



DE & I Heart Journey Report

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This report primarily focuses on US programs, activities, and data between June 1, 2023, and May 31, 2024, unless otherwise noted. Further details and information can be found at: inside-sephora.com/en/usa/diversity-equity-inclusion.

A Note from Us to You



George-Axelle Broussillon Matschinga

Vice President
Diversity, Equity & Inclusion
Sephora USA

At Sephora, our DE&I mission is central to who we are as a brand. We champion all beauty fearlessly and build inclusive environments for our employees, consumers, and communities.

As we continue our journey, I am proud to say that we made Sephora a more representative and inclusive space for our team members, consumers, and the wider beauty community. We've also become a change leader by

co-creating the Mitigate Racial Bias in Retail Charter with non-profit Open to All—bringing over 80 major retailers together to collaborate and make a collective impact.

Since the launch of our holistic DE&I Heart Journey strategy in 2020, we significantly increased the share of our leaders of color to over 50 percent companywide and more than doubled the share of Black leaders in our stores. We focused our efforts not only on

hiring, advancement, and training, but also on marketing, product assortment, and the in-store experience—which led us to triple the share of Black-owned brands on our shelves and increase our spend on underrepresented suppliers by over eight percent. Through our 11 DE&I initiatives, we've operationalized inclusion as a business practice, which we are pleased to share today in our annual DE&I Heart Journey Report.

While there's still much work ahead, I'm incredibly proud of our sustained achievements and how far we're still willing to go. We remain energized by our progress, grateful for the recognitions we've received, such as the 2024 Catalyst Award, and look forward to sharing future updates.



Artemis Patrick

President and CEO
Sephora North America

Sephora's DE&I Heart Journey continues to play a critical role in our efforts to do more and to be better—for our employees, for our customers, and our communities at large. Diversity, equity, and inclusion are core to Sephora's brand ethos, and while there may be new resistance in our country around equality programming, our commitment remains stronger than ever.

We know that our DE&I practices are paramount to being a great employer, a strong retailer, and an industry leader. Winning this year's Catalyst Award was an honor for us all and a testament to what we've achieved, together.



Corey Yribarren

Chief People Officer
Sephora North America

Four years ago, we made stronger commitments toward racial inclusion and designed a comprehensive DE&I Heart Journey strategy and action plans, leveraging feedback from our employees across our offices, stores, and distribution centers.

Our leadership team took accountability to drive change collectively, and I am encouraged by our continued progress. Fostering an inclusive culture for all is our

priority and I am especially proud that a key focus for us is inclusive leadership training as part of our people leaders' individual objectives this year.

As we continue driving for more progress, we will strive to remain a people-first organization. Being recognized as a Best Employer for Diversity by Forbes in 2024 is an honor and result of our efforts to stand as an employer of choice for all.



