



THE ESTÉE LAUDER COMPANIES INC.

BEAUTY
INSPIRED,
VALUES
DRIVEN

EXECUTIVE SUMMARY

SOCIAL IMPACT AND SUSTAINABILITY

Our social impact and sustainability initiatives help drive innovation, growth, and efficiency. Across the business and within our brand portfolio, we incorporate sustainable practices, methodologies, and design. Our commitments and goals reflect where we have the biggest opportunity to positively impact the environment and society.

FISCAL 2021 SPOTLIGHT

In fiscal 2021, we remained on track to achieve our social impact and sustainability goals, while generating exceptional business results and continuing to navigate challenges related to the COVID-19 pandemic.

<p>INCLUSION, DIVERSITY & EQUITY</p>	<ul style="list-style-type: none"> Established an Equity and Engagement Center of Excellence to drive progress towards achieving equity across our organization and develop pathways to further opportunity and advancement for all employees. Aligned The Estée Lauder Companies Charitable Foundation's strategy with our social impact and gender equality strategies and became an inaugural donor to Co-Impact's Gender Fund with a pledge of \$15 million over five years focused on achieving transformative systems change for gender equality. 	
	<ul style="list-style-type: none"> 82% of our global workforce is female. 46% of our U.S. workforce is Black, Indigenous, and People of Color (BIPOC). 	<ul style="list-style-type: none"> 55% of global VP positions and above are held by women. 44% of our Board of Directors are women.
<p>CLIMATE AND ENERGY</p>	<ul style="list-style-type: none"> Made strong progress on our Scope 1 and 2 science-based target (SBT) and continued to make progress towards meeting our Scope 3 SBT. Expanded our renewable energy portfolio through a new, on-site solar installation in Hillmount, Canada, bringing our total solar capacity to 5.7 MW. We generated a cumulative total of more than 5,000 MWh of solar energy in fiscal 2021, supporting both progress toward our SBTs and helping meet our facilities' energy needs with green power. Honored with RE100's 2021 Enterprising Leader Award, acknowledging the company's progress and leadership in the global transition to 100% renewable electricity. 	
	<ul style="list-style-type: none"> Our 22 MW Virtual Power Purchase Agreement wind farm became fully operational, generating enough renewable energy to cover our entire North America operations. 	<ul style="list-style-type: none"> Achieved highest score of "A" from non-profit CDP for climate change disclosure, joining CDP's 2020 Climate A List.
<p>PACKAGING</p>	<ul style="list-style-type: none"> Achieved our existing post-consumer recycled (PCR) material goal ahead of schedule, and announced a more ambitious goal to increase the amount of PCR material in our packaging to 25% or more by the end of calendar year 2025. Announced a new goal to reduce the amount of virgin petroleum plastic in our packaging to 50% or less by the end of calendar year 2030. 	
	<ul style="list-style-type: none"> 89% of our forest-based fiber cartons were FSC certified. 	<ul style="list-style-type: none"> M·A·C's take-back program enabled the processing of more than 420,000 pounds of empty packages.

\$16.22

billion in net sales:
International 79%; U.S. 21%

25+

Prestige Brands

~150

Countries & Territories

4 Product Categories

Skin Care, Makeup, Fragrance,
Hair Care



100% palm-based ingredients*
RSPO certified with
70% certified to RSPO
physical supply chains

*Excludes palm-based ingredients not directly procured by ELC, such as those procured by Third-Party Manufacturers (TPMs) and certain acquired brands not yet fully integrated into the relevant ELC systems.

Awarded more than
13,600 grants
and distributed more than \$7.9
million through the ELC Cares Fund for
COVID-19 relief to support members of
our global family through June 30, 2021

The Breast Cancer Campaign and
The Estée Lauder Companies Charitable
Foundation have raised more than
\$108 million* globally

*The Breast Cancer Campaign has provided funding since 1992 and The Estée Lauder Companies Charitable Foundation provided an inaugural \$1 million donation in 2021.



Received
**68 National Safety
Council Awards**
in three categories

Achieved
**zero industrial
waste-to-landfill**
for all global manufacturing,
distribution, and innovation sites



Joined the
Global Shea Alliance
and expanded participation in the
HERproject to help empower women
who work within supply chains

11 brands have published
**Ingredient
Glossaries**

Achieved a
perfect score of 100
on the Human Rights Campaign's
2021 Corporate Equality Index

\$217M spend with
**diverse and/or
small suppliers**
in fiscal 2021

OUR VALUES

We are a *Beauty Inspired, Values Driven* business. This means that we value and promote inclusion, diversity, and equity for all; embed sustainability ever more deeply into everything we do; deliver long-term value; and bring positive impact to everyone we touch.

We are proud of the overall progress we have made, but we also recognize that we have more work to do in order to accomplish greater results. We pledge to live our shared values, every day, and hold ourselves accountable to this commitment and the actions we take at our company and in our communities.



This summary does not contain all the information in our FY21 Social Impact & Sustainability Report. The report is available at: <https://www.elcompanies.com/en/our-commitments>, along with a cautionary note regarding information in the report including forward-looking statements.

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