



THE ESTÉE LAUDER COMPANIES INC.

# FUTURE BEAUTIFUL

OUR PROGRESS ON SUSTAINABILITY  
AND CITIZENSHIP IN 2016



# WHAT KIND OF FUTURE ARE WE CREATING?

We come back to that question again and again as we innovate—in service not only to our business, but also to communities, the environment and the people we touch worldwide. In 2016, we accelerated our efforts to realize a future aligned with our vision:

A FUTURE



INNOVATIVE.  
SUCCESSFUL.  
RESILIENT.  
CARBON-NEUTRAL.  
BRIGHT.

## A MESSAGE FROM OUR LEADERSHIP

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At The Estée Lauder Companies, we spend a lot of time thinking about beauty. We think about what beauty means for our consumers today, what it may mean tomorrow, and how we can travel with them on their journey of defining their own authentic sense of beauty.

We think just as deeply about how we, as the industry leader with a heritage of giving, can contribute to a better, more beautiful future for everyone. We know that the choices we make have effects far beyond our business, and that's a responsibility we take seriously.

We are pleased to report that in fiscal 2016, The Estée Lauder Companies took several important steps to ensure that we continue to build toward a brighter future—for our Company, and for people and communities we touch worldwide.

We are proud of the work we've accomplished this past year. Our efforts include the creation of The Estée Lauder Companies Charitable Foundation to continue the philanthropic work we are already engaged in and fuel future efforts. One of the Foundation's initiatives we are most proud of launching is an initiative aimed at improving educational opportunities for girls worldwide.

In order to highlight and amplify the inspiring generosity of our employees, we launched The Estée Lauder Companies Good Works, a new program through which the Company matches employee contributions of both volunteer time and monetary donations.

We set a goal to achieve net-zero greenhouse gas emissions by 2020, to help the world mitigate the effects of climate change. And we elevated citizenship and sustainability in our governance structure so that the team responsible for those efforts, led by our Senior Vice President for Global Corporate Citizenship and Sustainability, now reports directly to us. This change, in particular, reflects our belief that citizenship and sustainability are essential to our success as a business and our responsibilities as a Company.

The future, of course, is always a work in progress, and our journey as a corporate citizen is ongoing. In partnership with our suppliers, retailers, consumers and employees, we continue to make progress. We'll keep working to care for communities, conserve natural resources and create innovative, sustainable products, doing our part to contribute to a "future beautiful" for us all.

William P. Lauder  
Executive Chairman

Fabrizio Freda  
President and Chief Executive Officer

# THE GLOBAL HOUSE OF PRESTIGE BEAUTY

THE ESTÉE LAUDER COMPANIES AT A GLANCE, FY16

## COMPANY OVERVIEW

**\$11.3B**  
net sales

**\$1.6B**  
operating income

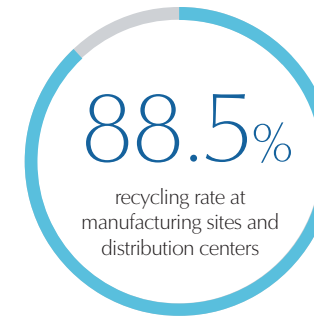
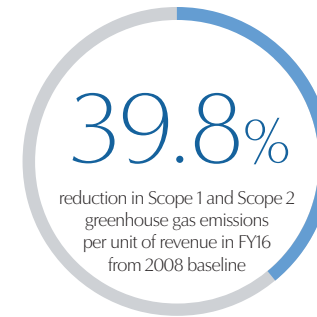
**\$1B+**  
global online sales

**25+**  
prestige brands

**1,230+**  
freestanding stores  
(greater than 10% of our business)

**150**  
countries  
and territories

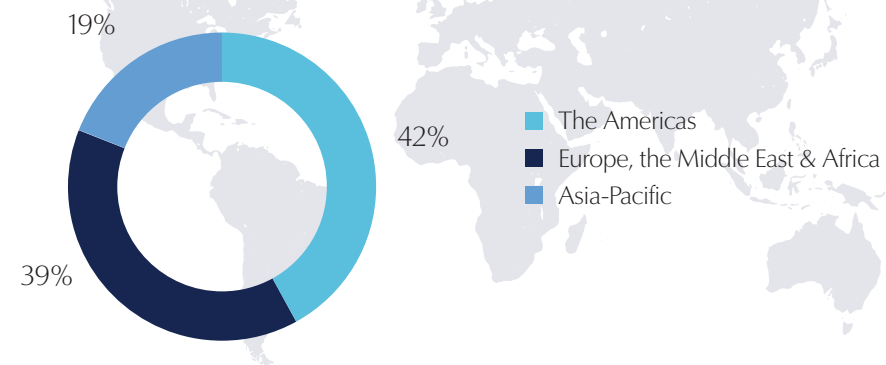
## ENVIRONMENTAL AND SOCIAL PERFORMANCE



**0.31**  
total incident rate

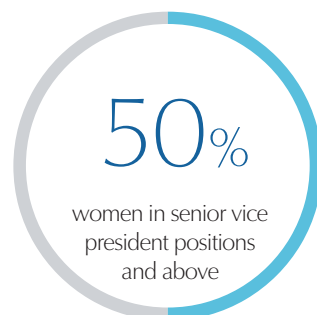
## RESULTS BY GEOGRAPHIC REGION

Percentage of net sales:



## OUR WORKFORCE

**46K+**  
employees worldwide



## GIVING AND VOLUNTEERISM

**51,412**  
volunteer hours at 313  
nonprofits globally

**\$6.5M**  
raised by The Estée Lauder  
Companies' Breast Cancer Awareness  
Campaign to support the Breast  
Cancer Research Foundation®  
(BCRF®) and other charitable cancer  
organizations globally

**\$41M+**  
raised by M•A•C Cosmetics  
through the VIVA GLAM campaign  
to support people living with and  
affected by HIV/AIDS

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CREATING AN

# INNOVATIVE FUTURE

Mapping the carbon footprint of our packaging and evaluating the environmental impacts of our ingredients are two ways we're working toward sustainable design.

