



SEPHORA



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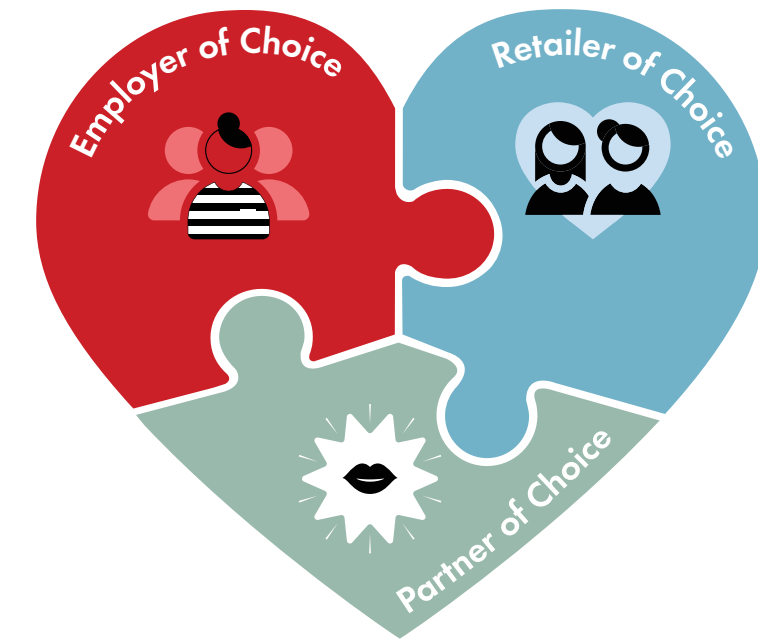
DE&I  
PROGRESS  
REPORT





At Sephora Canada, our *Diversity, Equity and Inclusion Heart Journey mission* is to champion all beauty fearlessly, building inclusive environments for our employees, consumers and communities.

We are proud to share our *2023 Diversity, Equity and Inclusion (DE&I) progress report* demonstrating our ongoing commitment and ambition to become the DE&I champion in the beauty and retail industries.



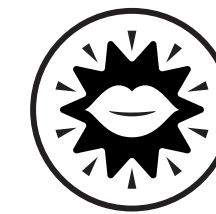
### EMPLOYER OF CHOICE

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.



### RETAILER OF CHOICE

Sephora strives to ensure unbiased and inclusive shopping experiences 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.



# EMPLOYEES

## PURPOSE

Our 2023 Engagement Survey reveals that **78% of our employees** (unchanged from last year) find their work at Sephora meaningful.

## BELONGING

We've recorded an **overall belonging sentiment of 79%**, surpassing both platform and client industry average.

## REPRESENTATION

We continue to collect voluntary diversity dimension data from our employees, and encourage all employees, including new hires and even external applicants, to share their diversity dimensions through our HR information system at any time. We utilize key opportunities to amplify this message and drive participation. This sharing practice enables our teams to make data-informed decisions about our DE&I strategy and people-related programs.

# 84%

Employees who have chosen to share their diversity dimensions with us (up 15% from last year).

### 2SLGBTQIA+

# 17%

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

# 8%

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

### INDIGENOUS PEOPLE

# 3%

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

# 1%

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

### RACIALIZED INDIVIDUALS (PEOPLE OF COLOUR)

# 41%

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

# 26%

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

### PEOPLE WITH DISABILITIES

# 3%

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

# 2%

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

### SEPHORA TALENT INCUBATOR PROGRAM (STIP):

# 50%

STIP mentors and mentees who identify as racialized.

### SPARK AMBASSADORS

# 60%

SPARK Ambassadors (members of Sephora Canada's employee advocacy program) who identify as racialized (% based on ambassadors who disclosed their data).

### ASPIRE (CO-OP STUDENTS)

# 77%

ASPIRE students who identify as racialized with 85% of students identifying as women.

# 14

Number of new stores that were provided with local census data to support hiring that is reflective of the community demographics.

This data reflects the diversity dimensions shared as of January 2024.



# IN-COMMUNITIES

## SEPHORA IN Communities

Comprised of 248 members and allies, *Sephora IN-Communities* (employee resource groups) actively contributed to the business through awareness building, business reviews, process improvements, consultations, and more.

