



Sephora Public Chemicals Policy 2022 Progress Update

Background:

Clients come to Sephora knowing we offer the best selection of high-quality, prestige beauty products. For us, this means continuing to focus on product safety and sustainability. In July 2019, we launched our [public Chemicals Policy](#) for our full assortment with the **following goals:**

1. **High-Priority Chemicals:** reduce the number of products from all brands (including third party-brands) that contain any high-priority chemicals listed in the policy¹ by 50% in three years.
2. **Safer Alternatives:** encourage the replacement of high-priority chemicals with safer alternatives and avoid regrettable substitutes.
3. **Transparency and Consumer Knowledge:** By the end of 2020, 100% of formulated products have all intentionally added ingredients² listed on our US Sephora.com website.

We have been reporting out on our progress each year ([2020](#), [2021](#)). This year, 3 years out from the goals we set in our policy, we would like to share our progress to date and our vision for the future.

2022 Progress Update:

High Priority Chemicals: Using data from our 2022 assortment analysis on high priority chemicals, we have done the following:

1. **Created action plans for addressing the 4.5% of skus in our assortment that still contain high priority chemicals.** This includes working with our Sephora merchant partners and brands to transparently continue to share the Chemicals Policy, helping brands understand which of their skus contain high priority chemicals, and a potential plan for re-formulating and/or phasing these products out of our assortment.
 - a. We have reduced the number of products with 1 or more high priority chemicals in our assortment by **39.5% over the last three years** and 95.5% of our assortment do not contain high priority chemicals.
2. **Analyzed the presence of additional chemicals of concern** in Sephora assortment for possible inclusion in future iterations of our public Chemicals Policy.
3. **Analyzed the list of skus missing ingredient information** and found that all these products fall into 3 categories: a mini or sample size of a larger product, a kit or set, or a shade or color of one product that has multiple shades or colors. All these products list ingredients, or very similar ingredients on their main product pages.
4. **Assessed where we might need to expand our policy to further protect communities of color from harmful chemicals in personal care products,** as we know chemicals of concern are more likely to be found in products marketed to the BIPOC community. Our analysis showed that through our Chemicals Policy, as well as our Clean at Sephora program, we address many chemicals of concern that we have identified as problematic ingredients commonly found in

¹ Compared to 2019 baseline data from US assortment analysis with known ingredients.

² Excluding the constituents of fragrance or parfum. Many brands voluntarily disclose this, and fragrance ingredients are now required on Sephora.com.



Sephora Public Chemicals Policy 2022 Progress Update

products marketed to people of color such as: parabens, phthalates, formaldehyde and formaldehyde releasers, mercury, and hydroquinone. Additionally:

- a. We have met with NGO experts in Beauty Justice such as [WE ACT](#) and the [Environmental Defense Fund](#) to help educate our internal teams on research that has been done on chemicals of concern in products marketed to people of color. We use these insights to further address this issue in our programs, such as our Accelerate cohort, and future iterations of our policy, as well as educate brands.
- b. In 2020, we committed to [The Fifteen Percent Pledge](#), which has many overlapping brands with our Clean at Sephora initiative. We make an effort to train our Accelerate cohort on sustainability, which includes education on harmful chemicals in products. Many brands that come out of Accelerate are part of our commitment to The Fifteen Percent Pledge and our Clean at Sephora initiative.
- c. Of our [Black-owned brands](#), which we have doubled in the last two years, 50% of these are Clean at Sephora brands.

We have continued our partnerships with industry leaders on innovation and green chemistry practices with expanded work, including:

1. **Novi Connect:** a digital platform that helps formulators and manufacturers discover and procure fully documented ingredients and packaging components that meet numerous sustainability standards, enabling real-time transparency for beauty and personal care products. In year three we:
 - a. Continued offering to all brands, giving them visibility into which of their products meet the Clean at Sephora, Clean + Planet Positive and/or the Public Chemicals Policy requirements. If an ingredient in a product does not meet these criteria, Novi helps that brand source compliant alternative ingredients and packaging components.
 - b. For the second year, extended Novi coverage to include brands in the [Sephora Accelerate program](#), a brand incubation program focused on founders of color.
 - c. Trained merchants and brands on the Novi tool, including formulation and packaging sustainability considerations.
2. **ChemFORWARD:** a non-profit focused on creating broad access to chemical hazard data and identifying and verifying safer alternatives. In year three we continued to support the integration of ChemFORWARD data into the Novi Connect platform that will:
 - a. Identify material suppliers with safer alternatives to high-priority chemicals (such as alternatives to preservatives, benzophenones, ethanalamines and cyclic silicones).