### Creating high-impact packages with less impact on the planet

We learned from our 2015 material usage study that a critical way to reduce our packaging's environmental impact is to reduce its carbon footprint. So in fiscal 2016, we launched a carbon-footprint analysis for all packaging types across our brands—some 68 packaging types in all. We're seeking to understand our packaging's current carbon footprint and projected footprint based on the growth we expect in our business. We'll use what we learn to formulate goals for producing packaging that is less energy- and carbon-intensive.

At the brand level, our Aveda and M•A•C brands continued to explore new innovations in sustainable packaging. Aveda launched a makeup-pencil sharpener that employs 100 percent post-consumer recycled plastic resin derived from makeup components returned through our "Back to M•A•C" program, which encourages guests to bring back used makeup components that can't be recycled through curbside or residential recycling programs. In addition, Aveda's package designers continued to explore the use of plant-based feedstock for the plastic we use in our packages, with the aim of scaling its use across the Aveda brand and others.

In addition to our own efforts, we encourage sustainability among our packaging suppliers. We survey all of our packaging component and third-party manufacturers and compile their responses in supplier scorecards that we use to guide our purchasing decisions. Sustainability is one of the criteria we use in making purchasing decisions, along with quality, price and innovation, among others. In fiscal 2015 and fiscal 2016, 271 of our packaging component and third-party manufacturers—72 percent of the 377 surveyed—completed our Supplier Sustainability Survey. The survey seeks information about sourcing, processes and practices, and we factor responses to it into our scorecards.

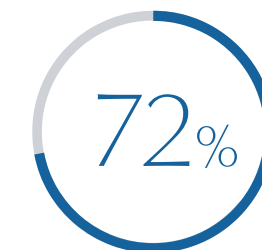


We regularly evaluate our product ingredients against the latest science-based standards.

### Stressing safety and promoting sustainability in our products

Product safety is a top priority at The Estée Lauder Companies. In fiscal 2016, we continued to rigorously assess new ingredients and products for safety and comfort. As always, our Research and Development team monitored scientific studies and literature for any new developments relating to our products and ingredients. And at our facilities around the world, we fine-tuned practices as necessary based on the latest available science.

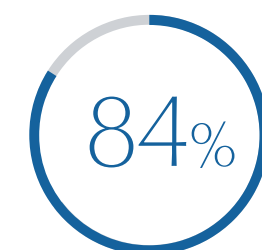
In addition, through our Green Chemistry program, our chemists have the option of selecting product ingredients based on an environmental score determined through supplier assessments and evaluation against the principles of Green Chemistry. Ingredients are reviewed for potential ecotoxicity and environmental impact, and supplier assessments evaluate suppliers on total energy use, greenhouse gas emissions, water use, solid waste, hazardous processes and biodiversity, among other criteria.



of our packaging suppliers completed our sustainability survey in FY15 and FY16

100%

of active raw materials were assessed in FY16



of our raw material suppliers were sent Green Chemistry self-assessments in FY16



# CREATING A SUCCESSFUL FUTURE

We continued our commitment to excel in safety, expanded our diversity strategy and extended our focus on learning.

## Taking inclusion and diversity global

Led by our Global Diversity Council, which is co-chaired by our Executive Chairman and Chief Executive Officer, we continued to implement our Global Inclusion and Diversity Strategic Plan—our roadmap for building a stronger company by making our workplace welcoming to everyone. We introduced a seminar to educate our employees on our policies and point of view on inclusion and diversity. The seminar makes the business case for inclusion and diversity and provides solutions to common challenges encountered when moving from theory to practice. We launched the seminar in Australia, Canada, Malaysia, Mexico, New Zealand, South Africa and the United Kingdom, in addition to the United States. More than 6,000 employees have attended the seminars, and we plan to introduce it in Dubai and among Travel Retail employees in our Europe, the Middle East & Africa operations during fiscal 2017. We'll also introduce a video of the seminar where in-person sessions aren't feasible, piloting it initially in Mexico.



The Estée Lauder Companies has been recognized as one of the most socially responsible companies in the United Kingdom, according to the influential Reputation Institute's UK CSR RepTrak® 2016 study. The Estée Lauder Companies ranked seventh among 150 companies with the best CSR reputations in the United Kingdom, placing it in the respectable Top 10 list.

Additional progress on inclusion and diversity:

- We supported our regional teams in Australia, Canada, Malaysia, New Zealand, South Africa and the United Kingdom—along with our Travel Retail team in our Europe, the Middle East & Africa region—in developing their own locally suited strategic plans for increasing inclusiveness and diversity.
- The 3,500 members of our 19 Employee Resource Groups (ERGs) continued to be a driving force in activating our commitment to inclusion and diversity. ERGs focus on professional development and philanthropy, contributing to the development of our talent and supporting our company in reaching its business objectives.
- ERGs collaborated to produce our third annual Inclusion and Diversity Week, seeking to educate and inspire employees in the United States and 17 other countries. Activities included a contest in which employees produced videos on the topic of micro-inequities in the workplace.