With our latest launch of Sephora Gold – an employee resource group supporting those who identify as South Asian employees and allies – we now have **5 IN-Communities**: Gold (South Asian), Lotus (East Asian), Onyx (Black), Prism (2SLGBTQIA+), and SOARS (Indigenous).

In 2023, we held four open events for Sephora Canada employees to celebrate key DE&I moments, including Pride, Caribana, Diwali, and International Day of Persons with Disabilities.

Our IN-Communities utilize the **My Sephora Inclusion (MSI)** engagement platform, a comprehensive and interactive environment designed to foster connection, support, and growth within these groups. With the aim of eliminating common barriers to engagement, the platform facilitates seamless communication and visibility for all IN-Community activities and features messaging, collaboration and co-creation tools, along with surveys, event planning resources, budget request capabilities, and additional resources.



# SEPHORA LISTENING CIRCLES



In 2023, we embarked on a significant initiative to engage with hundreds of our retail employees about our commitment to diversity, equity and inclusion (DE&I). **Listening Circles**, rooted in our DE&I Heart Journey, aimed to amplify the voices of our retail employees, particularly our Beauty Advisors, gathering insights to drive awareness, improvements, and momentum for our DE&I programs.

49

Listening Circle sessions conducted.

24

Leaders who facilitated sessions.

30

Cities across Canada where sessions took place.

400+

Beauty Advisors who were reached.

Our Listening Circles generated 98 hours of valuable feedback, which we distilled into six central themes. These insights are now being put into action, informing both immediate and long-term strategies to enhance our DE&I efforts.

# EDUCATION

In our commitment to *Diversity, Equity and Inclusion*, we have consistently used various moments to create and distribute resources for ongoing learning and development. These initiatives help enhance our cultural competency and strengthen our collective culture of inclusivity.

We have organized numerous activations, discussions, and workshops that aim to raise awareness about key moments, including cultural holidays, international recognition days, and educational content that highlights different voices and experiences. These efforts foster a sense of belonging in our team and equip our employees to appreciate the diversity that each individual brings to our organization.

Additionally, we have consistently promoted and engaged our employees in our **foundational DE&I trainings on topics including:**

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

These trainings aim to empower our employees with the tools and knowledge to identify and challenge unconscious biases, combat racism, and manage conflicts effectively.



# ALL ABILITIES PROGRAM

In 2021, Sephora initiated a meaningful collaboration with *Inclusion Canada's Ready, Willing & Able (RWA)* organization and their *Community Living Mississauga (CLM)* team to pilot the launch of the *All Abilities Program* in the Distribution Centers (DCs), operated by DSV.

During the implementation of this program and collectively with our partners, we gathered **valuable insights**:

- **We reviewed and enhanced job descriptions**, enabling us to offer more diverse and challenging roles.
- **We refined our onboarding process**, which now includes walkthroughs of the workspace so that candidates can become familiar with their future environment before accepting a position.
- **The RWA team provided substantial support to new hires**, ensuring they receive what they need and addressing any obstacles that could lead to resignation.

## Key achievements of the All Abilities Program:

**26%**

The active workforce that was recruited through the All Abilities Program (towards a goal of 30%).

**97**

Total program hires from 2022 to 2024.

**13**

Number of community partners engaged across Canada through RWA.



RWA has acknowledged Sephora and DSV as pioneers in inclusive hiring as many other RWA partners attain a 9-12% hiring rate with similar programs. This initiative has also led to numerous accolades, reflecting the significant impact of the program.

*“For over two years, our collaboration with Sephora Canada has led to the employment of nearly 100 individuals with intellectual disabilities or autism.*

*Where most companies we partner with are committed to inclusion, and will hire candidates as appropriate, Sephora intentionally set a target that 30% of its workforce will be persons with a disability and remained steadfast in their commitment to achieving that target.*

*Sephora is without doubt a true champion of inclusive employment!”*

— DON GALLANT, RWA NATIONAL DIRECTOR



# SEPHORA TALENT INCUBATOR PROGRAM



In 2023, Sephora Canada introduced the *Sephora Talent Incubator Program (STIP)* – an innovative six-month initiative aimed at nurturing and developing diverse leaders within our organization.

This program, which places a special emphasis on underrepresented talent of colour, offers a structured mentoring and coaching framework to foster cultural competence and leadership skills.

STIP was designed with a clear goal in mind: to enhance participants' readiness for next-level leadership roles and provide opportunities that align with their professional development aspirations. In its inaugural year, we paired 25 mentees with 25 mentors, with the vast majority completing the program successfully. We look forward to expanding and improving this initiative in 2024.

