

THE ESTÉE LAUDER COMPANIES INC.

OUR FISCAL 2024

*SOCIAL IMPACT &
SUSTAINABILITY*

REPORT



ABOUT THIS REPORT

This report provides information about the social impact and sustainability activities and performance for The Estée Lauder Companies Inc. (referred to herein as the “Company,” “ELC,” “our,” or “we”). The content covers our priority focus areas. Unless otherwise noted, this report covers activities during our fiscal 2024 (i.e., July 1, 2023, through June 30, 2024) and includes data for most facilities we own (or lease) and operate. This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. This report is also aligned to the recommendations outlined by the Sustainability Accounting Standards Board (SASB), the Task Force for Climate-related Financial Disclosures (TCFD) and the Task Force for Nature-related Financial Disclosures (TNFD). The GRI, SASB, TCFD, and TNFD indices for this report can be found on pages 77-85.

Certain environmental and social metrics have been subjected to independent limited assurance.

Please see PricewaterhouseCoopers LLP’s Report on page 88.

Read more about our social impact and sustainability initiatives at: <https://www.elcompanies.com/en/our-impact>. Please see our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, for other information including our business performance. [🔗](#)

CAUTIONARY NOTE

This report contains information about our social impact and sustainability goals, targets, initiatives, commitments, and activities of ELC (which includes The Estée Lauder Companies Inc. and its subsidiaries). These efforts involve certain risks and uncertainties, such as changes in our business (e.g., acquisitions, divestitures, or new manufacturing or distribution locations), financial performance, the standards by which achievement is measured, the assumptions underlying a particular goal or matter, and our ability to accurately report particular information. Actual results could differ materially from our stated goals or the results we expect. Changing circumstances, including evolving expectations for social impact and sustainability generally or to specific focus areas, changes in standards or the way progress or achievement is measured, may lead to adjustments in, or the discontinuation of, our pursuit of certain goals, commitments, or initiatives. Moreover, the standards by which social impact and sustainability efforts and related matters are measured are developing and evolving, and certain areas are based on assumptions. The standards and assumptions could change over time. The selection by management of alternative acceptable measurements could have resulted in materially different amounts or metrics reported herein. In addition, statements made about our company, business, or efforts may not apply to all business units (e.g., ones that were more recently acquired).

This report may use certain terms that third parties refer to as “material” in connection with certain social impact and sustainability matters. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by, or construed in accordance with, securities or other laws and regulations. Therefore, matters considered to be material for purposes of this report may not be considered material in the context of our financial statements, reports with the U.S. Securities and Exchange Commission (“SEC”), or our other public statements, and the inclusion of information in this report is not an indication that such information is necessarily material to the Company in those contexts.

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our social impact and sustainability goals, targets, initiatives, commitments, and activities, as well as our future operations and long-term strategy. Although we believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, we cannot assure that actual results or outcomes will not differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Forward-looking statements include all statements that do not relate solely to historical or current facts and involve a number of known and unknown risks, uncertainties, and other important factors such as those described above and in our recent SEC filings including in “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, and in our subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We assume no responsibility to update the information contained in this report or to continue to report any information.

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ABOUT THE ESTÉE LAUDER COMPANIES INC.



The Estée Lauder Companies Inc. is one of the world's leading manufacturers, marketers, and sellers of quality skin care, makeup, fragrance, and hair care products, and is a steward of luxury and prestige brands globally. The Company's products are sold in approximately 150 countries and territories under brand names including: Estée Lauder, Aramis, Clinique, Lab Series, Origins, M·A·C, La Mer, Bobbi Brown Cosmetics, Aveda, Jo Malone London, Bumble and bumble, Darphin Paris, TOM FORD, Smashbox, AERIN Beauty, Le Labo Fragrances, Editions de Parfums Frédéric Malle, GLAMGLOW, KILIAN PARIS, Too Faced, Dr.Jart+, and the DECIEM family of brands, including The Ordinary and NIOD.

\$15.61 Billion in net sales:
International 75%; U.S. 25%

4 Major Product Categories
Skin Care, Makeup, Fragrance, Hair Care

~150 Countries & Territories



Recognized by CDP with ratings of

A in Climate Change
A- in Forests, Palm Oil
A- in Forests, Timber
A- in Water Security for 2023



Our Hero Products have generated trial and earned Consumer Loyalty

Our Profit Recovery & Growth Plan

is designed to accelerate rebuilding our profitability, leverage our capabilities, further strengthen our consumer-facing activities, and

Fuel Long-Term Sustainable Growth



The Human Rights Campaign (HRC) named The Estée Lauder Companies as a

'Best Place to Work for LGBTQ+ Equality'

with a perfect score of 100% for HRC's 2023-2024 Corporate Equality Index for the 14th year

Recognized by Fortune as one of the 'World's Most Admired Companies' in 2024



Included on the Dow Jones Sustainability Index (DJSI)

for North America, for the fourth consecutive year



Ranked as one of the top '100 Best Corporate Citizens' by 3BL Media



Ranked top 100 on 'America's Most Responsible Companies' by Newsweek for 2024



ESTÉE LAUDER

aramis

CLINIQUE

LAB SERIES

ORIGINS

MAC

LA MER

BOBBI BROWN

AVEDA
THE ART AND SCIENCE OF PURE
FLOWER AND PLANT ESSENCES

JO MALONE
LONDON

Bumble and bumble.

DARPHIN
PARIS

TOM FORD

smashbox

AERIN
BEAUTY

LE LABO[™]
GRASSE - NEW YORK

EDITIONS DE PARFUMS
FREDERIC MALLE

HOLLYWOOD, CALIFORNIA
GLAMGLOW[™]

Kilian
PARIS

Too Faced

Dr.Jart+

DECIEM
The Ordinary. NIOD

LETTER FROM

WILLIAM P. LAUDER & FABRIZIO FREDA

Dear Stakeholders,

At The Estée Lauder Companies, our purpose is to *put the power of possibility in the palm of every hand*, a guiding principle that has shaped our organization for more than 75 years. This commitment continues to inspire new opportunities for both our company and the global communities we serve.

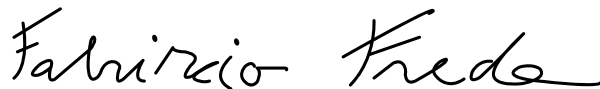
As a global company operating in a dynamic landscape, our commitment to long-term, sustainable growth demands innovation and persistence. Our environmental and social efforts are integral to this journey—fostering innovation, value creation, operational efficiency, and engagement with both current and future talent. In fiscal 2024, we continued to deepen these efforts, taking important steps to align our practices with our goals and seeking opportunities to further embed these principles into how we do business.

This past fiscal year, our dedication to these efforts came to life for our consumers through a variety of experiences and touchpoints. As a brand-led, prestige beauty company, creativity and innovation are at the core of our identity. This same spirit drives the design of our products and packaging, making them beautiful, luxurious, and aligned with our sustainability goals. Our diverse portfolio of brands continues to create beloved products to meet the evolving expectations of our consumers in this ever-changing prestige beauty landscape.

As we endeavor to build a stronger and more agile company, we remain guided by the values that have shaped us over the years—generosity of spirit, innovation, willingness to challenge the status quo, and commitment to acting responsibly. Our social impact and sustainability efforts embody these values and are driven by the creativity and resilience of our talented teams around the world. Alongside the strength of our employees, brand portfolio, and product assortment, we are confident in our ability to continue shaping the future of beauty—one that celebrates every unique, beautiful future.



WILLIAM P. LAUDER
Executive Chairman
The Estée Lauder Companies Inc.



FABRIZIO FREDA
President and Chief Executive Officer
The Estée Lauder Companies Inc.

LETTER FROM NANCY MAHON



Dear Stakeholders,

In fiscal 2024, our talented teams across brands, regions, and functions collaborated to deliver exceptional products while continuing our journey to embed social impact and sustainability into every aspect of our business. I am proud of the meaningful progress we have made and am pleased to share The Estée Lauder Companies' Fiscal 2024 Social Impact and Sustainability Report with you.

Our sustainability goals are a key part of our business strategy. In fiscal 2024, we achieved several of these goals ahead of schedule, including surpassing our water withdrawal targets, publishing our first corporate ingredient glossary, and reaching our palm oil objectives before our 2025 deadline. For the fifth consecutive year, we achieved carbon neutrality across our Scope 1 and Scope 2 greenhouse gas emissions and sourced 100% renewable electricity globally for our direct operations. Lastly, we continue to address industry-wide challenges, like emissions and packaging, through innovative and collaborative tools to move our progress forward.

Our social impact initiatives demonstrate our dedication to the communities where we live, work, and source. The Estée Lauder Companies' Charitable Foundation remains committed to advancing education and leadership opportunities for women and girls, promoting equity, and investing in communities. Our brands and employees champion causes they care about—from mental health and disaster relief to equity and women's leadership.

Within our own walls, we continue to build a workplace that prioritizes well-being, mentorship, and development opportunities for our employees. We also continue to increase diversity across our workforce, products, and marketing efforts, to attract and retain the best talent and deliver exceptional products for our consumers.

As we look ahead, I am excited about the opportunities to build on this momentum. Together, we will continue to lead with purpose, striving to position the company for long-term, sustainable growth.

Thank you for your commitment to this important work.

A handwritten signature in black ink that reads "Nancy Mahon". The signature is fluid and cursive, written in a professional style.







NANCY MAHON
Chief Sustainability Officer
The Estée Lauder Companies Inc.

PROGRESS ON OUR GOALS AND COMMITMENTS

SOCIAL IMPACT & SUSTAINABILITY GOALS AND PROGRESS

Our goals are an important part of our strategy to embed social impact and sustainability into business operations. Below is our progress toward our goals as of June 30, 2024. Please see metrics tables (pages 65-76) for year-over-year goal progress.

 TARGET MET AND MAINTAINED  ON TRACK  OFF TRACK

GOAL ¹	FY24 METRIC	TARGET	NOTES	STATUS	
SUSTAINABILITY					
<i>Climate and Energy</i>	Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 50% by 2030 from a 2018 base year. ²	37% reduction Scope 1 and 2	50% reduction Scope 1 and 2 (fiscal 2030 target)	Emissions increased due to the use of temporary generators at our largest, and recently completed, manufacturing facility in Japan as we await completion of an electrical substation by the local utility. We realized an emissions reduction from fiscal 2023 for our corporate vehicle fleet as we pursue our electric vehicle transition.	
	Reduce Scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and business travel 60% per unit revenue by 2030 from a 2018 base year. ³	21% per unit revenue	60% per unit revenue (fiscal 2030 target)	The largest contributors to the emissions decrease over fiscal 2023 are our reduction in usage of air freight and reduction in purchased goods and services. Small increases were observed in employee commuting and business travel as these activities continue a post-pandemic rebound.	
	By 2030, 100% of our global corporate fleet vehicles will transition to electric. ⁴	10.7%	100%	Progress continues to be driven by planned transitions in mature EV markets within Europe, with additional transitions planned across developing markets globally (e.g. UK, NOAM) in fiscal year 2025. See pp. 45-47 for details.	
	Since fiscal 2020, we have achieved carbon neutrality across our Scope 1 and Scope 2 emissions and sourced 100% renewable electricity globally for our direct operations each year ⁵ —commitments that we met again in fiscal 2024 and intend to maintain moving forward.				
<i>Water</i>	By 2025, we are committed to reducing our water withdrawal from our direct manufacturing sites by 20%, from a fiscal 2019 baseline, focusing on our high and extremely high water-stressed sites. ⁶	23% reduction	20% reduction	We continued to focus on efficiency and implementation of water management best practices as well as execution of capital projects. See pp. 48-49 for details.	
<i>Waste</i>	We have an annual commitment to maintain zero industrial waste-to-landfill for all global manufacturing, distribution, and innovation sites. ⁷	99.8% diverted	100% diverted	In fiscal 2024, due to unforeseen operational challenges with waste process facilities used by external partners, we diverted 99.8% industrial waste from landfill.	

1. "By 20XX" means by the end of calendar year 20XX, unless otherwise noted.
 2. Reduction is from a fiscal 2018 baseline and reflects Scope 1 and Scope 2 market-based emissions including renewable energy sourced from contractual agreements. By 2030 means by the end of fiscal year 2030.
 3. Reduction is calculated from a fiscal 2018 Scope 3 baseline (Scope 3 in metric tons CO₂ equivalents / net sales in million USD). By 2030 means by the end of fiscal year 2030.
 4. Global corporate fleet vehicles include sales, executive, benefit, and employee perquisite passenger vehicles that are owned or leased by ELC and provided to employees pursuant to their role within the organization. Electric vehicles are defined as battery-electric vehicles and plug-in hybrid vehicles with an all-electric range of at least 50 km.
 5. Electricity consumption for all global activities with ELC operational control. Renewable electricity consumption reflects on-site solar generated and consumed at ELC locations, renewable off-site generation (utility contracts), Energy Attribute Certificates (EACs) purchases, and a Virtual Power Purchase Agreement (VPPA).
 6. Reduction is from a fiscal 2019 baseline of 1.5 million cubic meters water withdrawal at ELC-operated manufacturing sites. Excludes any manufacturing sites not fully operated by ELC within the target timeline.
 7. Excludes DECIEM.

GOAL ¹		FY24 METRIC	TARGET	NOTES	STATUS
SUSTAINABILITY (continued)					
<i>Sourcing</i>	As part of our continuous efforts to address issues that may exist within complex supply chains, by 2025 we will have identified sensitive ingredient supply chains and developed robust biodiversity and social action plans for them.			In fiscal 2024, we continued to strengthen and implement biodiversity and social action plans for priority ingredients, and to embed related programs and partnerships across our operations (please see pp. 52-54 for details).	
	By 2025, at least 95% of our palm-based ingredients ⁸ (palm oil and its derivatives) will be certified sustainable from Roundtable on Sustainable Palm Oil (RSPO) physical supply chains.	95% (calendar year 2023)	95%	100% of our palm-based ingredients ⁸ are certified under one of RSPO's four certification types. In calendar year 2023, we achieved our RSPO physical supply target ahead of schedule.	
<i>Packaging</i> ⁹	By 2025, 75-100% of our packaging will be recyclable, refillable, reusable, recycled, or recoverable.	71%	75-100%	We continue our work on this goal despite shifts in product mix demanding changes in our packaging requirements.	
	By 2025, increase the amount of post-consumer recycled (PCR) material in our packaging to 25% or more.	20%	≥ 25%	Since achieving our initial goal of 15% PCR in 2021, we have continued to progress towards our enhanced goal of 25%, despite facing industry-wide PCR cost and availability challenges.	
	Our ambition is to use responsibly sourced paper products whenever possible with a goal to have 100% of our forest-based fiber cartons ¹⁰ Forest Stewardship Council (FSC) certified by 2025.	95%	100%	We experienced a temporary decline in FSC performance year-over-year due to changes in the methodology of our calculation.	
	By 2030, reduce the amount of virgin petroleum content in our plastic packaging to 50% or less.	82%	≤ 50%	We continue to make progress on this goal by leveraging a broad range of packaging solutions, including advanced recycling, exploration of bio-based resins, and innovative uses of materials such as paper.	
<i>Ingredient Transparency</i>	We will develop a glossary of key ingredients that includes descriptions of the ingredients' purpose and will make this information available online by 2025.			In fiscal 2024, ELC published an ingredient glossary on the Company's corporate website. In addition, brands including Aveda, Bobbi Brown Cosmetics, Bumble and bumble, Clinique, Darphin, DECIEM, Dr.Jart+, Estée Lauder, Editions de Parfums Frédéric Malle, GlamGlow, La Mer, M·A·C, Origins, and Smashbox have published key ingredient glossaries on their brand websites.	
SOCIAL INVESTMENTS					
<i>Brand Cause</i>	Each brand ¹¹ will focus on and support at least one social or environmental cause by 2025.	91%	100%	We continue to help our brands to identify and support causes that resonate with their individual brand identities.	
EMPLOYEE ENGAGEMENT					
<i>Employee Safety</i>	We will drive safety to continue decreasing Total Recordable Incident Rate (TRIR) ¹² to ensure continued world-class leading levels, with a goal of 0.15 by 2025.	0.22	0.15	While there was a marginal increase in our TRIR in fiscal 2024 (from 0.20 in fiscal 2023), our lost time frequency rate decreased to 0.13 and we had reductions in both "slip, trip, and fall" recordable injuries and "struck by" recordable injuries. We continue to have one of the best-in-class TRIRs in our industry and strive towards making progress on our goal of decreasing the TRIR to 0.15 by the end of calendar year 2025.	
<i>Employee Volunteerism & Giving</i>	By 2025, we will engage and mobilize employees to contribute a total of \$25 million, by completing actions such as donating or volunteering, to nonprofits through ELC's social impact and sustainability engagement program, since its launch in 2015.	\$24.2 million ^{13, 14}	\$25 million	We continued to make progress towards our 2025 target through a portfolio of employee engagement initiatives.	

8. Excludes palm-based ingredients not directly procured by ELC, such as those procured by third-party manufacturers (TPMs) and directly procured and received by DECIEM.

9. Product packaging is defined as any item to be used for the containment, protection, handling, and presentation of products and delivery to ELC's distribution centers that is included on the bill of materials. Excludes DECIEM.

10. Forest-based fiber cartons are defined as folding cartons or sleeves made from solid bleached sulfate paperboard, folding box board, or an equivalent board made with post-consumer waste.

11. For purposes of this metric the number of brands is 22.

12. TRIR is the number of Occupational Safety and Health Administration (OSHA) recordable incidents per 100 workers. Excludes DECIEM.






13. Metrics reflect information self-reported to ELC's employee social impact and sustainability engagement program, the ELC Good Works platform, used to report employee volunteerism, employee monetary donations, and ELC charitable matching gifts. The platform was available in 17, 31, and 31 markets at the end of fiscal 2022, 2023 and 2024, respectively. Eligible employees are those who meet certain criteria, which varies by market, and have access to the platform. Excludes DECIEM.

14. Metric includes total cumulative ELC employee donations and amount matched, inclusive of volunteer rewards, by ELC since the launch of the ELC Good Works platform in November 2015.




GENDER AND RACIAL EQUITY COMMITMENTS AND PROGRESS

We are proud to have made intentional and impactful strides along our journey to advance gender and racial equity. Read more about the progress we've made as of June 30, 2024, below.¹ Read more about our commitments on pages 40-43.

 TARGET MET  ON TRACK

COMMITMENT	FY24 PROGRESS ²	STATUS
GENDER EQUITY		
<i>Opportunity</i>	Achieve global pay equity by 2023.	The initial commitment to achieve global pay equity ³ was met in 2023. ⁴ In 2024, we expanded our work to achieve pay equity by including our Point-of-Sale (POS) employees globally and again met our commitment. ⁵ 
<i>Leadership</i>	Achieve gender parity for women in senior leadership positions (SVP+) globally by 2025.	Women representation at the SVP+ level globally was 49.7% in fiscal 2024, an increase from 46.9% in fiscal 2023. 
	Expand leadership development programs.	The positive impact of the Open Doors Women's Leadership Program continues to reverberate among its alumnae. 100% of participants better understand their leadership strengths and how to apply them, and over 95% report they are more confident in their abilities and skills, are better equipped to act on feedback and embrace a growth mindset. 18 months following the program, 89% of participants remained with ELC, and one out of every 2 earned a promotion. We facilitated over 25 Open Doors Live events, which brought customized, experiential learning to nearly 1,000 employees across brands, regions, functions, channels, and ERGs. We launched 4 Open Doors Collection programs led by brands, regions, functions and ERGs. We refreshed the Open Doors Course Collection with new video content, additional supplemental learning materials and interactivity. 
<i>Health and Education</i>	Sustain position as #1 global corporate donor to the Breast Cancer Research Foundation® (BCRF).	ELC continues to be the largest corporate donor to BCRF, funding research worldwide. In fiscal 2023, the ELC Charitable Foundation (ELCCF) made a \$15 million commitment over five years that will fund a new BCRF research initiative. As of June 30, 2024, \$6 million has been funded for this study. For more information, see pp. 16, 38, 42-43. 
	Launch and expand select philanthropic partnerships in health and education.	ELC continues to support Co-Impact's Gender Fund with a multi-year commitment of \$15 million over 5 years through ELCCF. The Gender Fund has awarded grants in support of 85 predominantly women-led initiatives across Africa, Asia and Latin America. ELC continues to work in collaboration with National Youth Poet Laureate Amanda Gorman, on WRITING CHANGE and met its initial goal of providing \$3 million in funding over three years to support grassroots organizations dedicated to advancing literacy as a pathway to equality, access, and social change, through the power of young voices. WRITING CHANGE expanded to support 10 organizations across the United States. 

1. Gender and racial equity commitments that have been met in prior years have been removed from the progress tables and may be added back in the future as needed.
 2. The Company is committed to compliance with federal, state, and local laws. Accordingly, trainings and initiatives are periodically reviewed for compliance.
 3. For purposes of this commitment, the Company defines pay equity as a pay gap of less than 1% and/or not statistically significant between women and comparably situated men included in its pay equity review process.
 4. In fiscal 2023, the following global workforce populations were included in the pay equity review process: R&D, Supply Chain (including Manufacturing and Distribution), other Corporate Functions, Brands, and Regions. At that time, the review did not include Point-of-Sale (POS) employees or non-discretionary pay populations.
 5. With the exception of non-discretionary pay populations (i.e. where we are restricted from making such adjustments), all employee populations are now included in our pay equity review process.