2016 China Best Employer for Women honor presented by Aon Hewitt and LinkedIn to our China affiliate

2016 Aon Hewitt Best Employer accreditation status awarded to Australia and New Zealand affiliates



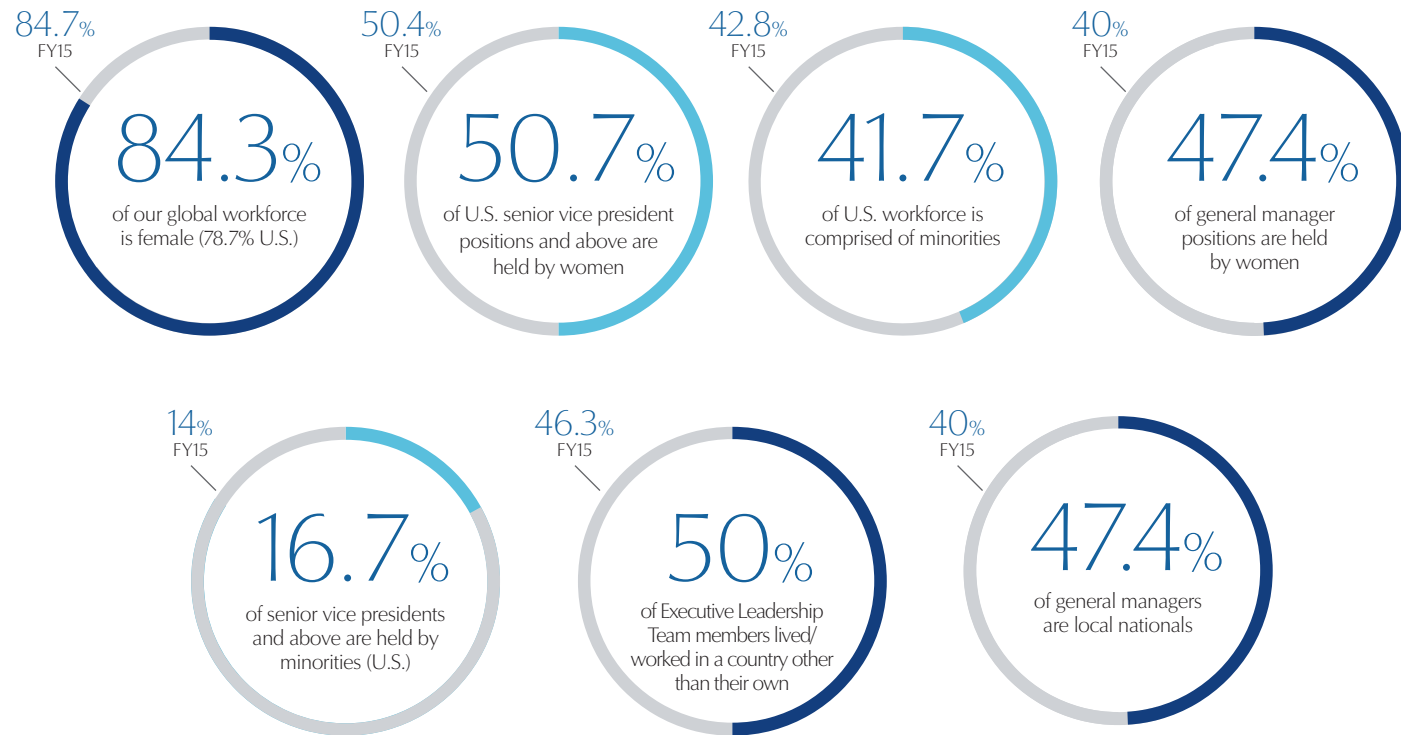
Employees of The Estée Lauder Companies celebrated New York City Pride 2016.

**Fostering strength through diversity**

With consumers in 150 countries, it is essential that we continue to have a diverse workforce that understands local relevance and the changing beauty needs of our global consumers.

**OUR WORKFORCE IN FY16**

■ The Americas  
■ Global



**Exceeding our goal for safety**

Empowering our employees begins with providing a safe and healthy workplace. The momentum on safety we've built in recent years continued in fiscal 2016 as we exceeded our total incident-rate goal of 0.34 and ended the year with a rate of 0.31. We achieved that rate through continued enhancement of our behavior-based safety program, focusing on our leading causes of incidents (ergonomics and slips, trips and falls) and engaging more deeply with our retail employees about their safety. Our incident-rate goal for fiscal 2017 is 0.29. Our ultimate goal is zero.

**RECORDABLE INJURIES**

SLIPS, TRIPS AND FALLS

2%  
total reduction

ERGONOMIC INJURIES

5%  
total reduction

TOTAL RECORDABLE INJURIES

14%  
total reduction

**Providing new opportunities for learning and development**

In fiscal 2016, we continued to offer a variety of learning and development opportunities to help employees grow and progress in their careers. One new program is The Estée Lauder Companies Assignments, an online tool that connects U.S. employees with opportunities for growth and career exploration in addition to—or beyond—their current roles. Employees can choose full-time, short-term assignments that are different from their regular jobs; “stretch” assignments they can take on in addition to their regular jobs; job swaps, which allow employees to explore one another’s roles; and job shares, which enable one or two employees to share one or two jobs. More than 100 assignments were posted in fiscal 2016.

**Making recruiting more robust and reviews more efficient**

Over the last fiscal year, we also strengthened our recruiting and performance-management processes with new technology. As part of our ongoing Global Talent Transformation initiative, we introduced a new system for managing the profiles of job candidates, in some cases enabling candidates to submit videos as part of their applications and enabling our teams to better align candidates with jobs for which they may be qualified. Recruiters in the United States began using the system, as did their colleagues in our Asia-Pacific and Latin America regions. The system will be rolled out in our United Kingdom and Europe, the Middle East & Africa regions in fiscal 2017.

We also introduced a digital performance management system, which eliminates paperwork and saves time by enabling employees to complete evaluations online, via a mobile device. We’re testing the system with 500 employees in fiscal 2017 and will introduce it companywide in fiscal 2018.

**Investing in our leaders**

As a learning organization, we invest in numerous educational opportunities that prepare our leaders to anticipate trends, adapt to change and deliver on our strategic priorities. For four days in March 2016, leaders from all of our brands gathered at the University of Pennsylvania’s Wharton School for The Estée Lauder Companies’ first-ever Brand Leadership Forum. The goal of the program was to enable brand leaders to share and discuss insights into what brand leadership means in today’s fast-changing world, and to promote collaboration across the organization. Presentations by our brand leaders, corporate executives and Wharton faculty, along with inspiring talks by industry experts and thought leaders, gave participants a holistic view of emerging opportunities and the tools and insights necessary to leverage them. The forum included in-depth exploration of such themes as evolving global brand equity, breakthrough creativity, consumer engagement, strategic agility in execution and value creation.

1,400

employees took advantage of our in-house e-learning courses

1,124

executives took part in executive education programs led by members of our most senior executives



# CREATING A RESILIENT FUTURE

By achieving a certified-sustainable palm oil supply and increasing oversight of other suppliers, we continued to deliver on our commitment to source with integrity.

### Expanding on palm-based ingredients

At The Estée Lauder Companies, we partner with our suppliers to address social and environmental issues in the supply chain. We recognize that some ingredients are of particular concern to stakeholders around the world, and that through partnership and continuous improvement we can solve these issues. One of the clearest examples of this approach is our work on palm oil.