Our DE&I Heart Journey

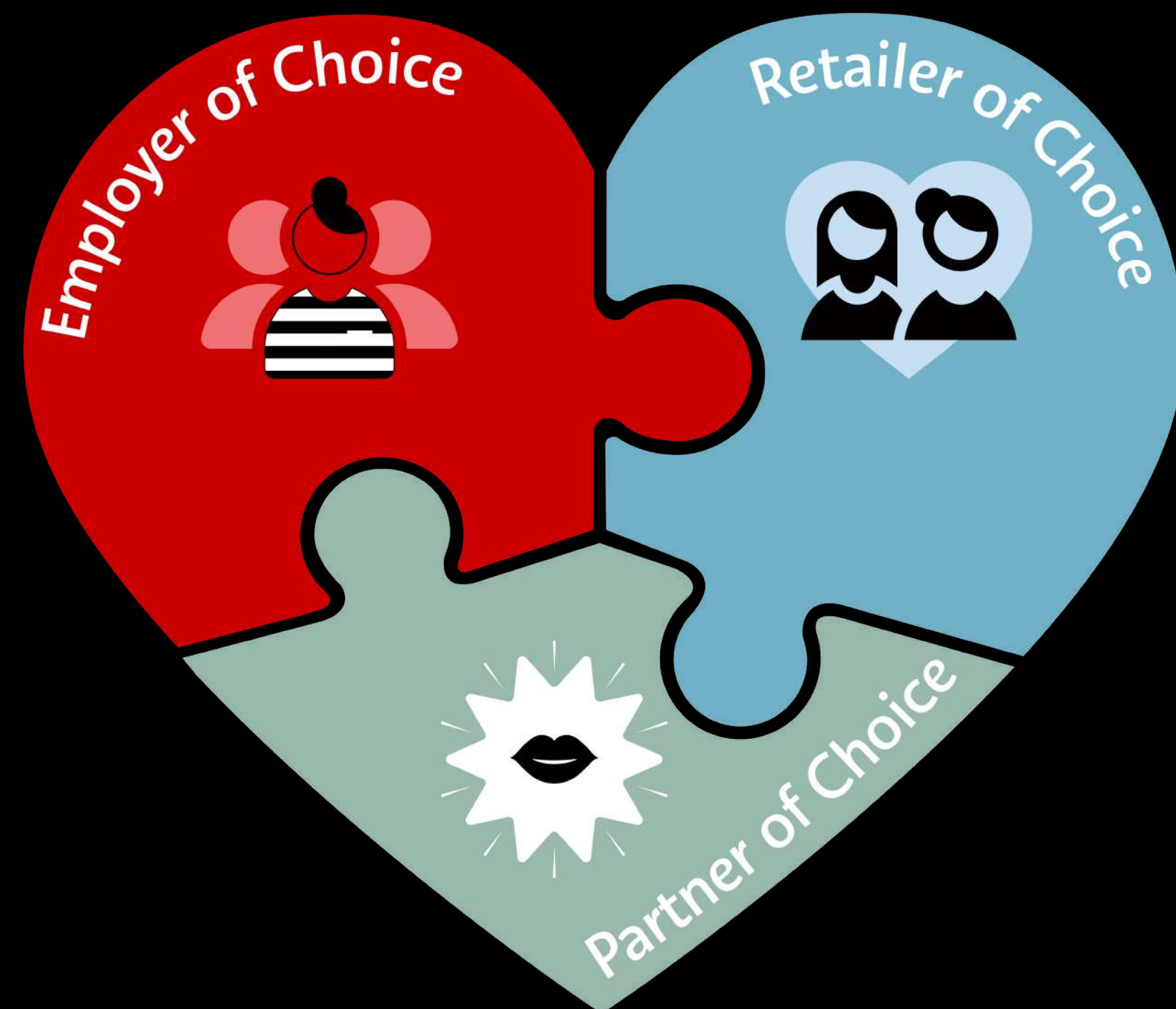




Sephora believes in championing all beauty, living with courage, and standing fearlessly together to celebrate our differences. Diversity, equity, and inclusion are the core values that fuel all areas of our business.

We will never stop building a community where diversity is expected, self-expression is honored, all are welcomed, and you are included. This mission informs our brand platform, “We Belong to Something Beautiful,” which is our guiding principle and motivates all we do. Because when more people feel like they belong, the whole world is more likely to reap the benefits of their unique greatness.

To make it all possible, we’ve adopted an approach that focuses on key goals: 11 DE&I initiatives and six DE&I groups, which, in addition to people of color, include women, people with disabilities, LGBTQIA+ people, working parents, millennials, and people over the age of 50.

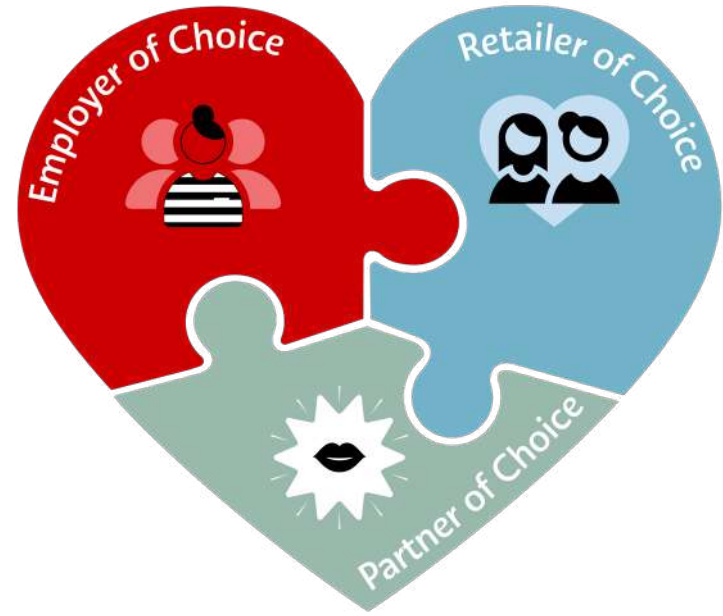


VISION

Become the diversity, equity, and inclusion champion of the (beauty) retail industry.

MISSION

Champion all beauty fearlessly and build inclusive environments for employees, consumers, and communities.



We focus on three key pillars

EMPLOYEES

Our employees are an inspiring group of people with widely varied backgrounds and experiences. They are key to who we are as a brand and to our ambition to cultivate inclusion.




CONSUMERS

To provide the level of service you deserve, we create welcoming, inclusive, and accessible experiences. That way, you can proudly champion your beauty fearlessly.

COMMUNITIES

Our communities are made up of brands, suppliers, and charities that reflect our diverse populations and include those who empower and support others.

To help implement and prioritize our 11 DE&I initiatives, we launched an executive DE&I Steering Committee, which aims to hold us accountable internally.