COMMITMENT	FY24 PROGRESS	STATUS	
RACIAL EQUITY			
<p><i>Listening and Learning</i></p>	<p>Foster a strong internal culture of advocacy and inclusion to help employees share their perspectives, be heard, and collectively affect change.</p>	<p>Hosted 32 Listening Sessions across ERGs, global brands and leadership programs to help inform our employee engagement strategy.</p> <p>In fiscal 2024, the Identifying and Disrupting Unconscious Bias training had over 2,300 attendees, comprised of over 760 employees engaged in live global training and over 1,600 employees engaged in self-paced e-learning. Within the scope of the completion rate across the self-paced e-learning, over 1,400 were Point-of-Sale employees.</p>	
<p><i>Talent and Opportunity</i></p>	<p>Provide equitable access to professional development and advancement for our Black employees in the United States and hold ourselves accountable for creating a workforce that is more representative and responsive to people of all backgrounds.</p>	<p>U.S. Census Data for the Black population was 13.6% as of 2020. In fiscal 2024, 17.3% of ELC's U.S. total hires were Black.</p> <p>Over the last 3 years, 46.4% of From Every Chair participants have earned promotions and/or experienced career mobility since the launch of the program.</p> <p>In fiscal 2024, ELC expanded our partnership with Spelman College to provide professional development, coaching and networking opportunities to freshman students through the institution's Convocation Lecture Series.</p> <p>We also launched a strategic partnership with AFROTECH, one of the largest networks of Black STEM professionals, to increase our access to Black talent across all levels.</p>	
<p><i>Brand Marketing & Creative Representation</i></p>	<p>Ensure that that the end-to-end creative process accurately and consistently represents the Black experience, engages Black professionals, and that our products meet the needs of our Black consumers.</p>	<p>Created a Multi-ethnic Consumer council as a forum to accelerate gains in market share, user penetration, and new consumer recruitment.</p> <p>Leveraged peer organizations (e.g., World Federation of Advertisers, See Me Index, Unstereotype Alliance, Creative Equals) for learnings, tools, and creative best practices.</p> <p>Continued to build creative agency roster with certified Black and Latino-owned agencies.</p> <p>Looked to best practices to inform our approach in how to expand current creative agency partners' roster of talent.</p> <p>Continued to support brands in developing relevant products, benefits, claims and marketing strategies to drive greater relevancy in communication and engagement.</p>	

A woman with short, wavy brown hair, wearing a white lab coat, is shown in profile, looking upwards and to the right. She is adjusting a piece of laboratory equipment, possibly a scale or a reaction vessel, which is mounted on a metal stand. The background shows a laboratory environment with shelves containing various bottles and containers. The lighting is soft and focused on the woman and the equipment.

ADVANCING WOMEN IN THE
SCIENCE
OF BEAUTY

When Mrs. Estée Lauder started her company at her kitchen table more than 75 years ago, she acted as a one-woman product development department, expertly crafting products that met consumers' needs.

Today, this blend of innovation and creativity is a cornerstone of The Estée Lauder Companies' approach to invention, where women comprise 70% of our scientists and technical professionals and women lead all of our global R&D and Innovation Centers. Around the world—from the Innovation Labs in Shanghai, China, to our research salon in Blaine, Minnesota—these teams are proof of a modern STEM (science, technology, engineering, and math) industry, leveraging cutting-edge technologies, state-of-the-art chemistry, AI, and deep consumer insights.

We're proud of the advancements we continue to make, but there are still many gaps to overcome.

Across industries, globally, women represent only 28.2% of the STEM-focused workforce, compared with 47.3% of the workforce in non-STEM sectors. Furthermore, while women account for 25% of non-STEM leaders, they occupy just over 10% of STEM leadership positions.*

For ELC, advancing women in STEM is both an opportunity and responsibility, one that will continue to power new possibilities within our company and in the communities we serve. We are committed to fostering a long-term pipeline of diverse STEM talent, supporting women within the workplace, and advancing women leaders who are driving the creative, scientific, and technological breakthroughs of tomorrow.

CULTIVATING THE NEXT GENERATION OF STEM TALENT

The gender gap in STEM starts early. Research shows that while 12-year-old girls and boys show a similar interest in computer science, boys are more likely to be encouraged to pursue technology by teachers, parents, and the media.

Studies find that most Gen Z girls and young women say they're not interested in STEM careers because they don't believe they would enjoy it (61%) or be good at it (57%).**

A key focus of this work is educating young women on the diverse opportunities within STEM careers. For instance, on Long Island, New York, where we have a longstanding R&D and manufacturing presence, ELC executives and R&D leaders partnered with the Girl Scouts of Nassau County and local Hofstra University for their annual STEM conference. Additionally, in partnership with Spelman College, a global leader in STEM education for Black women, in Atlanta, Georgia, The Estée Lauder Companies Charitable Foundation (ELCCF) helped to launch the inaugural



ELC scientist at Girls Scouts of Nassau County, New York STEM conference making lip gloss with a program attendee.

Black Beauty STEMInist Lab Intensive and Symposia to offer students a week of hands-on training and networking with women of color who hold STEM roles in the beauty and personal care industry.

ELC actively engages in addressing this disparity by working with schools and scientific organizations to help build the STEM education pipeline for girls and young women around the world. Our strategic partnerships and internal programs leverage our STEM leaders as mentors and role models, while our ELC facilities show real-world applications of STEM disciplines, and our investments help to jumpstart new programs.



Spelman College students participating in the Black Beauty STEMInist Lab, gaining hands-on STEM experience.

* World Economic Forum Gender Gap Report, 2024.

** www.code.org



The 2023 Nature Awards for Inspiring Women in Science awardees—Hortense Le Ferrand, of Nanyang Technological University in Singapore, and Ananya Tiwari, of SwaTaleem Foundation in New Delhi, India.

We also support numerous training and skills development programs for women and girls around the world. ELC’s Travel Retail division and ELCCF work closely with The Asia Foundation, a nonprofit international development organization, to support the STEM ConnectHer program in Japan, Korea, India, Malaysia, and Singapore that gives young women the skills to succeed in STEM careers through online training, mentorship, company site visits, and other professional development resources. Our brands are also dedicated to this cause; Estée Lauder has a longstanding partnership with Kode with Klossy, the nonprofit founded by Global Brand Ambassador Karlie Kloss, that creates learning experiences for young women and gender expansive youth, inspiring them to pursue their passions in a technology-driven world.

SUPPORTING A STEM WORKFORCE AND ADVANCING STEM TALENT

Encouraging young women to pursue STEM is essential—but it’s far from enough. Within our organization and our communities, we are committed to helping to promote and retain women in STEM through career development, education, ongoing training, recognition, and support.

One of our flagship partnerships promotes gender equality in scientific research. For 7 years, ELC has partnered with Springer Nature, a leading scientific research publisher, to host the Nature Awards for Inspiring Women in Science. The awards spotlight early-career women researchers and work that encourages girls and young women to engage in STEM subjects. This year’s winner, the SwaTaleem Foundation, helps girls in New Delhi, India, study and remain in STEM fields. Ahead of the awards ceremony, ELC hosted a networking day at our R&D facilities in Melville, NY, for honorees to connect with some of our leading scientists.



Internally, we strive to support women in STEM roles at every stage of their careers. For entry-level talent, we host a slate of programs, like a specialized track in our ELC Presidential Associate Program designed to bring more women into data and analytics fields, and our longstanding R&D and Packaging STEM Internship Program for high-performing Engineering/Life Sciences undergraduate and master’s students. For ELC employees, our Open Doors STEM Women’s Leadership Initiative provides an interactive online leadership program for emerging talent, fostering skill development and authentic leadership. We also facilitate mentorship and networking opportunities through dozens of programs and Employee Resource Groups (ERGs), with subgroups such as Women in Technology and Women in Supply Chain, which recently launched a cohort in Japan. Our Global Supply Chain function is also a member of “boom!”, a global community that brings together a powerful, cross-industry community of women-identifying supply chain professionals for networking and learning opportunities, of which 100 women from ELC are members. *To learn more about our ERGs and Employee Experiences, see pages 33-36.*

PARTNERSHIP BEYOND OUR WALLS

We also recognize the need to drive further impact beyond our walls, which is why we work with cross-sector and multilateral partners, leveraging our convening power as a global organization. Most recently, ELC assembled and supported numerous events and onstage conversations alongside the 78th session of the United Nations General Assembly (UNGA) and during Climate Week NYC in September 2023. We are a longtime partner of the UN Foundation, and during UNGA week, we co-hosted an evening reception with the theme of “Access & Inclusion: Promoting Equality in an Era of Emerging Technology.” The conversation focused on the digital gender divide and the significant gaps in access to digital tools for women and girls, as well as the essential need for safer online spaces.

At ELC, we are proud to be part of the systemic work addressing the significant gender gap globally, within our communities and through our long-term partnerships. When it comes to persistent challenges like the gender gap in representation and advancement in STEM, we know that we go further when we work together. We strive to serve as a bridge-builder in these efforts—listening, advocating for community-led solutions, and leveraging our resources to continue driving meaningful impact.

30+ YEARS OF THE BREAST CANCER CAMPAIGN:

Empowering Women through Research,
Education, and Medical Services



BCC Global Ambassador, Elizabeth Hurley, joins ELC-funded BCRF researcher Dame Lesley Fallowfield and UK&I BCC Ambassadors: Lauren Mahon, Dr. Zoe Williams, Kreena Dhiman, and Leanne Pero MBE.

ELC has been at the forefront of supporting the global breast cancer community for more than 30 years. At a time when breast cancer wasn't spoken about openly, Evelyn H. Lauder saw an opportunity to bring awareness to the disease and address stigmas in women's health. In 1992, she co-created the pink ribbon and founded The Estée Lauder Companies' Breast Cancer Campaign (The Campaign)—inspiring a global movement around its mission to help create a breast cancer-free world for all. Together with The Estée Lauder Companies Charitable Foundation (ELCCF), The Campaign has funded more than \$144 million for lifesaving research, education, and medical services around the world, with more than \$114 million funding medical research through the Breast Cancer Research Foundation (BCRF). As part of its global impact, The Campaign funds numerous grants and programs that help accelerate opportunities for women in STEM.

In fiscal 2023, with ELCCF, The Campaign committed \$15 million over 5 years to establish the BCRF Health Equity Initiative to address breast cancer disparities, specifically those impacting Black women in the United States. Additionally, The Campaign funds BCRF grants that span a multitude of focus areas, from understanding basic cell biology to developing new diagnostic tests and enhancing patient quality of life during and after treatment.

THE
5Rs of
PACKAGING
SUSTAINABILITY

Packaging helps us tell the story of our prestige beauty products. From luxurious materials to sophisticated designs, thoughtfully constructed packaging instantly elevates the experience of spritzing a finely crafted perfume or applying a sumptuous night cream.

Yet our approach to packaging at ELC goes beyond delighting consumers' senses: It also presents a key opportunity to incorporate additional sustainability concepts into our product offerings, aligned with our goals. In fiscal 2020, we launched Packaging Sustainability Guidelines to help inform our package developers, marketers, and procurement teams as they create and deliver high-quality packaging that is functional, luxurious, and tailored to the needs of each of our unique brands.

We approach packaging sustainability through the conceptual framing of "5 Rs": recyclable, refillable, reusable, recycled, or recoverable. By 2025, our goal is for 75 to 100% of our packaging by weight to be aligned with at least one of these principles. In fiscal 2024, 71% of ELC's packaging by weight was recyclable, refillable, reusable, recycled, or recoverable. As we monitor our progress toward achieving these goals at scale, our global Packaging Sustainability team continues to work closely with our brands, including those more recently acquired, to find new opportunities and areas for long-term improvement. In support of our progress toward a circular economy, ELC also holds membership in groups including the Sustainable Packaging Initiative for Cosmetics and the Business Coalition for a Global Plastics Treaty.



ESTÉE
LAUDER
Advanced
Night Repair

Synchronized
Multi-Recovery Complex
Complexe multi-réparation
synchronisée

ESTÉE
LAUDER
Advanced
Night Repair

ESTÉE
LAUDER
Advanced
Night Repair



REUSABLE

Reusable packaging refers to containers that can be used multiple times, with or without a secondary refill component, as well as packaging that can be returned to the brand.

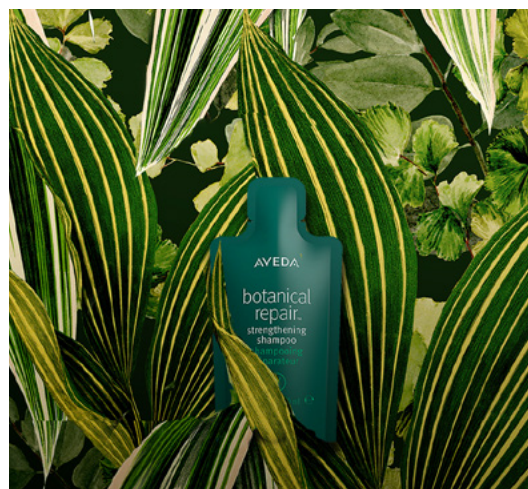
At the end of fiscal 2024, 9 of our brands offered at least one reusable packaging component for select products. Le Labo provides a notable example: Consumers in the United States and United Kingdom can refill their eau de parfum glass bottles (50 mL and up) online or in select labs worldwide. With their personalized labels and elegant glass packaging, Le Labo’s fragrance bottles are worthy of keepsake status; refilling the bottles allows consumers to reuse and cherish their bottles for years.

RECYCLABLE

A product’s recyclability may depend on size, decoration, material, and components, as well as the location in which it is sold. We look to integrate recyclability principles into packaging design whenever possible.

Aveda, for instance, is an industry leader with its development of paper-based, locally recyclable sachets for product samples. Compared to plastic alternatives, production of these paper-based sachets reduces water consumption by at least 36% and emits 37% fewer greenhouse gases. First launched in Europe and the United Kingdom, Aveda’s paper-based sample sachet is expected to roll out globally in 2025, making it the brand’s priority sampling packaging, where applicable.

Other packaging materials present design opportunities for recyclability, too. For example, Origins continues to design with packaging sustainability principles in mind with its Plantfusion™ Body Collection packed in recyclable packaging.



REFILLABLE

Refillable packaging allows a container to be used multiple times in conjunction with a replaceable secondary component, helping to minimize single use and helping contribute to a circular economy.

One of our brand leaders in refillable packaging is Bobbi Brown, which minimizes waste with the design of its Extra Repair Moisture Cream Intense. When consumers polish off the last of this moisturizer, they can easily insert a refill pod into the original packaging, giving it new life with every replenishment.

In fiscal 2023, Estée Lauder transitioned its Luxury Fragrance collection to a recyclable and refillable glass bottle. According to the results of the life cycle assessment conducted, purchasing the Luxury Fragrance in the recyclable glass bottle and one refill helped us reduce associated emissions and water consumption by 20% after the initial purchase.* This product’s refillable bottle also helps to minimize packaging weight by 40%.

*After having purchased your first refillable and recyclable glass bottle.



RECOVERABLE

Recoverable packaging can be collected through take-back programs, diverting it from landfills and converting it into energy or recycled materials. Developing such programs is a highly complex process: They are subject to local recycling and waste-handling laws and infrastructure, and implementation requires comprehensive employee training. Despite this complexity, ELC continued to develop take-back initiatives in fiscal 2024, with certain brands expanding their programs to new markets.

Today, brands including M·A·C, Aveda, DECIEM, Bobbi Brown, and Clinique offer take-back programs in select markets. “Back-To-M·A·C,” for instance, is a program that collects consumers’ used M·A·C packages for recycling, where possible.



RECYCLED

Recycled packaging incorporates materials that have been recovered or diverted from the waste stream. Including post-consumer recycled (PCR) content into our packages requires close collaboration with our suppliers, underscoring the collective and global nature of advancing towards our packaging sustainability goals.

Aveda uses recycled content as one of the principles that guides the brand packaging decisions across its products, including Be Curly Advanced™ co-wash, which arrives in a recyclable bottle with 90% post-consumer recycled material.

Bumble and bumble’s Seaweed Nourishing Shampoo and Conditioner has packaging made from 100% recycled packaging materials.



LAUNCHED IN 2020, ELC’S PACKAGING SUSTAINABILITY GUIDELINES OUTLINE 5 KEY PRIORITIES:

- Reducing and removing packaging where possible
- Designing packaging that is reusable and refillable
- Building designed-in recyclability
- Increasing amounts of Post-Consumer Recycled (PCR) material in packaging
- Replacing petroleum-based plastics with bioplastics (if the bioplastic can be recycled and does not contaminate traditional recycling streams)

THE ESTÉE LAUDER COMPANIES INC.

BRANDS IN ACTION

Alongside the work of The Estée Lauder Companies Charitable Foundation and ELC's Breast Cancer Campaign, our brands focus on championing the causes that matter to them, their employees, consumers, and communities. Their innovative campaigns, partnerships, and investments support progress in areas that are redefining leadership, addressing stigmas in mental health, and exploring solutions to the most pressing environmental concerns of our time.



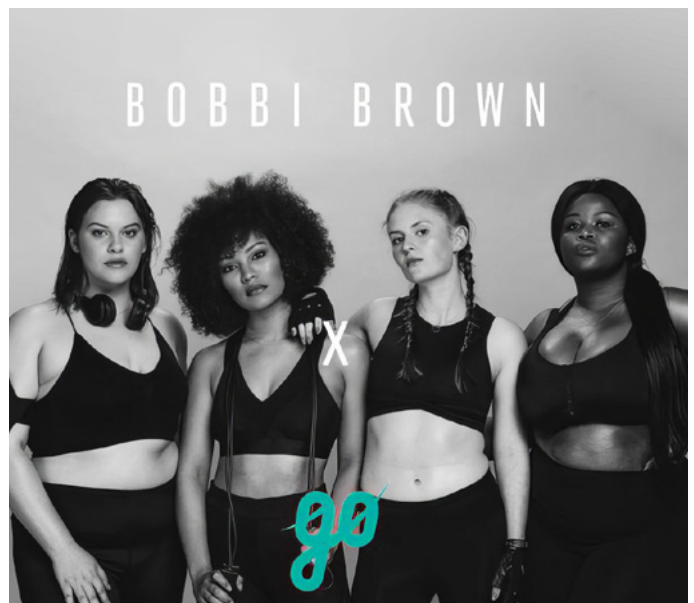
AVEDA

Every April, since 1999, Aveda employees, Salons and Spas, Institutes, Experience Centers, and customers join together during Aveda Earth Month to raise funds to help provide and protect clean water at home and around the world. To date, they have raised over \$72M for their nonprofit partners including global partner, charity: water. These funds have provided over 1.5 million people with clean and safe water and protecting thousands of watersheds in the communities where we work and live.

Aveda raises money for Earth Month in a variety of ways including limited-edition product sales and promotions like #NoWashDay, and fundraising events including Appointments for Clean Water, Catwalks for Water, and Walks for Water.

BOBBI BROWN COSMETICS

The Bobbi Brown Pretty Powerful Fund is dedicated to empowering women and girls by partnering with nonprofit organizations that advocate for education as a pathway to gender equality. It supports initiatives including She's the First, a nonprofit organization working to uplift women and girls through education. Since launching the Pretty Powerful Fund in 2019, the brand has donated over \$1.5 million to global women's empowerment organizations and gender equality organizations. In 2024, the brand launched a #PrettyPowerful partnership in EMEA with the Global Observatory for Gender Equality and Sport, which works to drive awareness of women's empowerment through sport and an active lifestyle. As part of this partnership, tied to the start of the 2024 Paris Olympic Games, Bobbi Brown Cosmetics launched a virtual exhibition on its website to drive awareness around the massive achievements of women in sports, who overcome barriers and obstacles every single day.



BUMBLE AND BUMBLE

Bumble and bumble is committed to inclusive education and training. In 2023, the brand announced the first recipients of its hair trade scholarship with Point Foundation, which supports members of the LGBTQIA+ community in their education and career development within the hair industry. Additionally, alongside founding member Aveda, the brand became a supporting partner of the US-based Professional Beauty Association's Texture Education Collective, which helped spearhead a New York law ensuring that Cosmetology State Board licensing for cosmetology students include training, education, and testing on all hair textures. Leveraging this success, Minnesota and Connecticut enacted similar laws in May and June 2024.



DECIEM

DECIEM was founded on the principles of authenticity, transparency and kindness. Through building growth to power good, DECIEM is committed to fostering a world of belonging, one with inclusive communities where people feel accepted, appreciated, and valued for who they are. Since 2020, DECIEM has provided donations and support to nonprofit organizations that celebrate and advocate for LGBTQIA+ communities globally. To further this work, in 2024, DECIEM participated in Toronto Pride for the first time. As Gold sponsors, the brand was able to use its platform to collect 20K postcards of support for LGBTQIA+ youth and DECIEM employees distributed over 137,000 free products (Hyaluronic Acid + B5 and Lash & Brow) to attendees.



DR.JART+

Dr.Jart+'s commitment to artful experiences extends to its partnership with nonprofit Art Start to support emerging youth artists and strengthen local communities. Since its launch in 2021, sponsoring young artists across disciplines, this collaboration has produced Dr.Jart+ products with packaging designed by Art Start students. Dr.Jart+ has also partnered with Art Start on a series of interactive workshops centered around creative storytelling, brand building, and professional development for more than 40 youths from the organization's Emerging Artist Program across New York City, New York and Milwaukee, Wisconsin.



ESTÉE LAUDER

Estée Lauder's Emerging Leaders Fund (ELELF) is redefining leadership by helping to support a new generation of emerging women leaders and challenging the gender stereotypes present in current expectations of leadership. In March, ELELF and Vital Voices (VV), a global nonprofit that invests in women leaders, hosted the 2nd annual VV Visionaries Summit, which offered participants 3 days of interactive workshops, panels, coaching sessions, and networking opportunities.



JO MALONE LONDON

Jo Malone London continued to reinforce its 12 year long commitment to mental health by joining forces with UNICEF on a 2 year long partnership to protect and promote mental health and wellbeing for children, young people and caregivers around the world.

With this 2-year partnership, Jo Malone London is committed to donating \$4.5 million to UNICEF's mental health work by 2025, through the sale of the charity candle collection, consumer check-out donations and employee fundraising activities.

LA MER

La Mer is committed to helping support ocean conservation efforts around the world through the La Mer Blue Heart Oceans Fund, a campaign dedicated to marine habitat restoration and youth education. The work supports global efforts to protect and restore marine habitats. In fiscal 2024, the fund continued this work with beach cleanups around the world on World Oceans Day and an awareness-driving Ripples of Change campaign on social media.



TOM FORD BEAUTY

In 2020, Lonely Whale launched Unwrap the Future, a multi-year program with an ambitious mission: Vet and scale marine-safe alternatives to traditional thin-film plastic, nearly half of annual ocean plastic pollution. The TOM FORD Plastic Innovation Accelerator, powered by Lonely Whale, won the 2024 SXSW Innovation Award in the Climate Change category for its technological advancements. Sponsored by TOM FORD BEAUTY and The Estée Lauder Companies Inc., the TOM FORD Plastic Innovation Accelerator is advancing awareness of thin-film plastic and accelerating market adoption of prize-winning seaweed-based alternatives.



ORIGINS

Launched in 2009, the Origins Green the Planet™ Fund collaborates with environmental nonprofits, such as One Tree Planted, on tree planting efforts that benefit local communities and help address the impact of climate change. To date, the Origins Green the Planet™ Fund has planted 2.3 million trees, helping to add greenery to underserved urban areas and create green belts within cities.