We're sensitive to the issues and complexities surrounding the sustainable production of palm-based ingredients and committed to sourcing them responsibly. In fiscal 2016, we continued to build a traceable, sustainable supply chain for the comparatively low volumes of palm-based ingredients—mainly palm kernel oil derivatives—that we buy. Our most significant achievement: 100 percent of the palm-based ingredients we use are now sourced through sustainable supply chains certified and/or endorsed by the Roundtable on Sustainable Palm Oil (RSPO). Under the leadership of our Palm Oil Working Group, we supported the production of sustainable palm oil through the purchase of Green Palm Certificates, or the Book and Claim supply chain model, for 95 percent of our supply. About 5 percent of our supply consisted of “mass balance” palm oil, a mix of RSPO-certified and conventional palm oil. Since the start of fiscal 2017, we've increased our procurement of mass balance palm-based ingredients to 20 percent. Our aim is for at least 50 percent of our supply to come from certified-sustainable physical supply chains—versus purchasing Book and Claim certificates—by 2020.

We've also asked suppliers to provide information about their processes and their own suppliers, with the ultimate goal of engaging with first refiners to determine that their practices are consistent with our zero-deforestation policy. By the end of fiscal 2016, we received data from suppliers who provide approximately 38 percent of our palm ingredient volume. We're aiming to have a complete picture of our palm-ingredient supply chain by the end of fiscal 2017.

As a member of RSPO, we submitted our first Annual Communication of Progress (ACOP) to provide additional transparency on our progress toward a sustainable palm-ingredient supply chain; our ACOP is available on the [RSPO website](#). Additionally, we were pleased to be assessed as “leading the way” on palm oil sustainability by global environmental NGO World Wildlife Fund, which awarded our efforts 9 out of 9 points on their 2016 Palm Oil Buyers Scorecard. You can read more about our point of view on palm oil in the “Our Commitments” section of <http://www.elcompanies.com/>.

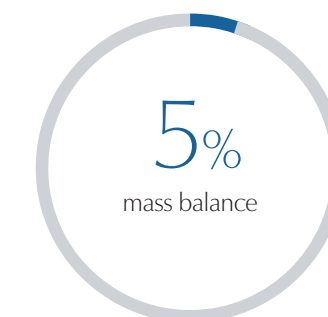


We use comparatively low volumes of palm-based ingredients—mainly palm kernel oil derivatives.

100 percent of palm-based ingredients sourced through certified-sustainable supply chains in FY16



100%  
of palm-fruit oil sourced by Aveda is certified Identity Preserved by RSPO and also certified organic



Palm-based ingredients we procured in calendar year 2015\*

3,302  
total tonnage

100%  
palm kernel oil derivatives

\*Most recent data available



### Helping more suppliers comply with our Code of Conduct

We require all of our packaging and materials suppliers and third-party manufacturers to comply with our Supplier Code of Conduct, which sets clear expectations for meeting applicable laws governing human rights, antidiscrimination, labor, and health and safety in the countries where we do business. Every two to four years, we commission independent, third-party audits of our suppliers deemed most at risk of noncompliance. As of the end of fiscal 2016, 99 percent of our high-risk suppliers were covered by our auditing program. Audit methods included self-assessment questionnaires and “mutual audits” conducted by other companies and validated by an independent auditor. About 15 percent of our suppliers failed their audits; most of those cases involved exceeding our standards for working hours. Those suppliers have provided us with corrective action plans, which we approved. We’ll work with a third-party auditing firm to confirm that the nonconforming practices have been corrected. Suppliers must be in compliance with our code within a fixed period of time or risk the termination of their relationship with us.

In addition to our own efforts, we’re working with our fellow members of AIM-Progress, a forum of 44 fast-moving consumer goods manufacturers and suppliers. The primary initiative of AIM-Progress is to develop mutual recognition of sourcing audits among member companies. By recognizing that “an audit for one is an audit for all,” member companies can reduce the costs and effort of duplicate audits and also prevent audit fatigue among common suppliers. Through training and other programs, AIM-Progress also helps suppliers understand member expectations and improve performance. We expect that mutually recognized audits will help us address some suppliers in low risk countries. More about the work that AIM-Progress does is available at <http://www.aim-progress.com/>.