Sephora Public Chemicals Policy 2022 Progress Update

- b. Support comprehensive chemical hazard assessments for safer trade name ingredients³ identified to avoid regrettable substitution, including adding the assessment of 26 chemicals Sephora funded in 2019/2020.
- c. Amplify verified safer alternatives on cloud-based platforms including ChemFORWARD and Novi Connect, listed as “ChemFORWARD SAFER”, which is new in 2022 and funded by Sephora.

This integration is expected to dramatically improve the availability of chemical hazard information, hazard transparency, and safer alternatives by tradename for Sephora brands and beyond. This continues to be an ongoing priority.

- 3. Continued our collaboration with the [Environmental Defense Fund \(EDF\)](#) as a strategic advisor to Sephora’s public Chemicals Policy and partner in advancing safer chemistry and more sustainable consumer products.
- 4. **Continued providing and expanding resources for our brand partners:**
 - a. **Sustainability Guides:** expanded to 10 Sustainability Guides, adding 4 more regarding additional aspects of packaging and sustainability including:
 - i. Guidance and resources on how to assess safer alternatives when replacing chemicals of concern in a product formula.
 - ii. Strongly suggested guidance on what chemicals to avoid in product packaging such as the reduction of plastic and avoiding using Polyvinyl chloride (PVC), polystyrene (PS), expanded polystyrene (EPS), as well as avoiding inks that are petroleum-based or contain volatile organic compounds (VOCs).
 - b. **Sustainability trainings** on ingredients and safer alternatives and packaging including **new guidance** designed for Accelerate brands, Sephora employees, merchandising, etc.

Transparency: we have continued to focus on transparency to ensure we (i) have a full accounting of high-priority chemicals that appear within **4.5%** of our assortment, (ii) continue to provide more sustainable product options, and (iii) meet the growing needs of our clients.

1. Program Updates:

- a. Expanded “[Clean at Sephora](#)” standards, increasing the “formulated without” list to add 6 new ingredient categories (Octinoxate, PFAS compounds, Nitromusks & Polycyclic Musks, Ethoxylated ingredient restrictions, Cyclic Silicones, and EDTA & derivatives) in July 2021 and March 2022.
- b. Continued to grow brands eligible for [Clean + Planet Positive](#), who are focused on sustainability and meet all 5 criteria categories: **clean ingredients, responsible**

³ A trade name is an ingredient name that is specifically branded from one ingredient supplier. For example, the INCI (International Nomenclature of Cosmetic Ingredients) name could be squalane, but the trade name is a specified brand of squalane, which indicates who manufactures this ingredient, impurities, residuals, how it was made, the sourcing, sustainability attributes, etc.



Sephora Public Chemicals Policy 2022 Progress Update

packaging, climate commitments, sustainable sourcing, and environmental giving. This program includes ongoing goals for brands to continue to improve the sustainability performance of their products.

2. Fragrance Products:

- a. Increasing transparency by now requiring fragrance brands to provide their ingredient information for all fragrance products (moving from Clean fragrance brands in 2021 to all fragrance brands in 2022).
- b. Increased the number of fragrance products with intentionally added ingredient information on Sephora.com by 18.27%, which is an 81.97% increase from 2019.

3. Improved digital navigation aimed at transparency:

- a. Added [definitions](#) for highlight badges on Sephora.com to increase transparency of ingredient callouts for all products (e.g., Reef Safe, Cruelty-free, Vegan, etc.), as well as ingredient exclusions specifically for fragrance brands, (e.g., Phthalate-free, Formaldehyde-free, etc.).
- b. Added easier navigation to and discovery of Clean at Sephora and Clean + Planet Positive products on Sephora.com by giving each program a dedicated landing page which transparently lists the program requirements.

Below is a summary of the metrics⁴ we are tracking and our actions to reach our goals:

1. High-Priority Chemicals:	
% Reduction in skus with 1 or more high-priority chemical	
14.3%	December 2019 to July 2020
16.7%	July 2020 to July 2021
15.4%	July 2021 to July 2022
39.5%	December 2019 to July 2022

⁴The data used to report these metrics come from an analysis completed by Novi Connect, as well as internal analysis by Sephora. The high-priority chemical numbers reported are based on public ingredient data received from our third-party brands as of December 2019, July 2020, July 2021, and July 2022 which may be out of date or missing information. All numbers have been normalized to account for seasonality and products with missing ingredient data have been removed from the analysis of skus with high priority chemicals to avoid skewing the results.



