



# 2022 CSR REPORT



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# CEO Message

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## Welcome to our 2022 Corporate Sustainability Report

We are pleased to present our annual corporate sustainability report, and we are committed to providing our stakeholders with transparent information about our company, including our practices, policies, successes, and challenges. At BIG, we believe true beauty is about being you and embracing who you are. That's why we approach the beauty industry in a BIG® way with world leading brands and products created to enhance your natural beauty, inspire your creativity, and bolster your confidence.

2022 was an exciting year for BIG. As part of our ongoing commitment to deliver true beauty to the world, we acquired Bellami Hair, a premium brand driving innovation in the hair extensions and haircare categories. Bellami has a remarkable runway for growth, and we enjoy working as a team to equip Bellami with the product innovation, data insights and analytics, performance marketing ability, and supply chain focus that BIG has cultivated through our ongoing brand building efforts. Our partnership with BELLAMI is a major step towards creating a complete hair solutions company and we are confident that the combined capabilities of BIG and Bellami will enable the business to continue providing consumers with the most innovative products and services not only in the hair extensions category, but also well beyond.

At BIG, we believe that integrity is just as important as beauty. That is why we are committed to sourcing hair in a way that protects the dignity of human rights in every facet of our supply-chain process, and we continue to explore and implement creative solutions to address this issue.

In 2022, we made excellent progress toward increasing supply chain transparency and demonstrating our commitment to ethical sourcing by introducing traceable hair extension tracking data that can show our customers where our hair extensions are sourced. We continue to expand our traceability program so that we may further protect the dignity of human rights and strengthen trust with our stakeholders.

We continue to recognize the value of our people at BIG, and we aim to make all people feel welcomed and engaged. We want to be a great place to work, and we empower our people to progress toward achievement of their career goals. BIG continues to build on its spirit of diversity and innovation and we understand that these values stem from the unique and individual contributions of each and every one of our team members.



S. Derrick Porter

As you read this report, you will find that we are focused on growing the BIG business, bringing innovative ideas to fruition, addressing challenges, and building mutual trust and respect with all of our stakeholders.

# Sustainability Highlights

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- Acquired Bellami Hair, a world leading premium hair extension brand
- Educated thousands of stylists worldwide
- Developed and deployed virtual color match tool, thereby enabling customers to purchase a more personalized product, and reduce customer returns
- Launched new product line to support women with postpartum hair loss
- Launched traceability program to allow customers to track source of hair extension products
- Completed social compliance audits of 92% active hair extension suppliers
- Welcomed a new Chief Operations Officer, with extensive experience in global operations and supply chain
- 33% of Board Members identify as racially or gender diverse
- 48% of senior leadership identify as gender diverse
- Introduced 8 hours of paid leave for each employee to participate in a Diversity, Equity and Inclusion program or event of their choice
- Over \$200K in charitable donations
- Employee participation in annual community service project
- Progress made in warehouse consolidation project



# ABOUT BIG

Established in 2004, BIG is a global leader in hair solutions, namely supplying hair extensions and related accessories under multiple brands through both direct-to-consumer and professional channels. BIG's mission is to inspire, create, and deliver true beauty to the world. BIG continues to work tirelessly to develop a reputation for high quality products, innovation, expertise, and supply chain transparency in hair solutions and related hair wellness products.



We sell and distribute products to thousands of stylists and salons globally.



#### LOCATIONS:

**North America:** Salt Lake City, Miami, Tucson, San Diego, New York City, Los Angeles, Toronto

**Europe:** U.K., Germany

**Australia:** Sydney

**China:** Qingdao

# 546

Global team members

# 12

independent brands

# 8

countries in supply chain

Data as of December 2022

BIG occupies a unique space as a multi-brand, multi-channel platform offering both professional and do-it-yourself hair extension products. Our primary business is high-quality, treated, remy human hair extensions.

Founded in 2004 and headquartered in Salt Lake City, Utah, BIG employs more than 500 people worldwide and serves customers globally.

Delivering true beauty and doing good is only possible through our people. We know focusing on our people is at the heart of delivering exceptional service. This concept enables a path for our leaders to create and lead strong teams that define a clear and compelling vision and enable all members to see how they contribute.

# Our Brands

BIG maintains a portfolio of 12 independent brands\*, which serve separate channels and end users within the professional and direct-to-consumer beauty markets. Our brands deploy a range of strategies, including the use of e-commerce sites, direct sales to stylists and salons, and third-party distributors. BIG supports these brands through customer support, inventory planning, distribution, supplier relationship management, quality management, new product development and design, and more.

Our brands lead with innovation, data insights, performance marketing and vision. BIG has become a partner-of-choice for category-shaping innovators, successfully deploying its unique multi-brand and multi-channel distribution network. In 2022, BIG acquired BELLAMI Hair ("BELLAMI"), a premium brand driving innovation in the hair extensions and haircare categories. BIG supports BELLAMI as it advances its differentiated go-to-market strategy, grows its strong consumer following, and expands into the hair care category to build on its current momentum.

## DIRECT TO CONSUMER

**HiddenCrown** Worthy of a queen, Hidden Crown uses high-quality designs to deliver extensions for everyday luxury.

**Donna bella hair** Empowering, edgy, and reliable

**Luxy** Rooted in confidence, transparency, and total customer support, Luxy seeks to empower all women with the hair of their dreams.

**Glam Seamless** Say goodbye to overpriced extensions and get the beautiful hairstyle you've always wanted.

**Zala** Step into the world with A-Game hair and confidence. ZALA Hair Extensions empowers women by giving hair instant length, volume, and thickness every day of the week.

**Beauty Works** Beauty Works enables women to enhance their natural beauty with award winning hair extensions.

## PROFESSIONAL

**Babe** Don't be afraid to let your hair down and have a little fun with Babe's top-quality hair extensions.

**HALOCOUTURE** Take the hassle of installation out of extensions with revolutionary products.

**TF** Add a little twist to your hair with only the best hand-selected and hand-crafted hair extensions.

**hairtalk** Take your salon to the next level with safe and simple hair extension methods that clients are sure to love.

**H** Constantly evolving the extension business and changing the way women feel about their hair.

## NEW IN 2022



Serving both the Professional and B direct-to-consumer markets, BELLAMI is the embodiment of B every single lady in this world. BELLAMI is "Beautiful Me" which B every woman must believe she is!