M·A·C

M·A·C celebrated 30 years of VIVA GLAM with an expanded philanthropic initiative that reflects the challenges we face as a global community today. With a mission to promote “equality” for all, the VIVA GLAM umbrella now officially focuses on sexual, gender, racial and environmental equality with four key pillars to further societal change and better the lives of everyone who calls our planet home. Over three decades, M·A·C’s raised more than \$525 million for the mission and, in fiscal 2024, it called for raising the next half-billion dollars through efforts that include the VIVA GLAM Lipstick lineup, which continues to give back 100% of the selling price to support the VIVA GLAM mission. Additionally, VIVA GLAM expanded to include partnerships with The Trevor Project and It Gets Better as well as Plastics for Change, which broadens the campaign’s work to environmental equality in Mangalore, India.



THE ESTÉE LAUDER COMPANIES

The WRITING CHANGE initiative exemplifies ELC’s commitment to education, especially for women and girls, as well as equity for all. In partnership with Amanda Gorman, National Youth Poet Laureate and Estée Lauder Global Changemaker, ELC pledged \$3 million, over 3 years, to advancing literacy as a pathway to equality, access, and social change through the power of young voices. In fiscal 2024, WRITING CHANGE supported new organizations that reach more communities across the United States. The work of WRITING CHANGE’s 10 organizations earned The Estée Lauder Companies recognition on Fast Company’s list of the World’s Most Innovative Companies in corporate social responsibility for 2024.



OUR COMMITMENT TO SOCIAL IMPACT & SUSTAINABILITY

We manage our business for the long term, with a lens of patient capital. Our company was founded more than 75 years ago by Estée and Joseph Lauder, and since our initial public offering in 1995, we have been a publicly traded, family-controlled company that benefits from both the Lauder family's demonstrated dedication and our employees' commitment to our continuing success.

Our company's strategic approach guides our direction by consistently looking 10 years ahead to inform our ongoing transformation—to best position us for long-term, sustainable growth. Social impact and sustainability forms one of the Company's key strategic pillars. Our 3-year Corporate Strategy sharpens our focus on our social impact and sustainability initiatives, while also amplifying our environmental, social, and governance (ESG) efforts.

Our social impact and sustainability initiatives help drive innovation, growth, and efficiency across the business and within our brand portfolio. Our social impact and sustainability goals are designed to connect with value creation, acting as a catalyst to continually transform our business and seize future opportunities.

AN INTEGRATED APPROACH TO ESG MANAGEMENT

We recognize the importance of integrating social impact and sustainability into our business and continually refine our approach to managing ESG. Our Chief Sustainability Officer (CSO) leads the Global Corporate Citizenship and Sustainability (GCCS) function and reports to our Executive Chairman and our President and Chief Executive Officer (CEO). The CSO also serves on the Company's Executive Leadership Team. The GCCS function is responsible for managing corporate-wide social impact and sustainability initiatives; supporting corporate, brand, channel, and region-led sustainability strategies and commitments; as well as leading our ESG reporting and goals governance work.

Our ESG strategy is further directed by individual Environmental, Social, and Governance subcommittees composed of senior leaders and subject matter experts. The Environmental, Social, and Governance subcommittees meet periodically to discuss, harmonize, and accelerate social impact and sustainability initiatives across the business, driving progress toward related goals and commitments. The subcommittees are responsible for reviewing the information in this report, including the focus areas identified through our priority issues analysis.

We drive horizontal integration of ESG across the business through close partnerships among senior leaders from Finance; Global Communications and Public Affairs; GCCS; Human Resources; Inclusion, Diversity & Equity; Legal; Research & Development; and Supply Chain, as well as representatives across brands, regions, channels, and other functions. The Nominating and ESG Committee of our Board of Directors (the "Board") regularly receives updates on these and other initiatives.

CORPORATE GOVERNANCE AND EXECUTIVE COMPENSATION

Our Board has developed corporate governance practices to fulfill its responsibilities to stockholders, providing general direction and oversight of the management of the Company's business and affairs. Our Board is led by our Executive Chairman, who is a member of the Lauder family and the Nominating and ESG Committee of the Board. In addition, we have an independent director who serves as our Presiding Director. A majority of the directors on our Board are independent. On June 30, 2024, there were 15 directors on our Board, comprised of: (i) 9 independent directors; and (ii) 6 non-independent directors, including our President and CEO, 4 directors who are members of the Lauder family (including our Executive Chairman), and one non-employee director.

The Board has established the following standing Board committees—the Nominating and ESG Committee; the Compensation Committee, which includes the Stock Plan Subcommittee; and the Audit Committee. For more information about our Board and committees, please visit the Corporate Governance section on our website. [🔗](#)

Our Nominating and ESG Committee has oversight responsibility for our company's ESG activities and practices, including social impact and sustainability matters. The Nominating and ESG Committee receives updates during its meetings on topics such as climate, social impact, and sustainability; progress toward the Company's commitments; and other related matters. The Board also receives periodic updates on these matters.

Our Compensation Committee establishes and approves compensation plans and arrangements with respect to the Company's executive officers and administers the Company's Executive Annual Incentive Plan. The Stock Plan Subcommittee has authority over decisions regarding awards to executive officers under the Company's Share Incentive Plan.

Our compensation program for executive officers is designed to attract and retain world-class talent and to motivate achievement of both our long-term and short-term goals. We believe that the design and governance of our compensation program supports the business strategy and the overall goal for sustainable growth in net sales, profitability, and return on investment on an annual and long-term basis.

Given our history, ownership structure, and strategy, we follow principles of long-term stewardship and patient capital, and our compensation approach reflects and supports this. Consistent with our culture and our compensation philosophy and objectives, our combination of compensation elements is intended to help drive and promote strong, balanced, and sustainable corporate performance.

We evaluate the performance of employees, including our executives, against ESG goals holistically, within the framework of our corporate strategy, as an input into compensation decisions. In particular, we incorporate specific goals tied to the Company's broader social impact and sustainability strategy into the identified business goals for top executives, and compensation decisions are made based on their achievement. For example, such business goals were included in the fiscal

2024 Executive Annual Incentive Plan program and were used as an input into determining fiscal 2024 equity grants. The fiscal 2024 business goals for top executives encompassed multiple strategic focus areas concerning social impact and sustainability matters.

Specifically, the fiscal 2024 business goals for certain executives incorporate inclusion, diversity, and equity matters; support enterprise-wide talent initiatives; and progress in connection with Company sustainability objectives.

Additional information on our governance practices and information about executive compensation matters can be found in our 2024 Proxy Statement. [🔗](#)

ETHICS AND INTEGRITY

We cultivate a culture of uncompromising ethics and integrity, expecting our employees and business partners to conduct themselves in compliance with applicable laws and regulations and with the ethical standards and policies set forth in our Code of Conduct (CoC) and Supplier Code of Conduct (SCoC).

Newly hired employees are required to sign and acknowledge that they have received, read, and will comply with the CoC. In addition, annually, employees above certain levels are required to complete Ethics and Anti-Bribery and Corruption trainings and acknowledge their understanding and compliance with the CoC. From time to time, we conduct trainings on the CoC for groups of our employees.

Employees globally are expected to raise questions or concerns about conduct that may be inconsistent with the law, the CoC, or other policies to their supervisor, Human Resources contact, the Global Ethics team, and through the Company's Integrity Helpline. Employees can communicate and report suspected violations confidentially and anonymously, where permitted by law. Employees can raise questions or concerns by calling the toll-free number, visiting the Integrity Helpline website, or sending a text message (text communication available in North America only).

Questions or concerns related to questionable accounting, internal controls, or auditing matters can also be raised directly to the Audit Committee of the Board. We have standard operating procedures to manage reports, ensuring consistent investigation and response procedures across incident types and reporting channels. Serious violations are reviewed by the Company's Ethics and Compliance Committee, which oversees implementation of the CoC.

The Ethics and Compliance Committee reports to the Audit Committee regularly regarding the effectiveness of our Global Ethics Program. The Company's Internal Audit function periodically reviews business unit operations using a risk-based audit plan. Internal Audit regularly assesses the effectiveness of the Company's Ethics and Anti-Bribery and Corruption program through routine and targeted audits of business functions and/or sales affiliates.

OUR VIEW ON HUMAN RIGHTS

We have policies, processes, training, and systems in place to identify, assess, monitor, and mitigate or eliminate actual or potential impacts in compliance with applicable laws and regulations.

Our approach to respect human rights recognizes the following international protocols:

- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights

In fiscal 2022, we conducted a corporate-level Human Rights Assessment (HRA) based on the methodology outlined by the UN Guiding Principles on Business and Human Rights, the global standard for HRAs. Through the HRA process, we assessed human rights risks and impacts across our operations, including our corporate policies and procedures, as well as our supply chain, manufacturing, and retail operations.

The HRA has provided us with a framework to help identify and prioritize our salient human rights risks and impacts, and to identify key actions for improvement. Key activities to date include expanding access to grievance mechanisms across the enterprise and supply chain by rolling human rights violations reporting into our integrity helpline and developing a more proactive and deliberate human rights due diligence program for high-risk commodities within sensitive supply chains.

In fiscal 2024, building upon our previous modern slavery statements for specific jurisdictions, we published an Enterprise Modern Slavery statement, outlining actions undertaken to identify and minimize risks relating to modern slavery in our business and supply chain. We also launched a modern slavery prevention training for employees to raise awareness of modern slavery risks and warning signs.

Our CoC outlines our expectations for promoting a respectful workplace, engaging in ethical business practices, and operating in a socially responsible and fair manner. We require our employees, service providers, and suppliers to operate in compliance with applicable laws, including, but not limited to, employment laws pertaining to child labor, minimum wage, overtime compensation, hiring, and occupational safety.

Our SCoC sets forth the basic requirements we expect of suppliers, including vendors, service providers, independent contractors, and consultants, as a condition to doing business with our company. It is based on internationally recognized standards, including the Universal Declaration of Human Rights and International Labor Organization's Conventions. *Read more about our SCoC on pages 52-54.*

Our Human Rights Policy is available on the ELC Corporate website. [🔗](#)

Our Modern Slavery Statement is available on the ELC Corporate website. [🔗](#)

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (ERM) is a structured and dynamic process to understand the Company's risks and their interrelationships, and to drive proactive risk mitigation. This process is supported by a formalized governance and committee structure that facilitates appropriate oversight of key risks and associated mitigation strategies. The risks (e.g., Social Impact and Sustainability, Geopolitical, Privacy, Cybersecurity, etc.) are aggregated into the ERM portfolio and presented to senior management and the Board on a periodic basis.

In parallel with the ERM process, additional ELC teams monitor and manage social impact, sustainability, and regulatory risks on an ongoing basis, including through periodic discussions with internal and external stakeholders. The ERM team also participates in the priority issues analysis process. Results and insights from this analysis, including risks associated with changes in our priority focus areas, are integrated into the ERM process.

DATA PRIVACY AND CYBERSECURITY

The Company is committed to respecting privacy and protecting the security of our employees and consumers. Our cybersecurity and privacy programs are managed by dedicated teams in our organization, governed by an executive, cross-functional steering committee. The Audit Committee's oversight responsibilities include information technology and cybersecurity.

In addition to privacy laws applicable to our global operations, we maintain privacy policies and standards and follow a set of global Privacy Principles for the processing of personal data: (1) collect and use data purposefully, (2) provide notice and choice, (3) safeguard personal data, and (4) maintain data integrity. In fiscal 2024, we launched our privacy page on the ELC Corporate website, which lists our consumer privacy policies, as well as privacy program details within our CoC and SCoC. For more details, please see our Privacy page. [🔗](#)

Our cybersecurity program is aligned with our privacy program to mitigate risk from current and potential cyber-driven threats, aiming to protect the Company's data, networks, and systems. Our cybersecurity function has fit-for-purpose tools, controls, and capabilities based on best practices. This blended capability strategy leverages a mix of internal and external resources, supported by robust processes, policies, and technologies. It includes protective technologies, access controls, proactive services, active defense, and security resilience.

Our numerous information security policies cover topics such as acceptable use of information technology, training and awareness, regulatory compliance, disaster recovery, third-party risk management, and incident response. We have dedicated resources to monitor for and respond to incidents—including a 24/7 Security Operations Center—and different ways for employees to report suspicious activities. In the event of a data breach, our policy requires that we notify data subjects in accordance with applicable law.

To promote compliance and awareness, we take a risk-based approach to training employees on privacy and cybersecurity requirements and best practices at least annually. Other awareness and education activities occur throughout the year such as data privacy day events, cybersecurity video blogs, an intranet site with resources, and monthly global newsletters.

PRIORITY FOCUS AREAS FOR SOCIAL IMPACT AND SUSTAINABILITY

We continually evaluate areas of risk and opportunity for our business as part of our strategic planning process. We also periodically conduct comprehensive assessments to validate our priority social impact and sustainability focus areas. Our most

recent priority issues analysis was conducted in fiscal 2023.

As part of our periodic assessments, we considered the emphasis placed on certain ESG topics across global regulatory, corporate disclosure, and media environments. We also evaluated stakeholder interest in such topics through research and direct engagement. We considered the relevance of ESG topics to our business strategy and objectives; importance to key stakeholders; and potential impact on the environment, society, and economy.

As of June 30, 2024, our priority focus areas are:

- Climate Change and Greenhouse Gas (GHG) Emissions
- Employee Health and Safety
- Inclusion, Diversity & Equity
- Product Quality and Safety (including ingredient transparency)
- Product and Packaging Design (including green chemistry and plastics)

We also continue to monitor interest among some stakeholders in sourcing, nature and biodiversity, human rights, and water.

Our priority focus areas are reflected in our corporate goals and commitments and are integrated into our strategic planning, risk management, and reporting processes. We map our priority focus areas to related Global Reporting Initiative (GRI) Standards (*pages 77-81*) and the United Nations Sustainable Development Goals (SDGs).

OUR COMMITMENT TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations SDGs are a voluntary framework of 17 global goals and targets meant to accelerate advancement toward a more sustainable world. Since they were issued in 2015, they have become a common touchstone for governments, the private sector, and civil society in tracking sustainability progress.

While we align with many UN SDGs, we primarily focus on the 6 SDGs most aligned to our priority focus areas:



STAKEHOLDER ENGAGEMENT

We seek to build productive relationships with our key stakeholders, including employees, consumers, investors, retailers, nongovernmental organizations (NGOs), suppliers, policymakers, regulators, and local communities. These relationships depend on active engagement and meaningful dialogue to strengthen bonds, expand trust, and develop areas of mutual interest and opportunity for advancement.

The types of stakeholder engagements and topics discussed concerning social impact and sustainability matters vary. For example:

- We engage with employees in various ways, in person and digitally, including direct interaction with managers or through Human Resources business partners; our company’s intranet; social media; town halls, special presentations, and learning events; and employee engagement and pulse surveys. We continue to leverage the results from our fiscal 2022 ELC Listens Engagement Survey, our fiscal 2022 social impact and sustainability focused Pulse Survey, and our more recent fiscal 2023 ELC Listens Pulse Survey to focus on topics employees identified as most important. *For more information on our fiscal 2023 ELC Listens Pulse Survey, please see page 34.*
- We engage with consumers through direct interaction online and in-store settings, consumer feedback portals (including Consumer Care), satisfaction surveys, third-party market research vendors, and social media and influencer channels. Consumer interest in social impact and sustainability includes product formulation and ingredient transparency; sourcing practices and biodiversity; packaging; climate action; and social issues.
- We engage with investors through our multi-faceted, strategic investor relations program to help communicate with the investment community about our company’s performance and corporate values. We also inform current and prospective investors and the sell-side analyst community about our business strategies and social impact and sustainability goals and initiatives. In fiscal 2024, we continued our significant ESG-oriented investor outreach, participating in numerous one-on-one calls and external events and conferences. We also gathered feedback through our annual ESG investor perception study and continue to work to integrate insights and recommendations into our social impact and sustainability strategy and disclosure.
- We engage with suppliers regularly through business review meetings and partnerships such as Supplier Leadership on Climate Transition (Supplier LOCT), The TRaceability Alliance for Sustainable CosmEtics (TRASCE), and Action for Sustainable Derivatives (ASD). We use Ecovadis, a third-party rating service, to help us assess direct and indirect suppliers on environmental impact, labor and human rights, and ethical procurement practices. Through these and other initiatives, we solicit input and feedback to better understand the complexities of our supply chain. We also conduct webinars and assessments to uncover insights and learn about key areas of focus for our suppliers. *For more information regarding supplier engagement and our SCoC, please see Sourcing pages 52-54.*

EMPLOYEE HEALTH & SAFETY

The Estée Lauder Companies strives to provide a healthy and safe workplace for our employees. We are committed to strengthening our safety culture through continuous improvement and innovation and seek to be an industry leader in workplace safety. Our work in this focus area is aligned with UN Sustainable Development Goal 3—Good Health and Well-Being.

GOVERNANCE

The Executive Vice President (EVP) of Global Supply Chain establishes our environmental, health, and safety philosophy. The EVP directs the activities of the Global Environment, Health, and Safety (EHS) department, which is responsible for program development and implementation throughout the Company through partnerships with brands, regions, and functions.

The EHS department is organized into 5 key pillars under the Senior Vice President of Supply Chain, EHS: Value Chain, Commercial Regions, Environmental Sustainability, Technical Programs and Compliance, and EHS Center of Excellence. These pillars are set up to standardize, streamline, and implement best practices, while strengthening employee engagement programs and awareness campaigns. To further reinforce our commitment to employee health and safety, the Company has a Corporate Medical department that is overseen by our Corporate Medical Director.

As part of our Environmental and Safety Management System, we have a process in place to investigate and report workplace incidents, including injuries, property damage, spills, and near misses. Safety incident reports are documented, and corrective actions are identified and tracked. We also have a process where safety alerts and best practices are issued globally for sites to take preventative actions.

The Environmental and Safety Management System defines criteria for serious accidents and incidents that could result in a high consequence injury. We comply with legal requirements regarding whistleblower protections around employees' rights to remove themselves from, and report on, what they believe are unsafe conditions.

We continuously seek to improve our environmental and safety management and performance. We conduct internal ISO compliance audits at our manufacturing sites* approximately once every 2 years. Our owned and operated manufacturing sites are also audited by our third-party registrar, as is our global EHS office, to maintain our conformance to the ISO 14001 standard and maintain our certification. New facilities that are the result of acquisitions are assessed for risk, and plans are made to integrate those operations within our existing safety policies and protocols.

*Excludes the Shimotsuma, Japan manufacturing facility and DECIEM manufacturing sites.

POLICIES AND CERTIFICATIONS

- EHS Policy Statement [🔗](#)
- Our safety program is fully integrated into our environmental management system, which in turn has been certified to ISO 14001 standards at our manufacturing sites.*

*Excludes the Shimotsuma, Japan manufacturing facility and DECIEM manufacturing sites.

STRATEGY AND FISCAL 2024 PROGRESS

As we strive to reach our ultimate goal of zero workplace incidents, we promote a proactive and collaborative approach to safety and compliance. We have rigorous safety policies and practices in place and reinforce our safety messages through consistent communication with employees. Highlights in fiscal 2024 included:

- Globally, ELC had a Total Recordable Incident Rate (TRIR)** of .22 in fiscal 2024, which is higher than our rate reported in fiscal 2023. We continue to have one of the best-in-class TRIRs in our industry and strive toward making progress on our goal of decreasing the TRIR to 0.15 by the end of calendar year 2025.
- Achieved zero recordable accidents across many of our facilities, including 3 manufacturing sites, 17 distribution centers, and 6 research and development (R&D) sites.
- Received 85 Safety Awards from the National Safety Council (NSC) in 3 categories—Occupational Excellence, Perfect Record Award, and Million Work Hours Award—across 35 supply chain and R&D facilities and 12 global brand operations, with some facilities receiving multiple awards. In addition, Agincourt, EMEA Hub West, Aveda Experience Centers, Bobbi Brown, Clinique, La Mer, and Travel Retail-Americas received the NSC's Industry Leader Award for outstanding safety achievements among the top 5% of member companies.

**TRIR is the number of Occupational Safety and Health Administration (OSHA) recordable incidents per 100 workers. Excludes DECIEM.

IMPLEMENTING A RISK-BASED APPROACH

Throughout fiscal 2024, we continued to work toward eliminating risk within our operations by leveraging tools such as hazard risk mapping assessments, employee engagement programs, and platforms for employee recognition.

- **HAZARD RISK ASSESSMENTS:** We are leveraging insights from hazard risk assessments within our manufacturing facilities and select distribution centers into our decision-making process. We are using the results to set internal reduction goals and implement trainings, action tracking, and periodic reviews to prevent accidents and injuries. The sites continue to work to close out action items identified during the risk assessments.
- **EMPLOYEE ENGAGEMENT:** Regular employee engagement events are held across our facilities to promote awareness and involvement in key EHS initiatives. EHS Engagement Leads across many of our manufacturing campuses meet regularly to share best practices and develop guidance for our Behavior Based Safety (BBS) Teams.

Our BBS program reinforces our actively caring safety culture through employee-led initiatives and communications around best practices. In fiscal 2024, we launched BBS in a distribution center in Italy, bringing us to a total of 39 BBS Steering Teams across 22 facilities in 10 countries. These teams supported more than 3,250 employees, completed more than 34,000 BBS observations, and developed and implemented more than 300 projects to improve safety and increase awareness for safe behaviors at their sites. Our formal BBS training programs include Management Awareness Training, Employee Awareness Training, Steering Team Training, and Hazard Identification Training.

- **EMPLOYEE RECOGNITION:** Recognition is an important facet of driving engagement and highlighting the valuable contributions of our employees to our EHS goals. In fiscal 2024, we enhanced our Safety Ambassador Program at our manufacturing facilities, to further recognize employees’ contributions to maintaining or improving safety performance.

TRAININGS AND CAMPAIGNS

We engage our global employees in promoting a safety mindset and encourage them to take proactive measures to ensure safety protocols are followed across our sites, including manufacturing, distribution, R&D, retail, and office locations. We deliver a robust program of job-specific safety trainings to our employees to help prevent injuries, minimize risks, and promote well-being. We also provide leadership trainings to guide our managers and supervisors in safety initiatives.