	OUR DE&I INITIATIVES	OUR DE&I GOALS
 Employer of Choice	Diverse Hiring	Attract, recruit, and retain underrepresented talent in leadership
	Advancement Corporate	Ensure equal access to experiences and opportunities supporting leadership advancement in our offices
	Advancement Retail	Ensure equal access to experiences and opportunities supporting leadership advancement in our stores
	All Abilities Hiring	Roll out Sephora All Abilities Hiring initiative to all distribution centers
	Sustained Learning & Engagement	Build inclusive and anti-racist workplaces through DE&I trainings, ERGs, and DE&I stories
	Equitable Rewards	Provide equitable rewards (benefits and compensation) to all
 Retailer of Choice	In-Store Experience	Address and mitigate unconscious bias in our stores
	Inclusive Marketing	Drive inclusive marketing and diverse representation on our platforms to lift up all forms of beauty
 Partner of Choice	Charitable Engagements	Increase awareness and support of our 12 Focus Charities
	Brand & Product Diversity	Support the 15 Percent Pledge and increase the share of Black-owned brands
	Supplier Diversity	Increase our spend with underrepresented suppliers



An Inclusive Workplace for Our Employees



Our commitment to making our workplace an inclusive space

Without our employees, none of this would be possible. Sephora is committed to implementing a series of initiatives designed to attract, develop, and support a diverse workforce.

We want our employees to feel safe and supported every day, and to feel that working here is more than just a job.

Through inclusive hiring, training, and equitable advancement, we will create an inclusive, unbiased, and accessible environment and a sense of belonging for all of our employees. This will help diversify our workforce, from entry-level to leadership, and ensure these values are upheld at all levels within the organization.



Diverse Hiring

When it comes to hiring, we always make sure our candidate pool has a wide range of backgrounds and experiences. With an inclusive mindset at the forefront, we can build a more representative workforce and can more accurately reflect our consumers.

We welcome every candidate and believe more diverse backgrounds are not only imperative to bringing the values of our brand to life, but also to making the world a place where varied voices can influence ever-evolving ways to change and grow.

+6%

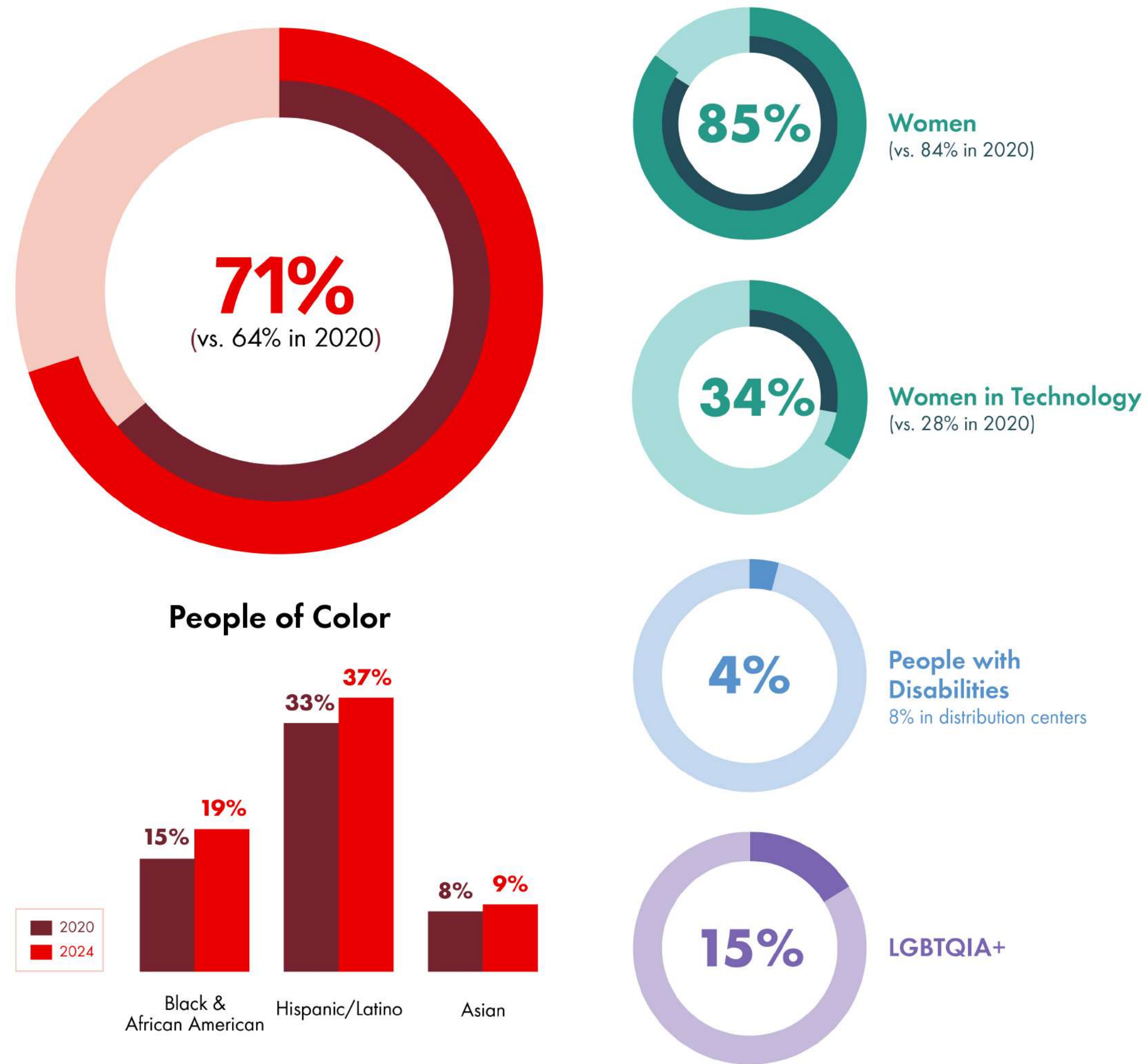
Since 2020, there has been a six percent increase of Black and African American leaders hired throughout the organization.