## STIP COMPRISES THREE KEY COMPONENTS:



### 1

#### COMPETENCY-BASED MENTORING

- Learning relationship
- Competency based
- One-on-one mentoring

### 2

#### THEME-ORIENTED GROUP COACHING

- Topic / Theme oriented

### 3

#### INDIVIDUAL COACHING

- Culturally oriented
- Goal-oriented
- Dependency: 360 appraisals

## FOR MENTEES

STIP is an invaluable opportunity to prepare for higher-level professional roles, navigate setbacks and develop resilience, and refine career goals. The lessons and experiences gained through STIP are intended to empower and inspire the next generation of leaders to actively shape their careers and make a significant impact at Sephora.

## FOR MENTORS

While refining their mentorship skills and forming meaningful connections with mentees from diverse teams, STIP mentors have the rewarding opportunity to share their own career experiences. Through guiding mentees towards their next roles, and learning from other mentors, this collaborative and supportive environment fosters best practices in mentorship, contributing to the overall success of the program.



# EMPLOYER BRANDING



Storytelling, Passion, Allyship, Respect, Knowledge

The *Sephora SPARK Employee Ambassador program* is an award-winning employee advocacy program. These culture catalysts are selected to showcase their employee experiences and stories internally and externally, and support attracting talent.

37

The number of Ambassadors that were part of the 2023 cohort.

25%

Spark Ambassadors who were promoted in 2023.



# EARLY CAREER PROFESSIONALS



The *Sephora ASPIRE Early Talent* program is an 8-month co-op program that provides opportunity for students to participate in meaningful experiential learning activities to grow their expertise.

Students gain real-world experience across various groups in our Field Support Centre (Corporate Office), including Finance & Strategy, Marketing, Merchandising, People, Retail Operations and Supply Chain. The program also offers participating managers the opportunity to develop their leadership and mentorship skills.

13

The number of ASPIRE students in the 2023 cohort.

15%

2023 ASPIRE students who transitioned to an entry-level role.





# WELL-BEING



Our wellness strategy at Sephora is designed to create a holistic impact on the physical, mental, financial, and social well-being of our employees.

This year, we held 15 in-person sessions at our Toronto office to warmly welcome new employees and immerse them in Sephora’s unique culture while also introducing the variety of programs, benefits and resources available to them.

## INVESTED IN PERSONAL DEVELOPMENT

Our well-being initiatives also included organizing various workshops for employees on topics like stress management and overall personal wellness. We’ve hosted sought-after experts such as Dr. Robyne Hanley-Dafoe for ‘Stress Wisely: How to be well in every season’ and Che Marville for ‘Mindfulness Wellness.’

In partnership with Canada Life, we offer webinars to support mental and financial well-being, covering topics like coping with unexpected change, understanding inflation, and managing financial stress.

## WORLD MENTAL HEALTH MONTH

In October 2023, we hosted our first-ever Wellness Fair at our office. This event allowed our Toronto-based employees to connect with wellness experts and participate in health-promoting activities.

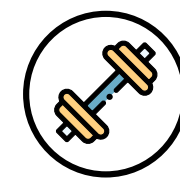
## WELL-BEING PILLARS



Mental



Financial



Physical



Social

Our comprehensive support for employees includes:

### OPEN DOOR POLICY

We prioritize people and foster a culture of openness and collaboration. We encourage every employee to voice their concerns or questions to their leaders or the HR team, reinforcing our commitment to transparency and support.

### DIALOGUE

All our employees have unlimited access to Dialogue, our Employee and Family Assistance Program (EFAP). This virtual healthcare platform is designed to support the all-round well-being of our employees and their families.

### HEALTH AND DENTAL BENEFITS

Full-time employees enjoy extended health and dental benefits with Canada Life, including short-term and long-term disability coverage.

### ADDITIONAL PERKS FOR CORPORATE EMPLOYEES

We offer a range of benefits, such as flexible “Sephora Days,” Wellness Days for self-care, Summer Fridays, and a Work from Anywhere policy.



### LVMH HEART FUND

This program provides free, anonymous, and confidential services to all employees who need social, psychological, or financial support.

# AWARDS



*Forbes* recognized Sephora Canada as one of *Canada's Best Employers of 2023*. This is the sixth time we have received this accolade. *Forbes* also recognized the company as one of *Canada's Best Employers for Diversity* for the second year in a row.