Throughout the year, our global EHS teams run campaigns to further reinforce safety priorities, including:

- Take Action!, which encourages employees to identify unsafe conditions or near-miss events.
- The Safety Ambassador Program, a program that provides opportunities to recommit to our actively caring safety culture.
- Employee roundtables and EHS engagement committees to improve overall EHS team performance.
- Our annual Safety Month campaign, this year titled “Take Action for Safety,” works toward increasing awareness of hazards in the workplace and adjusting working practices to reduce accidents and near misses. Campaign assets are available in more than 20 languages to allow for greater engagement and implementation across manufacturing, fulfillment, R&D, office, and retail locations.

In fiscal 2024, we recognized ELC freestanding stores and ELC Retail Field Leaders in North America that met and exceeded a collection of safety metrics through The Safety Crown awards and Retail Partner Safety Gems awards programs, respectively. The award winners were recognized for exceeding safety metrics over a given time period. In addition, we continued to prioritize the health and safety of our retail employees around the globe through risk assessments, virtual ergonomic education sessions, and awareness campaigns.

CORPORATE MEDICAL PROGRAM

Our Corporate Medical Director serves as our Medical Advisory Board leader and subject matter expert as it relates to the health and well-being of our employees around the world. She collaborates with our Global Benefits and EHS teams to deliver on our health and well-being strategy that is based on 6 elements: physical, emotional, intellectual, financial, spiritual, and social well-being. The program seeks to promote equity and increase access to well-being programs globally. For example, in fiscal 2024, we increased the number of onsite health and well-being events, such as vaccination clinics, biometric screenings, and health fairs with vendor partners.

The Corporate Medical Director also works to provide employee health and well-being education via a monthly global newsletter and frequent webinars on a variety of well-being topics. In addition, the position supports our medical accommodations program, works to promote employee safety, and monitors health alerts and emergencies globally.

ADDITIONAL RESOURCES

Employee Safety Goal	p. 10
Employee Safety Metrics	p. 70

EMPLOYEE EXPERIENCE

Our longstanding guiding principles of respect for the individual, uncompromising ethics and integrity, generosity of spirit, and fearless persistence underpin the employee experience at The Estée Lauder Companies. Our employees are integral to the long-term success and resilience of our business. We are committed to providing a workplace that is collaborative, inclusive, compassionate, and motivating, where our employees can innovate, lead, and drive our company forward. Benefits offered to our employees support UN Sustainable Development Goal 3—Good Health and Well-Being, among other goals.

GOVERNANCE

The Executive Vice President, Global Human Resources, sets the Global Human Resources strategy in alignment with and in support of ELC's corporate strategy. The Global Human Resources strategy identifies employee and workforce practices and activities to deliver on people-related outcomes that drive our enterprise business goals.

Our Total Rewards team, which includes Global Compensation and Global Benefits, provides competitive compensation and benefit packages to support our employees' financial, physical, and mental well-being.

Our Global Talent team, which includes Talent, Talent Acquisition, and Enterprise Learning and Development, drives recruitment and offers our employees career development and learning opportunities. The Enterprise Learning and Development team implements our strategy around fostering continuous innovation and growth, aligning with the strategic objectives outlined in the Global Human Resources strategy.

The Volunteerism and Giving Team within the Global Corporate Citizenship and Sustainability function manages activities that offer employees opportunities to engage with the communities we support.

POLICIES AND CERTIFICATIONS

- ELC Code of Conduct [🔗](#)
- Human Rights Policy [🔗](#)

STRATEGY AND FISCAL 2024 PROGRESS

Hiring, retaining, and developing the best talent globally is key to our success in sustaining long-term growth. Our talent strategy is focused on employee engagement and investments

in career development, as well as measuring and recognizing performance through employee reviews. Our investments include providing programs to equip our employees with the right skillsets and knowledge, as well as opportunities to transfer to other functions or regions through short-term and long-term assignments. We believe these programs and opportunities create a pipeline of talent and leadership necessary to drive and deliver on our long-term strategy.

To enhance our culture and measure our human capital objectives, we regularly engage with our employees. We provide several mechanisms for our employees to provide their feedback, including direct discussions with managers, employee surveys, and interactive townhall meetings. Key topics covered during employee engagement include inclusion, diversity, and equity; career opportunities and development; work-life balance; and employee benefits. Based on our review of employee survey results, we implement action plans to enhance employee satisfaction and to ensure alignment with our overall human capital strategy.

In fiscal 2024, ELC announced the Profit Recovery and Growth Plan (PRGP). This program is designed to enable the Company to return to sustainable, long-term profitable growth by leveraging strategic investments and unlocking cost efficiencies across regions, brands, product categories, and channels. The PRGP includes a restructuring program which will help us increase speed and agility by simplifying and right-sizing portions of our organization. While the decision to implement restructuring is never an easy one, we are confident that it is the right decision for our business. We acknowledge that change of this nature is difficult and can have a negative effect on employee morale and engagement. Accordingly, we are committed to communicating with all employees in a clear, transparent manner with our core values of care and support throughout this transition.

EMPLOYEE ENGAGEMENT

We continue to listen to our employees throughout their journey with ELC. We use onboarding, engagement, and exit surveys to understand areas of strength as well as opportunities for enhancing overall employee experience.

We continue to leverage the results of our fiscal 2023 ELC Listens Pulse Survey, an employee engagement survey which gathered feedback from 12,000 global corporate and field employees, to create action plans that focus on the areas that matter most to our employees. These include recognition for achievements, expanding career and skill development opportunities, and supporting work-life balance. With on-going global volatility, we are encouraging our leaders to prioritize communicating our strategy and strong path forward so that employees have clarity around prioritization and the direction for our future.

EMPLOYEE COMPENSATION AND BENEFITS

We are committed to supporting our employees in their professional and personal lives as they navigate an increasingly complex and dynamic world. We aim to provide resources that allow employees to choose the benefits and development opportunities that are right for them, no matter their region or role.

Our competitive compensation and benefits packages are meant to attract and retain top talent, and we are committed to fair and equitable pay across the organization. Compensation is based on individual circumstances such as role, experience, location, and performance. We offer base pay, annual incentives, and equity awards for certain job grades. Benefit packages may include pension and post-retirement benefit plans, health and wellness programs, flexible work arrangements, parental (maternal, paternal, and adoptive) leave, adoption assistance, back-up childcare, primary care assistance, and educational benefits. These benefits differ by country; shown below are illustrative examples:

- Mental health benefits are offered to employees and the members of their households globally, including short-term counseling and crisis services. In fiscal 2024, this benefit was enhanced to 10 sessions per issue, per year.
- Family-related benefits for eligible U.S., U.K., and Ireland-based employees include 20 weeks of paid parental leave, which exceeds the legally required minimum for these jurisdictions. Eligible U.S. employees can also access a back-to-work flexibility program following parental leave and an adoption assistance program to reimburse employees for eligible expenses, up to \$150,000, related to the adoption of a child—regardless of an employee’s gender, marital status, or sexual orientation. The Company provides family-support benefits for eligible U.S. employees through fertility support and surrogacy programs. We also continue to provide health care benefits and services for transgender, nonbinary, gender-nonconforming, and LGBTQIA+ employees including enhanced coverage for gender affirming procedures and care.
- Education-related benefits for eligible U.S. employees include a student loan contribution program, offering up to \$100 per month toward eligible loans with a lifetime maximum of \$10,000, and a tuition-reimbursement program, which offers reimbursement for preapproved academic courses. In fiscal 2024, the program was enhanced to increase the level of reimbursement for undergraduate and graduate programs.

Employees’ needs continue to change as they navigate challenges and changes in our world. We continue to review and refine our

diverse portfolio of benefit programs to support them across the various stages of their lives.

EMPLOYEE LEARNING

We offer an enriching array of educational offerings to inspire our talent. These programs help create a stimulating, inclusive environment, equipping our people with competitive, in-demand skills. We seek to help our employees expand both core and advanced competencies, while creating value and long-term growth for our company.

We provide a blended approach to instructional design consisting of digital learning, virtual instructor-led and classroom trainings, and project experiences, while providing a suite of coaching and mentoring opportunities. On-the-job training and peer-to-peer knowledge sharing, across our global employee populations, rounds out the learning landscape and helps accelerate our employees’ success. Brand Education teams continue to advance our High-Touch capabilities by creating new innovative learning experiences to train point-of-sale employees globally on products, services, and artistry.

Our learning and development offerings are curated to enable key business objectives by upskilling our talent with a focus on people leadership; artificial intelligence (AI), data, and analytics; digital fluency; advanced marketing; creative and operational excellence; accelerated omni retail capability; inclusion, diversity, and equity; and sustainability. We have more than 300 active projects and learning initiatives across business verticals to support the development of employees in accordance with the company’s strategic goals and objectives.

THE ELC LEARNING HUB

The ELC Learning Hub is our central digital training and education destination. This personalized, interactive online learning tool offers more than 30,000 learning experiences and is accessible to our global workforce, including office, retail, and manufacturing employees, and is currently available in 30+ languages.

Highlights of recently launched offerings on the ELC Learning Hub include:

- AI Academy: A digital destination for employees to explore and learn about AI for all skill levels. Offerings cover foundational concepts, responsible AI, hands-on AI-tool use, advanced courses, and access to industry experts.
- IT Academy: A curation of learning programs and practical activities to accelerate and deepen IT employees’ expertise and growth through advanced skill development.
- Social Impact and Sustainability Education: A one-stop shop for education and discovery aimed at driving innovation, best practices, and employee engagement on key social impact and sustainability topics. These include Women’s Advancement; Inclusion, Diversity & Equity; Generational Diversity and Leadership; Product Sustainability and Innovation; and Climate and Environment.

EXTERNAL RESOURCES

We also provide employees with access to training and educational opportunities offered through external content providers, including:

- Since the program launched in 2018, through June 2024, more than 22,500 employees have participated in learning on the LinkedIn Learning platform, with over 120,000 courses completed and 3.4 M videos viewed accounting for a total of over 160,000 hours spent advancing our learning objectives.
- Coursera provides curated learning for ELC employees in partnership with top universities and industry thought leaders around the world and is considered one of the best skill content providers for growing talent in the digital space and beyond. Since the launch of Coursera at ELC in February 2023, more than 1,200 learners enrolled in a course, resulting in over 1,200 completions, 117 guided projects, and 90 specialization certifications.
- ELC provides employees with an opportunity to transform their careers by participating in award-winning General Assembly bootcamps offering extensive training. In fiscal year 2024, 52 high-potential employees participated in instructor-led bootcamps covering a range of topics, including Advanced Analytics, Data Analytics, Digital Marketing, Product Management, Data Science, Python and UX Design.

EMPLOYEE DEVELOPMENT

PERFORMANCE AND DEVELOPMENT PLANS

Our Performance and Development Plan (PDP) is a critical component of our employee development process. This corporate-wide tool covers office-based employees across brands, regions, functions, and channels. It allows employees and managers to set goals, have ongoing coaching conversations, and review performance at the end of each year. We have expanded Digital PDP to additional brands and affiliates and reached more than 18,000 employees in fiscal 2024. We continue to modernize the digital tool with enhancements to improve the user experience.

Our High-Performance Leadership Competencies are used in performance evaluations to set individual goals and guide employees in leveraging their strengths throughout their career journeys. These competencies provide the framework to build the skills, knowledge, and behaviors that enable us to embody the “Lead from Every Chair” philosophy of our President and CEO, Fabrizio Freda. Leading from every chair means every member of the Company, no matter role or position, is an agent of progress and positive change.

SIGNATURE LEADERSHIP PROGRAMS*

We understand the value of rising talent and offer robust resources to support our high performers so they can drive growth and inspire us toward greater success. We continue to be responsive to the needs of our workforce and are committed to providing access to professional development and advancement opportunities.

- CEO Global Presidential Program: This program recruits a diverse group of highly talented recent graduates (BA/BS or MA/MS/MBA) and develops them through a series of curated on-the-job learning experiences, strengths-based coaching, mentorship, professional development sessions, and exposure to senior leaders during an 18- to 24-month period.

- CEO Global Reverse Mentor Program: This program allows young talent within the Company to exchange valuable insights, perspectives, and share trends with our most senior leaders while providing a development opportunity to understand leaders’ priority topics.
- ELC and Wharton: Our Executive Chairman, William P. Lauder, sponsors a week-long Business Symposium at The Wharton School of the University of Pennsylvania for high-potential leaders to learn from top faculty, industry experts, and external speakers. In addition, the ELC x Wharton Virtual Series provides an opportunity for all full-time employees to learn about strategic insights and innovative thinking from top-tier Wharton faculty.
- People Leadership Program: This multi-award winning, innovative, 5-month high-performance global leadership program provides our experienced leaders with the strengths-based skills and inclusive mindset needed for success. As of fiscal 2024, more than 950 leaders have graduated from the program, expanding their competencies in areas such as accountability, connectedness, agile leadership, influence, and confidence.
- Emerging Leaders Program: This global program is designed to inspire, equip, and empower newer people leaders with the inclusive strengths-based mindsets, skills, and capabilities they need for success at this critical point in their leadership advancement. As of fiscal 2024, more than 600 graduates have completed the program.
- Open Doors: This suite of leadership development programs helps enable professionals at all levels, of all genders, and in all areas of the business to reach their potential by giving them the tools and support they need for success.
- ELCoach Executive Coaching Program: This global program provides 1:1 and team coaching opportunities through an integrated connected coaching approach and consistent coaching framework by leveraging internally and externally certified coaches.

* The Company is committed to compliance with federal, state, and local laws. Accordingly, trainings and initiatives are periodically reviewed for compliance.

ELC GROW—TALENT DEVELOPMENT MARKETPLACE

ELC Grow, our internal talent marketplace, offers corporate employees the opportunity to develop their careers through short-term projects, internal networking, and open positions while offering added capability to the business and building our talent pipeline. In fiscal 2024, we continued expansion of ELC Grow, which is now actively used by more than 8,400 corporate employees across North America, LATAM, EMEA, U.K. and Ireland, and APAC.

VOLUNTEERISM AND GIVING

Our employees are committed to supporting causes close to their hearts. We honor and celebrate their generosity of spirit and goodwill and work to amplify their collective impact by providing tools and resources that further drive their efforts. Through these efforts, we are making progress toward our goal of engaging and mobilizing employees to contribute a total of \$25 million by the end of calendar year 2025 (since the launch of the ELC Good Works platform in 2015).

ELC GOOD WORKS

ELC’s employee social impact and sustainability engagement program, ELC Good Works, provides diverse, inclusive, and personalized employee initiatives, such as Volunteer Time Off, virtual and in-person team volunteer opportunities, and Company matching campaigns to enhance the employee experience and empower employees. ELC Good Works is available to eligible employees* in 31 markets globally.

We encourage employees to stay involved in their communities and in the causes that matter most to them. Our Volunteer Time Off (VTO) program allows eligible employees** to receive paid time off for individual volunteerism with their favorite nonprofits during standard work hours and to receive \$20/volunteer hour (or local currency equivalent) to donate to the nonprofit of their choice. In fiscal 2024, the program expanded to include eligible employees in 11 markets internationally.

* ELC Good Works eligibility includes full-time regular and part-time regular employees in Argentina; Australia; Belgium; Brazil; Canada; Chile; Colombia; France; Germany; Hong Kong, SAR of China; India; Luxembourg; Mexico; Netherlands; New Zealand; Panama; Peru; Switzerland; and the U.S., as well as full-time regular and part-time regular corporate employees in Denmark; Italy; Japan; Norway; Philippines; Poland; Portugal; Romania; South Africa; Spain; and Sweden. In the U.K., eligible employees include corporate regular full-time, regular part-time, and fixed-term contract employees; all Jo Malone Global and Travel Retail employees; and regular full-time, regular part-time, and fixed-term contract employees at the Whitman manufacturing site. Excludes DECIEM.

** VTO eligible employees are active, full-time, and part-time regular corporate employees in Argentina, Brazil, Benelux, Canada, China, Mexico, Nordic, Romania, South Africa, United States, and the United Kingdom, and active manufacturing and fulfillment employees in the United States and the United Kingdom.

ELC GOOD WORKS PURPOSE WEEK

In fiscal 2024, we hosted our 2nd annual ELC Good Works Purpose Week. This 5-day series of global education, engagement, and volunteering opportunities was intended to empower employees to drive positive change in communities where we live, work, and source. Highlights of this week included:

LEONARD A. LAUDER IMPACT AWARDS

The Leonard A. Lauder Impact Awards celebrate and honor employees’ exemplary volunteerism and commitment to our communities outside of the workplace. In fiscal 2024, we recognized 7 recipients from across our global regions. The honorees distinguished themselves by, among other initiatives, delivering home-cooked meals during the pandemic, supporting underserved communities, and contributing to waste management efforts.

SI&S COMMUNITY OF PRACTICE

In fiscal 2024, we launched a Social Impact and Sustainability (SI&S) Community of Practice (CoP), as part of ELC Good Works Purpose Week. The SI&S CoP’s mission is to encourage global employees to come together, build a diverse community, and share their insights, thoughts, and innovative ideas toward advancing SI&S for our business and our world. We hosted our first-ever global virtual launch event in May 2024, with a webinar to underscore the importance of creating a community to work toward positive environmental and social impact.

ELC CARES EMPLOYEE RELIEF FUND

Initially created to support eligible applicants*** impacted by COVID-19, the ELC Cares Employee Relief Fund (ELC Cares Fund) provides immediate and critical financial relief to employees impacted by disasters and qualified personal hardships. The ELC Cares Fund has provided more than \$11.5 million in funding and more than 19,400 grants to support our employees globally. Additionally, we help maximize employee contributions to the ELC Cares Fund through ELC Good Works’ year-round, global crisis relief double-match campaign.

***Eligible applicants include equivalent of active and qualifying full-time regular and part-time regular employees globally, excluding employees from non-integrated brands. Not available in India, Lebanon, Russia, UAE, and Ukraine.

ADDITIONAL RESOURCES

Employee Metrics	pp. 65-70
Employee Volunteerism and Giving Goal	p. 10
Employee Engagement webpage 🔗	
ELC Benefits webpage 🔗	

SOCIAL INVESTMENTS

We leverage our resources, time, and talent to establish partnerships with organizations that create positive social impact. Our social investments are grounded in The Estée Lauder Companies' values and our business goals. Our employees are also passionate about contributing to the causes they care about. We amplify their efforts by providing opportunities for them to donate and volunteer their time. Our work to promote social impact is aligned with various UN Sustainable Development Goals, including Goal 3—Good Health and Well-Being; Goal 5—Gender Equality; and Goal 10—Reduced Inequalities, among others.

GOVERNANCE

We make financial, product, matching, and in-kind donations across our company, our brands, and through The Estée Lauder Companies Charitable Foundation (ELCCF). ELCCF is governed by a Board of Directors, which is composed of senior Company leaders and independent directors. The ELCCF Board guides the strategy of our Foundation grantmaking and meets twice a year to approve grants. Our Chief Sustainability Officer serves as Executive Director of the Foundation. In this role, she helps ensure the Foundation operates with adherence to strict standards of governance and accountability.

In addition, the Global Corporate Citizenship and Sustainability function advises and supports strategic grantmaking, partnership development, finance and audit, and impact tracking.

STRATEGY AND FISCAL 2024 PROGRESS

Our social investments reflect our commitment to women and girls, equity, and the communities where we live, work, and source. We help support organizations driving evidence-based initiatives that aim to advance equitable outcomes for women and girls through education, leadership, and health; improve the well-being of our diverse global communities; and advance equity, with a focus on racial equity in the United States. We recognize the importance of partnering to address and improve livelihoods in key business markets and areas of great need. We are committed to funding for the long term and leveraging our impact alongside both private and public sector partners.

ADVANCING OPPORTUNITIES FOR WOMEN AND GIRLS

We have a longstanding commitment to support women and girls to achieve their highest potential. Through our social impact investments, inclusive of ELCCF, we aim to improve girls' equitable access to quality education, expand young women's leadership capabilities, and support women's advancement opportunities and health initiatives. We strive to be long-term partners to support the continuum of young women's leadership and life skills.

We place equity at the center of our work, supporting BIPOC (Black, Indigenous, and People of Color) leadership, and funding programs that address acute societal disparities. *For details on our partnerships focused on advancing women in STEM, please see our feature story on pages 13-16.*

CO-IMPACT

Co-Impact is a global philanthropic collaborative supporting initiatives to make systems and societies more just and inclusive so people can live fulfilling lives. We believe that to help facilitate systemic change we must partner with other private and public sector partners to advance shared objectives. ELCCF was the inaugural corporate partner of Co-Impact's Gender Fund, dedicated to advancing gender equality and women's leadership, and as of fiscal 2024, has completed the 3rd year of its \$15 million, 5-year commitment to the initiative. Through the Gender Fund, ELCCF is helping to support grassroots organizations in Africa, Asia, and Latin America working to accelerate progress toward gender equity and women's leadership. With support from ELC, to date, the Gender Fund has made grants of almost \$100 million in support of 85 initiatives in 8 countries to advance gender equitable outcomes in health, education, economic opportunity, and women's leadership.

GIRLS LEADERSHIP

Girls Leadership's mission is to teach girls to exercise the power of their voice through programs grounded in social-emotional learning. The organization provides programs for girls, workshops for families, and professional development training for teachers, guidance counselors, and nonprofit staff across the United States. Girls Leadership centers gender and racial equity in its work to address the internal and external barriers to leadership development.

GRANTMAKERS FOR GIRLS OF COLOR

Through our partnership with Grantmakers for Girls of Color (G4GC), we are building on our existing commitments to advance both girls' leadership and racial equity. ELCCF supports G4GC's Black Girl Freedom Fund, part of its #IBillion4BlackGirls campaign, a 10-year initiative dedicated to supporting the brain trust, health, innovation, safety, education, artistic visions, research, and joy of Black girls, femmes, gender-expansive youth, and their families.

PRATHAM EDUCATION FOUNDATION

Pratham provides high-quality interventions to help address gaps in the education system, improve learning outcomes for children and women, and provide training and entrepreneurship opportunities for youth across India. ELCCF's long-term partnership with Pratham has enabled more than 5,000 girls and women in completing their secondary education, pursuing vocational beauty training, and becoming micro-entrepreneurs.

THE BREAST CANCER CAMPAIGN

The Estée Lauder Companies' Breast Cancer Campaign (The Campaign) remains steadfast in its mission to help create a breast cancer-free world for all. Together, The Campaign and ELCCF have funded more than \$144 million for life-saving global research, education, and medical services, including more than \$114 million to the Breast Cancer Research Foundation (BCRF). Over the past 30 years, BCRF has been The Campaign's leading partner in this work, and ELC continues to be BCRF's largest corporate donor. Today, The Campaign supports more than 60 organizations worldwide aligned with the diverse needs of local communities.