+12%

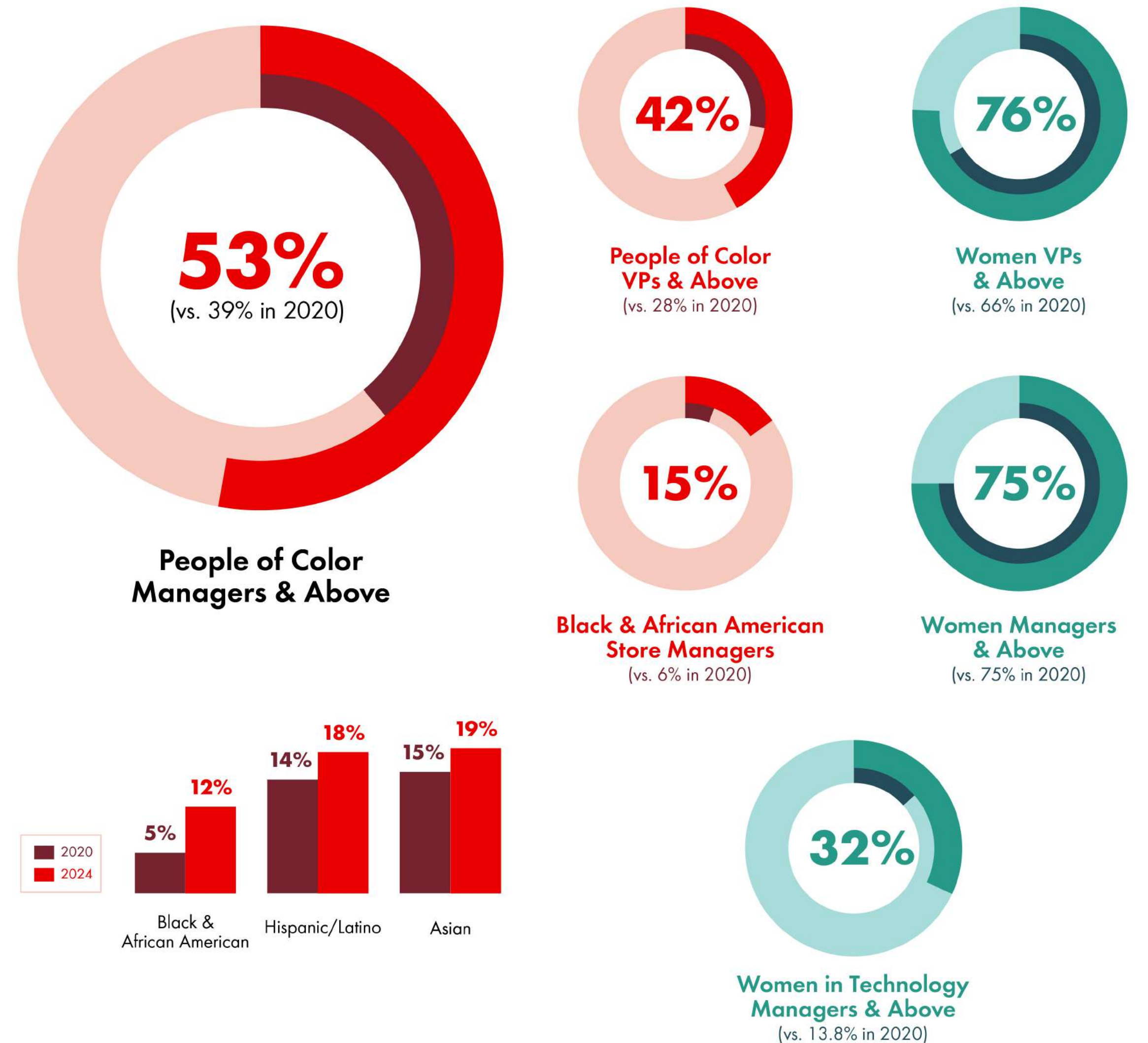
Since 2020, there has been a twelve percent increase of Hispanic/Latino leaders hired throughout the organization.



Our Employee Demographics



Our Leadership Demographics



All data represent employees who self-identified to the respective categories



Emerging Talent Initiatives (Sephora Pathways)



INTERNSHIP PROGRAM

In the summer of 2023, we hired 48 interns, including students from the Drexel University Co-op Program and three store employees. Interns were placed across 11 different departments within our offices and distribution centers.

The program is a robust ten weeks of skill development, mentoring and content tailored for campus talent. Interns spend one week on-site at our San Francisco office. The on-site week includes skill building, networking, a volunteer event, senior leader panels, and in-person connection with their teams.