Won in the *Best Employer Branding* category for the second year in a row.



Most Attractive Employers for Students 2023.



Great Place to Work 2023®



# CONSUMERS

## 15 PERCENT PLEDGE



Sephora Canada proudly committed to the *Canadian Fifteen Percent Pledge* in 2021, setting a five-year target of dedicating 25% of our brand offerings from BIPOC-owned brands by 2026. We've made significant strides towards this goal:

18% 2022

We expanded our portfolio by adding three new brands, which propelled us to achieving 18% of our goal, representing 50 brands across four categories.

21% 2023

We continued this momentum by introducing seven more BIPOC-owned brands. As a result, 21% of our brands are now BIPOC-owned, spanning 51 brands across four categories.

25% 2026

25% of our brand offerings to BIPOC-owned brands.



## COMMITMENT TO RECONCILI-ACTION

At Sephora, we remain committed to ensuring we are casting talent reflective of Canada's vast diversity across all of our marketing and promotional opportunities.

In our journey to Honour Indigenous Beauty ([report](#)) and expand the way Canadians and industries see Indigenous beauty, we joined members and guests of the Native Women's Association of Canada (NWAC) at their Resiliency Lodge in May 2023 for a deeper discussion captured on film ([video](#)).



This year, we also participated in a Canadian Centre for Diversity & Inclusion (CCDI) webinar to highlight the work we've done in partnership with NWAC to bring attention and positive change to the way we see Indigenous beauty.



# MARKETING

In our commitment to *Diversity, Equity and Inclusion (DE&I)*, we've strategically incorporated purposeful content across our marketing campaigns and social media platforms.

19

Marketing campaigns centered on DE&I were launched in 2023.

10

Campaigns elevating six BIPOC moments, Lunar New Year, National Indigenous History Month/National Indigenous Peoples Day, Pride Parade, and Colour iQ/Illumination.

9

Specific campaigns recognizing International Women's Day, Diwali, World Mental Health Day (Sephora x Rare Beauty), Channukah, Kwanza, Christmas, Ramadan/Eid, Caribana, and Black History Month.

35

DE&I-focused content pieces produced for our employer brand and corporate social channels, which resulted in a total of 97 posts across both Instagram and LinkedIn.

The top performing DE&I content on @SephoraCanada, our corporate Instagram platform:

**Top reel of 2023**

Asian Heritage Month with Beauty Advisors



56K

Organic impressions (+123% above our engagement benchmark)

VIEW POST

**Top carousel post of 2023**

Eid Glam Beauty Advisor Carousel



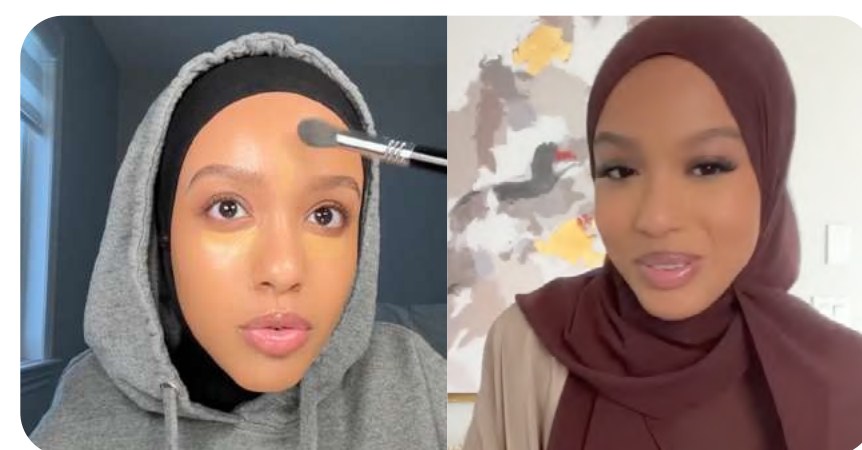
49K

Organic impressions (+208% above our engagement benchmark)

VIEW POST

**Top Influencer Instagram Collab post of 2023**

@segal85 Eid Glam Makeup



+1654%

Above our engagement benchmark and was one of the top five highest performing Sephora Canada Instagram posts of the year.

