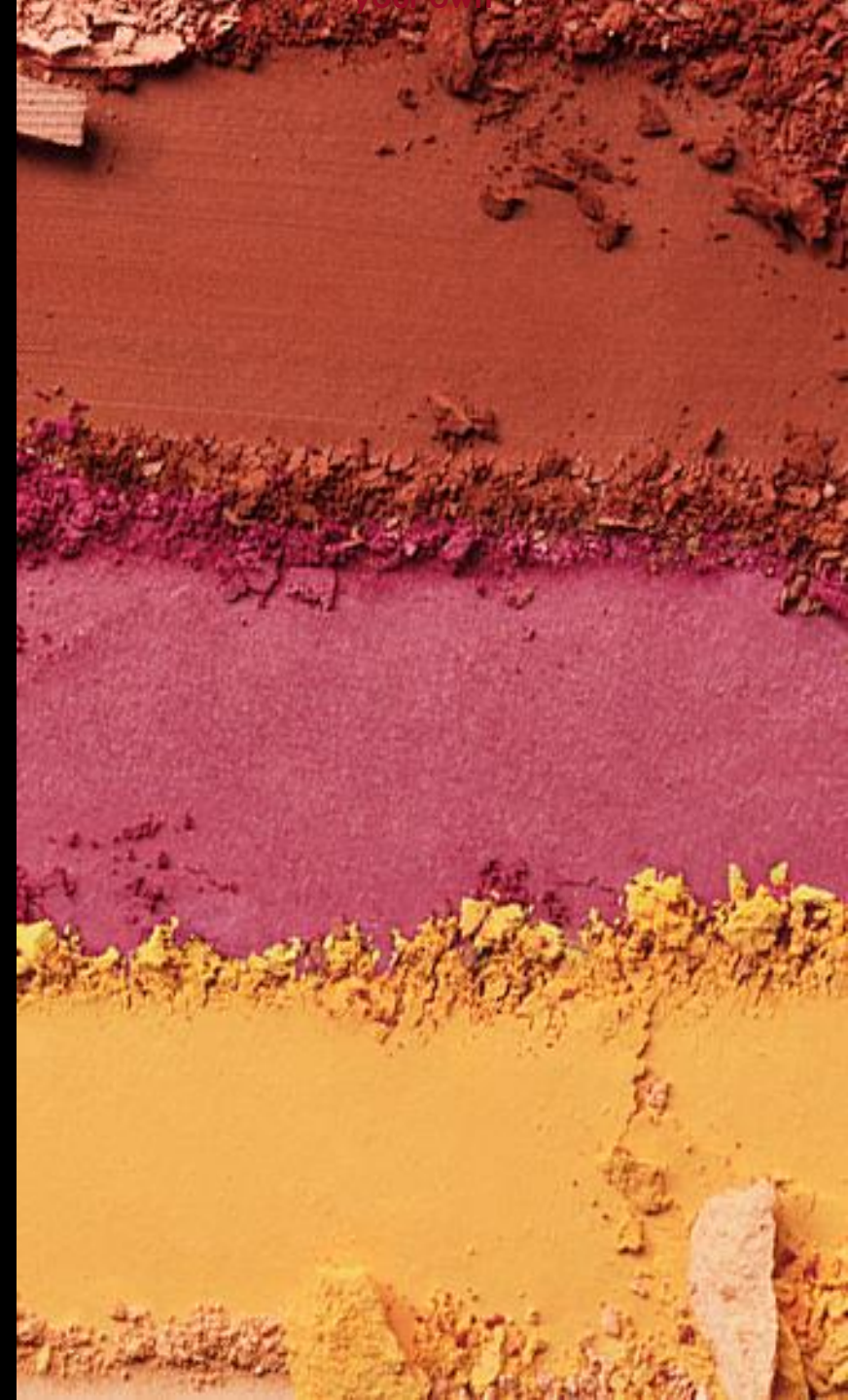


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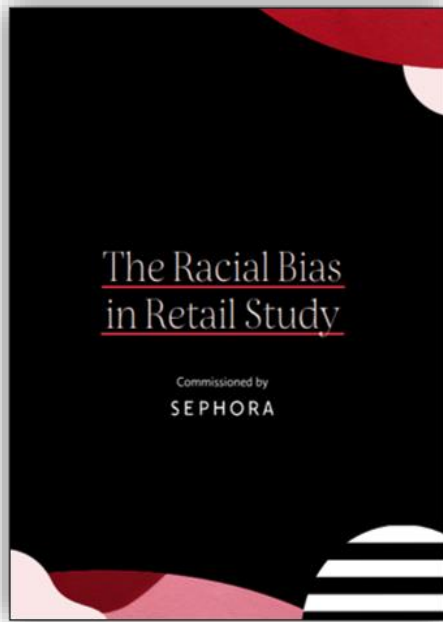
Developing External Diversity Allyship

George-Axelle Broussillon Matschinga
Vice President of Diversity & Inclusion



SEPHORA Racial Bias in Retail Study

First national research study focused on racially biased experiences and unfair treatment in US retail settings, commissioned by SEPHORA



5 Truths

1. Marketing/Merch, Service
2. Representation, inclusion
3. In-store experience
4. In-store experience
5. Communication/advocacy

Shoppers think they fail to be inclusive

Shoppers feel judged by their skin color and ethnicity

Shoppers adopt coping mechanisms

Shoppers avoid reporting their negative experiences

Shoppers seek actions from retailers, not words

01



3 out of 4 retail shoppers think **marketing fails**

to showcase a diverse range of skin tones, body types, and hair textures.



2 out of 3 retail shoppers think **distribution fails**

to deliver an equally-distributed assortment of products catering to different customers' tastes & preferences.



3 out of 4 retail shoppers think **service fails**

to provide access to a store associate familiar with their unique needs or their race/ethnicity.

02

3x more likely than white shoppers to feel most often judged by their skin color and ethnicity (32% vs. 9%)

03



04



Only **3 in 10** shoppers actively provide feedback

05

3x less likely than white shoppers to say that the retailer addressed the unfair treatment with meaningful change