\*as of Dec. 2022

# Awards & Recognition



Beauty Launchpad Reader's Choice Award (received in 2022): Babe Hair Extensions  
 Winner - Taped extension category  
 Runner up – Bonded extensions category



Best hair extensions: Winner Works Celebrity Choice®  
 Nanobond® Extensions



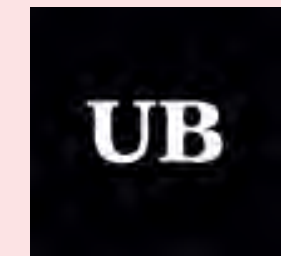
Best Beauty Collab - Winner:  
 Beauty Works x Molly-Mae Hair  
 Straightener Kit



Best Waver – Winner Beauty Works  
 Jumbo Waver



Best Hair Dryer – Winner Beauty Works Aeris® -  
 Lightweight Digital Hairdryer



Utah Business – 2022 Fast 50: Beauty Industry  
 Group recognized on the list of the fastest growing  
 companies in Utah in 2022



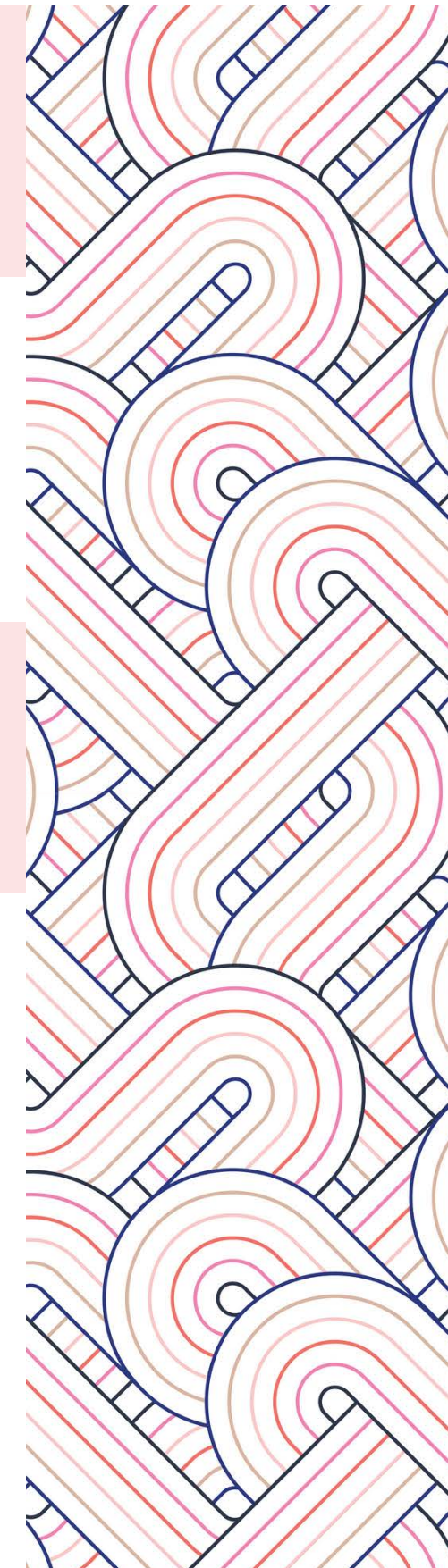
- Best Purple Shampoo - Beauty Works Anti Yellow Shampoo
- Best Heat Protection - Beauty Works 10-in-1 Miracle Spray
- Best Human Instant Hair Extensions - Beauty Works Double Hair Set
- Best Serum - Beauty Works Argan Serum



Interwest paper, Inc./The Pro Recycling Group:  
 2022 Recycling Achievement Award  
 Beauty Industry Group recognized for its recycling  
 efforts.



Best Clip-In Hair Extension Winner Beauty Works  
 Deluxe Clip-Ins





# Our Mission and Values

**BIG's mission is to inspire, create, and deliver true beauty to the world.**



AT BIG WE:

## Get It Done

**BY...**

- Acting with an entrepreneurial spirit
- Acting with speed and simplicity for sustainable outcomes
- Maintaining a high say/do ratio
- Trusting that doing the right thing will produce the best results

## Are Optimistic Problem Solvers

**BY...**

- Doing hard things
- Being a solution first organization
- Looking for a better way
- Valuing dialogue, teamwork and collaboration

## Have a Growth Mindset

**BY...**

- Continually learning
- Being humble and confident
- Seeking personal growth and development
- Adapting and evolving

## Recognize the Value of People

**BY...**

- Being generous with our praise, time and support
- Recognizing that all are contributors
- Being kind
- Promoting diversity and inclusion

# Stakeholder Engagement

BIG understands the importance of continuous engagement with stakeholders. It is essential for our business to listen to what our customers want, as well as all of those involved in helping BIG deliver true beauty. Our key stakeholders include team members, customers, suppliers, local communities, and investors. We engage with our stakeholders in a variety of formal and informal ways.

Stakeholder	Types of Engagement
Customers	Emails, phone, training/education, in-person visits, trade shows, social media
Team Members	Onboard training, surveys, ongoing training, performance reviews, exit interviews, routine all-hands meetings
Investors	Investor communications, financial reports, investor conferences
Executive Leadership	Weekly meetings, monthly financial reviews, quarterly brand calls
Board of Directors	Quarterly meetings, monthly earnings calls, routine meetings with individual members of managements
Suppliers	Trainings, audits, monthly supplier calls, factory visits
Communities	Brand and corporate-driven community outreach

We engaged annually with our Executive Leadership, as well as internal and external stakeholders, to gather evidence on material sustainability issues for the company. This evidence informs ongoing development and refinement of BIG's sustainability initiatives.



# Commitment to Customers

BIG delivers exceptional service to our customers through a high-quality, reliable, and innovative experience. We understand that for many, the nature of our products is more personal and emotionally heightened, and we approach every interaction with kindness.

BIG values its customers and we believe that our success is driven by how well we serve our customers. Our customers include distributors, stylists, and individual consumers, and BIG uniquely connects and serves each group of customers through our diverse product offerings and wide-reaching brand portfolio. We have built and continue to strengthen meaningful relationships with our distributors, who play an active role in developing and marketing our products. Our distributors also provide education and support functions to stylists and salons, ultimately assisting in driving hair extension demand. For our direct-to-consumer brands, we engage with customers via social media, email and text campaigns, and direct advertising.