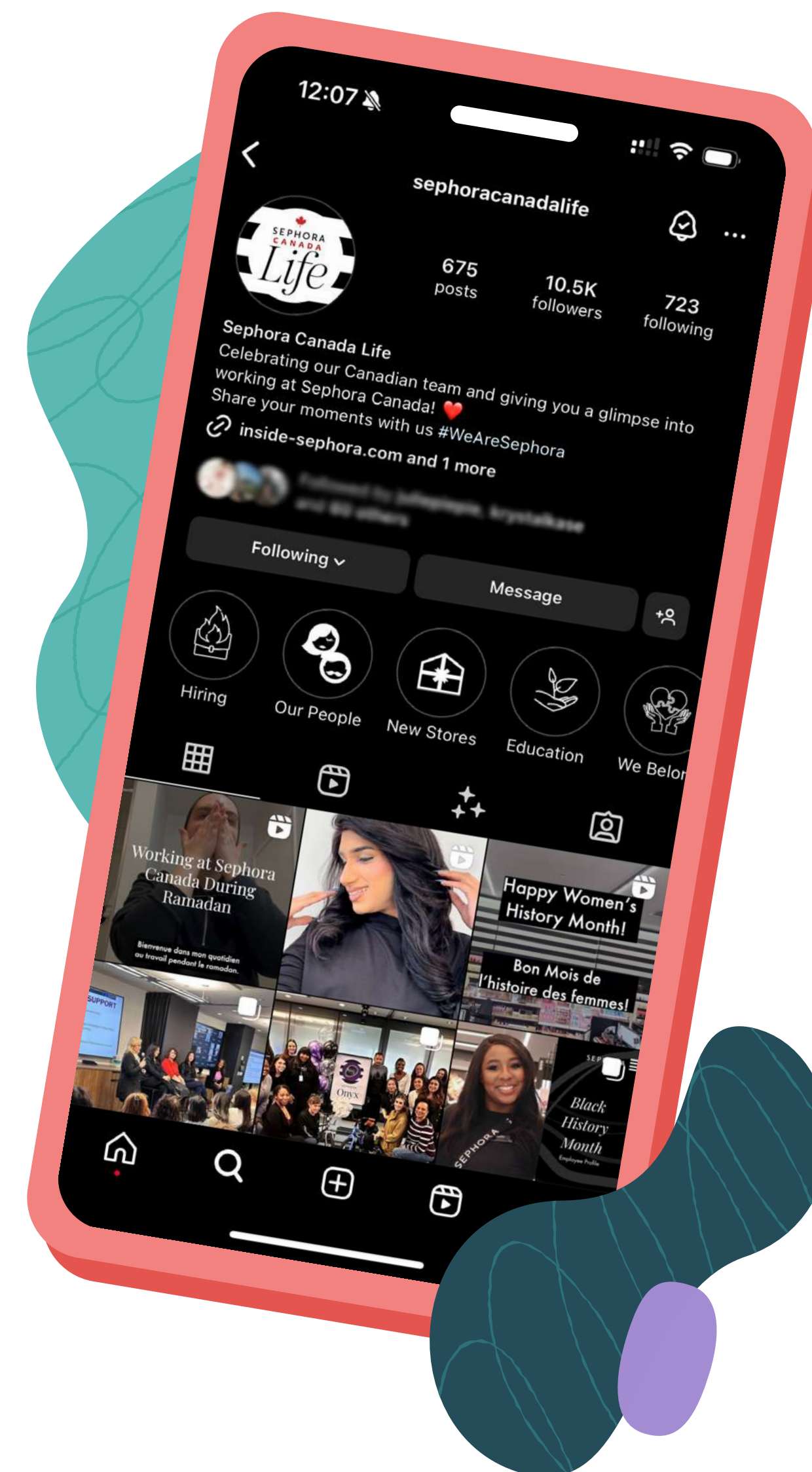
VIEW POST

**@SephoraCanadaLife**

Our employee and culture Instagram platform, was also active in promoting DE&I. Accounting for 14.7% of the organic impressions generated by @sephoracanalife posts in 2023, DE&I-related posts demonstrated that this content resonates with followers.

37

DE&I-focused posts on our employee Instagram feed resulting in 22.8% of our total posts.