90% of the 2023 cohort self-identified as people of color.



ROTATIONAL MANAGEMENT PROGRAM (LEAP)

Our summer interns are eligible to apply for a full-time position in our Rotational Management Program. This 40-week entry-level role has rotations in Merchandising, Marketing, and Supply Chain, and offers soft-skill development focused on self-knowledge, working with others and being part of a team.

The program includes weekly career development training, external coaching engagement, business unit case studies, mixers, and store experience to ready our talent for placement at the conclusion of the program. Our 2023 cohort had six participants, of which two were former store employees.

100% of our 2023 Rotational Management Program cohort were summer interns.

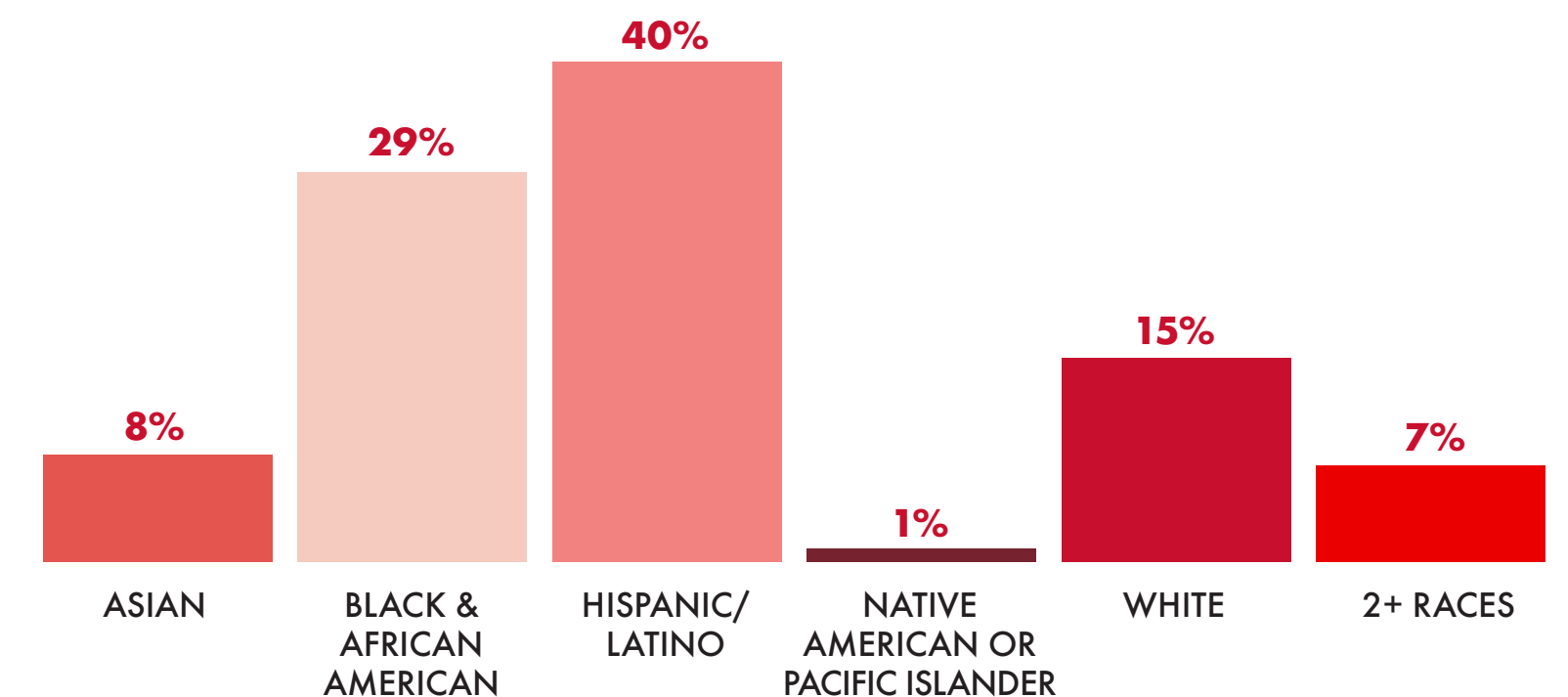


SEPHORA SCHOLARSHIP

The Sephora Scholarship program is designed to empower BIPOC students pursuing a licensed career in beauty through professional training and education. The six-month program includes up to \$7,500 tuition support for esthetician or cosmetology school, a paid internship at a Sephora store, and access to product training and PRO artistry classes.

\$1.4M Since launching in 2021, the program has provided \$1.4M of tuition support to over 200 scholars.

Our 2023 Sephora Scholar Demographics





Equitable Advancement

At Sephora, we strive to provide everyone with equitable advancement opportunities. We're working to ensure everyone has the same chances for internal jobs, the same access to experiences and opportunities supporting leadership development, and that open positions are visible and offered to all equitably without bias.

SEPHORA TALENT INCUBATOR PROGRAM (STIP)

The Sephora Talent Incubator Program is our first-ever structured mentoring and coaching program designed to build our next generation of culturally competent and diverse leaders. After its initial launch at Sephora US, the program's scope increased to North America in 2023 to include mentees and mentors from Sephora Canada.

