



# DE&I Progress Report

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## 2022

SEPHORA





At Sephora, our mission is simple: to champion all beauty fearlessly and build inclusive environments for our employees, consumers, and communities.

Our DE&I Heart Journey is the internal strategy that drives our work to be an employer of choice, a retailer of choice and a partner of choice.

## Employer of Choice

Sephora aims to create and sustain fair, equitable and inclusive work environments by building diverse teams and leadership that reflect the broad range of consumers and communities we serve.

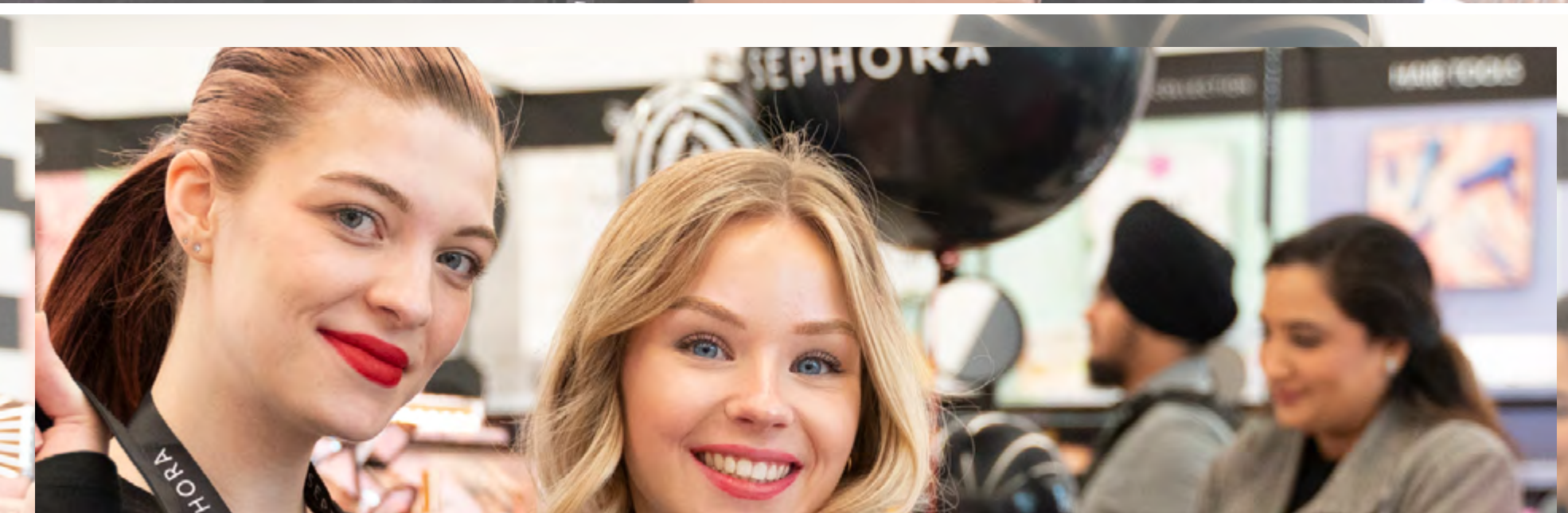
In 2021, we launched our inaugural DE&I Progress Report to highlight our accomplishments and hold us accountable to our goals and strategy. This year, we're happy to bring you our second iteration, demonstrating our ongoing commitment to strengthening diversity, equity, inclusion and belonging at Sephora Canada.

## Retailer of Choice

Sephora strives to ensure an unbiased and inclusive shopping experience for all and feature more diversity in every media platform.

## Partner of Choice

Sephora works with diverse charities, beauty brands and suppliers to encourage inclusive representation of the people we serve, empower and support.



MEASURABLE IMPACT

# Employees

PURPOSE BELONGING REPRESENTATION

76%

of employees who believe Sephora is a purpose-driven organization. (2022 Engagement Survey)

## BELONGING

Belonging refers to the feeling of belonging people have as their authentic selves if we're supporting DE&I efforts effectively.

2022

The first year we ran a belonging survey.

79%

Overall belonging sentiment.

## REPRESENTATION

73%

Employees who shared their diversity dimensions with us (57% LY).