# MARKETING AWARDS



**GOLD**  
Diversity, Equity & Inclusion / Awareness & Media / Event



**Communication Arts Interactive WINNER**  
Environmental  
**Communication Arts Advertising WINNER**  
Non-Traditional Advertising



**BRONZE**  
Industry Specific / 5. Health and Beauty



**WINNER**  
Best Use of Data Insights  
Experiential Activation



**SILVER**  
Meta Business Equity Award

**BRONZE**  
Retail: Customer Experience & Shopper Marketing



**GOLD**  
Best in Retail

**SILVER**  
Planning with Purpose

**BRONZE**  
Best in Experiential/Stunts  
Budget Over \$100,000

# T

## CLIENT GIVING

Sephora demonstrated a significant commitment to charitable giving in the past year with a total of **\$3,071,344 contributed** to charitable causes through our three giving pillars (employee, client and community), marking a *116% increase* compared to the previous year.

Our Charity Rewards program provides clients with the ability to redeem Beauty Insider points via the Sephora Rewards Bazaar for a donation to the charity partner of the month. It's a great opportunity to highlight the important work these community partners are doing, allowing both clients and employees to engage in making a difference.

# \$134,382

Total raised in 2023 in client donations that were matched dollar-for-dollar by Sephora.

We proudly supported 12 Charity Rewards partners:



**ACCES Employment** is a charitable organization that connects employers with qualified job seekers from diverse backgrounds. ACCES offers free job search services to newcomers, job seekers, youth, women, and refugees.



**Black Business & Professional Association (BBPA)** is devoted to advancing Canada's Black communities through programs that support business, professional excellence, higher education, and economic development.



**Girls e-Mentorship (GEM)** provides high school girls with a 9-month mentorship program that builds confidence, professional skills, and networking opportunities.



**Centre for Indigenous Environmental Resources (CIER)** is Canada's first Indigenous-directed environmental nonprofit charitable organization and fuses Western and Indigenous knowledge to build sustainable Indigenous communities.



**Hong Fook Mental Health Foundation** offers a range of culturally appropriate services, from intake and case management to recovery and community programs.



**The Native Women's Association of Canada (NWAC)** represents the political voice of Indigenous women, girls, and gender diverse people in Canada.



**Rainbow Railroad** provides life-saving assistance to LGBTQI+ people worldwide facing persecution and violence.



**Pink Pearl Canada** is an organization that provides support and empowers young women diagnosed with any type of cancer across Canada.



**Indspire** is a national Indigenous charity that invests in the education of First Nations, Inuit, and Métis people.



**Jack.org** delivers peer-to-peer education programs to directly address Canada's youth mental health crisis.



**ANNISAA** empowers Muslim women and girls to address the challenges of integration and self-empowerment effectively.



**Inclusion Canada** is an organization that has been instrumental in building an inclusive Canada for people with an intellectual disability and their families.

## EMPLOYEE GIVING

**\$89,478**

Amount of employee donations facilitated through the Gift of Giving, our employee giving program.

**\$24,046**

Donations by employees using our Benevity giving platform.



**\$65,432**

Additional funds raised through Sephora's employee giving programs, which included matching contributions, volunteer hours, and seeding rewards.

**\$72,000+**

Amount raised for Giving Tuesday by 2,192 employees supporting over 600 causes.

**41%**

Increase in employee engagement in our giving program this year.

**450+**

Volunteering hours logged by employees supporting more than 620 Causes.



## COMMUNITY GIVING

**\$280,000**

Total that Sephora Canada donated through direct sponsorships and monetary donations to support various community organizations, including:

- ACCESs Employment
- Black Business & Professional Association
- Inclusion Canada
- Indspire
- Look Good Feel Better
- NWACPink Pearl
- Sephora's Colour iQ initiative
- The Canadian Red Cross in support of flooding relief in Canada



**\$140,000**

Donated to organizations supporting diversity and representation.

In May, Sephora Canada launched Illumination, an interactive installation showcasing over 140,000 Colour iQ shades, celebrating Canada's diverse beauty. Powered by AI, the Colour iQ foundation matching service recommends products that match customers' skin tones. This campaign, emphasizing diversity and self-expression, was accompanied by Sephora's donation of \$140,000 to organizations supporting diversity and representation.



**\$2,567,484**

Total donation value in in-kind products to various community organizations.

Through direct requests and our donation partner, Kits for a Cause, the goal of this giving program is to divert discontinued or end-of-life cycle products from landfills and donate them to vulnerable people and communities. Of the total amount, \$161,102 were Sephora-owned products, and \$2,406,382 were brand-owned products.