This six-month program is designed for managers and supervisors across our offices, stores, and distribution centers who aspire to advance to the next level. The program has three components: a competency-based mentoring track, a group coaching track, and a culturally oriented individual coaching track. Through this program, our goal is to enhance participants' readiness for next-level leadership roles, with an aspirational goal of having talent of color representing 50% of the program cohort. Since launching in 2021, 200 mentees have completed the program across our offices, stores, and distribution centers. Over 50% of them have been promoted to next-level roles and now 52% of our leaders at Sephora are talent of color.



50%

of STIP mentees have been promoted to the next managerial level through 2023.





All Abilities Hiring

Launched in 2017, the All Abilities Hiring initiative now operates in all five of our North American distribution centers. After the successful completion of a nine-week structured training program, graduates receive an offer to join us full time.

Our distribution centers have become the model for hiring talent with disabilities. Together with communities, local advocacy groups, and educational institutions across the country, we provide career training and support to enable independence and self-sufficiency. This allows us to grow the program in our existing locations, strategize a launch for our corporate office and stores, and develop disability-inclusion training.

317

employees with disabilities were hired since the All Abilities Hiring initiative launched. Employees with disabilities hires increased by 14% from 278 since 2020.



Sustained Learning & Engagement

As the world continues to evolve, so will we. This means our training will adapt continually to give our employees the resources they need to engage in challenging conversations around race and bias.

In 2023, Sephora launched a new Inclusive Leadership training. This course creates a learning journey for people leaders and builds on Sephora’s Unconscious Bias training. Inclusive Leadership empowers leaders to model inclusive behaviors and practice equitable strategies among teams and across the organization, in order to strengthen Sephora’s inclusive culture.

In 2022, we launched My Sephora Inclusion, a new platform that gives all employees access to all nine Sephora INCommunities (business employee resource groups) and related 18 chapters. **In 2024, My Sephora Inclusion is expanding to include a new INCommunity-based mentoring feature.**

Additionally, **our heritage month celebrations expanded to include all stores and distribution centers** in the past year. All stores received posters highlighting our key cultural moments. Employees received wearable celebratory pins to reinforce Sephora’s commitment to DE&I for employees and clients.



Equitable & Competitive Rewards

Being an inclusive workplace for our employees is more than just hiring, training and advancement—it is about offering equitable and competitive rewards packages with a range of options reflecting the unique needs of our employees, no matter what stage they are in their lives.

BENEFITS FOR ALL FULL-TIME AND PART-TIME EMPLOYEES*:

Medical and vision including HIV prevention treatment, free life insurance coverage, designated paid sick time, and free mental health resources for all employees of any level through our EAP and partnership with Headspace.

FAMILY PLANNING AND WOMEN'S HEALTH SUPPORT:

Includes IVF, adoption assistance, unrestricted access to egg freezing (no infertility diagnosis required) and access to Maven support services; gender affirming benefits to support employees going through transition including transition support, hormone therapy, and gender confirmation surgery; expanded healthcare travel benefits—if an employee lives in a state that restricts legal access to reproductive or gender affirming healthcare Sephora will support transportation costs to a state where they can safely receive treatment.

401(K) AND STUDENT LOAN REPAYMENT MATCH:

After one year of service, Sephora matches up to 4% annually of an employees' salary and/or student debt payments with a retirement plan contribution.

COMPENSATION PHILOSOPHY:

At Sephora, our compensation philosophy plays an important role in our DE&I Heart Journey and our values as a company. As Sephora has grown into a more mature organization, we have evolved to a compensation philosophy that emphasizes being an employer of choice with a balanced and competitive pay structure. We strive to ensure that our employees are paid equitably, and conduct regular audits to ensure equitable treatment and pay practices for all.

*Part-time is any employee regularly working over 20 hours a week in our stores or distribution centers.





A Welcoming Space for Our Consumers

lotte Tilbury
OF GLOWING SKINCARE

LOTTE'S
CREAM

SMOOTH SKIN
OF WRINKLES

MAKES THE LOOK OF FINE LINES IN 28 DAYS

PLUMP

PROTECT D

MADE NIGHT CREAM

QUALITY'S
REVEALING SET

GLOW ON THE GO

Our commitment to creating a welcoming and inclusive in-store experience

Sephora is committed to making sure everyone feels welcomed, is treated with respect, and is provided exceptional service in every Sephora experience. Our mission to champion all beauty fearlessly and build diverse and inclusive environments starts with understanding our consumers and their needs.

We're proud of every step we take forward, but we know that this is an ongoing journey.





Racial Bias in Retail

In January 2021, **we released our first-ever large-scale bias study**, The Racial Bias in Retail Study, which measured the problem of racially biased and unfair treatment in retail settings and highlighted tactics and actions that can mitigate biases in the shopping experience.