99%

of suppliers most at risk for noncompliance are being monitored

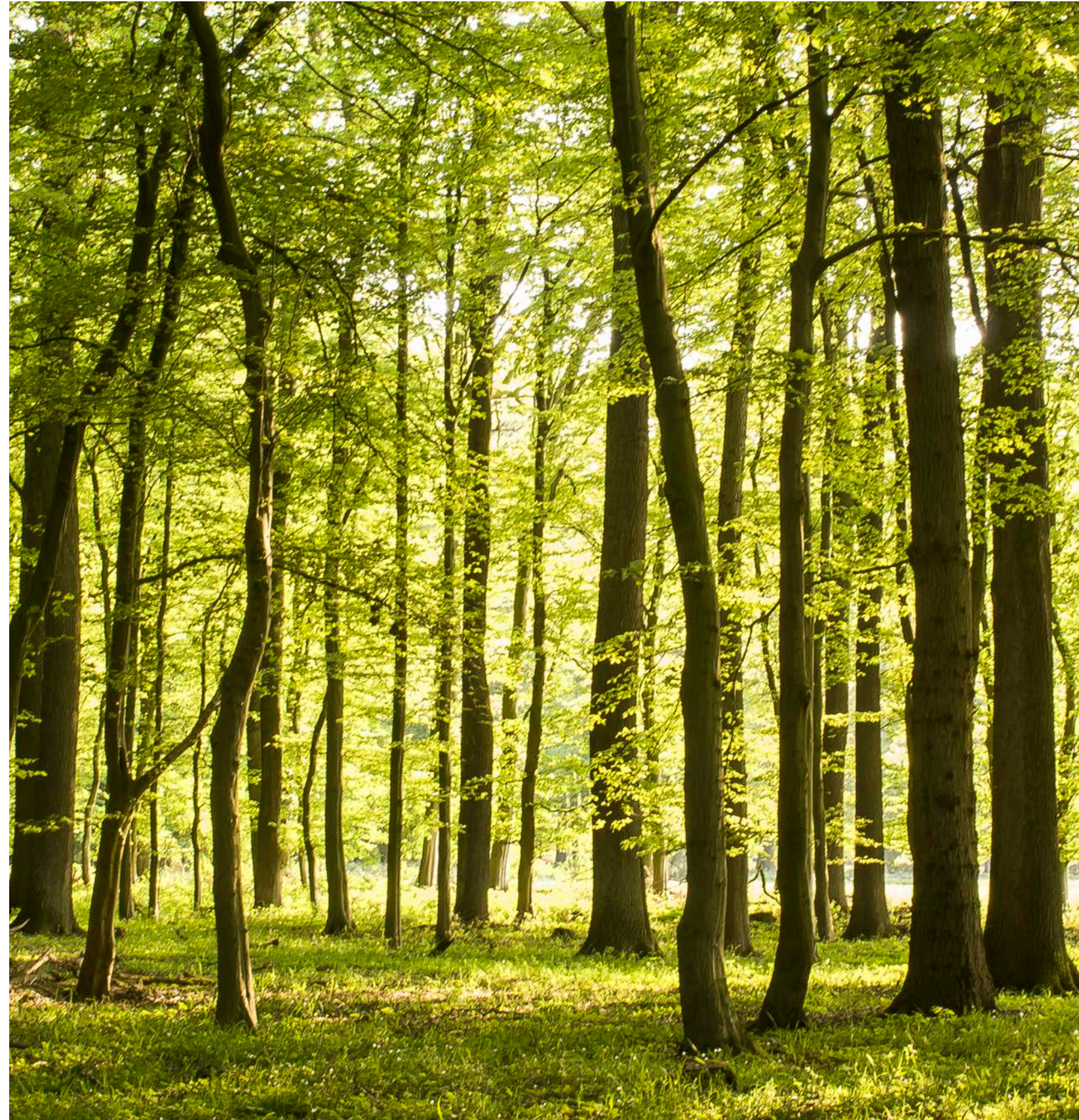
33%

improvement in audit turnaround time since 2014—65 days to 43 days

### Developing a framework for preserving biodiversity

In fiscal 2016, we continued to develop an ethical framework for sourcing from biodiverse areas. We’re developing sourcing protocols that will enable us to ensure sustainable use of materials from areas rich in biodiversity, as well as respect for local communities and their traditional knowledge, practices and cultural expressions—including equitable sharing of benefits linked to the use of “genetic resources”—raw materials derived from plants, animals and microbes.

Toward that end, we’ve continued to explore how we can align our sourcing of raw materials with the Nagoya Protocol, an international agreement promoting the fair and equitable sharing of benefits arising from the use of genetic resources and associated traditional knowledge. The aim of the Protocol is to ensure that the people and nations that provide the genetic materials get to share in the benefits, monetary or otherwise, of their use. By promoting benefit-sharing, the Nagoya Protocol creates incentives to conserve and sustainably use natural resources and preserve critical biodiversity.



Biodiversity is critical for a healthy planet. We’re developing protocols for the sustainable use of materials from biologically rich areas.



EFFICIENT OPERATIONS

CREATING A  
**CARBON-NEUTRAL FUTURE**

A new emissions goal is one more way we're working to reduce our environmental footprint.

**Aiming for net zero by 2020**

Building on several years of working to reduce both emissions intensity and absolute emissions from our owned and operated facilities, we set a new long-term goal in fiscal 2016: net-zero emissions by 2020. We plan to meet our goal by continuing to apply our strategy of improving efficiency in our operations, investing in clean and renewable energy and purchasing carbon offsets, where necessary.

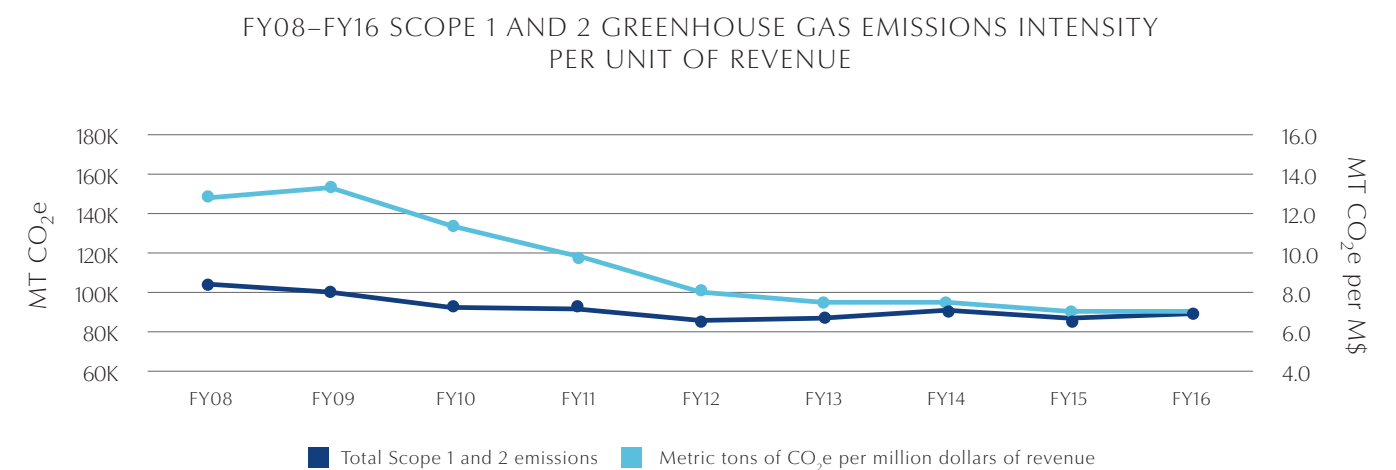
In fiscal 2016, our absolute emissions totaled 146,794 metric tons of CO<sub>2</sub>e, a 3.6 percent increase from the year prior. Our emissions increased due to an increase in units produced and increased business travel. We achieved a 39.8 percent reduction in Scope 1 and 2 greenhouse gas emissions per unit of revenue in fiscal 2016 from a fiscal 2008 baseline.