External applicants and new hires are encouraged to share their diversity dimensions (diversity related data) through our internal HR systems. Throughout the year, we leverage key DE&I moment to amplify this message and drive participation. This helps identify gaps in representation and better understand the need for programming to support DE&I at Sephora.

*These numbers are reflective of those who provided their diversity data as of January 2023.*

### 2SLGBTQIA+

16%

Our employees who shared their diversity data identify as members of 2-Spirit, Lesbian, Gay, Transgender, Queer, Intersex, Asexual plus (2SLGBTQIA+) communities.

### INDIGENOUS

3%

Employees who shared their diversity data that identify as Indigenous (First Nations, Inuit, Metis).

### RACIALIZED INDIVIDUALS (PEOPLE OF COLOUR)

35%

Employees who shared their diversity dimensions that identify as racialized (or a person of colour).

### PEOPLE WITH DISABILITIES

3%

Employees who shared their diversity dimensions that identify as having a disability (visible or invisible).

8%

Leaders who shared their diversity data identify as members of 2SLGBTQIA+ communities.

2%

Leaders who shared their diversity data that identify as Indigenous (First Nations, Inuit, Metis).

25%

Leaders who shared their diversity dimensions that identify as racialized (or a person of colour).

1%

Leaders who shared their diversity dimensions that identify as having a disability (visible or invisible).

14%

Total DC workforce identifies as having a disability.



## SEPHORA IN-COMMUNITIES

Launched five IN-Communities or ERGs (employee resource groups) for members and allies – Lotus (East Asian), Onyx (Black), Prism (2SLGBTQIA+), SOARS (Indigenous) and South Asians.



**111** Members and allies who registered to be a part of the inaugural Sephora IN-Communities. These employees have already started having a positive impact on the business by contributing to improving processes, and providing consultation across various initiatives.

### Key DE&I moments/cultural events elevated

**3**

Open events held for Sephora Canada employees.

**\$8,000**

IN-Communities opted to donate part of their annual budget to causes meaningful to them.

### Launched a new engagement platform

My Sephora Inclusion (MSI) digital is an all-in-one interactive platform created to connect, support and nurture IN-Communities. The platform removes common engagement barriers, allows colleagues to communicate quickly, and has visibility into all IN-Community happenings.

## EMPLOYER BRANDING

### Sephora SPARK Ambassador Program

Storytelling, Passion, Allyship, Respect, Knowledge



The Sephora SPARK Employee Ambassador program is an award-winning talent development program for high performers and culture catalysts where employees are encouraged to showcase their employee experience to aid us in attracting talent.

**13**

Ambassadors – 46% identify as racialized.

**38%**

SPARK Ambassadors promoted in 2022.

### Awards

Retail Council of Canada Excellence in Retailing Awards



Rally Awards



Canadian HR Awards



## AWARENESS & EDUCATION

Highlighting Diversity, Equity, and Inclusion (DE&I) moments to support cultural competency.

54

Key DE&I moments highlighted to elevate and celebrate throughout 2022.

16

Additional learning and development assets developed, including quick reference; and learning guides.

4

Foundational e-learning modules rolled-out to all employees and brand partners.

- DE&I Fundamentals
- Anti-Racism
- Unconscious Bias
- Client De-escalation



Developed a DE&I checklist and e-learning modules to support people onboarding when joining Sephora Canada.

## WELL-BEING

Created a Well-being@Sephora program built on four pillars: Physical, Mental, Social and Financial well-being.



In line with our value of Balance, we provide Head Office employees flexible scheduling within our hybrid workplace. In 2022, we also invested in brand new state-of-the-art office in downtown Toronto with ergonomic chairs and sit-stand desks. We offer engaging activities and collaborative workspaces to foster a strong sense of community.

4 Sephora Days

For culturally significant moments plus an employee's birthday.



5

Wellness Days.



Month-long Work from Anywhere program available each July.

Held three Field Leadership workshops related to Holiday Readiness, Compassionate Leadership and Working with Purpose.

## WELL-BEING

### SEPHORA

Head Office Workshops including:

- Well-Being Webinar: Transitioning Back to the Office
- Well-Being Webinar: Leading with Empathy

Jack.org's Be There Certificate launch aligned with World Mental Health Day in October

### jack.org

This was made available to all employees through paid time, ensuring all leaders completed this training supporting mental health.