Huge impacts for Retailers



After experiencing racial bias...

...more than **3/5 BIPOC** will not shop at that specific store location again.

...and more than **1/2 BIPOC** will not shop at any of the store's locations again.

5 TRUTHS + SEPHORA DE&I STRATEGY

At Sephora

Leveraging insights to address and mitigate racial bias in our stores, as part of our Diversity & Inclusion Strategy

“Diversity is our Competitive Advantage”



“Sephora D&I Heart Journey”

Beyond Sephora

Sharing these insights with retailers to collectively drive change in the retail industry



First national Charter focused on
fostering inclusive shopping experiences for clients of color
in US retail settings

Inspired by SEPHORA Racial Bias in Retail Study



Goals

- **bring retailers together to mitigate racial biases from the shopper experience** by leveraging key learnings from our Racial Bias in Retail Study and related D&I initiatives, as a starting point.
- **collectively drive change across the retail sector** through continued learning, collaborations, and collective impact.

Timeline

2022	May 18	Official Launch
	May-Sept.	Best practice sharing, anti-racism trainings available
	October	Open to All annual convening
2023	January	Continued collaboration and accountability

Collaboration & Accountability

- Access to OTA Inclusive Retail working group.
- Access to DE&I training resources and videos.
- Best practice sharing with retailers and supporters.
- Reporting on progress