Reducing emissions requires a combination of companywide policy and facility-by-facility improvements. One example: At our largest U.K. manufacturing facility, Whitman Laboratories, in Petersfield, we've implemented remote, Wi-Fi-enabled monitoring of the energy consumption of our equipment. Monitoring consumption in real time gives us extraordinary visibility into our energy use, enabling us to reduce inefficiencies, better manage costs, track consumption over time and address problems as soon as they occur. The system has already enabled the savings of hundreds of thousands of kilowatt hours and tens of thousands of dollars annually.

At the employee café in our Melville, New York, facility, we've cut annual kilowatt consumption by two-thirds, solid waste by 60 percent and utility costs by more than \$54,000 by converting cooking equipment to natural gas, replacing some conventional lighting with LEDs and installing more energy-efficient equipment.

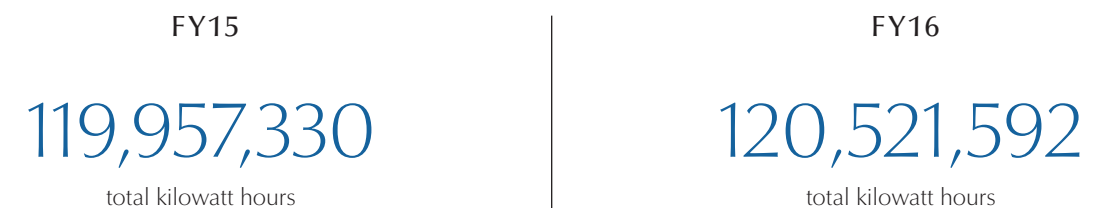
Going forward, reporting on greenhouse gas emissions and other environmental metrics will be easier and more uniform for our facilities worldwide due to a new reporting tool we implemented in fiscal 2016. Also during fiscal 2016, an independent consultant verified our data collection and reporting processes, providing further validation of our metrics.

Since 2009, we've reported our greenhouse gas emissions to CDP, which monitors corporate approaches to tackling climate change. In 2016, our performance score was a B.

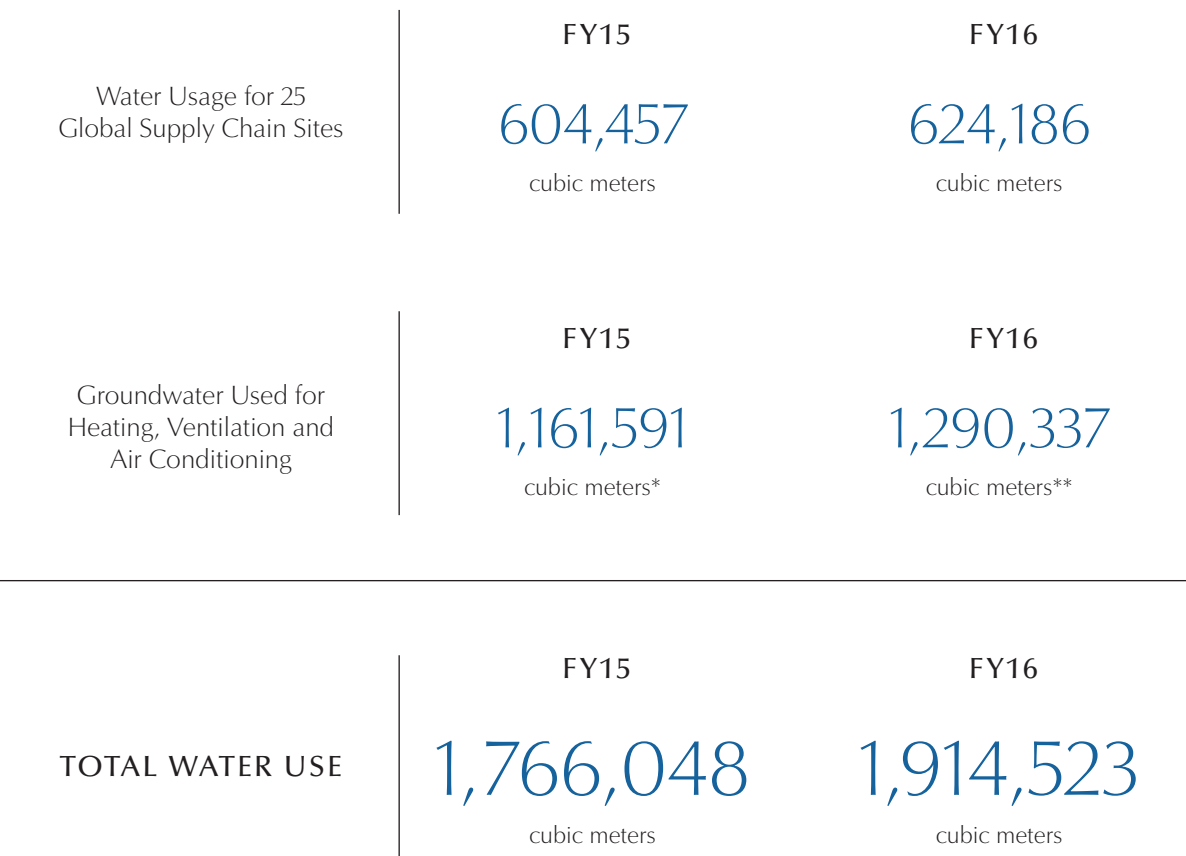


We calculate our greenhouse gas emissions according to the GHG Protocol Corporate Accounting and Reporting Standard and include emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs). FY16 data is preliminary and was still being finalized at date of publication.

