they operate from; the nature of the products they supply; and the annual volume spend we place with the supplier.

High risk suppliers will be prioritised and the supplier vetting process similar to that of approving a new supplier will be adopted.

We have approximately 31 global vendors located in Asia approximately 50% of whom we have obtained satisfactory social audits with the remainder to be performed in accordance with the audit programme.

Our Policies, Procedures and Practices

We follow an established *recruitment process* for new starters including insuring that we follow the required processes for checking someone's right to work and that all our colleagues are paid at the National Living Wage or EU equivalent minimum wage or above.

We only use specified reputable *employment agencies* to source labour and we verify the practices of any new agency we are using before we do so.

Our *Code of Conduct policy*, which incorporates the Code of Business Conduct and Ethics of Sally Beauty Holdings Inc., is available for all employees to access and which makes clear to employees the actions and behaviours expected of them when representing our organisation.

Our *Anti-Bribery policy* reiterates our commitment to ensure that we conduct our business in an open, honest and ethical manner. We do not tolerate any form of bribery and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and in implementing and enforcing effective systems to counter bribery.

We manage a procedure which makes it easy for all our employees to make disclosures of unethical or inappropriate behaviour or conduct without fear of retaliation and those who have concerns can use our independent and confidential *employee concern helpline*. All reports of the helpline are investigated and all reports of a significant nature (including modern slavery issues) are escalated to

³ Performed by international companies such as SGS or Intertek

the Audit committee of Sally Beauty Holdings Inc. There were no reports relating to modern slavery made using our employee concern line in our financial year ended 30th September 2024.

We updated our *supplier contract* for our private label suppliers to incorporate our policies and standards and which places an obligation on the supplier to be fully compliant with the provisions of the Modern Slavery Act.

Future plans and commitments

The Sally Europe Senior Leadership Team oversees and steers Sally Europe on our ongoing due diligence and priorities in line with our operational transformation.

The specific priorities we have identified are:

1. To develop our risk matrix and to assess and grade our existing suppliers in accordance with that risk matrix.
2. To build awareness and understanding of human rights issues with our teams, prioritising with our sourcing teams, merchandising teams and supply chain teams.
3. To review our policies, procedures and controls to incorporate more specific reference and attention to these risks coupled with appropriate contractual terms and conditions.
4. Assess our goods and services not for resale for modern slavery risks.

Annex 1

List of the legal entities for whom the Modern Slavery and Human Trafficking Statement for the year ending 30 September 2024 has been approved

Pro-Duo NV

Traktaatweg 1, 9000 Gent, Belgium, 0465.784.102

Represented by Olivier BADEZET, director

Pro-Duo Deutschland GmbH

Alt-Heerdt 104, 40549 Düsseldorf, Germany, HRB 76424

Represented by Olivier BADEZET, director

Pro-Duo France SAS

67, Place Rihour, 59000 Lille, France, FR 431.410.299

Represented by Olivier BADEZET, director

Sally Beauty Netherlands BV

Hurksestraat 60, 5652 AL Eindhoven, The Netherlands, KVK nr: 34182595

Represented by Olivier BADEZET, director

Sinelco International BV

Klein Frankrijkstraat 37, 9600 Ronse, Belgium, 0400.208.340

Represented by Olivier BADEZET, director

Sinelco Italiana SRL

Via Bandoli 14C/16, 48012 Bagnacavallo, Italia, cod.fisc.: 01024190397

Represented by Olivier BADEZET, director

Sally Salon Services (Ireland) LTD

Fitzwilliam 28, Fitzwilliam Street Lower, Dublin 2, D02 KF20.

Represented by Olivier BADEZET, director

Sally Salon Services Limited

Inspired, Ground Floor Easthampstead Road, Bracknell, Berkshire, RG12 1YQ

UK 1060763

Represented by Olivier BADEZET, director