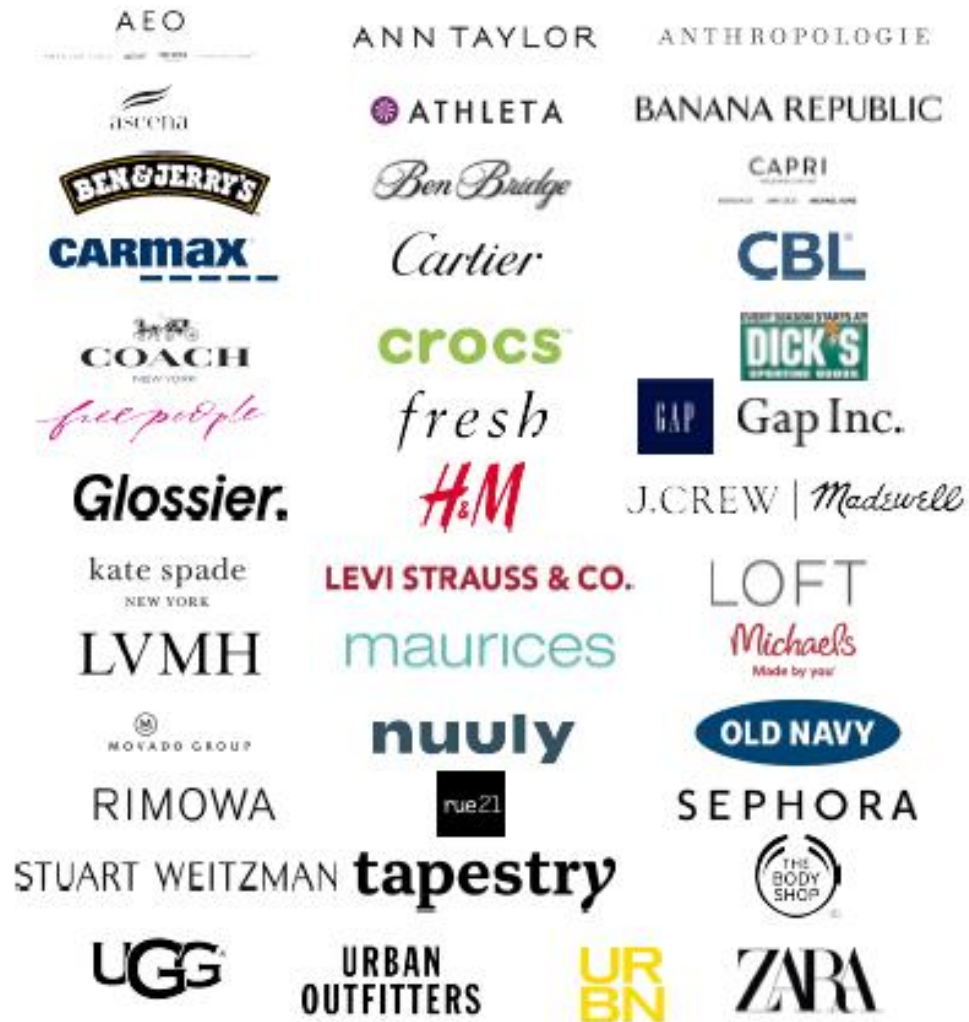
Inspired by the Racial Bias in Retail Study commissioned by SEPHORA

As retailers, we recognize that racially biased and unfair treatment exists broadly in our society and that it impacts everyone's shopping experience. We believe the retail industry should have a zero-tolerance policy and denounce any unfair treatment of customers. Please join us in signing this Charter and commit to:

- **Designing and implementing actions that mitigate racial bias from the shopper experience.**
- **Fostering inclusive shopping experiences for all, regardless of their race and ethnicity.**
- **Being accountable to our shoppers, our employees, and the retail industry.**
- **Working together to share best practices across the retail industry to drive lasting change.**

We know that one retailer alone cannot fix this problem. By signing this Charter, we commit to creating the necessary change to mitigate the negative impacts of racially-biased and unfair treatment from the shopper experience. Together, we will make a difference.