FY16 ENERGY CONSUMPTION (INCLUSIVE OF 25 GLOBAL SUPPLY CHAIN FACILITIES)







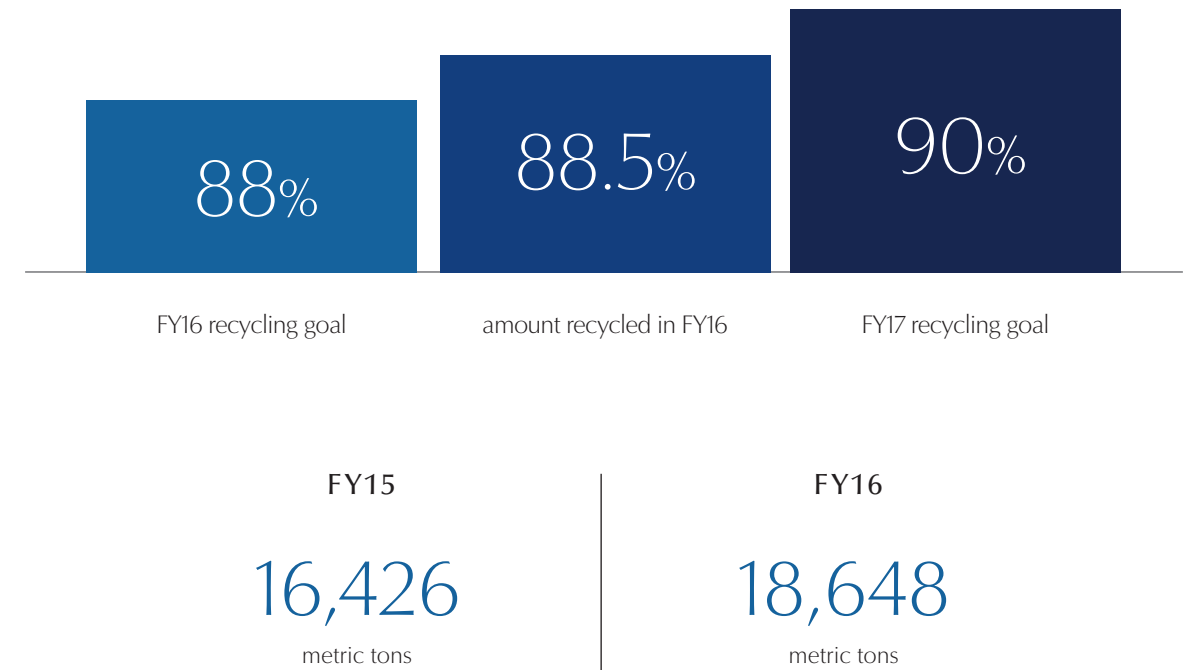
**Managing our water consumption**

Our water use increased by approximately 8 percent in fiscal 2016 due to increased production. Although most of our facilities are neither water intensive nor located in water-stressed areas, we strive to use water efficiently. At our Melville production facility, groundwater used for heating, ventilation and air-conditioning is employed in a closed-loop system and returned to the aquifer after use. Many of our facilities employ other water-saving technologies, and teams at our plants worldwide are working to reduce their water consumption. For example, our manufacturing facility in Oevel, Belgium, implemented a new wastewater treatment system that is delivering approximately 40 percent water savings for the plant. Currently, the system is producing about 80 percent of the hot water the plant uses for cleaning. Our team at Oevel is working to make that percentage even higher.

Our manufacturing facility in Blaine, Minnesota, assessed its water use in fiscal 2016 and is using the results to set new water-reduction goals. Opportunities for conservation include operational changes, improved data-monitoring and improvements in equipment and capital facilities.

\*Data collected during calendar year 2014  
\*\*Data collected during calendar year 2015

TOTAL MANUFACTURING WASTE

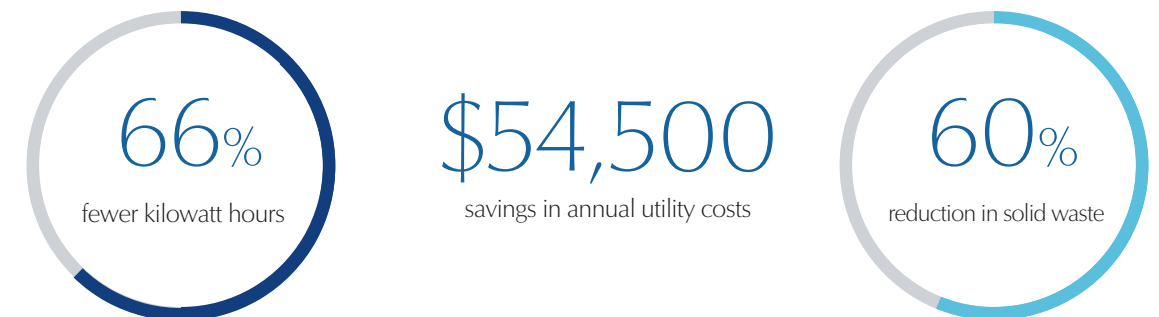


**Improving recycling rates**

Since 2003, all of our global manufacturing facilities and distribution facilities (United States, Canada, Belgium, Switzerland and the United Kingdom) have sent zero waste to landfill; anything we can't recycle is incinerated and converted to energy by a third-party vendor. In fiscal 2016, we improved our recycling rate at our manufacturing and distribution facilities to 88.5 percent, exceeding our goal of 88 percent. We're aiming for a 90 percent recycling rate in fiscal 2017.

Overall, our manufacturing waste, including recycling, increased by just over 13 percent in fiscal 2016 due mainly to an increase in production.

A MAJOR EFFICIENCY UPGRADE IN THE EMPLOYEE CAFÉ AT OUR MELVILLE, NEW YORK, FACILITY RESULTED IN





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CREATING A  
**BRIGHT  
FUTURE**

With a new girls' education initiative, a new corporate foundation and a new employee engagement program, we extended a decades-long tradition of giving.

**Opening doors to education for girls around the world**

As a company founded by a woman, we're passionate about providing opportunities to girls and women worldwide. In fiscal 2016, we set out to improve access to quality education for some of the millions of girls around the globe who are left behind. In the inaugural year of what we expect to be a multi-year initiative with the Global Fund for Children and other nonprofit partners, we granted funds to support 13 grassroots organizations providing girls education programs in 11 communities on five continents. The programs we supported served about 100,000 children.

Our new multi-year girls' education initiative

13

grassroots organizations

11

communities

5

continents



As part of our girls' education initiative, we helped support grassroots programs in Mexico that include experiential learning in the curriculum.