We engage with stylists through professional development events and certifications, in order to enhance new and existing stylists' ability to better serve their customers' hair extension needs. Historically, hair extensions have been excluded in the standard cosmetology education, but in 2019, BIG established a partnership with a leading cosmetology institution to launch a hair extension curriculum. We saw an opportunity to upskill stylists with hands-on experience to learn how to use our hair products. Currently, BIG's family of brands provides education in numerous cosmetology schools and holds events to teach and certify stylists on how to properly install hair extensions. We offer these advanced-training courses and certifications across the United States via both online and in-person educational events.



**In order to better serve its customers, BIG empowers its brands to provide customers with the most innovative products and services in the hair extensions category. In furtherance of our commitment to serve our customers, in 2022, BIG made significant investments in prescriptive and predictive analytics and business intelligence to help us and our brands better understand and meet the evolving needs of our customers.**

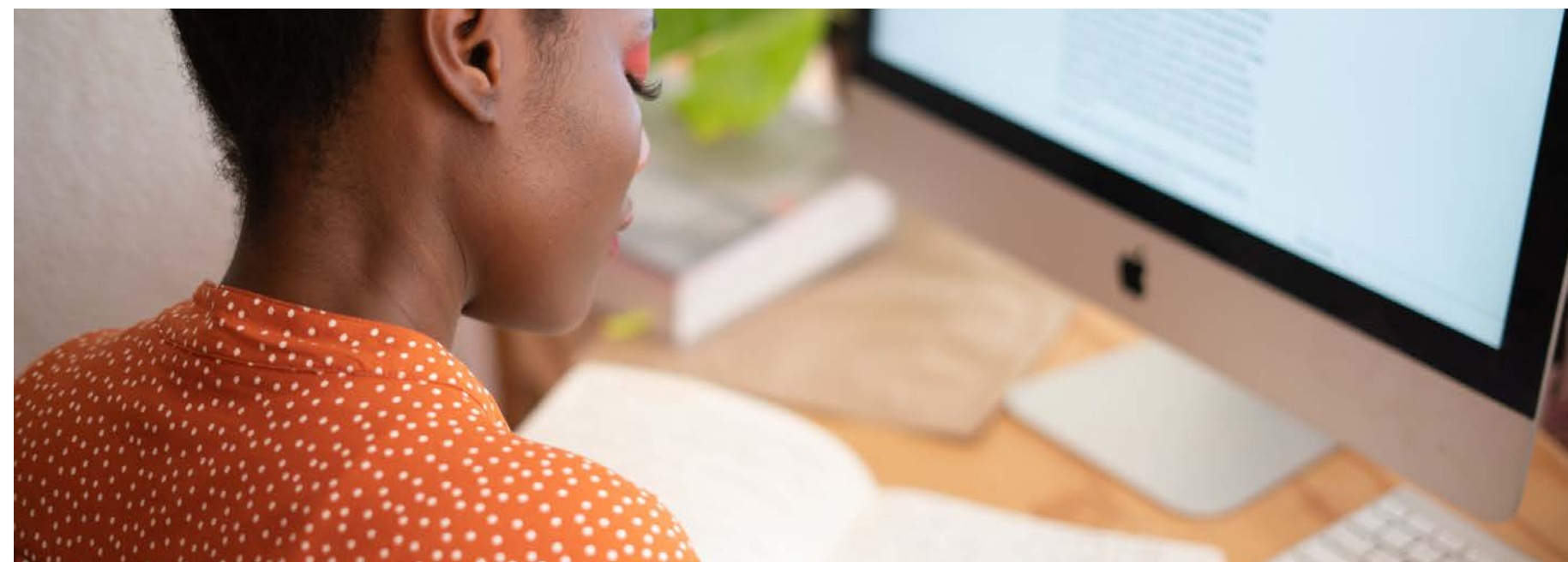


## Data Privacy & Cybersecurity

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We take privacy and cybersecurity seriously. BIG has a dedicated team of cyber and technology professionals who implement policies, train team members, and monitor risks related to privacy and cybersecurity. Our technology professionals have prepared and circulated a cybersecurity manual throughout the company. The manual contains a variety of policies and guidelines relating to cybersecurity, including, but not limited to, an acceptable use policy, authentication policy, and data storage policy.

In addition, we utilize a combination of internal and external resources to protect our company against cybersecurity threats. For example, we utilize external expert resources for intrusion detection and response, cybersecurity audits, vulnerability scanning, pen testing, and endpoint security management. We also provide continuous and comprehensive cybersecurity training to our team members because we know that they are a critical line of defense against cyber threats. BIG's training includes comprehensive and continuous computer-based training, simulated phishing attacks for educational purposes, and internal communications.



## Corporate Governance

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BIG strongly believes that doing the right thing leads to the best results and ensures long term success. BIG is committed to strong corporate governance and we believe that good governance focuses on the interests of both internal and external stakeholders.

At BIG, we approach corporate governance with transparency and integrity. We are governed by a Board of Directors, who meet at least quarterly to review and discuss topics material to the company, including general business and financial reporting, sustainable supply chain management, supply chain transparency, company culture, diversity and inclusion, risk management, and other pertinent issues. Board members also meet with members of management frequently to discuss issues that arise in between the regularly scheduled board meetings. The Board comprises six directors, including one independent director.

BIG has implemented policies and protocols across the organization to ensure strong corporate governance. These policies and protocols include codes of conduct for team members and suppliers, business ethics, anti-corruption, and charters addressing supplier obligations pertaining to human rights, the environment and governance. Our employee handbook, which is signed and acknowledged by all team members, lays out BIG's strict adherence to anti-corruption, equal opportunity employment, privacy laws, ethics, and conflicts of interest.

# Business Resilience

As a global company, BIG is exposed to various risks throughout our business, such as economic headwinds, social and health challenges, and geopolitical unrest, all of which may impact the communities where our customers, employees and vendors live and work.

Our Board of Directors is responsible for risk management, which includes emergency response preparedness and scenario planning. The Board meets regularly to discuss business continuity, and ensures leadership is focused on relevant and anticipated issues, especially around business continuity and resilience.