In fiscal 2024, The Campaign recognized significant milestones. The Campaign commemorated its 20th anniversary in China with a special event featuring Executive Chairman William P. Lauder and the renewal of a strategic partnership with the China Women's Development Foundation. In France, it marked ELC's 20-year partnership with nonprofit organization Ruban Rose in France, of which ELC is a cofounder. Additionally, William P. Lauder was honored with BCRF's Evelyn H. Lauder Spirit of Philanthropy Award, which recognizes the generosity of an individual, family, or organization whose altruistic impact profoundly improves the lives of others.

THE YOUNG WOMEN'S LEADERSHIP SCHOOLS

First started in New York City, the Student Leadership Network (SL Network) operates a number of school networks, including The Young Women's Leadership Schools (TYWLS). TYWLS is a network of 6 public secondary schools in New York City, serving girls and gender-expansive youth of color who are often the first in their families to attend college. ELCCF funding helps support 2,400 TYWLS students in SL Network's CollegeBound Initiative, a program that helps students enhance their awareness of and access to college and financial aid. Through ELCCF support, SL Network continues to expand its programs across additional affiliate schools in Los Angeles, California; Wilmington, North Carolina; Atlanta, Georgia; Las Vegas, Nevada; Kansas City, Missouri; Rochester, New York; and Baltimore, Maryland.

CENTERING EQUITY

Equity is a key consideration in our programming with the intent to help close acute racial and gender disparities in our priority areas of funding, including women's advancement and girls' education, communities, and health. We fund work that helps support BIPOC communities by increasing representation and access to opportunities.

ECHOING GREEN

ELCCF's support of Echoing Green helps the organization connect with and reach students at Historically Black Colleges and Universities through the Global Outreach Ambassador program. The Global

Outreach Ambassador program aims to identify and cultivate bold, early-stage social innovators in Echoing Green's strategic focus demographics, one of which is emerging Black entrepreneurs.

THE SOLUTIONS PROJECT

The Solutions Project (TSP) accelerates the effectiveness of climate action by centering the solutions, voices, and power of front-line communities who are creating a future where everyone has clean air, water, energy, and land. TSP invests in grassroots organizations—primarily led by women of color—that are advancing innovative solutions for tackling the climate crisis. Through support from funders, including ELCCF, TSP has distributed over \$50 million to more than 350 groups in 45 states across the United States, strengthening the capacity, resilience, and impact of front-line climate leaders.

WRITING CHANGE

A collaboration between The Estée Lauder Companies and National Youth Poet Laureate Amanda Gorman, WRITING CHANGE is a 3-year, \$3 million initiative to support grassroots organizations dedicated to advancing literacy as a pathway to equality, access, and social change, through the power of young voices. In fiscal 2024, WRITING CHANGE fulfilled its grant commitment by supporting 10 organizations across the United States including the 52nd Street Project, Art Start, American Library Association, Girls Write Now, Make Way for Books, MIGIZI, LatinX KidLit Book Festival, Wide Angle Youth Media, and WriteGirl. Through these organizations, WRITING CHANGE supports impactful activities for youth that span mentorship programs, art and creative writing skills workshops, career and professional development, author tours, and book donations.

INVESTING IN COMMUNITIES

We are committed to supporting programs at the intersection of environmental sustainability and social impact in the communities where we live, work, and source. Our initiatives across our supply chains focus on improving the well-being of people in and around geographies where we source key ingredients. *To read more, please see the Sourcing section, pages 52-54.* We also respond to disasters and other urgent needs, including through the ELC Cares Employee Relief Fund.

CONSERVATION INTERNATIONAL

Through a 3-year partnership with Conservation International (CI), entered in 2021, ELCCF continues to help support work to sequester carbon and mitigate global climate change by engaging Indigenous women and their communities to conserve high-carbon forests across the Amazon in Bolivia, Ecuador, Colombia, and Peru. ELCCF provides support to CI's Amazonia Indigenous Women's Fellowship Program in these key ecosystems, enhancing the voice and agency of Indigenous women across these 4 countries.

DISASTER RELIEF

We are committed to supporting our employees and communities who are impacted by humanitarian, economic, and environmental disasters. ELC typically supports relief efforts through philanthropic and product donations, and the ELC Cares Employee Relief Fund.

The ELC Cares Employee Relief Fund provides immediate and critical financial relief to eligible impacted employees' globally who have been impacted by disasters and personal hardships. The

ELC Cares Employee Relief Fund is powered by generous donations from the Company, the Lauder family, as well as employee donations and related Company matches. For Eligible Contributing Employees** who wish to donate, The Estée Lauder Companies provides a year-round, double match on donations made to the ELC Cares Employee Relief Fund. *To read more about the ELC Cares Employee Relief Fund, please see the Employee Experience section, pages 33-36.*

*Eligible Impacted Employees consist of ELC employees who are managers and below and not equity eligible at time of application. Excludes Freelance and On-Call employees, employees under notice, employees on leave absence, U.S.-based employees on furlough, and employees based in Lebanon, Russia, and Ukraine (except for emergency grants made in 2022 and 2023).

**Eligible Contributing Employees include equivalent of active and qualifying full-time regular and part-time regular employees globally, excluding non-integrated brand employees. Not available in India, Lebanon, Russia, UAE, and Ukraine.

PLASTICS FOR CHANGE

Through ELCCF’s partnership with Plastics for Change, we are working to enhance livelihoods for waste collectors in India, the majority of whom are women, while diverting plastics from the ocean. With ELCCF’s support, Plastics for Change is working to help formalize the waste-collection economy and enabling greater transparency, accountability, and social change for women and marginalized communities involved in plastic collection. ELCCF’s support builds upon Plastics for Change’s Women Entrepreneurship program and provides electric vehicles to women participants to help them more easily transport the plastics collected. This initiative is expected to support the collection and processing of more than 1,220 US tons of plastic by women entrepreneurs by end of calendar year 2024.

SUPPORTING CHILDREN IN MICA COMMUNITIES

Since 2005, we have partnered with the Kailash Satyarthi Children’s Foundation (KSCF) to help address child labor in the mica-mining industry. KSCF works to help eliminate child labor in India by partnering with local communities to develop proactive and sustainable solutions, including the creation of Bal Mitra Gram or Child Friendly Villages. Through the end of fiscal 2024, we have supported the establishment of Child Friendly Villages in all 684 villages in the mica belt of Jharkhand, empowering youth and addressing social challenges.

WOMEN IN THE SHEA SUPPLY CHAIN

With the support of ELCCF, BSR developed and piloted a bespoke program aimed at supporting women working in the shea supply chain in northern Ghana. This program provided more than 1,000 women across 2 cooperative sites training on financial planning, budgeting, and money management. To build on the pilot program and expand the impact for women’s financial resilience in supply chains, BSR, ELCCF, and local partners are scaling this training intervention throughout calendar year 2024. This work is done through strengthening the capacity of several local suppliers and their field officers, to make the training more accessible and useful to women across the shea supply chain.

ADDITIONAL RESOURCES

Brand Cause Goal	p. 10
Brands in Action Feature	pp. 21-25
Advancing Women in the Science of Beauty Feature	pp. 13-16
The Breast Cancer Campaign webpage 🔗	
WRITING CHANGE webpage 🔗	

INCLUSION, DIVERSITY & EQUITY (ID&E)

We strive for equity for all and aim to cultivate an inclusive culture of belonging and authentic experience for every individual in our company. To achieve our goals and vision, we are focused on evolving our global ID&E infrastructure and driving local relevance; attracting, developing, and retaining talent of all backgrounds across all levels of the organization; and continuing to embed ID&E throughout our company culture globally.

Our ID&E efforts are focused on creating an inclusive and equitable work environment for all our employees.* Our commitments align with UN Sustainable Development Goal 5—Gender Equity, and UN Sustainable Development Goal 10—Reducing Inequalities.

The Estée Lauder Companies' long-standing commitment to ID&E has been recognized for championing racial equity, gender equity, LGBTQIA+ support, disability and accessibility, and overall culture. Examples include:

- Named to Bloomberg's 2023 Gender-Equality Index (GEI) for the 6th year in a row
- Received a score of 100 on the Human Rights Campaign Foundation's 2023-2024 Corporate Equality Index for the 8th consecutive year
- Earned #2 ranking on Forbes list of World's Top Companies for Women and Forbes' 2024 America's Best Employers for Diversity for the 6th year in a row
- Disability:IN 2024 Best Place to Work for Disability Inclusion
- Named #1 Company for Multicultural Women by Seramount in 2024

GOVERNANCE

Our Global Chief ID&E Officer oversees the Global ID&E Center of Excellence (COE) and leads our efforts to create a working environment that respects, values, and celebrates all identities. This role, established in 2005, reports to the Company's Executive Chairman, William P. Lauder. Our Global Diversity Council, formed in 2006, is composed of senior leaders and co-chaired by our Executive Chairman and our President and CEO. The council meets quarterly and guides the execution of the ID&E strategy.

The Global ID&E team works closely with brands, regions, affiliates, and functions. Each region has an ID&E regional council, while affiliates, brands, and functions have task forces or ID&E champions. This governance structure enables the development of inclusive environments and drives locally relevant diversity initiatives for our workforce and consumers.

To enhance global coordination of ID&E programs and initiatives across brands, regions, affiliates, and functions, the Global ID&E COE created the ID&E Coordinating Council in 2021, which is made up of Employee Resource Group (ERG) leaders and ID&E champions across brands, regions, and functions. The Council brings these groups together for mutual learning and sharing best practices for accelerating progress on ID&E objectives.

Our global Equity and Engagement Center of Excellence (COE) is led by our Senior Vice President, Equity and Engagement, reporting to our Executive Vice President of Human Resources. This function is tasked with the development and implementation of long-term business-integrated strategies to achieve equity across

*The Company is committed to compliance with federal, state, and local laws. Accordingly, trainings and initiatives are periodically reviewed for compliance.

our organization and ensure a pathway to further opportunity and advancement for all employees. The focus of the Equity and Engagement COE is to benefit all our employees through deep engagement, career advancement, development programs, more equitable and inclusive hiring practices, and ensuring that we meet and sustain our commitments to foster inclusion and equity within our company.

STRATEGY AND FISCAL 2024 PROGRESS

We aim to create an industry-leading organizational culture where inclusive behaviors and equitable practices are embedded globally across our business and enterprise. Respect for the individual and for their passions, perspectives, and experiences guides our mission. We act on our values through education programs, ERGs, mentorship and sponsorship, and events to strengthen employee connections. We are committed to advancing equity and inclusion for all employees across everything we do.

EDUCATION

Our education programs are available to all employees and are designed to raise awareness, inform, and educate our workforce on important ID&E topics through a mix of in-person and digital training. Three of our cornerstone programs are:

- **Unconscious Bias:** A workshop for full- and part-time employees that works to raise awareness and understanding, tackling the ways in which we unknowingly perpetuate biases. This training is offered in 14 languages in a self-paced learning format.
- **Inclusive Leadership:** An interactive seminar for people managers and leaders that works to promote a sense of belonging and cross-cultural competencies.
- **Psychological Safety:** A training that explores actionable strategies for building an inclusive workspace and culture where employees feel safe to share ideas and raise issues.

In fiscal 2024, the ID&E COE also launched the inaugural Community of Practice. This internal program is available to more than 100 certified ID&E facilitators across the globe. It allows them to tap into a community to upskill, learn, and grow collaboratively, utilizing best practices to continue to sustain and foster ID&E at ELC. Other seminars and programs that further our culture of belonging include modules that emphasize the significance of cross-cultural competency (working globally), retail talent development, and navigating and disrupting microaggressions in the workplace. Additionally, we have in place initiatives that enable a stronger global understanding of our employees, communities, and consumers. In fiscal 2024, we continued to increase leadership accountability through the launch of the “Building Bridges” seminar, which centers on using inclusive leadership to enhance team cohesion and effectiveness.

EMPLOYEE RESOURCE GROUPS (ERGS)

Our ERGs help foster a work environment where employees can feel a sense of community and empowerment through support, mentorship, community-building, and networking opportunities. They also play a key role in furthering our understanding of our consumer base, allowing us to tap into the diverse perspectives of our employees and expand business opportunities. In fiscal 2024, we saw the launch of the Hispanic Connections ERG in the LATAM Region and continued to see increased participation in and expansion of existing ERGs. We have 43 active ERGs worldwide in 36 countries, reflecting membership of more than 7,500 employees globally.

EVENTS

We held global ERG-led events in-person and virtually throughout the year to celebrate and educate around important moments, including but not limited to Black History Month, Women’s History Month, Asian American Native Hawaiian and Pacific Islander Heritage Month, Mental Health Awareness Month, Pride Month, and Hispanic Heritage Month. In fiscal 2024, the ID&E COE hosted a global ID&E Month, inclusive of more than 75 unique events around the world, with more than 13,000 in-person and virtual participants.

In fiscal 2024, we also hosted the Global Inclusive Beauty Awards, our 2nd annual awards ceremony honoring outstanding teams or individuals within the Company who are committed to nurturing inclusion, diversity, and equity in the workplace. There were 5 awards presented in the following categories: ID&E Impact Award, Valued Ally Award, Inspiring Innovation Award, Community Impact & Responsible Citizen Award, and the Trailblazer Award.

MENTORSHIP AND SPONSORSHIP

Mentorship and sponsorship are important elements of both personal and professional development. The Company provides platforms for employees to seek mentors for guidance and support and to find sponsors to help advocate for career advancement. Some examples include:

- **Asian Affinity Mentorship:** The mentorship program works to elevate our Asian community through mentorship, supporting the Company’s ID&E commitments, strengthening allyship, and nurturing our global culture of belonging.
- **Better Together:** This mentorship program, founded by wELCome, ELC’s LGBTQIA+ ERG, has the goal of sharing the diverse experiences and opportunities of LGBTQIA+ community members within the Company, increasing understanding, collaboration, and camaraderie.
- **Cafecito Sessions Mentorship Program:** Hispanic Connections ERG celebrated the launch of the 4th cohort of its Cafecito Sessions Mentorship Program, along with the introduction of the Mentorship Program in LATAM. This initiative aims to offer employees structured career guidance and advice from ELC senior leaders across various departments and functions.
- **Leading with High Touch:** This sponsorship program, founded by the Hispanic Connections ERG, aims to develop, retain, and attract senior-level Hispanic/Latino talent. The program has graduated 2 cohorts with a total of 50 employees to date.
- **From Every Chair:** This mentorship and sponsorship program, founded by the Network of Black Leaders and Executives (NOBLE) ERG helps develop Black talent at every level. This program has graduated 3 cohorts of 230 employees to date.
- **Own Your Career Mentorship and Sponsorship Program:** The Own Your Career Program, founded by the Women’s Leadership Network, helps women build the skills and knowledge to help enable their career growth. It provides access to leaders within ELC, as well as tools and resources.
- **SPONSOR READY Program:** This track gives applicants the tools needed to obtain a sponsor, what to expect from a sponsor, and how to approach the relationship with a sponsor. Participants have exclusive access to guest speakers, leadership training, networking opportunities, and more.

EQUITY AND ENGAGEMENT

In fiscal 2024, we continued to work toward advancing equity and deepening engagement across our workforce and leadership teams—with a particular focus on underrepresented populations. We are helping to identify and break down any systemic barriers and increase access to opportunity and advancement for all our employees through policies, programs, investments, and leadership development and accountability. We recognize that equity is nuanced, influenced by geography and culture.

We remain committed to learning and expanding our work to create a more equitable and inclusive future for our employees and the communities in which we live, work, and source.

GENDER EQUITY

We continue to advance possibilities for women in our business and around the world. With the strong support of our employees, leaders, and partners, we continue to build on our legacy to help identify and address systemic barriers that women face. We are working to make progress toward achieving gender equity by addressing 3 specific areas—opportunity, leadership, and access to health and education.

OPPORTUNITY

We believe all genders should have equitable access to opportunity. We are investing in our talent pool through development programs, talent management, and expanded flexible work principles that acknowledge the needs of individuals in their personal and professional growth.

Pay equity continues to be a critical area of focus in our talent and rewards programs and processes, in order to support fair and equitable pay decisions and career development opportunities. This includes conducting periodic objective pay equity assessments. Having reached our global pay equity commitment* in fiscal 2023, we continue to stay focused on maintaining programs to support equitable pay. The fiscal 2024 pay equity study was expanded to include point-of-sale employees globally.

We also remain committed to supporting gender equity across our value chain. We are pleased to report that as of fiscal 2023, we achieved and exceeded our commitment of increasing women-owned business spend to \$150 million by 2025.

* For purposes of this commitment, the Company defines pay equity as a pay gap of less than 1% and/or not statistically significant between women and comparably situated men included in its pay equity study. With the addition of point-of-sale employees, we have included all employees with the exception of non-discretionary pay populations.

LEADERSHIP

We believe that all genders should have equitable access to positions of leadership within our organization and are aiming to reach gender parity for women in senior leadership positions—Senior Vice President (SVP) and above—worldwide by 2025. We are investing in professional development and fostering a culture of support and sponsorship for employees of all genders across our company.

ELC's Open Doors leadership program, a global learning community and a movement for gender equity, is helping our employees discover their power by giving them the tools and support they need for success. Open Doors has 3 components:

- The Open Doors Women's Leadership Program: This immersive facilitated program develops high-potential, mid-career women by building critical skills for success and an unrivaled sense of community. Since its launch in 2020, the Open Doors Women's Leadership Program has worked toward having a positive influence on women across the company by bolstering their skills and providing support as they advance in their careers.
- The Open Doors Course Collection: An online, self-guided leadership development program which has been used by thousands of employees globally and has given rise to employee-led programs sponsored by brands, regions, functions, and ERGs for employees to learn together.

- Open Doors Live events: Experiential learning events for all employees to engage in powerful, unscripted, and inspiring conversations and innovative workshops to build skills and cultivate a sense of community.

Open Doors Collabs are tailored talent development and engagement programs led by brands, regions, functions, channels, and Employee Resource Groups. They provide individualized development by focusing on leadership skills, support, and deliberate practice for specific groups of employees to meet strategic business objectives.

HEALTH AND EDUCATION

We are committed to helping women and girls access the proper tools and skills needed to become successful and to create lasting change, including through investments in health and education. We were among the first prestige beauty companies to bring awareness to stigmas in women's health through The Estée Lauder Companies' Breast Cancer Campaign (The Campaign) and remain the largest corporate donor to the Breast Cancer Research Foundation® (BCRF). In fiscal 2023, the Estée Lauder Companies Charitable Foundation (ELCCF) made a \$15 million commitment over 5 years to fund a new BCRF research initiative to accelerate The Campaign's goal of reducing breast cancer disparities and improving outcomes. This health equity initiative, Breast Cancer Drivers in Black Women: Society to Biology, will study the intersection of social determinants of health, comorbidities, and the biology of breast cancer in Black women and has the potential to significantly impact breast cancer disparities globally.

Strides toward gender equity solely within our own company are not enough. We are also driving cross-sector progress and collaborating with others to address disparities, including through our work with Co-Impact's Gender Fund, The Student Leadership Network's Young Women's Leadership Schools, the UN Foundation, and Grantmakers for Girls of Color.

RACIAL EQUITY

The Estée Lauder Companies has long held inclusion and diversity among our core values. We continue to work to more fully understand any systemic issues surrounding race, identity, and representation. As a company, we dedicated ourselves to being part of the solution for the long term by making a series of commitments, in June 2020, to our Black employees and consumers in the United States.

We have 5 pillars that serve as the foundation for our forward-looking and global approach to inclusion, equity, and engagement for all employees: Listening and Learning, Talent and Opportunity, Brand Marketing and Creative Representation, Suppliers, and Investing in Change. We have achieved or exceeded the targets related to our commitments in the Suppliers and Investing in Change pillars.

LISTENING AND LEARNING

We are committed to fostering a strong internal culture of advocacy and inclusion to help employees share their voices, be heard, and collectively affect change. As part of this effort, we are focused on engaging in dialogue with employees at all levels.

In fiscal 2024, the Equity and Engagement COE hosted Listening Sessions across the enterprise to help drive insights to actions and cultivate a more inclusive culture.

Our listening and learning efforts have allowed us to identify employee needs and priorities and in turn implement strategies and scale actionable learning programs chartered by the ID&E COE. Our comprehensive inclusion, diversity, and equity training, enriched by continuous employee dialogue, has placed greater emphasis on leadership accountability, inclusive leadership behaviors, psychological safety, and addressing unconscious bias and microaggressions in the workplace.

In fiscal 2024, we continued our commitment to several programs that support this initiative:

- **SHE'S HOWARD: OWN YOUR POWER:** A partnership with Howard University works to increase the pipeline for Black talent through career coaching, professional training, and mentorship.
- **LET'S TALK BEAUTY:** The Estée Lauder Companies x National Alumnae Association of Spelman College initiative provides Spelman Alumnae with career coaching and insights into the beauty industry. Spelman Pathways, a masterclass curriculum, targets the undergrad community.
- **COLORCOMM:** ELC is a brand sponsor for COLORCOMM's annual conference, which serves a network of women of color in the communications, marketing, advertising, media, and digital industries.
- **NATIONAL BLACK MBA ASSOCIATION (NBMBAA) NYC CHAPTER AND TWIN CITIES CHAPTER, NATIONAL CONFERENCE:** Offers networking with Company employees, a virtual curriculum, career expos, and information on career opportunities.
- **AFROTECH CONFERENCE:** Offers networking opportunities for Company employees as well as a Career Expo to showcase our current roles as well as opportunities to host activations to showcase our brands.
- **THE ONE CLUB X WHERE ARE ALL THE BLACK PEOPLE CONFERENCE:** Event hosted in New York City for Black talent interested in learning more about the Creative and Marketing functions.
- **THE EXECUTIVE LEADERSHIP COUNCIL:** A partnership with this organization provides Professional Development opportunities for our Black talent throughout the year through different symposiums and multi-day events.

- **ELC TRAVEL RETAIL X FLORIDA A&M UNIVERSITY (FAMU):** Provides the next generation of Black beauty leaders at FAMU with networking events, internships, scholarships, and an advanced marketing course co-taught by executives in Travel Retail.