SIGNATORIES



SUPPORTERS



THOUGHT LEADERS

Waikinya Clanton, Politically Sassy, Inc.
Janaye Ingram, Advocate & Activist
David Crockett, Ph.D., University of Illinois Chicago, College of Business Administration

BUILDING EXTERNAL DIVERSITY ALLYSHIP

Partnership Sephora-Open to All

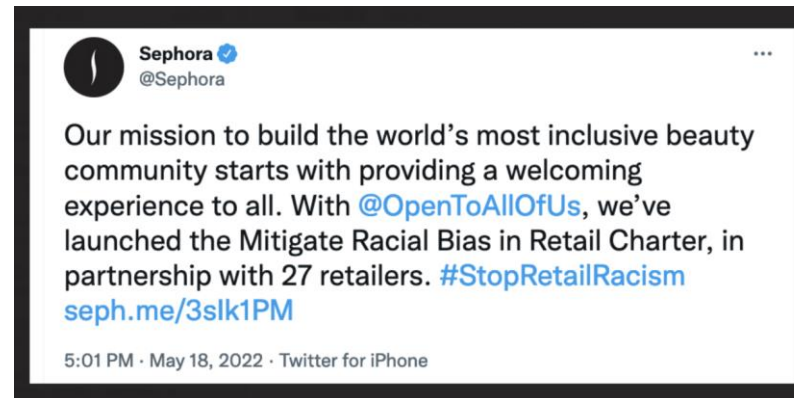
- Co-design of the Charter and curriculum
- Outreach of retailers
- Announcement

MEDIA COVERAGE:

- 22 stories
- 80 million impressions

SEPHORA LINKEDIN POST:

- 17K unique impressions
- 384 reactions
- 33 shares



We can't ignore racial bias in U.S. retail

3 in 5 retail shoppers have experienced discriminatory treatment
2 in 5 retail shoppers have personally experienced unfair treatment on the basis of their race or skin color
3 in 5 retail employees have witnessed bias at their place of work
*Source: Sephora's Racial Bias in Retail Study


WE CAN WORK TO MAKE CHANGES

As leading U.S. retailers, we're proud to announce the formation of the Mitigate Racial Bias in Retail Charter. In signing this Charter, we collectively commit to implementing data-informed strategies to help reduce racial bias in the retail environment, with the shared goal of improving the shopping experience for all.

Together, we pledge to:
Design and implement actions that reduce racial bias in the shopper experience.
Foster inclusive shopping experiences for all, regardless of race or ethnicity.
Be accountable to our shoppers, our employees, and the industry we represent.
Work together to drive change across the U.S. retail industry.

AEO aerie AMERICAN EAGLE ANN TAYLOR ASCETTA ATHLETA
BANANA REPUBLIC BERGSDORF BARNEYS CAPRI CARIMAX COACH CROCS
Gap Inc. GAP H&M J.CREW JIMMY CHOO kate spade LANE BRYANT
LEVI STRAUSS & CO. MICHAEL KORS MOVADO OLD NAVY LOFT LON GOREY
rue21 SEPHORA STUART WEITZMAN tapestry VERSACE ZARA

One retailer alone cannot solve this issue. Together with Open to All, we urge our fellow retailers to join us in making a difference.

 **OPEN TO ALL** Mitigate Racial Bias in Retail Charter

#StopRetailRacism

BUILDING EXTERNAL DIVERSITY ALLYSHIP

Partnership Sephora-Open to All

- Recognitions



Innovation Award
Presented to SEPHORA
For their visionary leadership in
co-creating
Open to All's Mitigate Racial Bias
in Retail Charter

BUILDING EXTERNAL DIVERSITY ALLYSHIP

Collaboration with Charter signatories

- Monthly meetings
- Annual Convening
- Resources and Training Materials
- Reporting on Progress Annually



**Mitigate Racial Bias
in Retail Charter**

February 14th Diversity Hiring Practices

March 14th Reviewing and Revamping Returns Practices & Policies

April 11th Sustainability and the Customer Impact

May 9th Training Focused on Better Serving BIPOC Customers

June 13th Racially Inclusive Marketing Campaigns & Product Diversification

July – Nov. In progress



Join as a signatory and collectively impact the industry!