The Covid-19 pandemic shifted the beauty market overnight, with unexpected demand for and tremendous growth in online sales. This dramatic change was an impetus for us to rethink the way we do work, and how we adapt to future volatility. In 2020, BIG adopted a new business approach known as RISE to guide our future growth.

Since its adoption in 2020 and through the present day, executive leadership members have systemically implemented RISE initiatives throughout the organization, and employee-led committees support planning and execution of the RISE initiatives. By prioritizing our people, while staying agile and adaptable, BIG continues to build a resilient business.



## **R — Rethinking the Organization**

Rethink our organizational structure, processes, and how we work to ensure that our work aligns with what is important to our customers.

## **I — Interconnectivity**

Build relationships of trust by communicating effectively with team members, partners, and others so we can deliver true beauty.

## **S — Speed/Agility/Simplicity**

Move at a sustainable speed while increasing our ability to make effective decisions quickly; simplify.

## **E — Adaptability**

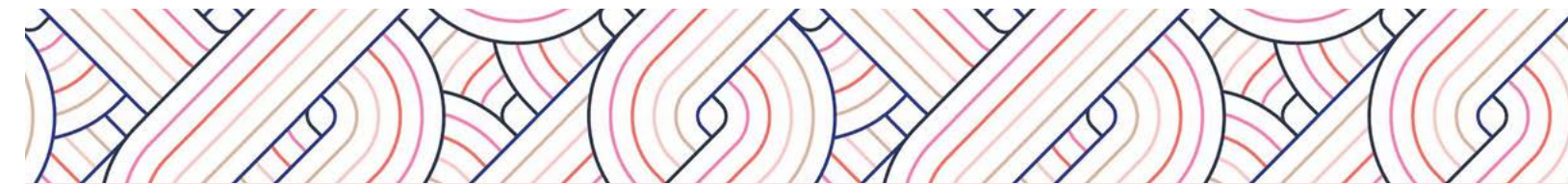
Evolve and adapt the organization by leveraging the changes that are taking place around us.

# Sustainability at BIC

Corporate responsibility has been a cornerstone of our business since our founding, and this extends to how we interact with society and the environment. As we continue to grow, our reach and impact have expanded, but our focus on kindness and ethical conduct remains a focal point of our success.

In recent years we have increased our focus on elevating the importance of corporate social responsibility. BIC has taken great strides in recent years to proactively understand and disclose our corporate sustainability impacts.

Since 2021 BIC has been a participant in the United Nations Global Compact. BIC is proud to be a part of this initiative and joins over 23,000 other participants in 167 countries throughout the world to align strategies and operations with universal principals on human rights, labor, environment and anti-corruption.



## OUR COMMITMENT TO HUMAN RIGHTS



The United Nations Global Compact (UNGC) is a voluntary initiative through which companies commit to implement universal sustainability principles, and to take steps to support UN goals. The Ten Principles — which cover the issues of human rights, labor, environment, and anti-corruption — are based on the following internally accepted standards:

- The Universal Declaration of Human Rights;
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work;
- The Rio Declaration on Environment and Development; and,
- The United Nations Convention Against Corruption.

BIG has incorporated these principles into our sustainability strategy to uphold our basic societal responsibilities and set the stage for long-term success.

BIG CEO Derrick Porter said, "BIC has always sought to promote shared value and ethics across our entire value chain, beginning with our suppliers and extending through our team members, customers and other stakeholders. Joining as a signatory of the UN Global Compact was an important step toward being a leader in the beauty industry in terms of our corporate sustainability. We continue to build on our sustainability commitments and look to continuously improve on these initiatives."



# BIG'S ESG PRIORITIES

In 2022, BIG maintained a focus on a previously conducted a sustainability prioritization exercise to determine the ESG issues most important to us and those where we can make a meaningful impact.

In 2020, we engaged stakeholders to better understand our most material impacts, and the associated risks and opportunities. We engaged internal and external key stakeholders through interviews, as well as surveyed brand leaders for input on important topics and current corporate responsibility efforts. We utilized additional desktop research to incorporate various sustainability reporting frameworks and conducted peer analysis to review industry ESG-focused topics. After reviewing the consolidated findings, our leadership ranked the material topics and selected the ESG topics on which the company would focus (see table at right.) These four topics continue to drive the focus of BIG's sustainability strategy, as well as form the foundation for this report and ongoing ESG disclosures.

## BIG's 2022 ESG Priority Topics

Responsible Supply Chain	Promote transparency in the entire value chain; require direct suppliers to uphold high ethical social standards, including fair wage and working conditions; and collaborate with our suppliers to commit (and track) ethical procurement of raw materials.
Diversity, Equity, and Inclusion	Sustaining a diverse, inclusive, and equitable workforce through: diversity in leadership and board composition, brand-level inclusion and diversity efforts, and inclusive marketing.
Environmental Impact	Minimize environmental impacts of BIG operations and reduce overall footprint; increase environmentally friendly packaging and other environmental considerations throughout BIG's value chain; and manage the business and societal risks of climate change on BIG's supply chain.
Giving and Community	Drive positive impact along the entire value chain through strategically aligned initiatives and local community engagements.

## GOAL SETTING

Following BIG's ESG topic prioritization, we undertook goal setting for these topics. Using peer benchmarking, as well as additional internal stakeholder engagement, we drafted internal ESG goals that align with BIG's priority ESG topics. This was done through brand surveys, stakeholder interviews, team alignment meetings, and mapping exercises that took into account leading team members' concerns, as well as BIG's operations. Over the past couple of years and as we have experienced changes within the business, we have continued work with team members and company leadership to refine our goals and determine appropriate key performance indicators (KPIs) to measure performance.

# RESPONSIBLE SUPPLY CHAIN

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BIG is committed to responsible supply chain management. Ensuring a safe and compliant supply chain is one of our top priorities. Since our founding, we have worked to establish high standards of compliance and social responsibility throughout our supply chain.

People donate or sell their cut or thinned hair to local hair collectors, who transport the hair to manufacturing facilities where the hair is cleaned, sorted by length, dyed with care, sewn together, and further prepared for distribution. After going through extensive quality checks, finished products are shipped to distribution facilities in the U.S., U.K., Australia, and Germany, and then sent to distributors, salons, and end-consumers.