Reviewed our benefit offerings through a DE&I lens. To ensure they were inclusive and equitable, we held focus groups with a cross-section of diverse employees who identified as BIPOC, 2SLGBTQIA+, Persons with Disabilities, women, persons aged 50+, persons aged 25 and under, and French-speaking. Insights are now being used to review and improve our current plan.



## AWARDS

Forbes recognized Sephora Canada as one of **Canada's Best Employers of 2022**. This is the fourth time we have received this accolade. Forbes also recognized the company as one of **Canada's Best Employers for Diversity**.



### 2022 Canadian HR Awards

Sephora Canada was selected as a finalist for Best Employer Branding, Canadian HR Team of the Year (Retail/Hospitality), and The Paywords Award for Best Corporate Social Responsibility Strategy. Sephora Canada won the Best Employer Branding category.



### Great Place to Work®

Best Workplaces™ in Retail & Hospitality 2022



### HRD Canada

Innovative HR Teams 2022



## RESEARCH OPPORTUNITIES

### 2 Reports launched this year, stemming from research in 2021



#### Pink Attitude

Link to report in [EN](#) and [FR](#)

The South Asian community is the single largest visible minority group in Canada, comprising 25% of the visible minority population. Recognizing the critical need for data regarding career-focused South Asian women in Canada, Pink Attitude partnered with CulturalIQ to undertake a nationwide survey that would provide empirical data that can be acted upon.

The reality is that South Asian women are highly educated, highly motivated and highly capable. They are here and want to work but are being overlooked by Canadian employers at all stages of their employment, from searching

for and obtaining work, to having their career progression stall. It is vital not only for these highly skilled workers in Canada, but for the workforce as a whole.

As the exclusive Retail partner of this first-of-its kind study, Sephora Canada was proud to invest in understanding the potential of the growing South Asian women's workforce in Canada. As a leader in global prestige retailing, we have a great sense of responsibility to leverage and share the insights from this study and further understand the barriers that exist amongst South Asian women working in both the beauty and retail spaces.

Leveraging the employment potential of South Asian women will not only enable Sephora Canada to take an even stronger position in our diverse hiring and advancement efforts, but it will also help to elevate South Asian women and increase representation in the Canadian market.



#### NWAC

Link to report in [EN](#) and [FR](#)

The Native Women's Association of Canada (NWAC), in partnership with Sephora Canada, released a report outlining findings from a first-of-its-kind roundtable conversation about Indigenous beauty. Held in October 2021, the roundtable resulted in a historic conversation to support decolonizing beauty standards and uplifting Indigenous women and gender-diverse people within the beauty industry. The report encapsulates learnings from the dialogue that took place among 200 roundtable attendees consisting of a mix of youth and Elders, First Nations, Métis, Inuit, Afro-Indigenous, and 2SLGBTQQIA+ people.

The findings of the report focus on how a more inclusive, equitable and representative beauty industry that reflects the true diversity of Indigenous communities across Canada can be fostered.

The report, released in 2022, and recommendations are especially critical for Indigenous women, girls and 2SLGBTQQIA+ people seeking healing from the intergenerational traumas of colonization, including the abuses of the Residential School system and the violence that has led to a disproportionate number of murders and disappearances within Indigenous communities.

Indigenous representation remains central to Sephora Canada's Diversity & Inclusion efforts, alongside a commitment to ensuring all Canadians see themselves reflected at Sephora. We are working to ensure these recommendations remain at the core of our mission to inspire and cultivate a more inclusive beauty community for consumers, employees and in the communities they serve.

To support Indigenous beauty and identity, and aligned to the celebration of our 100th new store opening, Sephora Canada donated \$100,000 to NWAC and their Resiliency Lodge program – supporting Indigenous women, girls and gender diverse people in healing.