Sephora Public Chemicals Policy 2022 Progress Update

% Of skus ⁵ sold on Sephora.com that have no high-priority chemicals	% YOY	
93.2%	n/a	December 2019
93.8%	0.7% increase	July 2020
94.8%	2.0% increase	July 2021
95.5%	0.8% increase	July 2022
% Of brands sold on Sephora.com with no high-priority chemicals	% YOY	
64.8%	n/a	December 2019
64.7%	0%	July 2020
69.0%	6.7% increase	July 2021
75.2%	9.0% increase	July 2022

2. Safer Alternatives: ⁶		
ChemFORWARD	26 chemical hazard assessments (CHAs) funded by Sephora	CHAs will be utilized in the Novi Connect tool, making it easier for brands with high-priority chemicals to find fully assessed safer alternatives (ranking a C or better on A-F rating scale)
	ChemFORWARD SAFER (New in 2022)	Sephora funded CHAs are used to qualify ingredients by trade name and if they satisfy the rigorous program rules, earn the “ChemFORWARD SAFER” designation. SAFER trade name ingredients are now fully integrated into the Novi tool and available to all brands.
Novi Connect	121 brands onboarded (increase from 45 brands in 2021)	All brands at Sephora, including Accelerate brands, have access to tools provided by Novi Connect, that brands can use to review, source, and increase transparency by identifying safer & more sustainable alternative ingredients and packaging components.

⁵ We make the distinction between skus and brands with high-priority chemicals because there are many more brands with a few skus containing high-priority chemicals than there are brands that have high-priority chemicals in every sku Sephora carries.

⁶ Safer alternatives are found through these third-party tools, which use peer reviewed, science-based data, third-party assessors, board-certified toxicologists and/or criteria for sourcing, sustainability, and elimination of ingredients on applicable restricted substance lists. Hyperlinks lead to informational pages about these organizations.



Sephora Public Chemicals Policy 2022 Progress Update

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3. Transparency and Consumer Knowledge:		
% Of skus on Sephora.com that have ingredient information available ⁷		
98.0%	All skus minus fragrance products ⁸	July 2020
99.8%		July 2021
99.6%		July 2022
95.0%	All skus (including fragrance products)	July 2020
98.0%		July 2021
99.5%		July 2022

Transparency Programs: Clean and Sustainable Products			
Program ⁹	Brand Count	Growth	Time
Clean at Sephora	130	47.7% increase from 2019	July 2022
	41.8% of total		
Clean + Planet Positive	40	55.0% increase from 2021 ¹⁰	
	12.9% of total		

Other Sephora progress updates:

1. **Our Private Label brand, Sephora Collection** continued its strict safety requirements with several Restricted Substance List (“RSL”) that go beyond European Regulation for cosmetics, fragrance & packaging, expanding each list of the 3 RSLs in 2022. In 2022, globally 60% of new

⁷ For all formulated products in the time period July 2021 to July 2022.

⁸ Fragrance products refers to individual fragrance skus. For example, there could be one formula of a fragrance product (parfum) with 3 different sizes, which would constitute 3 fragrance products.

⁹ All Clean + Planet Positive brands meet Clean at Sephora ingredient requirements.

¹⁰ July 2021 is the Clean + Planet Positive program launch date.



Sephora Public Chemicals Policy 2022 Progress Update

Sephora Collection products have a positive impact (contains post-consumer recycled content, bio-sourced plastic, Forest Stewardship Council certified cartons or is recyclable).

Additionally, 89% of supplier spend is covered through EcoVadis with a grade on average of 59% improving year after year.

2. Sephora has also maintained our participation with the [Green Chemistry and Commerce Council \(GC3\)](#) and their [Retailer Leadership Council](#).
3. In 2021, [Sephora received an A grade, ranking 4th out of 50 retailers](#), on the **Mind the Store Retailer Report Card**, which ranks companies on their approach to chemical management.

The year ahead:

We will continue to reduce the high-priority chemicals in our assortment, increase transparency of all products we sell, and expand our brand resources on safer alternatives to avoid regrettable substitution. We will utilize the analysis from this year's progress report to further expand our policy. Furthermore, we will continue to ensure we are meeting client demand for safer and more sustainable products and increase our offerings of more sustainable products. Sustainability and the importance of client health are key focuses for us, and we are committed to continuing to make these our priority. Over the next couple years, as we expand our goals and update our Chemical Policy, we will continue our work to eliminate high-priority chemicals from the remaining 4.5% of our product assortment. We look forward to sharing continued updates on our progress.