BRAND MARKETING & CREATIVE REPRESENTATION

We continue to work to ensure that the Black consumer is authentically and consistently represented and designed for in the products and services that we create. We embrace and portray the Black consumer to reflect dynamic and changing expectations led by our Brand Marketing and Creative professionals. We continue to work to diversify our pool of Black talent amongst our creative teams and increase agency spend with Black creatives, to help ensure Black talent influences our offerings from concept to campaign to point of sale.

SUPPLIERS

We are committed to leveraging our power to support Black-owned businesses. In fiscal 2023, we surpassed our goal, set in 2020, to at least double the amount we spend with Black-owned businesses. We are focused on maintaining momentum by:

- Deepening our relationships with partners
- Providing employees with information, tools, and resources to continue to expand the use and increase spend with Black-owned suppliers across various procurement categories
- Implementing lessons learned from supplier feedback
- Spotlighting our diverse suppliers internally and externally to amplify them to new audiences.

INVESTING IN CHANGE

We seek to support external organizations and nonprofits advocating for systemic changes and racial and social justice. Having surpassed our goal, set in 2020, to invest \$10 million over a 3-year period in support of racial and social justice organizations, we continue to invest in meaningful partnerships. These include the support of organizations in our legacy areas of giving, including expanding access to education and mentorship opportunities for girls and women, supporting BIPOC leaders to address climate change in their communities, and addressing breast cancer disparities, particularly for Black women in the United States.

ADDITIONAL RESOURCES

Employee Metrics pp. 65-70

Gender and Racial Equity Commitments and Progress pp. 11-12

ID&E webpage [🔗](#)

CLIMATE

At The Estée Lauder Companies, our climate work focuses on driving impactful change throughout our value chain. We are leveraging our position as a global company, as well as our strong relationships with industry peers and partners, to implement steps that we believe will drive lasting transformations. We are choosing to respond with science-based action focused on systemic and lasting change, as aligned with UN Sustainable Development Goal 13—Climate Action.

GOVERNANCE

The Nominating and ESG Committee of our Board of Directors periodically reviews climate strategy, initiatives, and progress toward goals, including our science-based targets (SBTs). The creation of our SBTs was management led, and the targets were approved by our Executive Chairman and our President and CEO.

Our Executive Vice President, Global Supply Chain, and Executive Vice President, Global Research Product and Innovation Officer lead the Environmental Subcommittee. This management-level subcommittee meets periodically and provides strategic direction and project approvals regarding our climate actions.

Our Climate Action Management Committee includes various management-level employees who oversee emissions reductions projects and partnerships, the development of internal policies and communications strategies, and engagement with brands and regions. This Committee is responsible for implementing and operationalizing climate action workstreams needed to achieve our SBTs.

Our Global Supply Chain function, which includes the Environment, Health, and Safety (EHS) team, is responsible for managing energy use and greenhouse gas (GHG) emissions. In addition, our Global Corporate Citizenship and Sustainability (GCCS) function helps manage and advise on aspects of our environmental strategy in partnership with regions and functions across the enterprise to ensure we achieve our climate goals.

We embed risk management into existing practices and business operations across The Estée Lauder Companies. The GCCS team provides quarterly updates to Enterprise Risk Management on key identified social impact and sustainability risks, including climate risks, which are aggregated and presented periodically to senior management and the Board of Directors. Climate-related risks are further detailed in our Climate Transition Plan [🔗](#) and 2024 Progress update [🔗](#), as well as our 2024 CDP Response. [🔗](#)

RISK MANAGEMENT

Our climate scenario analysis conducted in fiscal 2022 continues to guide our climate risk management process. The analysis included a range of plausible climate scenarios to evaluate physical and transition risks.

PHYSICAL RISK SCENARIOS: Physical risks were evaluated using a worst-case high-emissions scenario where global temperature rises by about 3.7°C by 2100. Acute and chronic impacts were considered for 23 manufacturing, distribution, and innovation sites using a time horizon of 2035-2050.

TRANSITION RISK SCENARIOS: Transition risks were evaluated using 3 IEA World Energy Outlook scenarios—the Stated Policies Scenario (STEPS), the Sustainable Development Scenario (SDS), and the Net Zero Emissions by 2050 scenario (NZE). Medium- and long-term time horizons of 2030 and 2050 were used to evaluate the relative impact of identified transition risks.

The climate scenario analysis identified both physical and transition risks that could impact our company. While physical risks and transition risks can occur simultaneously, their level of impact varies across scenarios.

POLICIES AND CERTIFICATIONS

- EHS Policy Statement [🔗](#)
- ISO 14001: Our manufacturing sites* have been externally certified to ISO 14001. [🔗](#)
- Leadership in Energy and Environmental Design (LEED): We have 11 LEED certified sites. [🔗](#)
- International WELL Building Institute (WELL): We have 5 WELL certified sites. [🔗](#)
- Responsible Store Design: 19 stores globally align with our internal retail sustainability program. [🔗](#)

*Excludes the Shimotsuma, Japan manufacturing facility and DECIEM manufacturing sites.

STRATEGY AND FISCAL 2024 PROGRESS

We focus on addressing climate change through our GHG emissions-reduction efforts. We seek innovative solutions to gain efficiencies and help reduce impact throughout our operations and value chain. We target governance and alignment across internal functions to drive emission reduction actions in the areas of greatest impact, as determined by our carbon footprint. We also continue to expand our portfolio of projects and initiatives and make further investments that can help us achieve our SBTs.

Since we established these targets, our company and the business environment have evolved, introducing challenges to emissions reduction. We recognize that our goal progress may face risks and uncertainties as this evolution continues, including potential impacts of acquisitions and divestitures that take place after we set our targets, our financial performance, the availability of low-emissions technologies, financial feasibility of implementation, new regulation, data availability, and performance of suppliers. In fiscal 2024, we saw effects from bringing a major new manufacturing facility online, macroeconomic challenges in certain markets, and beginning to lower our cost base.

TRAINING AND ENGAGEMENT

We have developed a series of climate training courses to support ELC leaders to embed sustainability principles across the enterprise and advance our climate goals. The objective of the training is to prepare and empower leaders to identify climate-related opportunities in their respective functions and add climate considerations to their leadership agenda. In fiscal 2024, we hosted our first Leadership Climate Training, for cross-functional SVPs/VPs that influence ELC's climate work, focusing on:

- Understanding ELC's broader climate strategy, commitments, and progress/impact
- Exploring leading GHG reduction practices in the marketplace
- Identifying potential barriers to action, capabilities, resources, and next steps required to help ensure success

At the beginning of fiscal 2024, we also launched a carbon calculator mobile app, in the United States, to enable employees to learn about sustainability and track sustainability actions.

GHG SCOPE 1 AND 2 EMISSIONS

We apply a portfolio approach to reducing GHG emissions, including the use of on-site renewables, energy-efficiency projects, green utility contracts, and renewable energy credits. In addition, we invest in carbon offsets to address residual emissions from our direct operations. Our goal is to reduce our operational carbon footprint by identifying high-quality solutions and investing in projects to bring additional renewable energy options, capital equipment upgrades, and electrification efficiency to our manufacturing, distribution centers, innovation, and other operational sites.

Since fiscal 2020, we have achieved carbon neutrality and sourced 100% renewable electricity globally for our direct operations each year^{*}—commitments that we met again in fiscal 2024 and intend to maintain moving forward.

^{*}Electricity consumption for all global activities under ELC operational control. Renewable electricity consumption reflects onsite generation, off-site generation (utility contracts), Energy Attribute Certificates (EACs), and a Virtual Power Purchase Agreement (VPPA).

In fiscal 2024, we achieved a 37% reduction in our Scope 1 and 2 emissions relative to our fiscal 2018 baseline. This represents a 25% increase in absolute emissions from fiscal 2023. Emissions increased due to the use of temporary generators at our largest and recently completed manufacturing facility in Japan as we await completion of an electrical substation by the local utility. We expect to see elevated emissions for this facility in fiscal 2025 until the

grid connection is complete. We realized an emissions reduction of 19% from fiscal 2023 for our corporate vehicle fleet as we pursue our electric vehicle transition.

RENEWABLE ENERGY PORTFOLIO

Our renewable energy portfolio reflects a variety of renewable technologies and approaches, including ground-mounted and rooftop solar and our wind energy Virtual Power Purchase Agreement (VPPA) for North America. In Europe and other regions, we source renewable electricity through a combination of utility contracts and Energy Attribute Certificates. Our portfolio includes:

- **Wind Energy:** ELC was the first prestige beauty company to execute a VPPA in November 2020, for 22 megawatts (MW) of wind power from the Ponderosa wind farm in Oklahoma. This arrangement represents ELC's largest renewable energy initiative in our portfolio to date. The Ponderosa wind farm VPPA generated more than 100,000 megawatt hours (MWh) of power in fiscal 2024.
- **On-Site Solar Power:** Installing solar technology is a key component of our strategy. For our owned and operated sites, we focus our solar installations on facilities that have the most potential for productive output. We consider factors such as the size of the facility's rooftops or its positioning near vacant land. In fiscal 2024, we generated 5 GWh of electricity from our solar installations and constructed 2 MW of additional capacity at our Shimotsuma, Japan, and Oevel, Belgium, facilities. As of the end of fiscal 2024, our total solar capacity was 8.3 MW across our portfolio, including sites in Galgenen, Switzerland; Melville, New York; Petersfield, United Kingdom; Blaine, Minnesota; Markham, Canada; Los Angeles, California; and the new solar arrays in Japan and Belgium.

CORPORATE VEHICLE FLEET

We were the first in prestige beauty to join the Climate Group's EV100 initiative, which brings together companies committed to accelerating the transition to electric vehicles (EVs). In fiscal 2024, we made significant strides, nearly doubling the number of EVs in our EMEA fleet. This, along with reducing our fleet in other regions, helped us increase the percentage of EVs in our global corporate fleet to 10.7%. We are in the process of executing our strategy globally, building upon our initial efforts to reach our goal of transitioning 100% of our global corporate fleet to electric by the end of calendar year 2030.

In addition to investing in transitioning the corporate fleet, we offer free electric charging stations for employees at certain sites in North America and Europe.

BUILDING OPERATIONS

Our green building standards provide a road map to help new construction and major renovations incorporate sustainability practices for energy, water, waste, and indoor air quality into their design. These include energy-saving initiatives such as lighting retrofits, air flow and temperature management systems, occupancy sensors, and equipment upgrades. We also have a Sustainability Champions Program within our largest offices over 5,000 square feet, which allows select employees ("Champions") to partner with key internal stakeholders to implement sustainability best

practices and to engage fellow employees in sustainability efforts. As of fiscal 2024, 100% of our largest offices are following these sustainability practices, with more than 70 Champions leading this work across 30+ countries.

MANUFACTURING SITES AND DISTRIBUTION CENTERS

To help us progress toward our SBTs, a cross-functional group develops and implements a sustainability strategy specific to our manufacturing sites, research and development centers, and distribution centers. At our manufacturing sites, we emphasize ways to reduce carbon through process improvements, upskilling our people, and implementing technologies such as building energy management systems. We also provide guidance to our Distribution Centers, including examples of best practices for topics such as energy conservation, green purchasing, sustainable freight transport, and waste reduction.

RETAIL LOCATIONS

Our Responsible Store Design (RSD) program is an internally developed, third party assured program that helps individual retail locations (e.g., our freestanding stores and authorized retailers) identify opportunities to optimize store build-out, energy and water use, sourcing of materials, visual merchandising, day-to-day operations, and in-store technology and innovation. An internal Retail Sustainability Leadership Council further drives sustainability efforts in retail spaces.

Thoughtful materials selection is a core requirement of the RSD Program. We focus on replacing virgin materials with recycled, bio-based sources, utilizing non-toxic paints and adhesives, and on using Forest Stewardship Council (FSC)-certified cardboard, paper, and wood where possible. We also consider end-of-life when designing fixtures and visual merchandising, with an emphasis on modular design, easy disassembly, and prioritization of recyclable materials.

In fiscal 2024, we expanded program engagement in all our regions. Growing from a pilot of 4 brands in fiscal 2023, we now have 13 brands involved in the program. In fiscal 2024, 28 additional stores were opened or underwent major renovation in alignment with the program, bringing the total number of locations to 33 globally. Each participating store undergoes a third-party audit to verify that required practices and point thresholds are met.

In addition to core energy efficiency practices such as LED lighting and ENERGY STAR-rated equipment required by RSD, in fiscal 2024, we developed a complementary global toolkit to help retail locations take advantage of additional energy efficiency best practices throughout the Company. The toolkit includes low-cost solutions including weather stripping, UV glazing for exterior windows, and recommendations for mechanical and lighting improvements. This toolkit is based on audits conducted at select retail stores in partnership with the New York State Energy Research and Development Authority (NYSERDA).

TRAVEL RETAIL

Our Travel Retail global department engages in duty-paid and duty-free environments, including airports, downtown locations, airlines, cruises, and border shops. In line with our company-wide sustainability goals, our Travel Retail teams work towards incorporating retail and office sustainability program requirements into their practices. These initiatives include focusing on areas such as packaging, transportation, and business travel.

ONLINE SUSTAINABILITY

Our products are sold globally through our websites and those of our retailers, as well as third-party platforms. As our online business has grown, we have strengthened and refocused our online sustainability strategy. We offset emissions associated with transportation for sales made on select brand sites in 16 countries. Lastly, we are continuously working to improve the sustainability of the shipping packaging in which our e-commerce consumers receive their products. *For more information on our packaging efforts, please see pages 62-64.*

GHG SCOPE 3 EMISSIONS

A significant portion of our climate impact extends beyond the boundaries of our own operations. We are taking steps to understand and manage these impacts and working to implement integrated solutions and foster joint value creation with suppliers.

Each year, we update our Scope 3 emissions calculations using improvements in methodology and activity data in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The recalculation of our Scope 3 footprint extends to the base year of our Scope 3 SBT (fiscal 2018), where appropriate, to allow for accurate tracking of progress toward this goal.

In fiscal 2024, Scope 3 emissions intensity for the covered categories decreased by 21% from our fiscal 2018 baseline. This result is 19% lower than our emissions intensity in fiscal 2023. The numerator of our intensity calculation, absolute emissions, decreased 21% while the net sales in the denominator decreased 2%. The largest contributors to this emissions decrease from fiscal 2023 are our reduction in usage of air freight and reduction in purchased goods and services. Small increases were observed in employee commuting and business travel as these activities continue a post-pandemic rebound.

LOW-EMISSIONS MATERIALS

The ingredients and raw materials we source for our products and packaging have embedded energy and emissions. In many cases, we have already identified and introduced solutions that reduce our Scope 3 emissions, such as seeking ingredients from alternate sources, reducing the amount of materials used in our secondary and tertiary packaging, and increasing recycled materials in our visual merchandising. Our largest opportunities with respect to packaging lie with encouraging third-party manufacturers to adopt these best practices (see Supplier Engagement below).

DECARBONIZE TRANSPORTATION

In many cases, our transportation carriers have already introduced emissions reduction targets, and we include data collected directly from many of these partners in our Scope 3 emissions calculations. We continue to engage with our carrier partners to drive emissions reductions and to support them in implementing best practices displayed by our top carriers, such as setting GHG reduction targets.

In addition, we are working toward optimizing transportation by reducing the distance our goods travel from manufacturing to the consumer and seeking lower-emission transportation alternatives, such as ocean, road, or rail freight instead of air freight.

VALUE CHAIN RENEWABLES AND ENERGY EFFICIENCY

The energy used in supplier operations, including data centers, offices, and manufacturing facilities, presents emissions-reduction opportunities. Through engagement and capability building, we can encourage third-party manufacturers to emulate our practice of procuring renewable electricity. We also have the opportunity to help vendors identify suppliers within their value chains that have switched to renewables in their operations or that are on a path to doing so. For more information regarding our Scope 3 SBT, please see our Climate Transition Plan [🔗](#) and 2024 Progress Update. [🔗](#)

SUPPLIER ENGAGEMENT

In support of our Scope 3 SBT, which requires significant supplier engagement, we deepened the integration of our enterprise-wide climate strategy within our procurement team. We conducted several internal trainings on climate and produced a supplier SBT engagement toolkit to support the procurement team in encouraging suppliers to set a GHG reduction target.

Fiscal 2024 also marked the 3rd year we participated in Supplier Leadership on Climate Transition (Supplier LOCT), a brand consortium created to accelerate action throughout the supply chain toward net zero GHG emissions. The consortium provides an online climate training program to suppliers to support

them in their journey of developing a GHG footprint, setting an SBT, adopting GHG-abatement measures, and disclosing progress. As of the end of fiscal 2024, over 90 of our suppliers have participated in Supplier LOCT. As a consortium, Supplier LOCT has seen more than 850 suppliers participate overall.

We also request key suppliers to participate in the CDP Supply Chain questionnaire to encourage accountability and action for emissions reductions, identify areas of opportunity and collaboration, and gather data to help us calculate our Scope 3 footprint. We have participated in CDP Supply Chain for 4 years and have seen a year-over-year increase in the number of suppliers participating.

Our dedicated engagement with suppliers regarding CDP Supply Chain participation has yielded positive results in terms of suppliers setting SBTs, using renewable energy, and demonstrating other efforts to reduce emissions. In fiscal 2024, we invited key suppliers to participate in the CDP Forests and Water questionnaires for the 3rd year.

ADDITIONAL RESOURCES

Climate Goals	p. 9
Energy and GHG Metrics	p. 71-73
Climate Transition Plan 🔗	
Climate Transition Plan 2024 Progress Update 🔗	
2024 CDP Response 🔗	

WATER

Water is used in many aspects of our product development and manufacturing, and it is a key ingredient in many of our products. In addition, many of the raw materials and ingredients we procure depend on water. We recognize that water stewardship is a factor in both mitigating and adapting to the effects of climate change. We are committed to reducing our impact on local water resources through implementation of our water stewardship strategy, which aligns with UN Sustainable Development Goal 6—Clean Water and Sanitation.

GOVERNANCE

Our Global Supply Chain function is responsible for reducing water withdrawal across direct manufacturing. Within Global Supply Chain, the water stewardship team collaborates with cross-functional groups to drive and share best practices and lead key initiatives across regions and facilities. These teams implement and help to expand our water stewardship strategy, including working toward our water withdrawal reduction goal, as well as supporting programs to preserve and protect nature and biodiversity.

The Senior Vice President of Supply Chain, Environment, Health, and Safety (EHS) reports on our water stewardship performance through Environmental Subcommittee and Supply Chain Leadership meetings. In addition, our Global Corporate Citizenship and Sustainability function helps manage and advise on aspects of our environmental strategy.

POLICIES AND CERTIFICATIONS

- EHS Policy Statement [🔗](#)
- Water Stewardship Policy [🔗](#)
- Leadership in Energy and Environmental Design (LEED) [🔗](#)
- International WELL Building Institute (WELL) [🔗](#)
- ISO 14001: Our manufacturing sites* have been externally certified to ISO 14001 [🔗](#)

*Excludes the Shimotsuma, Japan, manufacturing facility and DECIEM manufacturing sites.

STRATEGY AND FISCAL 2024 PROGRESS

Our current water stewardship strategy focuses on our operations, supply chain, and local communities. The strategy aligns with guidance developed by the Alliance for Water Stewardship (AWS), an international organization committed to the sustainability of water resources. As we implement our strategy, we conduct water efficiency studies, Source Water Vulnerability Assessments (SVAs), and annual water risk assessments. The results of these studies inform our water stewardship program and guide stakeholder engagement, employee education, and decisions to secure funding for projects that enhance resilience to water risks.

We plan to continue reporting progress through our CDP Response. We received an A- score for our most recent CDP water disclosure, which acknowledges our ongoing water stewardship initiatives, including our progress on reducing water withdrawal. We are pleased to report that in fiscal 2024, we achieved a 23% reduction in water withdrawal from our direct manufacturing sites, surpassing our 2025 target of a 20% reduction, relative to our fiscal 2019 baseline.**

* For the purposes of our water stewardship strategy, “supply chain” means third-party manufacturers (TPMs) and other key suppliers of ELC (excluding DECIEM).

** Reduction is from a fiscal 2019 baseline of 1.5 million cubic meters water withdrawal at ELC-operated manufacturing sites. Excludes any manufacturing sites not fully operated by ELC within the target timeline.

DIRECT OPERATIONS

Within our operations, we focus on efficiency and implementing water management best practices. We prioritize capital improvement projects at our largest manufacturing facilities in water-stressed areas. In fiscal 2024, we enhanced metering and measuring of water withdrawal and usage across our manufacturing facilities, allowing us to identify water inefficiencies and initiate improvements.

For example, we conducted third-party valve assessments at our Oevel, Belgium; Whitman, United Kingdom; and Agincourt, Ontario, facilities, leveraging insights from our Melville, New York, Facilities Engineering team. These measures help optimize water usage and ensure timely maintenance interventions, further supporting our water stewardship program. Additionally, in fiscal 2024, we launched a global initiative to identify and standardize cleaning and sanitation best practices to reduce water usage and improve cleaning times across our manufacturing facilities.

In fiscal 2024, we launched Every Drop Counts, a water conservation campaign for employees across our global manufacturing facilities to promote awareness of the role each employee plays in meeting organizational sustainability goals. Through monthly internal newsletters, webinars, visually impactful materials, and manufacturing campus competitions, we fostered a proactive and collaborative environment committed to reducing water usage and supporting sustainability initiatives. The campaign has resulted in more than 300 employee-generated ideas for water conservation, an increase in leak inspections and repairs, and nearly 500 employees competing to demonstrate their knowledge about their local water sources.

We continue to explore investments and initiatives that will support reductions in water withdrawals at key facilities.

- Building on the well water bypass project previously completed at our Melville, New York, (United States) manufacturing facility, we initiated a 2-year project in fiscal 2024 to decommission Melville’s groundwater-cooled HVAC system. This project is key for maintaining our 2025 water withdrawal reduction goal and will reduce our water withdrawal by more than 100 million gallons per year. Additionally, we installed smart irrigation controllers that adjust the campus landscaping sprinkler run times based on local weather conditions, enhancing our outdoor water conservation efforts.
- At our Oevel, Belgium, manufacturing facility, process water recycling is a key component of our water stewardship strategy. In fiscal 2024, Oevel treated and recycled approximately 36% of its total water usage, reusing the treated process water for cleaning. Additionally, we initiated a multi-year capital project employing an innovative approach, which will help increase the recycling rate, and reduce operational expenditures.

Furthermore, our green building standards have water-efficiency requirements that all new facilities are expected to meet, and our sites pursuing LEED certification are required to have water-efficient indoor and outdoor fixtures.