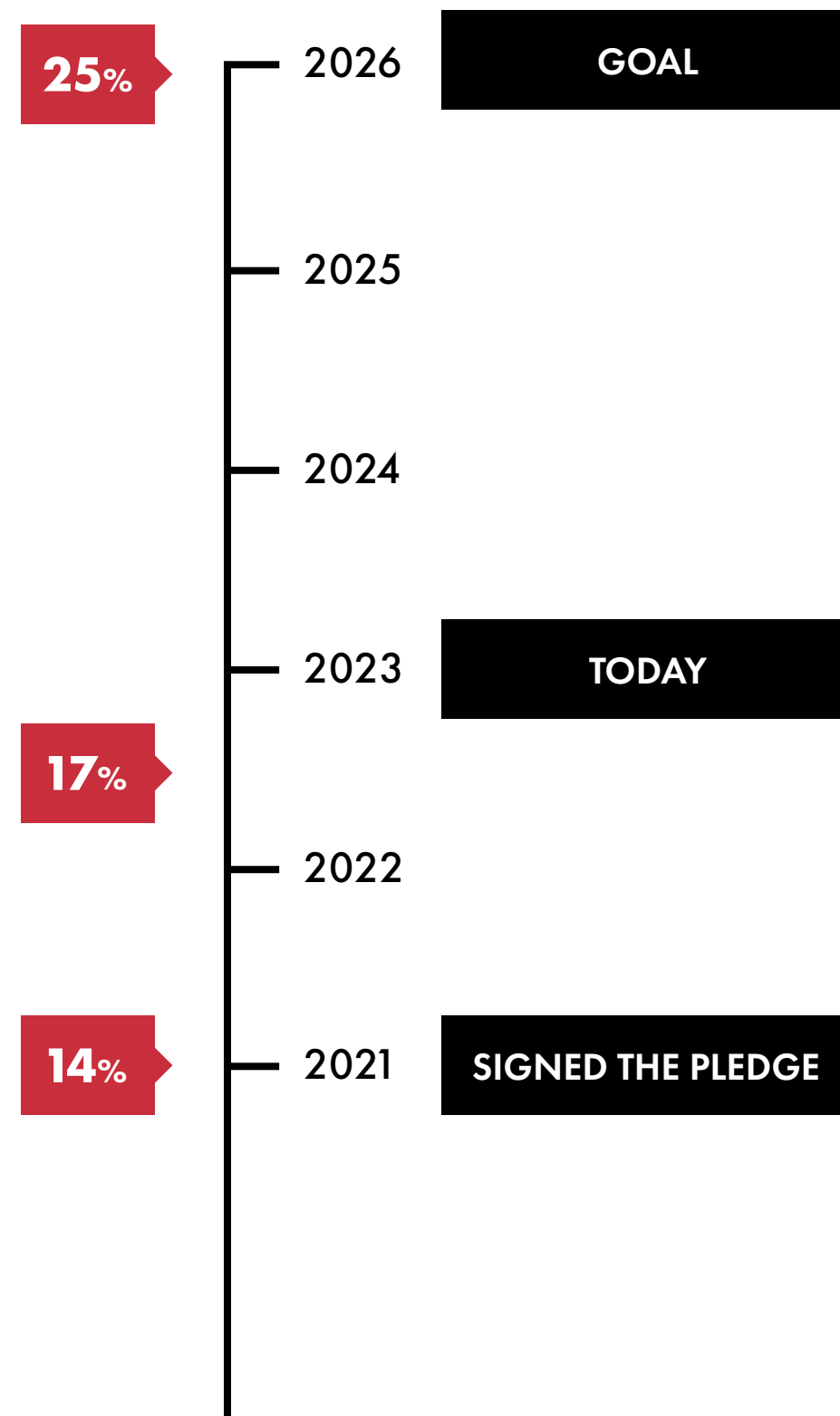
MEASURABLE IMPACT

# Consumers

## 15 PERCENT PLEDGE

In 2021, Sephora Canada committed to the Canadian Fifteen Percent Pledge with an ambitious five-year goal of having **25 percent** of our brand offering dedicated to BIPOC-Owned brands by 2026.

In 2022, we added three new brands helping us get closer to our goal.



## MARKETING

Our marketing efforts focus on inclusion year-round including:

- Representation across talent and products featured.
- Ensuring that the talent leveraged and the products featured represent a wide-range of identities.
- Elevating cultural moments through targeted campaigns.