# Operations and Supply Chain Leadership



In 2022, BIG welcomed Philippe Reale as BIG's Chief Operating Officer ("COO"). Philippe brings extraordinary leadership abilities, passion, and more than 30 years experience in global operations and supply chain management. Philippe reports directly to the CEO and is responsible for the integrated supply chain, including sourcing, product development, procurement, planning, operations, distribution, manufacturing, technology, and sustainability.

Philippe is a proven leader in developing consumer-driven supply chains with end-to-end expertise in countries throughout the world, including France, South Africa, England, Brazil, China, Mexico, and the United States. His leadership style and his collaborative approach keep our customers at the heart of our operations and supply chain. Philippe is an excellent leader in the BIG organization and brings a unique ability to manage our global supply chain.

# Quality & Social Compliance

BIG utilizes a diverse network of international vendors to source 100% human hair and related accessories. Hair is sourced from various regions throughout the world, including India, Asia, Eastern Europe, and China.

We established an enterprise-wide ethical sourcing policy, adopted by all our brands, and have created a supplier assessment system to expand our controls and maintain the highest ethics standards in the industry. In 2022, we enhanced our quality assurance team. Many members of our quality assurance team reside near our suppliers and conduct frequent formal and informal quality and social inspections relating to our supply chain.



# Transparent & Traceable Supply Chain

BIG is aware that the hidden nature of labor abuses in supply chains can be challenging to detect, and BIG is committed to continue exploring and implementing creative solutions to address this issue. BIG also acknowledges the unique nature of its products, namely that they are sourced from human hair donors. As such, we are committed to sourcing hair in a way that protects the dignity of human rights in every facet of our supply chain process. With stringent policies in place, BIG requires respectful, fair compensation for our workforce and suppliers. Child and forced labor, discrimination, and harassment are strictly prohibited; and working hours, wages and benefits must meet local regulations, including at the source of donation and factories where the hair is treated and prepared for installation and use at the customer level.

We don't just talk about ethical sourcing. We are taking actions to ensure that both we and our customers can trace the journey of hair extension products throughout the entire supply chain all the way back to the initial collection of hair from its source. In 2022, we launched LUSH BY HOTHEADS, a traceability program that is aimed at tracing hair extensions back to their origin, and showing our customers exactly where and how our hair extensions are sourced. We are proud to be the first hair extension company to share traceable data. It's the kind of transparency that builds trust and accountability between us, our suppliers, and our customers. We are thrilled to have launched this traceability program, and we are even more excited to take this program to the next level in years to come.



## LUSH BY HOTHEADS™

### WHAT TRACEABILITY MEANS TO OUR STYLISTS



"I think transparency is extremely important because it shows that we have nothing to hide!"

- Jesse Marriott (@hairbyjessera)



"Being able to trace where their extensions come from, down to the exact city or village, shows how much we care about the quality and caliber of our brand."

- Cheryl Weeks (@cherylweekshair)



The use of ethical hair sourcing and knowing where the hair comes from [levels up] your client/stylist trust and bond."

- Natalie Ruzgis (@natalieruzgis)

# Responsible & Ethical Sourcing



BIG is committed to responsible and ethical sourcing throughout our supply chain, including the collection of hair used in our products, and to honoring the human rights of every person in our supply chain processes. As a repeat signatory to the UN Global Compact, BIG adheres to the Ten Principles in the areas of human rights, labor, environment, and anti-corruption. As a responsible business, we incorporate these values wherever we do business and have a presence. We firmly believe that adhering to these principals is not only our obligation as a business, but that it will ultimately lead to the long-term success of the company. We support and respect internationally proclaimed human rights and strive to ensure we are not complicit in any human rights abuses. BIG strictly prohibits our suppliers from purchasing hair from areas where there are known human rights violations.

To support these commitments, BIG has established the following key goals for managing our supply chain:

- Independent Social Compliance Audits, with corrective actions completed at 100% of key suppliers;
- Sourcing traceability for raw hair supply; and,
- Ethical Sourcing and Human Rights training for 100% of factories.

## Temple Hair in India

One way that hair is sourced is from temple hair. Hair is donated by worshipers to local temples several times to celebrate special occasions. The temples collect the hair and sell it in closed hair auctions. Proceeds from the hair auctions are used to support the temple and local area hospitals, among other things.

## Asia

People donate, sell, or recycle thinned, cut or fallen hair to local hair collectors, where the hair is then transported to manufacturing facilities.



# Supplier Education & Accountability

BIG's global supply chain comprises a comprehensive network of trusted suppliers, logistics providers, distributors, and employees. BIG has established long-term relationships with many of its suppliers, and we award business only to those suppliers who commit to and uphold our quality and ethical standards. These standards include requirements for labor practices, fair compensation and wages, freedom of association, no child or forced labor practices, health and safety, anti-corruption, environmental protection, business integrity and legal compliance.

## Supplier Accountability

We assess compliance with the **Supplier Code of Conduct** through detailed questionnaires, in-factory visits and inspection, and third-party social compliance audits. In 2022, BIG engaged Bureau Veritas to conduct independent, third-party social audits across BIG's hair extension suppliers. These audits were performed at all active supplier factories who had performed services for BIG for at least 12 months. Audits were conducted between November 2022 - February 2023, and each factory was evaluated against these criteria:

- laws and regulations
- child labor and young workers
- forced labor
- harassment
- wages and benefits
- hours of work
- health and safety
- non-discrimination
- women's rights
- freedom of association/collective bargaining
- environment
- subcontracting
- communication
- monitoring and compliance

ACTIVE HAIR SUPPLIERS\* ASSESSED  
THROUGH BUREAU VERITAS ON-SITE AUDITS



ALL ACTIVE SUPPLIERS AUDITED  
ACHIEVED A SCORE OF 92%



\*Active Hair Suppliers are hair extension suppliers as of 12/31/2022 who have supplied to BIG for at least 12 months.

All factories audited achieved a score of 92% or better, with 88% of factories audited scoring above 96%. Follow-ups were conducted post-audit to ensure deficiencies discovered in the audit process were timely remedied. BIG commits to continue conducting independent third-party audits of its suppliers inasmuch as these audits help to identify and assess issues relating to supplier compliance, and present opportunities for corrective action plans and continuous improvement for both BIG and its suppliers.