With Open to All, a nonprofit nondiscrimination program, we co-created the Mitigate Racial Bias in Retail Charter and brought together over **80 retailers**—including LVMH and some of its Maisons—like Rimowa, Moët Hennessy, fresh, Benefit Cosmetics, and Kendo—to sign and pledge to ensure a more welcoming retail environment for all by establishing processes and practices that can help mitigate racial biases in the shopping experience. Since launch, the charter collaboration has brought signatories together on a monthly basis to share best practices, foster partnerships, and create a meaningful impact in retail at large.



15 Percent Pledge

In June 2020, **we were the first major retailer to take the Fifteen Percent Pledge** and dedicate at least 15 percent of our assortment to Black-owned brands. Since then, we are proud to have nearly tripled our overall assortment of Black-owned brands.

In 2023, we launched the first-ever Sephora Beauty Grant in partnership with the Fifteen Percent Pledge. The grant awards one Black beauty business owner \$100,000 to unlock the next level of growth and potential for their brand.

BROWN GIRL Jane, a Black-owned fine fragrance brand and 2023 Sephora Accelerate graduate, was announced as the first-ever winner in February 2024.

28 Black-owned brands are currently carried at Sephora, up from 8 in 2020.

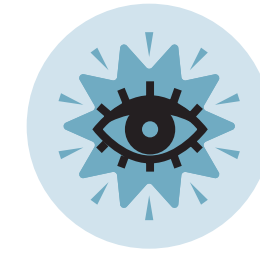


Additional Progress

In fall 2021, **we ran our first-ever Black-owned-brands campaign** to further recognize and celebrate the contributions that Black culture and Black innovators have made to the beauty industry, including the excellent selection of products available for all beauty consumers. We continue to amplify these brands through dedicated monthly campaigns.

Sephora's Disabilities Purchase Study, conducted in 2023, showed that nine in 10 clients with disabilities say they shop in store. Leveraging this study, we developed a series of sensitivity trainings for store employees to better serve clients with disabilities. Our three-part **Conscious Client Service training** series focused on ableism, invisible and dynamic disabilities, and allyship.

In addition, **we have increased our use of mobile point of sale in store**. By offering to check the client out from anywhere in the store, we can create a more accessible checkout experience.



Making Marketing a Better Reflection of the World

At Sephora, we recognize the lack of representation in the beauty industry and the effects it has on both individuals as well as society at large. To better understand our role, we've listened to the community and are taking intentional steps to close the gaps and include everyone of all identities, shapes, and backgrounds.

Putting our values into action is how we truly dedicate ourselves to amplifying our DE&I commitments. We use our platforms to lift up all people, with their infinite forms of beauty, so we can help support the growth of diverse brands and tell stories that celebrate everyone. When more people feel they are seen and that they belong, our differences become something to be proud of.

We use our platforms to lift up all people, with their infinite forms of beauty.

SEPHORA
+
TikTok
INCUBATOR PROGRAM

Navigating Creator Content

Sephora and TikTok, along with agency Digitas, launched a partnership designed for new, founder-led beauty brands to navigate the world of creator content. The **Sephora x TikTok Incubator Program** connects TikTok creators to best-in-class beauty brands from Sephora’s Accelerate program, helping them learn impactful social-content strategies through a series of educational training modules.



Building Connections

In 2024, Sephora hosted its inaugural **Sephora Impact Summit**. This event was created to provide a dedicated space for BIPOC founders to learn, connect, and access valuable resources to fuel their entrepreneurial journeys, with attendees including the 2024 Sephora Accelerate cohort, alumni and program advisors; BIPOC-owned and -founded brands; Sephora Squad members; and Sephora executives.

Breaking New Ground

Sephora, in collaboration with Digitas, launched a first-of-its-kind, on-demand limited-content series that celebrates the rich tapestry of beauty and intergenerational storytelling within the Hispanic/Latino community, **The Foundation of Belleza**. The series delves into the profound connections between beauty, self-care, entrepreneurship, and cultural heritage



Making Safe Spaces

Following last year’s launch of our **Hearts Not Hate** guidelines—designed to create safe, inclusive online spaces where all feel respected—we launched a series of allyship trainings in partnership with Right To Be, featuring our brand founders.

Amplifying Voices

We continue to cultivate one of the industry’s most diverse influencer groups through **Sephora Squad**. Of the 2023 cohort, 70% of the members self-identify as people of color.



Inclusive Practices

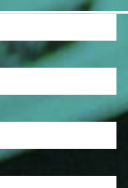
We launched **Sephora Sounds** in 2023, a first-ever music collective to support and amplify underrepresented, emerging artists through Sephora’s social platforms. This unique program incubates new talent and brings in fresh voices, creating a more welcoming and representative music-scape across Sephora’s social channels, such as TikTok, Instagram, and more.





A Partner for Our Communities

SEPHORA



Our commitment to addressing barriers in our communities

We're grateful for all of the beauty communities that have welcomed us in. Our communities have helped us break through our own barriers, and we strive to do the same for them. We can address barriers for underrepresented communities by creating space, expanding access, and becoming the supportive partner they deserve. Through charitable-giving initiatives and strategic partnerships, we strive to make those in our communities feel seen and heard.

We're proud to have partners that actively help shape our work on equity and the way we show up as a retailer in the beauty industry and beyond.