Top performing campaign content on Instagram included:

- Top photo: [Eid Al Fitr 2022](#)
- Top video: [Mother's Day 2022](#)
- Top carousel: [Lunar New Year 2022](#)

All of this work resulted in those marketing efforts being recognized externally:

- 2** Awards won at the 2022 Marketing Awards:
- GOLD in the META Business Equality category for our National Indigenous History Month 'We Belong' campaign
  - Diversity & Inclusion Award for the "We Belong" Campaign





## MEASURABLE IMPACT

# Communities

## BE GENEROUS, CHARITABLE GIVING PROGRAM

# \$1,420,386

Total charitable giving contributions

The Charity Rewards program allows clients and employees to redeem Beauty Insider points via the Sephora Rewards Bazaar for a donation to the charity of the month. It's an excellent opportunity to highlight the important work these community partners are doing, allowing both clients and employees to engage in making a difference. Sephora matches those donations dollar-for-dollar.

## 12 Charity Rewards partners



**ACCES Employment** is a leader in connecting employers with qualified job seekers from diverse backgrounds. As a not-for-profit and charitable organization, ACCES provides job search services entirely free-of-charge, connecting newcomers, jobseekers, youth, women and refugees to jobs that reflect their skills and experience.



**Black Business & Professional Association (BBPA)** is a non-profit, charitable organization that addresses equity and opportunity for the Black community in business, employment, education, and economic development. Their mission is to advance Canada's Black communities by delivering programs that support business and professional excellence, higher education, and economic development.



**Girls e-Mentorship (GEM)** believes that every girl deserves an equal opportunity to succeed, despite where they come from or what barriers they face. Each year, they individually match hundreds of high school girls with a woman mentor for a 9-month program that builds confidence, professional skills, and networking opportunities helping girls to achieve their career goals.



**Chinese Canadian National Council (CCNC)** was founded in 1980 after a successful nationwide protest against the irresponsible journalism of the CTV W5 program, "Campus Giveaway," which falsely depicted Chinese Canadian university students as "foreigners" taking opportunities away from Canadians. Successful organizing in the Chinese Canadian community led to a public apology from CTV. This marked the beginning of four decades of community activism to fight for equality and human rights through the dedicated efforts of CCNC and the CCNC Toronto chapter (CCNCTO).



**Centre for Indigenous Environmental Resources (CIER)** is Canada's first and only Indigenous-directed environmental nonprofit charitable organization. For over 25 years, CIER has combined the best of Western and Indigenous knowledge to build sustainable Indigenous communities while protecting lands and waters to create a world that is in balance and supports all living things.



The **Native Women's Association of Canada (NWAC)** is a National Indigenous Organization representing the political voice of Indigenous women, girls and gender-diverse people in Canada, inclusive of First Nations on and off reserve, status and non-status, disenfranchised, Métis and Inuit.



**The 519** is Canada's largest and most prominent 2SLGBTQ community center. Since 1975, we have been responding to the most urgent needs of our community members and are a vital hub committed to their health, happiness, and full participation.



**Pink Pearl** Canada is a community-oriented charitable organization that provides support, facilitates connections and empowers self-identifying young women who are courageously overcoming the social and emotional challenges of being diagnosed with any cancer across Canada.

## BE GENEROUS, CHARITABLE GIVING PROGRAM



**Indspire** is a national Indigenous registered charity that invests in the education of First Nations, Inuit and Métis people for the long-term benefit of these individuals, their families and communities, and Canada.



**Jack.org** delivers upstream peer-to-peer education programs to address Canada’s youth mental health crisis directly. We provide mental health education, leadership and advocacy training, and ongoing mentorship to young people across Canada. They, in turn, work to increase the mental health literacy of hundreds of thousands of their peers by decreasing shame and stigma and encouraging health-seeking behaviour.



**ANNISAA** significantly benefits the Muslim community by empowering Muslim women and girls to address the challenges of integration and self-empowerment effectively.



**Inclusion Canada** has led the way in building an inclusive Canada for people with intellectual disability and their families by strengthening families, defending rights, and transforming communities into places everyone belongs.

# \$ 174,394

Total amount donated through the Charity Rewards program.

# \$ 87,197

Amount raised in-store and online in support of our 12 partners, where Sephora matched these donations dollar-for-dollar.

## CHARITABLE DONATIONS & SPONSORSHIPS

# \$ 100,000

Donated to NWAC in recognition of Sephora Canada’s 100<sup>th</sup> new store opening to support of NWAC’s Resiliency Lodge program. Resiliency Lodges services are geared toward violence prevention and empowered healing intervention. Providing support and empowerment through Elder-led, trauma-informed programs is one of NWAC’s responses to the Calls for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls (MMIWG+).



