

Dear Sephora Community,

In June 2020, Sephora made several renewed commitments to bring long-standing values of the brand to life. We pledged to make the Sephora experience more inclusive and equitable, for our team members, clients and the broader beauty community.

To realize these commitments, we created a detailed Action Plan, supported by 11 internal D&I task forces — including marketing, merchandising, education, hiring, recruiting, operations and the in-store experience — to tackle bias across all aspects of our organization.

Today, we are proud to share an update on our progress over this past year and the work that is still underway to create an inclusive environment for all.

Thank you for being part of our journey,

George-Axelle Broussillon Matschinga
Vice President of Diversity & Inclusion at Sephora

Sephora Diversity, Equity and Inclusion Progress Report July 2021

As the first major retailer to sign the 15 Percent Pledge, Sephora committed to expanding our assortment of Black-owned products and progressing our supply chain to best support and develop brands that better reflect the diversity of our community long-term.

- ◆ In June 2020, Sephora carried eight Black-owned brands. **By the end of 2021, we'll more than double our assortment overall, including achieving the 15% benchmark in prestige haircare.**
- ◆ As of July, our expanded offering includes adwoa beauty, BREAD BEAUTY SUPPLY, Briogeo, Danessa Myricks Beauty, FENTY BEAUTY by Rihanna, FENTY SKIN, FORVR Mood, Grace Eleyae, KNC Beauty, LYS Beauty, PAT McGRATH LABS, ROSE Ingleton MD, Shani Darden Skin Care, Sunday II Sunday, Topicals and Qhemet Biologics. This fall, we will launch several new Black-owned brands including but not limited to Fashion Fair and Hyper Skin.
- ◆ Additionally, last year we adapted the 2021 Sephora Accelerate brand incubator program to focus exclusively on cultivating and launching BIPOC-owned brands at Sephora. This year's program included 54 Thrones, Eadem, Glory, Hyper Skin, Imania Beauty, Kulfi Beauty, Ries and Topicals and this past March, we celebrated the launch of Topicals on Sephora.com.

Within the Action Plan shareout in January, we pledged to establish new guidelines to ensure our campaigns, social media and marketing content included a diverse array of backgrounds, identities, ages and body types.



Black-owned brands now comprise 15% of Sephora's total social and digital content, up from 11% in June 2020. In addition, in 2021 we implemented dedicated quarterly campaigns to drive awareness of Black-owned brands including a Sephora.com landing page.



To broaden inclusion for Sephora's Latinx clients, we have doubled the number of Spanish-language YouTube videos produced each month. To improve the accessibility of our content, we have also incorporated closed-captioning on all Sephora-produced IGTV content.

Sephora committed to the Pull Up For Change movement to publicly articulate our commitment to diversity across every level of our organization for the long-term.

- ◆ As of July 2021, our workforce is made up of:

2020	Our Workforce	2021
63%	People of Color	64%
14%	Black or African American	16%
6%	Distribution centers and corporate offices	9%
6%	Black Store Directors representation	11%

- ◆ To ensure we have structures for inclusive and equal opportunities to join or advance at Sephora at all levels going forward, we:
 - ◆ Developed a new hiring toolkit for recruiters and hiring managers to raise awareness of unconscious bias and recruit a diverse pipeline of talent.
 - ◆ Launched the Sephora Talent Incubator program to develop the next generation of culturally competent and diverse leaders, which comprises of mentoring and coaching for 50 managers across our corporate, distribution centers and stores.
 - ◆ This summer, Sephora hired 43 interns, of which over 50% identify as part of underrepresented groups.



We built mini campaigns to celebrate important holiday milestones for a wider range of cultures, such as Lunar New Year and Eid al-Fitr. And, we featured more of our non-profit partners in our content, creating space for new voices from organizations like National CARES Mentoring Movement, Act to Change, National Black Justice Coalition and The Trevor Project.



We continue to cultivate one of the industry's most diverse influencer groups through Sephora Squad with the largest group yet this year of 73 members. This year, 79% of members identify as people of color (compared to 51% in 2020) and the number of BIPOC members has increased by 61% since its inception in 2019. Additionally, 22% of the 2021 Sephora Squad are Spanish speaking, which has increased from 8 to 16 members since 2019.

Sephora committed to make our retail experience more inclusive and welcoming for all clients and employees — online and in-store.



We created 19 new inclusivity training modules required to be taken by all Sephora retail employees, including a series which trains all Sephora employees to recognize and mitigate their unconscious biases.



We also created a "Cultural Allyship for BIPOC Shoppers" training leveraging key findings of the Sephora Racial Bias in Retail Study and Catalyst's report "Allyship and Curiosity Drive Inclusion for People of Color at Work." This training was delivered to all store directors in July and will be cascaded to all Beauty Advisors.

Appendix:

82% female identifying
(from 82% as reported December 2020)