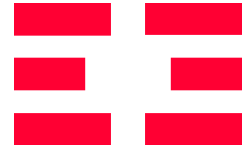


Sally Beauty Holdings, Inc.

Locations: Texas (HQ)

Industries: Household and Personal Products

RISK LEVEL:



High Risk

DESCRIPTION:

By complying with Human Rights Campaign's controversial demands, Sally Beauty increases the risk of dividing employees, alienating customers and harming shareholders. The company covers transgender-related medical costs for its employees and their children and provides specific sexual orientation and gender identity-based benefits. It also uses sex and gender ideology criteria in employee recruitment, vendor selection, marketing, and philanthropic support. Sally Beauty forces employees to undergo multiple ideological trainings and uses its reputation, corporate funds, and political influence to support controversial sex and gender ideologies, organizations, and legislation. Sally Beauty does not provide viewpoint protections for its employees but has not publicly terminated business relationships based on views or beliefs. Sally Beauty integrates ESG into all of its business practices and discriminates against some religious organizations in its charitable giving. Its CEO signed the CEO Action for Diversity & Inclusion pledge. However, it has not used its PAC contributions for ideological purposes. For these reasons, Sally Beauty receives a High Risk rating.

Corporate Weaponization

Has denied service to customers, suppliers, or vendors due to their political views or religious beliefs OR corporately boycotts, divests, or sanctions regions, people groups, or industries. **Medium Risk**

Sally Beauty received a score of 100 on the 2023 Corporate Equality Index (CEI) from the Human Rights Campaign (HRC), a political stakeholder group. The company recruits employees based on sexual identity issues. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). However, Sally Beauty has not publicly terminated business relationships due to religious beliefs or political views. Sally Beauty integrates ESG into all of its business practices. ESG is "essential" to its "long-term performance and value creation" and Sally Beauty is committed to "integrating responsible ESG initiatives into our operations and strategic business objectives" (3).

Charitable giving (including employee matching programs) policies or practices discriminate against charitable organizations based on views or religious beliefs. **High Risk**

Sally Beauty's HRC CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (1)(23)(4).

Employment policies fail to protect against discrimination based on political affiliation/views and/or religion. **High Risk**

Sally Beauty's HRC 2023 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender

identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). Sally Beauty does not provide viewpoint protections for its employees (3).

Corporate Governance and Public Policy

Uses corporate reputation to support ideological causes and/or organizations hostile to freedom of expression. High Risk

Sally Beauty's HRC 2023 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy (1)(23). Sally Beauty has partnered with The Nova Collective for a diversity training program that will go "beyond the required or common anti-discrimination and anti-harassment training" and is planning training on topics like "unconscious bias" (4).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom of expression. High Risk

Sally Beauty's HRC 2023 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology (1)(2). By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders.

Uses corporate political contributions for ideological, non-business purposes. High Risk

Sally Beauty's HRC 2023 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives (1)(2). By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders. Sally Beauty Holdings has not used its PAC donations for ideological purposes and does not engage in lobbying at this time (3)(4)(5).

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