Change happens when we work together.





Brand & Product Diversity

We've adapted our **Sephora Accelerate** brand incubator program—focusing on developing and launching BIPOC-owned brands to build a community of innovative, inspirational brand founders in the beauty space.

Since 2021, we have graduated 33 entrepreneurs with brands spanning makeup, skincare, hair care, and fragrance.

+50% More than half of our Accelerate brands from the 2021–2023 cohorts have launched at Sephora.



2024 Accelerate Cohort



Charitable Engagements

We have deep relationships with our communities, from partnering with 12 Focus Charities each year to introducing more ways for our consumers and employees to get involved through charitable donations.

\$2.2M donated by Sephora and employees to our 12 Focus Charity partners

7,300 hours volunteered by 640 employees

\$8M of product donated to underserved communities & diverted from landfill

Charity Rewards Program

Launched in June of 2020, the Charity Rewards Program allowed clients to redeem their Beauty Insider points as donations to the Focus Charity of the month. Throughout the programs lifetime, it's raised over \$2.6 million dollars, which was distributed to 16 nonprofits during the length of the program. We support more than **1,113 communities and organizations in 2024** through giving and volunteering efforts. Our 2024 Focus Charities are:



Alleviating poverty in the African American community



Fighting for civil rights and empowering Asian Americans



Girls' empowerment



Champion just and equitable public policy for Black women



Ending bullying for AAPI youth



Suicide prevention and crisis intervention for LGBTQ+ young people



Ending racism, homophobia, and LGBTQ+/SLG bias



Bystander training for injustice and ending bullying for BIPOC communities



Disability inclusion, support, and awareness



Inspiring all girls to be strong, smart, and bold

Girls' leadership



Disability inclusion, support, and awareness



Civil rights, equity and justice for the Hispanic community



Increasing Supplier Diversity

We're staying focused on growing our strong base of suppliers from underrepresented communities and encouraging the growth of diverse businesses as well as innovative products, services, and solutions.

Sephora Supplier Diversity Champions are a group of designated individuals in each area of our business who drive results and impact by serving as advocates for supplier diversity.

8.9% of 2024 spend was with suppliers from underrepresented communities.





Moving Forward

Our commitment to strengthening our DE&I strategy and positioning

As we continue moving toward our goals, we will go on strengthening our DE&I progress in terms of leadership representation, inclusive culture, in-store experience, supplier diversity, and industry impact. Our ongoing commitment is to ensure our employees, consumers, and community continue to feel welcome, represented, and included in all of our stores and in all of our environments. From diversifying our team to cultivating inclusive workplaces, we will continue to build on our achievements to progress, inspire other companies, and have a positive impact on beauty and culture at large.

We aim to drive change by leading the charge.



We are humbled to be recognized with the following awards in the past year and are grateful for the support of our partners

Awards

CATALYST

Catalyst Award (2024)

FORBES

America's Best Employers for Diversity (2024)
Best Brands for Social Impact (2024)

SERAMOUNT

Inclusion Index (2023)
Best Companies for Multi-Cultural Women (2023, 2024)

GREAT PLACE TO WORK® CERTIFIED

81% of employees surveyed say Sephora is
Great Place to Work
US average: 57% (2023)

SXSW INNOVATION

Enterprise Diversity, Equity, and Inclusion (2023)

HUMAN RIGHTS CAMPAIGN

Equality 100: Leader in LGBTQ+ Workplace Inclusion
(2023)

Partners

CATALYST

A 60-year-old global nonprofit working to build workplaces that work for women.

DISABILITY:IN

The leading nonprofit resource for business disability inclusion worldwide.

SERAMOUNT

A strategic professional-services and research firm dedicated to advancing diversity, equity, and inclusion in the workplace.

OPEN TO ALL

A nonprofit nondiscrimination program and co-partner with Sephora in the creation of the Mitigate Racial Bias in Retail Charter.

VALUABLE 500

A global business collective made up of 500 CEOs and their companies, innovating together for disability inclusion.



Appendix



DEFINITIONS

Sephora leadership is defined as:

Corporate office/Field Support Center (FSC) leadership:
Managers/Sr. Managers, Directors/Sr. Directors, VP+

Field/Store (Retail) leadership:
Store Managers/General Managers, District Managers
and Regional Directors

DC (Distribution Center) leadership:
Supervisors/Sr. Supervisors, Managers/Sr. Managers,
Directors/Sr. Directors, VP+

LEGAL DISCLAIMER

Sephora DE&I Aspirational Goals are targets that we aim to achieve to measure progress in our efforts to increase diverse representation at various leadership levels across the organization. They are not meant to be inflexible and should not be interpreted as a hiring quota, minimum or expectation, or a set-aside or bonus objective where individuals from underrepresented groups (talent of color / people of color and women / female identifying) are hired or promoted over more qualified others and should not be interpreted as such.

DATA DISCLAIMER

The data in this report does not include the population of employees that did not self-report their ethno-racial group, gender, disability, or LGBTQIA+ statuses.

SEPHORA

We Belong to Something Beautiful