- We recognize that the signatories may not be at the same stage in terms of racial inclusion, but our intent is to create a collective of retailers and supporters willing to work together to solve this issue of racial bias in our industry and provide inclusive shopping experiences for all.
- The Charter can be found here: <https://www.opentoall.com/mitigate-racial-bias-charter/>
- For information about contact:
George-Axelle Broussillon Matschinga: George-Axelle.BroussillonMatschinga@sephora.com
Calla Devlin Rongerude: calla@opentoall.com

Thank you!

SEPHORA

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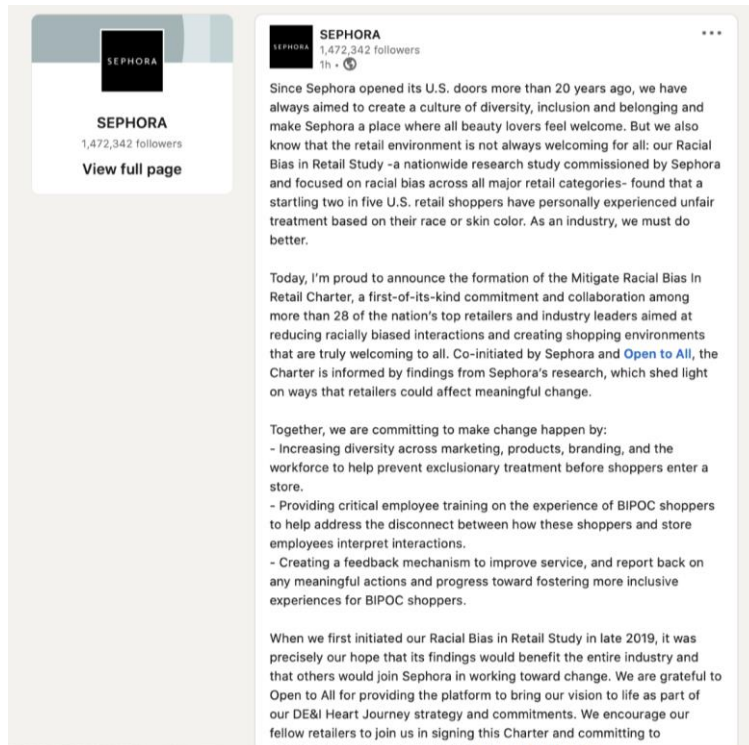


Open to All is a **nonprofit program to create a new world where everyone is welcome**— regardless of race, ethnicity, national origin, sex, sexual orientation, gender identity and expression, immigration status, religion or disability. We create collaborations and resources that have meaningful impact, and pair the nonprofit sector with the private sector to advance diversity, equity, and inclusion initiatives.

We are a **growing coalition of more than 500,000 businesses large and small who have pledged to be Open to All.**

The coalition also includes over 200 nonprofits from the Leadership Conference on Civil & Human Rights and the Anti-Defamation League to disability rights groups, LGBTQ groups, faith organizations, and more.

COVERAGE



REACTIONS FROM SEPHORA LINKEDIN POST:

- “There's always plenty of DEI-driven research and effort to mitigate bias at the HQ level, but this is **the first initiative I've ever seen focused on efforts at the retail level, with such a holistic action plan shared across other key retailers as well.** Shopping at the retail level has historically carried its fair share of burden for BIPOC communities, and others who don't always feel "seen" or welcomed in retail environments. Nice work on such a **strategic and proactive effort** to [#stopretailracism](#).”
- Bravo [George-Axelle Broussillon Matschinga](#) & Sephora team for **paving the way, and leading with openness and transparency.** People are making the difference, and Your impact is incredible. [#womenchangemakers](#) ❤️❤️❤️