SUPPLY CHAIN

In fiscal 2024, we continued to collaborate with key third-party manufacturers (TPMs) to increase awareness of water withdrawal and reduction measures within our supply chain and promote increased water efficiency. We established this TPM initiative to accelerate and drive improvement on aligned sustainability goals, leveraging internal expertise to share best practices. Since its start, we have seen an increase in the number of TPMs establishing measures to reduce water consumption and setting water use reduction targets.

We also leverage tools such as the EcoVadis platform and CDP Supply Chain to track and measure suppliers’ environmental impact. Inviting suppliers to disclose to EcoVadis and CDP Supply Chain helps us better understand water risks and opportunities in our upstream supply chains as well as the actions taken to reduce suppliers’ environmental impacts. In fiscal 2024, we analyzed supplier CDP Water responses to better understand supplier performance and maturity on water, helping to guide our plans for future engagement and capability building. Through these efforts, we aim to strengthen ties with suppliers and further engage with them on water-related issues. *Read more about these supplier engagement initiatives and our progress in the Sourcing section (pages 52-54).*

LOCAL COMMUNITIES

We gather data to understand shared water challenges where we operate via water-risk assessments and SVAs. Our annual water-risk assessments cover the majority of ELC sites, including our manufacturing, R&D, distribution centers, offices, salons, and freestanding store locations. These assessments identify locations that could be subject to business risks such as water stress, water quality issues, drought, and flooding. Leveraging these outputs and the results of the nature assessment completed in fiscal 2023, as outlined in our Nature & Biodiversity section, we analyzed where water and biodiversity risks intersect. This analysis identified key risk drivers and defined priority watersheds of our owned and operated locations.

Through completion of site-specific SVAs, we gather information required by the AWS International Water Stewardship Standard to inform our internal stakeholders of the aspects and potential vulnerabilities related to the local water supply. The SVA findings were also incorporated into our Every Drop Counts campaign to increase employee awareness of the local watershed challenges. In fiscal 2024, we completed the watershed portion of the SVAs at our Lachen, Switzerland facility.

The SVAs also identified opportunities for external engagement of local water-related stakeholders and potential projects and partnerships for community-based actions. We plan to leverage the SVA findings and the insights from the water risk and nature assessment to define our future local water action plans to evolve our water stewardship strategy. We aim to expand on existing ELC and brand initiatives by collaborating with external partners within the communities and watersheds we have prioritized.

To read more about other water-focused initiatives within our local communities, please see the Sourcing and Nature and Biodiversity sections (pages 52-58).

ADDITIONAL RESOURCES

Water Goal	p. 9
Water Metrics	p. 75
2024 CDP Response 🔗	

WASTE

We believe that by striving to eliminate waste, we can optimize resource use, minimize cost, and improve efficiencies. Where waste cannot be eliminated or reused, we aim to recycle and/or manage it in a way that is sensitive to potential impacts to the environment, including biodiversity and nature. These operational efforts help support the principles of a circular economy, help increase our resilience in a resource-constrained environment and help mitigate supply chain disruptions. This work aligns with UN Sustainable Development Goal 12—Responsible Consumption and Production.

GOVERNANCE

Our Global Supply Chain function is responsible for setting our operational sustainable waste management strategy, partnering with our Packaging and Product Design teams, and implementing waste-reduction and recycling efforts across our manufacturing, distribution centers, and R&D.

The Senior Vice President of Supply Chain, Environment, Health, and Safety (EHS) reports on our waste performance through Environmental Sub-Committee and Supply Chain Leadership meetings. In addition, the Global Corporate Citizenship and Sustainability function helps advise on aspects of our environmental strategy and also oversees the Sustainability Champions Program.

POLICIES AND CERTIFICATIONS

- EHS Policy Statement [🔗](#)
- Leadership in Energy and Environmental Design (LEED) [🔗](#)
- International WELL Building Institute (WELL) [🔗](#)
- ISO 14001: Our manufacturing sites* have been externally certified to ISO 14001 [🔗](#)

*Excludes the Shimotsuma, Japan, manufacturing facility and DECIEM manufacturing sites.

STRATEGY AND FISCAL 2024 PROGRESS

We prioritize and share best practices across several regions by following a common waste minimization hierarchy—prevention, reduction, reuse, and recycling over incineration with energy recovery and landfill disposal. We have an annual commitment to maintain zero industrial waste-to-landfill for all global manufacturing, distribution and innovation sites. In fiscal 2024, due to unforeseen operational challenges with waste process facilities used by external partners, we diverted 99.8% industrial waste from landfill*.

*Excludes DECIEM.

- **OPERATIONAL APPROACH:** Our ELC Green Building Standards outline sustainability-focused practices for building types within our enterprise. They serve as a roadmap to help the Company meet its sustainability goals and incorporate best practices for waste management. This includes a variety of core practices and ambitions to reduce waste, increase reuse, and recycle unavoidable waste. Several of our manufacturing and distribution sites are supported by green teams, which are self-organized and cross-functional groups of employees who work together to help implement the sustainability best practices outlined in our standards. We also continue to leverage our Sustainability Champions Program, as outlined in our Climate chapter, to share best practices within our largest corporate offices, many of which include waste reduction, reuse, or recycling improvements. In fiscal 2024, we began the process of expanding the Sustainability Champions Program to buildings beyond offices, such as our manufacturing, distribution, and innovation spaces. Furthermore, as sustainability is embedded throughout the company, several of our Employee Resource Groups (ERGs) have taken interest in waste topics and support programming where possible.
- **EXCESS MATERIALS STRATEGY:** In fiscal 2024, we developed an internal global strategy to improve the sustainability of our excess materials management. This strategy included creating internal processes and guidelines for repurposing materials internally, donating high-quality products externally, and partnering with regional vendors to beneficially reuse or recycle select excess empty packaging, visual merchandizing, and finished products. Implementing this multi-pronged approach will allow us to optimize our excess materials management in alignment with both sustainability and business objectives, while providing an opportunity to scale our impact.

PREVENT AND REDUCE

We aim to optimize our workflows to minimize waste-generation and excess products, given that the most impactful management approach to waste is to prevent it from occurring in the first place. From a product perspective, this involves improving consumer demand forecasting, standardizing ingredient categories, and enhancing supplier synchronization. We also eliminate waste in manufacturing operations and production lines through actions such as implementing smaller shipping boxes to reduce the amount of packaging materials received by our customers. In fiscal 2024, we launched a new “Dynamic Re-Deployment” capability, in partnership with Noodle.ai, that leverages artificial intelligence to redeploy excess inventory from one location to where it is most needed.

In fiscal 2024, we conducted waste minimization audits at 3 Canadian manufacturing and distribution facilities*, as well as waste sorts at our Whitman, U.K., and Blaine, Minnesota manufacturing facilities. The audits helped employees at each of these facilities understand the current state of their waste performance and identify site-specific opportunities for waste reduction. They also helped assess and quantify reuse opportunities for our more commonly managed materials such as component trays, wood pallets, cardboard packaging, and empty containers.

*These include Hillmount, Agincourt and CADC, in Ontario.

REUSE

Internally, we conduct quality and safety inspections to determine the reusability of materials where possible within our manufacturing and distribution sites. In fiscal 2024, while our absolute metric tons of reuse decreased slightly, our intensity** of reuse activities improved 36% across our manufacturing sites and 56% across our Distribution Centers. These process improvements include the reuse of items such as pallets, foam padding, steel drum containers, and component plastic trays.

**Intensity is defined as metric tons divided by units of production.

Externally, we engage with our suppliers to identify reuse opportunities, such as cleaning and reusing component trays provided by select regional suppliers. We also began partnering with Habitat for Humanity to donate building materials and furnishings from store renovations. Finally, from an excess materials standpoint, in fiscal 2024 we collaborated with several donation partners to successfully donate 1.78 million units of collateral materials and products that would have otherwise been discarded.

For the past decade, we have collaborated with g2 Revolution, an organization that takes difficult-to-handle items and finds new and innovative ways to reuse them in efforts to more sustainably manage the disposal of unsold products or components that have exceeded their useful lives. Our freestanding stores in the United States and Canada transfer a portion of their unsold products and testers to g2 Revolution, where they are repurposed as ingredients to make other products. In fiscal 2024, over 80,000 lbs. of our product have been successfully reused or recycled through g2 Revolution's interventions.

RECYCLE

Where reduction and reuse are not feasible, our attention turns to recycling. We analyze both incoming and outgoing materials within our manufacturing and distribution facilities to identify hard-to-recycle items. We then work with our vendors and our Global Packaging teams to switch to reusable or recyclable options where possible. In fiscal 2024, we began a pilot project collaborating with select vendors to recycle empty component packaging. The project recycled 810 metric tons of packaging, effectively minimizing waste disposal.

WASTE THAT CANNOT BE REUSED OR RECYCLED

If we cannot reuse or recycle waste, it is converted to energy either through waste-to-energy plants or by co-processing at cement kilns. We manage our waste in accordance with applicable environmental regulations and recycling and waste handling laws across the enterprise, including, where applicable, electronic waste.

ADDITIONAL RESOURCES

Waste and Packaging Goals

pp. 9-10

Waste Metrics

p. 74

SOURCING

Our extensive and diverse network of suppliers is an integral part of our global operations and supports the success of our company. We're committed to helping our suppliers uphold the same ethical standards to which we hold ourselves accountable, within the context of local jurisdictions. As we continue to support our suppliers to implement sustainability goals and practices, we align with the ambitions of many of the UN Sustainable Development Goals, including Goal 8—Decent Work and Economic Growth and Goal 13—Climate Action, among others.

GOVERNANCE

Our Senior Vice President and Chief Procurement Officer leads our Responsible Sourcing team as part of our Global Procurement function. The team establishes, implements, and monitors environmentally and socially responsible and ethical sourcing practices to align supplier performance with our goals and objectives. The team works cross-functionally with the Research and Development (R&D), Global Corporate Citizenship and Sustainability, and Packaging functions, and it collaborates with our brands, suppliers, industry groups, and peers to continuously advance our practices.

- Engage in lawful and ethical business practices
- Promote a respectful, fair, and diverse workplace
- Provide a safe, healthy workplace and protect the environment and community

Our SCoC includes provisions covering confidentiality and privacy, wages, child labor, forced labor, and freedom of association. To meet the needs of our global network of suppliers, our SCoC is available in several languages. In addition to our SCoC, our Supplier Sustainability Guidelines provide suppliers with practical actions they can take to manage the environmental and social impacts of their own operations.

Our direct suppliers are those who provide raw materials, ingredients, packaging, and third-party manufacturing to the Company, while our indirect suppliers are those who sell us goods and services not directly used in the manufacturing of our products. Our Tier 1 direct and indirect suppliers* and select Tier 2+ direct suppliers* acknowledge to comply with our SCoC, or an equivalent. Tier 1 direct suppliers representing approximately 99% of our direct spend have acknowledged to comply with the SCoC.

ELC Suppliers are expected to make all reasonable efforts to communicate our SCoC to their workers, as appropriate, and provide workers with the opportunity to ask questions and raise concerns. Included within our SCoC, The Estée Lauder Companies' Integrity Helpline provides a direct line for suppliers to raise questions or concerns about conduct that may be inconsistent with the law, our SCoC, or other policies.

*Excludes DECIEM.

POLICIES AND CERTIFICATIONS

- [Supplier Code of Conduct](#)
- [Human Rights Policy](#)
- [Modern Slavery](#)
- [Timber Action Plan](#)
- [No Deforestation, No Peat, No Exploitation \(NDPE\) Policy](#)
- [RSPO Certification](#)

STRATEGY AND FISCAL 2024 PROGRESS

We work with our global suppliers to develop long-lasting relationships, with a common basis of shared values and commitment to operating responsibly and ethically. Our strategy for supplier engagement is underpinned by our Supplier Code of Conduct (SCoC) and includes efforts to expand inclusive relationships with diverse and small businesses.

SUPPLIER CODE OF CONDUCT

Our SCoC is the foundation of our program to source responsibly. It outlines our expectations for suppliers with respect to human rights; safe, healthy, and equitable workplaces; and the protection of the environment and local communities. Our SCoC is organized into 3 sections:

SUPPLIER EVALUATION AND MONITORING

We monitor our direct suppliers for adherence to our SCoC and pay careful attention to potential risks of noncompliance. We have also advanced our efforts to include our indirect supply chain in our monitoring. Our indirect supply chain is composed of suppliers who sell us goods and services not directly used in the manufacturing of our products.

We use EcoVadis, an online ratings service, to help us assess Tier 1 and Tier 2+ direct and indirect suppliers on their environmental, labor and human rights, ethics and procurement policies, practices, and reported results. The EcoVadis tool ranks suppliers with numerical scores that reflect the maturity level of their sustainability programs, practices, and initiatives. We expect our direct strategic suppliers* to achieve an “advanced” EcoVadis score and other direct suppliers to achieve at least a “satisfactory” score. We engage with direct suppliers to help them improve.

*Strategic suppliers include those with broad and unique capabilities, proven value creation in one or multiple pillars, and highest level of collaborative partnership. In fiscal 2024, these suppliers comprised more than half of ELC direct spend. Excludes DECIEM.

SUPPLIER RISK ASSESSMENTS

We take a risk-based approach to supplier due diligence. We conduct due diligence as part of new direct supplier qualifications and assess the risk of existing direct and indirect suppliers annually. We risk-rank direct and indirect suppliers globally based on pre-established criteria, such as location of operations, type of goods or services being sourced, and potential impact to our business. Based on the risk ranking of the supplier, we conduct additional due diligence using third-party on-site audits or assessments, as appropriate. To help us determine country risk, we use a third-party provider that assesses each country based on its approaches to social impact and sustainability topics including environment, health and safety, social issues, corruption, and human rights risks.

Our core due diligence team meets monthly to review progress, discuss complex cases, and align on enhancements to our supplier evaluation and monitoring program. On a periodic basis, we share insights with the broader Global Procurement team on trends and information derived from our supplier due diligence program. These actions, among others, help shape periodic enhancements or changes to our due diligence strategy.

If we determine that an ELC supplier is not in compliance, then the remedies may include, among other things, termination of business with ELC or the development and implementation of a corrective action plan that would need to be implemented within a certain fixed time period. ELC may follow up on such implementation with an audit, as it deems appropriate.

SUPPLIER CAPABILITY BUILDING

Our direct and indirect suppliers are key partners in meeting our sustainability goals. We periodically provide training and access to resources to support our suppliers in improving their sustainability performance.

In fiscal 2024, we continued to partner with our top 20 third-party manufacturers (TPMs) (by spend) to help them develop sustainability goals aligned with our goals and to drive progress through best practice sharing. We encourage participating suppliers to set and meet environmental goals covering:

- Environmental management
- Energy and greenhouse gas (GHG) emissions
- Waste and water
- Sustainable procurement

To support our TPMs to achieve these goals and help other suppliers implement and measure effective programs, we provide resources and conduct best practice sharing webinars on key sustainability impact areas. In fiscal 2024, we trained TPMs on waste management best practices, covering topics such as benefits of waste reduction, implementing waste diversion strategies, and waste target setting, drawing on lessons from our own waste management experience.

Since supplier action is particularly important to achieve our climate goals, we have established a supplier climate engagement strategy aligned with our emissions-reduction plan across many types of purchased goods and services. We aim to support and encourage our suppliers to make business decisions with positive climate impacts. We engage our suppliers through a variety of complementary methods, including our participation in CDP Supply Chain, offering suppliers climate training through Supplier Leadership on Climate Transition, and meeting with select suppliers individually to discuss their progress and offer support.

To track supplier progress and performance, we have employed external monitoring tools including EcoVadis and CDP Supply Chain. EcoVadis sustainability analysts evaluate suppliers’ answers and supporting documents. We then use supplier EcoVadis assessment results to assess suppliers’ implementation of required practices.

SUPPLIER DIVERSITY

We aim to support businesses owned by a wide cross section of individuals, including ethnic minorities, women, the LGBTQIA+ community, veterans, and people with disabilities through our procurement practices. Our objective is to help drive inclusive economic development and growth of diverse and small businesses in the supplier base. We achieved our target spend-based commitments to women-owned and Black-owned businesses in fiscal 2023.

Our Supplier Diversity program encompasses 4 strategic initiatives:

- **Global Infrastructure:** Evolve global infrastructure to lead in inclusion, diversity, and equity (ID&E) where there is local relevance and certifying agencies. In fiscal 2024, we expanded our program to China, where we partnered with WeConnect International to train the procurement team.
- **Operational Excellence:** Identify, qualify, and help grow small and diverse suppliers across all categories.
- **Internal Engagement:** Continue to embed ID&E throughout global ELC culture through educational and awareness-raising activities. We have created toolkits and enhanced resources to help brands, regions, and functions find and consider a more inclusive cross-section of suppliers.
- **External Leadership:** Broaden external engagement to bring our values to life. Our membership in international, national, and local advocacy groups allows us to contribute to the social and economic advancement of a more inclusive, wider cross-section of businesses. We are members of Disability:IN, Minority Supplier Development UK, the National Minority Supplier Development Council, the Women's Business Enterprise National Council, and WEConnect International.

ADDITIONAL RESOURCES

Sourcing Goals

p. 10

Supplier Evaluation and Monitoring Metrics

p. 75

Supplier Sustainability Guidelines [🔗](#)

NATURE AND BIODIVERSITY

Our business is connected to nature—from the ingredients, materials, and water used to manufacture our products and packaging, to the energy that powers our facilities, buildings, and stores. We understand the importance of enhancing and preserving biodiversity to help build resilience in our supply chain and to help support the continued well-being of both the local communities where we operate and the resources they depend on.

We continue to make efforts to advance nature and biodiversity protection and restoration in our operations and our sourcing through our policies, practices, and sustainability and social impact goals. These efforts are aligned to UN Sustainable Development Goal 6—Clean Water and Sanitation; Goal 13—Climate Action; and Goal 15—Life on Land.

GOVERNANCE

Our approach to nature and biodiversity is led and informed by cross-functional partnerships across our Responsible Sourcing, Global Corporate Citizenship and Sustainability (GCCS), Environmental Health & Safety, Packaging, Research and Development (R&D), and Supply Chain Operation teams. Nature initiatives and progress toward nature-related goals are reviewed periodically at meetings of the Nominating and ESG Committee of the Board of Directors. The creation of these goals and their targets were approved by our Executive Chairman and our President and CEO.

We embed risk management into existing practices and business operations throughout our Enterprise Risk Management process. The GCCS team provides quarterly updates to the Enterprise Risk Management on key identified social impact and sustainability risks, including nature and biodiversity risks, which are aggregated and presented periodically to senior management and the Board of Directors. Nature-related risks are further detailed in our Climate Transition Plan 2024 Progress Update [🔗](#) and our 2024 CDP Response. [🔗](#)

POLICIES AND CERTIFICATIONS

- Human Rights Policy [🔗](#)
- Modern Slavery [🔗](#)
- No Deforestation, No Peat, No Exploitation (NDPE) Policy [🔗](#)
- Timber Action Plan [🔗](#)
- Palm Oil Action Plan [🔗](#)
- Roundtable on Sustainable Palm Oil (RSPO) Certification [🔗](#)
- Forest Stewardship Council (FSC) certification for packaging materials (as related to our goal to secure FSC certification for 100% of forest-based fiber cartons by the end of calendar year 2025) [🔗](#)
- EHS Policy Statement [🔗](#)
- Supplier Code of Conduct [🔗](#)

STRATEGY AND FISCAL 2024 PROGRESS

We have a history of managing biodiversity in our own operations and across our supply chain. Our existing water, waste, sourcing, climate, and packaging goals are an important part of our strategy to embed nature and biodiversity considerations into business operations. As we continue to evolve our strategy, we are expanding the scope of our biodiversity protection and restoration efforts.

In fiscal 2024, we are taking the first step in aligning to the Taskforce on Nature-related Financial Disclosures (TNFD) voluntary framework. We will continue to leverage this framework to assess our nature-related risks and opportunities across our value chain.

NATURE IMPACT AND DEPENDENCIES

OWN OPERATIONS

We partner with BSR, a sustainability consultancy, to assess and identify potential nature-related risks within our owned and operated locations. As part of the assessment conducted in fiscal 2023, we leveraged the World Wildlife Fund (WWF) Biodiversity Risk Filter Tool to assess our biodiversity-related risks. We identified our highest priority nature-related risks and opportunities as greenhouse gas (GHG) emissions, the use of terrestrial ecosystems, and water stewardship.

In fiscal 2024, we expanded the nature assessment to identify key geographies exhibiting a higher biodiversity risk or heightened biodiversity pressures. This assessment was conducted across more than 1,500 sites, which included distribution centers, manufacturing facilities, offices, retail stores, and warehouses. This screening found less than 1% of these sites to be considered high-risk, with risk mostly concentrated around distribution centers in the APAC region. We are in the process of further evaluating the results of the assessment to inform next steps.

SUPPLY CHAIN

The assessment conducted in fiscal 2023 also evaluated biodiversity-related risks across our supply chain. We similarly

identified GHG emissions, terrestrial ecosystem use, and water stewardship as priority nature-related risks and opportunities associated with ingredient sourcing and packaging feedstocks. Freshwater use was identified as an additional priority nature-related matter for our supply chain. We continue to engage with our suppliers on nature topics through our annual CDP Forests and CDP Water requests and through our No Deforestation, No Peat, No Exploitation (NDPE) Policy, which outlines our expectations of suppliers regarding no deforestation, no conversion, and no exploitation.

OUR FOCUS ON SENSITIVE INGREDIENTS

We are committed to better understanding the state of biodiversity within the ecosystems that support the production of our raw materials. We have developed biodiversity and/or social action plans for many key sensitive ingredients, focusing on mitigating risks and fostering sustainable practices. We periodically assess our priorities and adapt our biodiversity and social action plans to address changing environmental and socio-economic factors. While these plans vary depending on the ingredient, examples of actions we are taking include:

- Consolidating spend with strategic suppliers who promote best practices regarding biodiversity preservation and social impact programs.
- Enhancing traceability through solutions tailored to the supply chain and local context.
- Implementing projects to positively impact sourcing communities and surrounding ecosystems (addressing social, environmental, and market challenges).
- Using certifications and other applicable third-party programs.
- Leveraging EcoVadis to continue to assess supplier performance and enable suppliers to improve their performance.

We have developed action plans for many sensitive ingredients, including sandalwood, mica, jasmine, palm, shea, and coconut oil, among others. By investing in local communities and cultivating a deeper connection to nature, these action plans aim to enhance biodiversity conservation and overall environmental stewardship.