## Supplier Education

In 2022, in order to better align our Supplier Code of Conduct with our Suppliers, we conducted multiple hours of human rights training with each of our suppliers and their employees. This training included an opportunity for the suppliers' employees to receive certification based on the successful completion of a six-hour training course and subsequent testing to ensure that the employees learned and retained information presented. In each case, 100% of the attendees taking part in the training course received a certificate of completion.



# Trusted Relationships With Suppliers

Our long-lasting relationships with trusted vendors have allowed us to efficiently partner on the integrated supply chain.

Respectful sourcing of our products is one of BIG's top priorities. We are keenly aware of the unique nature of our product and its source - hair traded as a good from individuals across the globe.

One element supporting this commitment is our long-term relationships with key suppliers. We have worked with many of our top suppliers for over 10 years, and they understand our standards and have repeatedly demonstrated their commitment to adhere to those standards and continuously improve their sourcing and manufacturing processes.

We award business only to vendors who continuously commit to our standards.

BIG enters into **Supplier Manufacturing Agreements** with all hair extension suppliers, which define the contractual obligations and standards of BIG and the suppliers.

Excepting extraordinary circumstances, BIG's supply chain leaders visit key suppliers on a regular basis. BIG uses a Vendor Scorecard based on a five star rating system to evaluate each active supplier on a bi-annually basis. We share the results with vendors to help improve performance in inventory management, quality, communication, lead-time, production, and social compliance responsiveness.


We award 5 star scores with a "BIG preferred supplier" status, which gives these suppliers preferential consideration for new or expanded business opportunities.

Suppliers scoring below 3 stars on the audit assessment and who are unwilling to make improvements are phased out of the supply chain.



- 100% BIG suppliers scored above 3 stars
- 77% BIG suppliers scored at or above 4 stars
- 93% BIG suppliers achieved ongoing BIG business for 2023

# OUR PEOPLE



People are at the center of everything we do, and we know they are BIG's greatest strength. BIG takes a holistic and active approach to empowering its team members. We believe that if we take care of our team members, they will take care of the company, our customers and our communities. Our focus on our people has helped position BIG as an employer of choice.

# People First

To demonstrate its value of recognizing the value of people, BIG offers benefits and programs to all team members with an additional focus on ensuring that all feel welcomed and engaged.

- Competitive and health, vision, dental, life and disability insurance
- Paid time off
- Paid parental leave
- Paid holiday leave
- Company contribution to high deductible health plan
- 401K with company match
- Subsidized Employee Assistance Program\*
- Professional training courses
- Free lunch events
- Employee discounts on product
- Opportunities to participate and lead special company committees
- Employee Referral bonus program
- Regular Team and All Hands Meetings
- Culture Committee empowered to plan company events

\*Our Employee Assistance Program is provided at no charge to our employees. This program offers face-to-face guidance with licensed therapists to address virtually any stressful life situation or problem. We also offer regularly scheduled educational and support workshops through our Employee Assistance Program.

We believe that BIG's success depends on the individual well being of our team members.





# Diversity, Equity, and Inclusion

One of the ways BIG lives our values is by actively promoting DEI initiatives. We aim to create and foster a workforce that reflects and contributes to the diverse, global community we serve.

The Global Nature of our company creates inherent diversity across the company, and we are grateful for the opportunity to enjoy the resulting unique contributions and diversity of all of our employees wherever they are located. Our people make the difference for our customers, brands, communities, and workplace. Each person offers a unique set of ideas, beliefs, and skills shaped by their heritage, background, gender, and culture, and we consider this diversity to be one of our top resources — helping us connect people and make business succeed. Therefore, we take a collective responsibility to create an environment where all team members feel included, respected, and comfortable bringing their whole self to work and contributing to the overall success of the business.

At BIG, inclusion means fostering respect and team spirit in the workplace, embracing and leveraging the multicultural essence of the company, and providing equal opportunities to talented individuals. By understanding and leveraging the different dimensions of diversity in our workforce, we drive the empowerment, collaboration, and innovation needed to be a global leader in our industry.

In 2020, we formalized our DEI approach through a Diversity and Inclusion Charter, which applies to all BIG team members worldwide. We continue to embrace the Charter.

Each team member is empowered and responsible for implementing the Charter in their day-to-day work, and in their relationship with all of our stakeholders. We urge careful monitoring of any inappropriate workplace conduct. Our team members are encouraged to report any improper behavior, according to local laws and regulations, to their manager or People & Culture representative.

In 2022, we announced the addition of a DEI paid company holiday that reflects BIG's commitment to diversity, equity and inclusion in the workplace. This gives our employees an opportunity to celebrate DEI activities that are important to them individually.

Also, as part of its commitment to diversity, BIG has integrated more DEI in our marketing, to encompass and reflect the diversity of our customers. We value all of our customers and their diverse backgrounds. We embrace the unique, true beauty of each and every one of them.

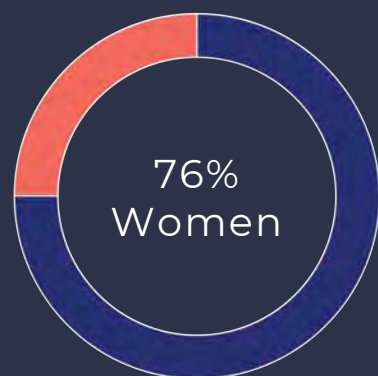


BIG is proud that women are well-represented within the organization. Women's voice are present and heard within BIG's Board and throughout every team at BIG. We also know that women make up the majority of our customer base, and we appreciate them for trusting us and shopping with us. In addition, we expressly prohibit any form of unlawful harassment or discrimination. We absolutely do not tolerate improper interference with the ability of team members to perform their expected job duties. We have implemented ongoing and regular anti-harassment and anti-discrimination training, which is required for all employees.

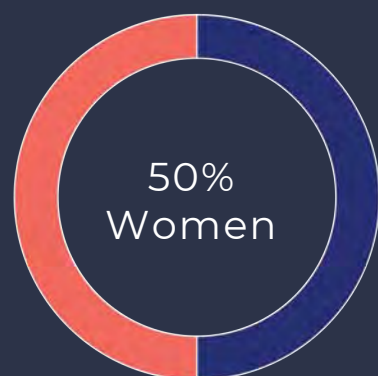
In addition, we take opportunities to recognize the achievement and contributions of women in BIG's workplace. We are committed to fostering inclusion and diversity efforts throughout our brands.