# CLASSES FOR CONFIDENCE

Our signature *Classes for Confidence* (C4C) program aims to support marginalized communities by helping them explore and define their own beauty, improving their self-confidence as they face life’s challenges.

We currently offer five series tailored to different communities, each developed in collaboration with core partners:

### C4C DIVERSE BEAUTY

In partnership with the [Black Business & Professionals Association](#) (BBPA), we support individuals with deeper skin tones in exploring BIPOC-owned brands and formulations that cater to their specific needs.

### C4C NEWCOMER

Working with [ACCES Employment](#), we help those new to the Canadian job market build confidence in preparation for job interviews.

### C4C BOLD BEAUTY

In collaboration with [Rainbow Railroad](#), we support 2-spirit, non-binary, and transgender individuals in their journey of exploring beauty and defining what it means to them. to delve into beauty, with a particular focus on skincare.

### C4C BRAVE BEAUTY

Partnered with [Pink Pearl](#), we assist women battling cancer by providing tips and introducing them to Clean at Sephora products to help manage the effects of their treatments.

### C4C DIVERSEABILITY

In partnership with [Ability Online](#), we provide a safe space for people with visible and invisible disabilities to delve into beauty, with a particular focus on skincare.

From a few virtual classes supporting approximately 50 people in 2021, we have expanded to over 25 in-person and virtual classes across Canada, reaching over 200 participants.

These classes are designed with sensitivity and inclusivity in mind. For instance, sessions are held during closed store hours for privacy, and we offer the option for participants to bring a support person.

## C4C IN 2023

25

Classes held, a 67% increase from the previous year a 49% increase.

63

Total number of employees, a 24% increase, who supported the development and delivery of these classes.

223

Total participants across all classes.

### Feedback from participants has been overwhelmingly positive:

92%\*

felt safe and supported

90%\*

had their needs met

92%\*

felt knowledgeable and confident

95%\*

would likely refer a friend

97%\*

intend to visit or make a purchase



\*These values represent the average responses from participant surveys conducted throughout 2023.

WATCH VIDEO



→ CON'T **CLASSES FOR CONFIDENCE**

**FROM OUR C4C FACILITATORS:**



**CLASSES FOR CONFIDENCE  
DIVERSE BEAUTY**

*"This series allowed us to focus on celebrating one another and our individuality, while showcasing expertise to engage and inspire our elevated team. Great success in preparation and execution, with a fantastic excitement and passion for showcasing expertise. Fantastic support from the C4C Team."*

**AUSTIN RASMUSSEN**  
SERVICES MANAGER  
SEPHORA ROBSON



**CLASSES FOR CONFIDENCE  
NEWCOMER**

*"The class itself was a huge success. The group was super engaged during the class and was not shy or afraid to ask any questions. The time slot was perfect and worked in our favour."*

**EILA BARLAN**  
CLIENT EXPERIENCE MANAGER  
SEPHORA ROBSON STREET



**CLASSES FOR CONFIDENCE  
BRAVE BEAUTY**

*"It is always an amazing feeling to help people feel empowered, especially within this context. It was an incredibly meaningful experience, and I am honoured to have been given the opportunity to share such a special moment with all who participated!"*

**ELIZABETH BEKELE**  
STAGE EXPERIENCE LEAD  
SEPHORA BLOOR STREET

**FROM OUR  
C4C PARTICIPANTS:**

*"Following chemo my skin has never been the same. I think it's really great that this opportunity came up so that I could learn about some other products that are new on the market."*

**BRAVE BEAUTY PARTICIPANT**

*"My personal makeup artist has always been my sister and she's back in my home country, so I really miss her here. I feel more confident. I made so many friends here."*

**NEWCOMER PARTICIPANT**

*"It was nice to get productive time working on the skills that I've been trying to do. That's what I dedicated my summer to, I'm trying to figure out all of this stuff and so having a course like this has been really great."*

**BOLD BEAUTY PARTICIPANT**



*The impact of this program is immense. Marginalized people tend to face greater barriers to inclusion, affecting their self-confidence. These classes allow them an opportunity in a safe and brave space to explore beauty in a way that works for them and brings out a greater level of confidence. The lasting impact is priceless. We're looking forward to continuing to elevate and offer these classes across Canada.*





*We are committed to driving change – fearlessly leading and openly learning along the way. We will continue to drive greater diversity, equity, inclusion and belonging in all parts of our business.*