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Ulta Beauty Announces Diversity and Inclusion Commitments

Rooted in Intent, Influence and Impact, Commitments Champion Diversity in Retail and Beauty

BOLINGBROOK, III.--(BUSINESS WIRE)-- Ulta Beauty, the nation's largest beauty retailer, today shared diversity and inclusion commitments with a keen focus on brand amplification and support, assortment growth, and equitable, welcoming guest and associate experiences. The 2021 commitments reflect a planned investment of more than \$25 million. Additionally, the company announced Tracee Ellis Ross, CEO and founder, PATTERN Beauty, as the company's Diversity and Inclusion Advisor, a formalized role to provide counsel, inspiration and drive accountability.

"As the country's beauty retail leader, we believe we have the power to shape how the world sees beauty and as such, we have a responsibility to inspire positive change and drive greater diversity, inclusivity and equity," said Mary Dillon, CEO, Ulta Beauty "We are deeply committed to leading purposefully with and for underrepresented voices across retail and beauty on our D&I journey."

Ulta Beauty has long prioritized diversity and inclusion within its' overarching business strategy, as reflected in its mission: everyday, we use the power of beauty to bring to life the possibilities that lie within each of us. The 2021 commitments provide a holistic view of tangible efforts intended to further existing work to champion diversity and ultimately, to ensure guests, associates, partners and communities feel connected to and reflected at Ulta Beauty.

"I look forward to formalizing an already existing dialogue and partnership around diversity and inclusion with Mary Dillon and the Ulta Beauty team," said Tracee Ellis Ross. "This work requires commitment and accountability from Ulta Beauty to ensure measurable goals are achieved. I am hopeful and optimistic our work together will create foundational change."

Commitment to Amplifying & Investing in Underrepresented Voices

Recognizing the undeniable opportunity to consistently celebrate and support the influence underrepresented brands and voices have on the beauty industry, Ulta Beauty will dedicate time, space and resources to these important leaders.

- Approximately \$20 million will be allocated to media investments across endemic and multi-cultural platforms to create more personal connections with LatinX, Black and other communities, more than doubling the spend of the last three years.
- Ulta Beauty proudly debuted *MUSE: Magnify, Uplift, Support, Empower*, a platform to celebrate, honor, and amplify Black voices in beauty. The campaign shines a light on

bold, brilliant and beautiful Black women who have defied and defined limits with marquee placements on *The Today Show*, *Good Morning America* and *This is Us*.

Commitment to Black-Owned Brands

As Ulta Beauty's unparalleled assortment continues to evolve, the company will work directly with Black founders and entrepreneurs with the goal to grow brands so these beauty leaders can thrive as they continue to serve the Black community.

- To increase the presence of Black entrepreneurs, Ulta Beauty will double the number of Black-owned brands in its assortment by the end of 2021.
- More than \$4 million will be dedicated to marketing support of Black-owned brands within the company's assortment to fuel brand awareness and sustain growth.

Commitment to Guest Experiences

Everything is in service of guest experiences and as such, Ulta Beauty remains fervently committed to creating exciting, welcoming and equal experiences for every guest who visits the retailer.

- Introducing quarterly, in-store training for all store and salon associates in March 2021 to reinforce inclusivity and address unconscious bias. These mandatory trainings account for a \$2 million investment and are additional to Ulta Beauty's existing store and salon trainings.
- Building upon *Race Matters Leadership Training* which debuted in 2020, the company will implement a mandatory 2.0 version across field, distribution center and corporate associates in 2021.

Commitment to Associate Experiences

Ulta Beauty understands the importance of fostering an inclusive, bias-free and equitable workplace to enable all associates to reach their full potential. The company will continue to prioritize leading as a diversity-forward employer, further strengthening its diverse workforce with investments to advance associate competencies and foster even greater collaboration.

- More than doubled D&I trainings across the enterprise for 2021 for the second year in a row.
- Launched inclusive recruiting efforts with a diverse slate mandate.
- Established a Diverse Leaders Program to empower more than 30, high-potential associates as future company leaders with CEO and executive mentorship.
- Annual performance reviews include evaluation against the core value of Champion Diversity and the key competency of Inclusion.

"Authenticity as an inclusive brand with welcoming experiences for all and an approachable assortment are tenets of how we champion diversity at Ulta Beauty," continued Dillon. "We have mapped these commitments to impact every facet of our work. We look forward to sharing more as we continue on this journey with steadfast commitment from our teams and our newly established advisor Tracee Ellis Ross, who brings passion, experience and perspective to this important work."

In her role as Diversity and Inclusion Advisor, Ross, a beauty entrepreneur, activist and

actor, will provide counsel and insight, and drive accountability to Ulta Beauty with a specific focus on BIPOC brand development, diverse leadership development and supplier diversity. She will join internal Executive D&I Council Summits quarterly. The executive council is chaired by Dillon and brings together Ulta Beauty's executive team to holistically review D&I progress, gaps and opportunities.

With a formalized internal governance in place across the enterprise, Ulta Beauty is committed to progress and will share updates as it continues to build upon its diversity and inclusion efforts.

About Ulta Beauty

At Ulta Beauty (NASDAQ: ULTA), the possibilities are beautiful. Ulta Beauty is the largest U.S. beauty retailer and the premier beauty destination for cosmetics, fragrance, skin care products, hair care products and salon services. In 1990, the Company reinvented the beauty retail experience by offering a new way to shop for beauty – bringing together all things beauty, all in one place. Today, Ulta Beauty operates more than 1,250 retail stores across 50 states and also distributes its products through its website, which includes a collection of tips, tutorials, and social content. For more information, visit www.ulta.com.

Ulta Beauty was recently added to the Bloomberg Gender Equality Index, which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation and transparency. More information about Ulta Beauty's corporate responsibility efforts can be found at www.ir.ultabeauty.com/Corporate-Responsibility.

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