Total Workforce



Brand Leaders



Team Member Statistics	Total	Female		Male	
		Number	Number	Number	Number
As of 12/31/2022	Number	Number	Number	Number	Number
All Members	546	415	76%	131	24%
Brand Leaders	12	6	50%	6	50%
Executive Leadership	7	3	43%	4	57%
Board Members	6	2	33%	4	67%

# Team Member Attraction, Retention, and Development

Our team members are empowered to use their creativity and talent to innovate products and business solutions, meet new market demands, and offer the highest-quality products in the industry.

As one of the fastest-growing companies in Utah, BIG has developed a high-performance culture that serves as the cornerstone of our company's success. Our culture of agility and entrepreneurship helps us attract highly motivated talent, and we aim to be an employer of choice through an inclusive and kind workplace where everyone can contribute, learn and grow.

Employees	2022 Metrics
Total Hires	126
Women	92
Men	34
Total Turnover	58

BIG has a strong track record of retaining and developing our team members. Team members are held accountable for individual and team goals, and are empowered with resources and support to succeed. BIG invests in the development of its team members — constantly challenging them to achieve their full potential.

## BIG University

Team members can access BIG University on the BIG Intranet System." BIG University is designed to teach team members about our brands, products, mission, and values. Development opportunities include skills training through BIG University, and leadership opportunities. Our policy is that all team members have monthly opportunities to meet with their direct team leader to discuss performance and career development opportunities.



BIG also appoints a Global Leadership team of team members throughout the organization who are not otherwise serving as managers within the organization. Global Leadership Team members are representative of the organization's demographics, and include team members across BIG divisions, including operations, warehouse, customer service, finance, and other departments. We also have team member-driven committees, such as a committee focusing on community outreach, and another overseeing cultural activities for the company. We are continually evaluating various ways of growing leadership capability and providing leadership opportunities to our team members.

# Team Member Feedback

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Our team members' opinions and experience at BIG matter. BIG aims to create a workplace environment that provides autonomy, professional development, and job satisfaction for all our employees.

BIG conducts a variety of surveys to measure its performance as an employer in the eyes of its employees throughout the organization.

**Annual Engagement Survey:** In 2022, BIG conducted its first company-wide employee engagement survey to determine employees' satisfaction with their experience at BIG. The survey evaluated employee satisfaction by location, gender, and years of service. The survey gives employees an opportunity to anonymously share their thoughts and concerns regarding the business and also gives the company an opportunity to reflect on its performance in terms of employee satisfaction.

**30- and 90- Day Interviews:** In 2022, Big started interviewing new employees on both their 30- and 90- day anniversaries. The purpose of these interviews is to ensure that employees are receiving the right tools, instructions, support and other resources to successfully perform their job duties.

**DEI Survey:** In 2022, BIG conducted a DEI Survey to evaluate whether employees recognize that BIG values diversity, equity and inclusion and understands that it is critical to the success of the business. The survey also aims to understand whether BIG employees feel a sense of belonging at the company and feel that their unique background and identity are valued at BIG.

**Exit Interviews:** In 2022, BIG started conducting exit interviews. Exit interviews include questions about why the employee is leaving, why they were looking for a different work opportunity, whether they had any concerns regarding their employment at BIG, whether their responsibilities at BIG were clear, whether they had the resources and support needed to perform their duties, and whether they believed they were fairly compensated at BIG. The exit interview helps BIG understand why the team member is leaving and sheds light on what actions BIG can take going forward to reduce employee turn-over and increase employee job satisfaction.



# Health and Safety

The health and safety of our team members worldwide, as well as throughout our supply chain, are paramount to our business.

BIG does not have a large industrial presence, and most of our team members work in an office setting and must follow health and safety procedures. BIG has operations in various locations throughout the world including warehouses in Utah, Florida, California, the U.K., Australia, and Germany, and each site has a Director of Operations responsible for health and safety processes. We comply with all local, state, and national health and safety regulations to create a safe working environment for our team members. Our employee handbook includes standards for workplace safety, such as maintaining a smoke-, drug-, and alcohol-free work environment, and workplace violence prevention. BIG tracks all workplace injuries and related illnesses globally. BIG also conducts regular safety training and drills at all of its locations, and tracks data pertaining to on-the-job injuries and number of days without incidents.

Our Supplier Code of Conduct covers the health and safety requirements of our suppliers. Under the Supplier Code, suppliers must provide all of their workers with a healthy and safe work environment, including establishing procedures and training to detect, avoid, and mitigate any potential risk to their workers' health and safety. Compliance on supplier health and safety is monitored during annual third-party audits of the factories.



# ENVIRONMENTAL IMPACT



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As a global leader in the hair extensions category, we recognize we recognize the environmental impact inherent in our business operations.



# Measuring, Reducing, and Offsetting Our Operational Footprint

To continue our journey toward a greener planet, BIG measures the main contributors to our emissions footprint. In our case, we measure the emissions associated with our upstream and downstream shipping and operational electricity. With this data in hand, we can take steps to improve the sustainability of our business by decreasing energy usage, minimizing office waste, offsetting carbon emissions with non-governmental organization partners, and promoting conservation.

## Inventory Consolidation and Energy Efficient Space

In 2022, BIG closed two warehouses in Utah and consolidated inventory from those locations into a single warehouse/office combination facility located in Salt Lake City. The new facility incorporates a variety of energy efficient features including motion and ambient light sensitive lighting. In addition, BIG moved a portion of the Bellami inventory to its new facility in Salt lake, thereby avoiding the need to open a second Bellami warehouse. These measures and others help to minimize BIG’s environmental footprint.

## BIG’s Approach to Emissions and Energy Reduction

BIG and all of our brands deeply care about the critical issue of climate change, and in response, we are taking action to measure, reduce, and offset our environmental impacts.

We are passionate about creating a more sustainable business and minimizing harm to the environment by aligning our business actions with our BIG core values. With our multi-brand, multi-channel platform, we already have a number of environmental initiatives underway.