# \$ 316,250

Total dollars donated to community partners.

- Ability Online
- Access Employment
- Black Business & Professional Association
- Black North Initiative
- Inclusion Canada
- Indspire
- Jack.org
- Look Good Feel Better
- NWAC
- Pink Attitude
- Pink Pearl

# \$ 967,488

Retail value of in-kind product donations. Products went to:

**21** Inclusion-focused organizations leading various initiatives.



Donated to over 130 organizations through our partner Kits for a Cause. End of life products are re-directed from our distribution centers to Kits for a Cause who distribute them to charitable partners and organizations across the country.

## EMPLOYEE GIVING, GIFT OF GIVING (BENEVITY)

**\$49,450**

Total donated through Benevity.



**\$39,960**

Donations from employees through Benevity (personal and seeded).

**\$9,543**

Sephora Matched Dollars (Sephora will match employee donations \$1 for \$1 up to \$5,000).

Supporting

**504**  
CAUSES

**120+**

Volunteering hours logged supporting 12 causes (where \$20/hr in rewards were seeded back to employees to donate).

**\$44,880**

Amount raised through the Giving Tuesday campaign (1,398 participants supporting 488 causes).

**24%**

Employee engagement (up from 7.6% LY) on Benevity.

## EMERGENCY RELIEF

**\$25,000**

In support of the Canadian Red Cross and BIPOC USHR (Charlottetown).



## CLASSES FOR CONFIDENCE

This program is designed to support various marginalized communities feeling beautiful, informed, and welcome at Sephora through curated and free beauty classes. Sephora uses strengths in teaching to inspire confidence and create a sense of belonging for all. The program also engages employees in making a difference in their communities.

In 2022, we hosted five unique Classes for Confidence with the support of community partners.

**Bold Beauty**, partnering with The 519 to provide an inclusive space to inspire confidence and fearlessness in support of 2-spirit, non-binary and transgender communities.

**Brave Beauty**, partnering with Pink Pearl Canada to address the visible effects of cancer treatments on women, inspiring confidence, and fearlessness.

**Diverse Beauty**, partnering with the Black Business & Professionals Association to create a space for people with deeper skin tones and curly hair types to explore BIPOC brands with inclusive products and shade ranges.

**Newcomer**, partnering with ACCES Employment to create an inclusive space for recent immigrants, refugees, or those new to the Canadian workforce to build confidence heading into new job opportunities.

**DiverseABILITY** partnering with Ability Online to share a safe space for people with disabilities (visible or invisible) to explore and engage in self-care and beauty.



15

Classes with 150 participants across the country in stores and virtually.

51

Employees who supported in developing and delivering these classes.

96%\*

Felt safe & supported.

89%\*

Had their needs met.

92%\*

Felt knowledgeable and confident.

92%\*

Are likely to refer a friend.

93%\*

Intend to visit/make a purchase.

\*Average values across all inputs through 2022.



"I didn't tell [my son] about the makeup classes until Monday morning - wanted to keep it as a surprise. I wish that I had taped his reaction. He was **speechless and overtaken with excitement** that he was going to be attending. He would giggle and grin large all day when he thought about what he would be doing Monday afternoon. When I told him I had also signed him up for the [Femme Look] class and the [Androgynous/Gender Neutral Look], he started to cry. When the [Masculine Look] lesson ended, **he came running upstairs with his makeup done, looking amazing.** Thank you to [The 519] and Sephora for putting this together. **You have made my son the happiest he has been in a very long time.** This makes me smile, knowing that he can use **this outlet to express his authentic self.** I can't wait to see what he does with his makeup with the [Femme look] class."

– a Bold Beauty Participant's Mother

## CLASSES FOR CONFIDENCE

The impact of this program is immense. Marginalized people tend to face more significant barriers to inclusion, affecting their self-confidence. These classes offer an opportunity to explore beauty in a safe and brave space.





**We believe that beauty thrives in diversity and discovery. Our purpose is to expand the way the world sees beauty by empowering the ExtraOrdinary in each of us.**

To do this, we are committed to driving change - leading and openly learning along the way. We will continue to drive greater diversity, equity, inclusion and belonging in all parts of our business to create an environment where everyone is respected and valued.





SEPHORA