**Celebrating employees' "Good Works"**

Fiscal 2016 also saw the U.S. introduction of The Estée Lauder Companies Good Works, our new matching gift program and volunteerism website for employees. Through the program, we match employee donations to eligible nonprofits dollar-for-dollar up to \$5,000 per employee and up to \$1 million in total. Included in the \$5,000 match maximum is matching for employee volunteering, at \$20 per hour. A primary aim of The Estée Lauder Companies Good Works is to inspire and empower employees to support the local causes closest to their hearts; employees helped by sharing more than 45 stories about their projects and passions on The Estée Lauder Companies Good Works website since its launch. In fiscal 2017, we'll introduce The Estée Lauder Companies Good Works among our employees in the United Kingdom.



In FY16  
 —  
**\$58,000**  
 matched on average per month

Total global employee volunteering

—  
**51,412** hours  
**313** nonprofits  
**1,064** events

**Continuing to support our signature causes**

The Estée Lauder Companies' Breast Cancer Awareness (BCA) Campaign and the M•A•C AIDS Fund are two of our longest-standing philanthropic initiatives. Launched in 1992 and now present in more than 70 countries, the BCA Campaign aims to defeat breast cancer by supporting innovative research, education and support for people with breast cancer. The M•A•C AIDS Fund, established in 1994, supports people living with and affected by HIV/AIDS. It is the largest non-pharmaceutical corporate foundation and second-largest private donor to HIV/AIDS causes in the United States.

In fiscal 2016, the BCA Campaign raised \$6.5 million through brand contributions, employee fundraising, outside donations and the sale of our brands' Pink Ribbon products. Additionally, \$4.4 million was designated for support of 17 research grants and 87,400 research hours through the Breast Cancer Research Foundation® (BCRF). To date, the BCA Campaign has raised more than \$66 million for BCRF and other breast cancer-related organizations worldwide.

M•A•C Cosmetics and its retail partners raised over \$41 million for the M•A•C AIDS Fund in fiscal 2016 through their annual VIVA GLAM campaign. On December 1, World AIDS Day, more than 3,000 M•A•C employees volunteered at HIV/AIDS organizations in 35 countries. Throughout the year, M•A•C employees raised \$675,000 through M•A•C's AIDS Walk and Team Grants programs. To date, M•A•C has raised over \$430 million in support of the M•A•C AIDS Fund. The fund uses a diversified granting model to support the different segments of society affected by HIV and AIDS around the world.



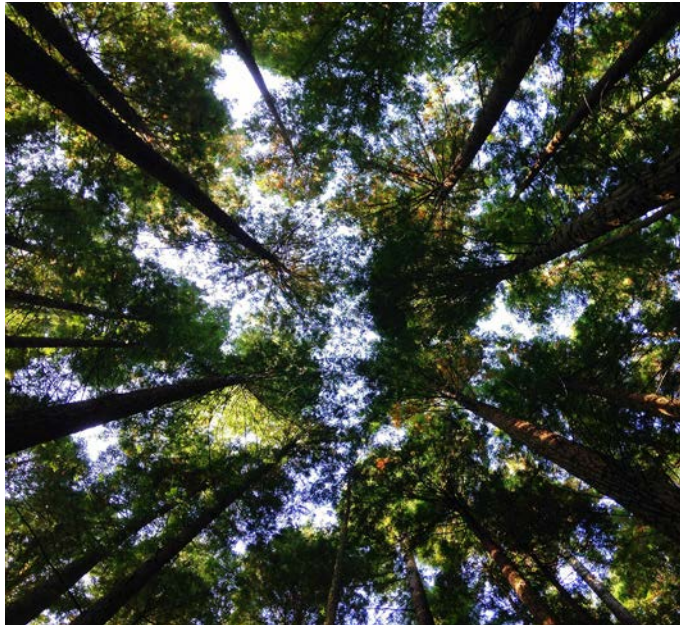
Local M•A•C staff delivering a grant check to Nashville Cares, a M•A•C AIDS Fund grantee in Nashville, Tennessee.



In addition to our companywide giving programs, each of our brands contributes to their communities in a way that aligns with both the brand and the priorities of its employees. Here's a snapshot of some of their giving in fiscal 2016.



AVEDA



ORIGINS



LA MER



JO MALONE LONDON

\$6.4 Million raised

through annual Earth Month campaign. More than \$50 million raised since 1999, including \$44 million for clean water projects

110,000 trees planted

through Origins Plant-A-Tree program in partnership with the American Forests organization

\$1.2 Million

in total donations to National Geographic ocean conservation programs since 2013

\$146,000 donated

to support the cultivation and care of scented therapeutic gardens that support vulnerable individuals living with mental illness



INTRODUCING

# THE ESTÉE LAUDER COMPANIES CHARITABLE FOUNDATION

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We've long supported the communities where we work and where our products are sold. In fiscal 2016, we added further focus to our philanthropy with the creation of the Foundation, whose mission is "to help build a more beautiful and sustainable world." The Foundation's Board of Directors consists of The Estée Lauder Companies executives as well as several members from outside the Company, and is chaired by William Lauder, our Executive Chairman, and Fabrizio Freda, our Chief Executive Officer. The Foundation's grants, getting under way in fiscal 2017, will continue The Estée Lauder Companies' history of funding initiatives aimed at improving health, education and the environment.

*"Help build a more beautiful and sustainable world"*



Partnering with The Asia Foundation, we sponsored scholarships to help 134 girls from Vietnam's Mekong Delta region stay in school.

## ABOUT THIS REPORT

This interim report provides an update on our progress on select sustainability and citizenship issues since our last communication on progress, published in 2015. Unless otherwise noted, this report covers activities during fiscal year 2016 (July 1, 2015, to June 30, 2016) and includes data related to our owned and operated facilities. There have been no significant changes in our boundary or measurement methods since our last full Global Reporting Initiative (GRI) report, published in 2014. Please see our 2016 annual report and our filings to the U.S. Securities and Exchange Commission for more information about our business performance.

Read more about our positions on sustainability and citizenship at <http://www.elcompanies.com/>.





ESTÉE  
LAUDER  
COMPANIES