### Energy Usage

Electricity Consumption <sup>1</sup>	614,595 Kwh (kilowatt-hour)
Heating Consumption <sup>2</sup> (natural gas)	10,715 ccm (centum cubic feet)

<sup>1</sup> This includes global offices and warehouses (except in AU and Bellami locations acquired in 2022)

<sup>2</sup> Includes only SLC warehouse, which closed during calendar year 2022.

# Measuring, Reducing, and Offsetting Our Operational Footprint (cont.)

As part of our environmental commitment and sustainability report efforts, we have begun to take a more proactive approach to calculating our carbon footprint. Below is consolidated data collected from our logistics and shipping providers in 2022.

Source	Tons of CO <sub>2</sub> in 2022 <sup>1</sup>	
Scope 1 and 2	Facilities in the US (Electricity and Heating)	84
	International Facilities (Electricity and Heating) <sup>2</sup>	10
Scope 3	Domestic Shipping for U.S. Brands <sup>3</sup>	2046
	Estimated Upstream Shipping for U.S. Brands	213

<sup>1</sup> All values are estimated, and do not represent a complete carbon footprint inventory.

<sup>2</sup> Excludes Australia

We strive to make continuous improvements to reduce our environmental impact. Efforts to date include:

- Consolidating shipments and optimizing routes; and,
- Upgrading our facilities to include energy efficient LED lighting and motion sensors.





# Reuse and Recycle

## WASTE AND PAPER REDUCTION

Our office operations produce a minimal amount of waste, primarily shipping waste. In our corporate offices, we have made significant progress in going paperless, thereby minimizing our direct impact from office waste.

Other initiatives include waste separation, recycling, and a paper reduction system that has been rolled out at three of our facilities. Our warehousing operations reuse materials whenever possible, and a substantial portion of waste is recycled. In 2022, BIG received a Recycling Achievement Award for being a responsible community partner by diverting a significant portion of its waste stream by recycling. BIG's recycling efforts at its Salt Lake City warehouse alone have resulted in 10.47 Tons of material for the year 2022.



## Program Spotlight: Matter of Trust

Hair remains an effective way to clean up oil spills and clean polluted water. Matter of Trust collects hair and other fibers to make mats to clean up oil spills and polluted water, and to divert useful fibers from the waste stream. BIG is proud to participate in this cause and donate its unused hair products to Matter of Trust.

In 2021, BIG began donating unused hair products to Matter of Trust and has continued to do so throughout 2022.

In 2022, BIG donated over 102 pounds of hair with a fair market value of nearly \$100,000 dollars to Matter of Trust.



# Environmental Considerations Throughout Our Value Chain

## MANAGING THE RISKS OF CLIMATE CHANGE ON OUR SUPPLY CHAIN

To manage upstream climate change risks, we are working closely with our suppliers on mitigation strategies. Through our *Supplier Code of Conduct*, we expect all suppliers to have an environmental policy, and to adhere to all local laws and regulations regarding the protection of the environment. We also encourage suppliers to support a precautionary approach to all environmental matters, in order to promote greater environmental responsibility.

Through our Supplier Code of Conduct, our suppliers must monitor all hazardous and chemical substances, and ensure their release through production does not pose a threat to the environment. Furthermore, we expect all suppliers to treat wastewater and solid waste as needed prior to discharge/disposal.

We encourage our suppliers to reduce or eliminate all types of waste through material substitution, conservation, recycling, modifying production, and maintenance. BIG is proud of our waste reduction accomplishments to date, and will continue working with our suppliers to help them go above compliance to minimize their own impact through innovative solutions.

## PACKAGING

Eco-friendly packaging and product development is a BIG passion. Our brands feel strongly about making a difference through sustainable and environmentally friendly materials, and reducing plastic-use, even in instances in which these choices may increase production costs.

Many of our products, including our LUSH By Hot Heads collection of 100% virgin remy human hair is packaged in recyclable packaging to help reduce our carbon footprint. Commitments to sustainable packaging are driven at the brand level, and BIG offers support and direction for executing these packaging initiatives.



Ongoing initiatives to support eco-friendly packaging include: using reusable cartonnage, using Forest Stewardship Council (FSC) paperboard for shippers and packaging, printing with soy ink, using 100% recycled plastic, and switching from poly-mailers to recyclable paperboard, which has better recycling statistics than almost any other packaging material.

# GIVING AND COMMUNITY

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BIG is in the business of delivering true beauty. And we believe that giving back and serving our communities is truly beautiful.



# BIG's Commitment to Our Communities

BIG believes in giving back to and serving the communities where BIG operates. Our company philanthropy efforts are led through our BIG Giving Committee, which is composed of team members from across the company. This committee looks for ways to give back both locally, nationally, and internationally to do so in ways that align with the BIG members' individual areas of passion. 2022 initiatives include:

- Monetary contributions for children with life-threatening illnesses and conditions
- Hygienic contributions for girls and women
- Food donations and monetary contributions to food pantries
- Monetary contributions for cancer patients
- Monetary contributions for animal shelters and rescues
- Monetary contributions for children facing significant physical, emotional, and financial challenges by providing them with academic, athletic, and therapeutic opportunities currently unavailable to them.

**In 2022, BIG contributed over \$200K in monetary and in-kind donations to a variety of reputable charitable organizations.**



## Spotlight on Community Service – United Way of Salt Lake

Employees at BIG's corporate headquarters in Salt Lake City have an opportunity to participate annually in the United Way Day of Caring. Among other things, United Way of Salt Lake provides resources for 474,000 youth in our community, ensure that 13,000 students have school supplies and support nearly 1,000 students with high quality tutoring and mentoring each year.

In 2022 BIG's Salt Lake City based employees volunteered in the Utah Community Action Head Start Program ("UCA Head Start"). UCA Head Start is a free pre-school program serving over 2,000 children each year program. BIG employee volunteers performed numerous maintenance and groundskeeping tasks at three different UCA Head Start locations.



# ABOUT THIS REPORT

This corporate sustainability report covers key highlights and initiatives focusing on 2022.

We welcome your feedback about this report. Please direct your comments or questions to [info@beautyindustrygroup.com](mailto:info@beautyindustrygroup.com).





[beautyindustrygroup.com](http://beautyindustrygroup.com)