AUSTRALIAN SANDALWOOD

We incorporate Australian sandalwood (*Santalum spicatum*) essential oil into some of our products selected for its aromatic qualities and benefits. More than 15 years ago, we developed a strategic relationship with the Kutkabubba Aboriginal Community (“KAC”) of Western Australia to help promote the sustainable and equitable wild harvest of Australian sandalwood trees for essential oil production. This collaboration led to the creation of Dutjahn Sandalwood Oils, a 50% Aboriginal-owned venture with a 100% Aboriginal-controlled nonprofit foundation. This partnership promotes economic stability, helps keep people on their land to pass traditions along to future generations, and includes tree replanting efforts. *To learn more, please visit our Responsible Sourcing webpage.* [🔗](#)

MICA

The mica supply chain is complex, and we work closely with our suppliers and local sourcing communities to address challenges that may exist. A portion of the mica used in the cosmetics industry comes from the Indian states of Jharkhand and Bihar, the ‘mica belt,’ where the mica mining industry remains a key contributor to the regional economy.

Since 2005, ELC has partnered with local NGO Bachpan Bachao Andolan, now known as the Kailash Satyarthi Children’s Foundation (KSCF), to begin to address some of the issues surrounding child labor in the mica mining industry. KSCF works with local communities in the region to develop proactive and sustainable solutions for eradicating child labor in the Indian mica mining industry, including the development of Bal Mitra Grams or Child Friendly Villages. *To learn more, please visit our Responsible Sourcing webpage.* [🔗](#)

JASMINE

Jasmine is an ingredient that is used as a fragrance component in certain of our products. In fiscal 2024, allegations were raised of child labor in the jasmine industry in Egypt. ELC prohibits the use of child labor, and we believe the rights of all children should be protected. Our Supplier Code of Conduct (SCoC) outlines our mandate for suppliers, including vendors, service providers, independent contractors and consultants, and includes our policy against employment of children as a condition of doing business with our Company.

We are actively engaged with our suppliers on this matter and are deeply committed to achieving full understanding of this serious situation so that we can develop appropriate action plans in accordance with our policy, ethics, and values. We are also working in collaboration with industry peers, local NGOs, and local governments as part of the Harvesting the Future coalition to address critical child rights, including access to education. *To learn more about our activities around Egyptian Jasmine, please visit our Viewpoints page.* [🔗](#)

SHEA

Shea butter is a natural emollient that helps hydrate skin and hair. In northern Ghana, the shea supply chain is predominantly composed of women, who play a vital role in protecting the shea tree ecosystems—a key source of biodiversity in the region. As part of our commitment to gender equity, The Estée Lauder Companies Charitable Foundation (ELCCF) has supported the development of a financial resilience training for women working in the shea supply chain. ELC is also a member of the Global Shea Alliance, a nonprofit industry association that promotes sustainability, quality practices, and standards for shea in food and cosmetics. *To learn more, please visit our Responsible Sourcing webpage.* [🔗](#)

PALM OIL

Palm-based ingredients are used in some of our formulations, such as surfactants, emulsifiers, and emollients. In calendar year 2023, we purchased approximately 3,220 metric tons of palm oil-based derivatives, which represent roughly 0.01% of the world’s annual production of palm oil-based derivatives. While this amount makes

us a comparatively low-volume user of palm-based ingredients relative to other sectors, we are committed to taking concrete action with our suppliers to build sustainable and ethical palm supply chains.

In calendar year 2023, we were pleased to achieve our goal to have at least 95% of our palm-based ingredients (palm oil and its derivatives) be certified sustainable from RSPO physical supply chains*—2 years ahead of schedule. Since 2015, 100% of the palm-based ingredients ELC sources for its products are RSPO certified through a combination of RSPO-certified physical supply chains and RSPO Credits.

We strive to source our palm-based ingredients from suppliers that can demonstrate adherence to the principles outlined in our SCoC and NDPE Policy. We assess compliance with these policies by, among other things, third-party certification to RSPO's Principles and Criteria, and evaluating supplier policies, processes, and progress through the Sustainable Palm Index evaluation scorecard. In addition to engaging with our direct suppliers, we have also communicated to our third-party manufacturers (TPMs) our expectation that they source from an RSPO physically certified sustainable source.

We communicate our progress with respect to palm oil procurement on a yearly basis through the RSPO Annual Communication of Progress (ACOP) in accordance with RSPO requirements. In fiscal 2024, ELC also received the highest ranking in the personal care and cosmetics sector on the WWF's Palm Oil Buyers Scorecard. *To learn more, please visit our Responsible Sourcing webpage.* [🔗](#)

*Excludes palm-based ingredients not directly procured by ELC, such as those procured by third-party manufacturers (TPMs) and directly procured and received by DECIEM.

COCONUT OIL

Coconut oil is one of the technical alternatives to palm kernel oil due to its similar fatty acid profile. Along with other manufacturers, we have investigated substituting palm oil ingredients with coconut-derived ingredients. The coconut supply chain, however, also faces social and environmental challenges, including workers' safety and health, child labor, poor waste management, monoculture, and overuse of fertilizers and pesticides.

For example, in the Philippines, one of the countries where coconut oil is sourced, we are looking for ways to identify practical solutions that address social and environmental matters in key production locations. Through the ELCCF, we are co-funding a multi-stakeholder project aimed at improving smallholder livelihoods through education of enhanced practices in agriculture and local trade which incorporate sustainability principles.

TRACEABILITY

Technology has become an important tool to enhance transparency and traceability within our supply chain. In fiscal 2023, we piloted the mapping of 4 sensitive ingredient supply chains using Transparency-One, a digital network and supply chain mapping platform. Through this platform, our suppliers share sourcing information and contribute to building a comprehensive understanding of our supply chains.

While the pilot program confirmed the Transparency-One platform met most of our needs, it was also clear that an industry approach

would allow us to gain traction with suppliers and trace further upstream in shared supply chains. As a result, in fiscal 2024, ELC became a founding member of The TRaceability Alliance for Sustainable CosMEtics (TRACE), a consortium of 15 cosmetics industry companies committed to collectively mapping their supply chains across the entire value chain on the Transparency-One common digital platform. By collaborating with other cosmetics companies, it is possible to further advance transparency and traceability in supply chains for the entire industry.

PARTNERSHIPS AND INDUSTRY INITIATIVES

We participate in industry initiatives to encourage the sharing of information and best practices, especially as related to ingredient traceability and sourcing. These initiatives include:

- **Action for Sustainable Derivatives (ASD):** The ELCCF contributes to the ASD Impact Fund, along with 10 other ASD members. The ASD Impact Fund allows ELCCF and its funding partners to direct support to on-the-ground projects that address underlying issues influencing responsible practices in priority palm production landscapes. With the ELCCF and other donor contributions, ASD has continued to support Kaleka's Mosaik Initiative, a project focused on finding ways to sustainably restore forest ecosystems while protecting remaining forests and driving economic growth, in 2 of the largest palm-producing districts in Central Kalimantan, Indonesia. Through this partnership, as of fiscal 2024, trees were planted on 100 hectares of degraded land, and more than 600 farmers achieved RSPO certification.
- **Harvesting the Future:** We are a member of this industry coalition comprised of suppliers, industry peers, local community, and nonprofits. The coalition aims to create short and long-term plans addressing responsible sourcing and traceability challenges in sensitive supply chains such as Egyptian jasmine and other botanical ingredients. As part of our coalition efforts related to Egyptian jasmine, we are contributing to funding interventions for vocational training, financial literacy, and entrepreneurship and social protection programs.
- **Global Shea Alliance:** Shea butter is an important ingredient in many of our products, used as a softening and moisturizing agent. Shea trees grow naturally in the wild in central Africa, and shea nuts are typically harvested by women. This industry collaboration helps us deliver on our commitments to both women and sustainability.
- **Roundtable on Sustainable Palm Oil (RSPO):** RSPO is the leading convening body that develops and sets the standards for palm oil sustainability and enables palm oil certification. We have been a member of the RSPO since 2014. We are also signatories to the RSPO's North American Sustainable Palm Oil Network (NASPON) Charter Agreement. NASPON is a multi-stakeholder platform to collaborate, educate, inform, and build momentum to help North American companies make and deliver on commitments to source palm oil sustainably.

- **Project Lampung:** The objective of this project was to build the capacity of more than 1,000 smallholder farmers in the Lampung Province of Indonesia to produce palm oil using sustainability practices and improve incomes and livelihoods. Partners included Solidaridad, a global NGO; BASF, a long-term supplier; the RSPO; Business Watch Indonesia; and the Indonesian Agency for Agricultural Extension, a local farmers association. In fiscal 2024, ELC and the project partners announced the completion of the project. In total, the initiative provided technical education and training for more than 1,000 independent smallholder farmers and helped over 300 of those smallholders receive official RSPO certification, making them the first such group in the Way Kanan Regency of Lampung to do so. Independent smallholder RSPO credits provide farmers the means to participate in the global sustainable palm oil market by giving farmers an opportunity to receive a premium for the sale of certified sustainable palm oil. To support direct market access for smallholders, ELC also announced the purchase of 220 RSPO Credits* from these newly certified farmers in the Lampung region.

*An RSPO Credit is proof that one ton of certified palm oil was produced by an RSPO-certified company or independent producer.

- **The TRaceability Alliance for Sustainable CosmEtics (TRASCE):** ELC is a founding member of this consortium of cosmetics industry companies. The group collaborates to enhance traceability in key ingredients and packaging supply chains across the industry, using a common digital platform.

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Palm Oil Metrics p. 76

2024 CDP Response [🔗](#)

Sourcing webpage [🔗](#)

PRODUCT FORMULATION

Consumers around the world trust our brands to deliver the best beauty performance and to do so safely. We consider safety, performance, sustainability, and overall well-being throughout the product development process. We rely on the deep expertise of our scientists and researchers to bring our innovative products to market using advanced methods of development. These considerations align our formulation practices with UN Sustainable Development Goal 12— Responsible Consumption and Production.

GOVERNANCE

Our Research & Development (R&D) Product Formulation, Process Development, and Advanced Technology Pioneering teams manage formula development, including upstream innovation, ingredient selection, formula design, and qualification. Our R&D leadership also oversees product sustainability efforts and green formulation, facilitating cross-functional collaboration throughout the process.

Our Global Product Stewardship team manages ingredient and product safety, including management of our safety review process, regulatory, and analytical and microbiological compliance. Green chemistry is integrated into our formula design efforts with Product Formulation and Global Product Stewardship partnering closely to enable this work across our portfolio.

Our global Green Chemistry Scientific Advisory Board advises on green chemistry best practices and the application of green chemistry methodologies that are scientifically robust and transparent. In fiscal 2024, we added a second independent scientific advisory board, representing a focus on the APAC region. These boards are part of our overall commitment to rigorous scientific credentialing, which also encompasses publishing in peer-reviewed journals, partnering with universities, and filing for patents. In fiscal 2024, both advisory boards met at ELC's research and development site in Shanghai, China, to review our Green Score program and to discuss the acceleration of green chemistry within the APAC region.

We continue our support of legislative and regulatory efforts around the world to modernize and reform cosmetics regulation, including in the European Union, United States, and Canada.

POLICIES AND CERTIFICATIONS

- Animal Testing Policy [🔗](#)
- ISO 16128: We have established standard operating procedures to formulate using the ISO 16128: % Natural and % Naturally Derived standards and have also developed a self-service formulation tool and training program for our formulators. [🔗](#)

STRATEGY AND FISCAL 2024 PROGRESS

We are dedicated to helping our consumers make beauty choices that are right for them. We are committed to formulating with safe ingredients and continue to work toward increased ingredient transparency of our products. We seek to deliver high-quality products to consumers while pioneering innovation in ingredient selection, formulations, and processes. We continuously explore new ingredients through the lens of sustainability and safety, as well as performance, seeking to embed benefits such as renewability, biodegradability, and lower greenhouse gas (GHG) emissions in our formulations.

PRODUCT SAFETY

We evaluate the safety of each product through a robust quantitative risk assessment process. We employ a sophisticated evaluation plan that incorporates a selection of relevant tools, including, for example, a suite of tests such as stability, consumer, and clinical tests, as well as ophthalmologist and dermatologist testing.

When we consider using an ingredient, we evaluate it to be sure that it meets our safety standards and the requirements of governmental, regulatory, and scientific bodies around the world. If needed, experiments are conducted in state-of-the-art in vitro tests and/or computer-based models to further inform our understanding of the ingredient's safety profile.

This ingredient information guides us as we formulate our products. We then evaluate the full formula for safety, which may include comparing it to similar formulas within our extensive database of clinical and safety data. Additional clinical and in vitro testing may also be conducted among volunteer panels to further confirm safety. ELC continues to enhance and evolve our underlying scientific understanding of the ingredients used to formulate our products and the assessment processes by which product safety is demonstrated.

Once the cosmetic formula meets our performance, safety, and quality standards, it is further tested for compatibility with packaging, and then the finished product is placed on the market for our consumers to enjoy. We continuously monitor feedback from our consumers, allowing us to understand the impact of our products as they are being used.

OUR APPROACH TO CLEAN BEAUTY

We recognize there is no standard definition of “clean beauty.” Some of our brands opt to formulate without specific ingredients or engage in various retailer clean beauty programs at the product or brand level. We evaluate evolving standards for clean beauty claims and retailer program requirements to inform brand alignment and participation.

ELC uses the ISO 16128 standard to evaluate the natural origin content of our raw materials and formulations. In fiscal 2024, we continued to expand our product portfolio to include more products formulated with a greater emphasis on naturally derived ingredients.

ANIMAL WELFARE

More than 30 years ago, The Estée Lauder Companies was one of the first cosmetics companies to eliminate animal testing as a method of determining cosmetic product safety. We don’t test our products on animals and we don’t ask others to test for us. We acknowledge some of our brands are sold in countries where animal testing on cosmetics or cosmetic ingredients is required by law. *Read more about our position against animal testing and approach to promoting acceptance of alternatives on our Viewpoints page.* [🔗](#)

GREEN CHEMISTRY

We have long understood the importance of green chemistry in embedding sustainability into product formulation. We have spent more than a decade collaborating with experts in the field, assessing our own internal capabilities, and developing tools to enable our teams to seamlessly leverage green chemistry in their daily work. We use green chemistry methods to score our ingredients, innovate across our ingredient portfolio, and design our products. Alongside these processes, we focus our efforts on our talent, continually training our formulators on green principles and practices as we strive for excellence in our green chemistry work.

GREEN SCORE PROGRAM

The Estée Lauder Companies internal Green Score program utilizes a proprietary Green Score tool to provide a quantifiable method for our formulators to systemically assess each raw material. This gives an overall Green Score for a product, through the lenses of human health, ecosystem health, and the environment.

We continue to use the Green Score tool to inform our decision-making; communicate expectations with suppliers; and prioritize raw materials, product types, and product forms. Green Scores have been calculated for all individual materials and formulations across our in-house skin care, hair care, and makeup portfolios.

We are also dedicated to ongoing research into new ingredient technologies, focusing on improving the sustainability of the raw materials in our formulas. Green Score also plays an important sustainability role in allowing formulators to make emissions-related decisions in support of our Scope 3 GHG emissions-reduction goal through inclusion of data on GHG-equivalent emissions at the raw ingredient level methodology.

All ELC brand formulators have access to the Green Score quantitative tool to assess the sustainability of their formulations in real time, so they can make educated choices about which ingredients to include. In addition to enterprise-wide trainings for ELC formulators, the Green Score program is integrated across our in-house product development process, providing visibility into the Green Score for new product launches.

In fiscal 2024, our team developed an enhanced Green Score tool (Green Score v.2.0) to incorporate additional green chemistry principles. These principles include minimizing waste generation during ingredient manufacturing, utilizing “benign by design” chemical syntheses, and designing for degradation.

GREEN CHEMISTRY AND OUR VALUE CHAIN

Our green chemistry work began with a focus on the formulations and ingredients over which we have direct control. Our approach has been to gain a thorough and strategic understanding of our own impacts before expanding to our suppliers, third-party manufacturers, and newly acquired businesses. We continue to expand our work to score fragrances, which are often supplied to us by our partners. Having already scored our fragrance palette of more than 1,500 fragrance ingredients, in fiscal 2024 we continued to work with key fragrance houses to score additional fragrance products.

INGREDIENT TRANSPARENCY

Our ingredient palette is composed of thousands of materials. We aim to provide information to our consumers about the ingredients in our products and are developing new ways to share ingredient information and ensure compliance with government transparency measures.

In fiscal 2024, building on some of our individual brands’ ingredient glossaries, we published a corporate glossary, which includes ingredients of interest to consumers, including ascorbic acid, vitamin C, ceramides, hyaluronic acid, glycolic acid, lactobacillus ferment, niacinamide, retinol, resveratrol, and peptides, among many others.

We are committed to working with our individual brands to create online ingredient glossaries featuring key ingredients along with descriptions of their purposes. As of fiscal 2024, 14 brands have launched ingredient glossaries on their websites, and several have expanded existing content. These glossaries serve as a valuable channel for consumers to gain insights into the key ingredients found in their favorite products, understand the reasons for their inclusion, and discover their associated benefits.

PARTNERSHIPS

Our participation and membership in industry initiatives seeks to ensure our company continues to work alongside industry leaders in accordance with safety, regulatory, and sustainable development criteria.

- We support the International Cooperation on Cosmetics Regulation (ICCR) and other legislative and regulatory efforts around the world to modernize and reform cosmetics regulation, including in the European Union, United States, and Canada.
- ELC is a member of the Personal Care Products Council in the United States, Cosmetics Europe, the European Personal Care Products Association, and similar organizations world-wide.
- We also participate in the International Collaboration on Cosmetics Safety, which is a global initiative across cosmetics companies, chemistry experts, and animal protection organizations, and is focused on advancing the adoption of animal-free assessments of cosmetics and their ingredients, for human health and environmental safety.
- As members of Cosmetics Europe, we contribute to and support their consumer app, Cosmile, to provide transparent information on ingredients in cosmetic products.

ADDITIONAL RESOURCES

Ingredient Transparency Goal

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Ingredient and Product Testing and Safety Viewpoint [↗](#)

Clean Beauty Viewpoint [↗](#)

Corporate Ingredient Glossary [↗](#)

Green Chemistry website [↗](#)

PACKAGING

Product packaging is integral to the high-touch experience our consumers expect from our brands. Increasingly, sustainability considerations can influence prestige packaging—for example, through the removal of unnecessary packaging components, the application of design for-recyclability principles, and efforts to replace virgin petroleum-based plastics. Our packaging framework, crafted with a sustainability lens, further supports our efforts to foster a more circular economy. This work supports UN Sustainable Development Goal 12—Responsible Consumption and Production.

GOVERNANCE

We take an end-to-end approach to packaging innovation, with numerous teams sharing the responsibility to deliver on our packaging sustainability goals. The Global Packaging function is accountable for executing packaging strategies and works with Environment, Health, and Safety; Global Research & Development; Global Product Stewardship; Engineering; Global Communications and Public Affairs; and Global Corporate Citizenship and Sustainability functions, as well as the marketing, creative, and procurement teams.

Within the Global Packaging function, our Packaging Sustainability team drives sustainability initiatives and ensures alignment between our brands and corporate organization. Packaging Sustainability assists the brands, who are responsible for delivering on ELC packaging sustainability strategies, to drive commercial value creation and corporate goal achievement.

POLICIES AND CERTIFICATIONS

- Timber Action Plan [🔗](#)
- No Deforestation, No Peat, No Exploitation (NDPE) Policy [🔗](#)
- Forest Stewardship Council (FSC) certification for packaging materials (as related to our goal to secure FSC certification for 100% of forest-based fiber cartons by the end of calendar year 2025) [🔗](#)
- B-Corp—Aveda [🔗](#) and Le Labo Fragrances [🔗](#) carry B-Corp certification
- Positive Luxury Butterfly Mark—TOM FORD BEAUTY [🔗](#)

STRATEGY AND FISCAL 2024 PROGRESS

From concept to consumer, packaging is vertically integrated throughout much of the enterprise. Our Materials Science team seeks to incorporate sustainability elements into the development of luxury packaging innovations. Packaging developers help brands

stay up to date on the most recent and innovative design principles. As part of our New Product Launch (NPL) process, developers in partnership with our packaging sustainability team consider the potential environmental impacts of our packaging design.

Our Packaging Sustainability Guidelines outline our priorities, which include:

- Reducing and removing packaging where possible
- Designing packaging that is reusable and refillable
- Building designed-in recyclability
- Increasing amounts of recycled content and prioritizing post-consumer recycled (PCR) material in packaging
- Replacing petroleum-based plastics with bioplastics (if the bioplastic can be recycled and does not contaminate traditional recycling streams).

Along with the Guidelines, we use various tools to advance packaging sustainability. These include custom-developed tools to calculate the sustainability profiles of different packaging formats and materials such as our greenhouse gas assessment calculator, as well as third-party reviewed lifecycle assessments for select product packaging.

TRAININGS

Training allows us to keep employees and suppliers up to date on packaging sustainability initiatives while capturing ideas and feedback to evolve our programs. In fiscal 2024, we increased the number of training courses that we offer to help improve employees', retailers', and suppliers' understanding of current and emerging sustainability-related topics. These courses cover retailer demands for sustainability in packaging, consumer insights, packaging sustainability trends, and regulatory requirements, in order to help brands implement and communicate packaging-related efforts. In fiscal 2024, we launched a dedicated Earth Month edition of ELC UnPack It, an ongoing packaging education series which offered information to more than 250 employees on packaging sustainability solutions at ELC.

We engage with our external stakeholders, such as our suppliers and industry peers, to collaborate on packaging solutions across our value chain. We train our suppliers in life cycle assessment (LCA) methodologies based on ISO 14040 and ISO 14044* to help

promote a more circular economy. In fiscal 2024, we also spoke at conferences and events, such as Recycling Summit and Luxe Pack, and shared best practices with peers to help lead the industry forward in adopting packaging sustainability improvements.

*ISO 14040: Environmental Management—Life Cycle Assessment—Principles and Framework, and ISO 14044: Environmental Management—Life Cycle Assessment—Requirements and Guidelines.

TARGETING THE “5Rs”

We aim to design our packaging to be recyclable, refillable, reusable, recycled, or recoverable—our “5Rs”. We define these characteristics as follows:

- **Recyclable:** Package or packaging component that can be widely recycled through current recycling streams. Its recyclability may depend on size, decoration, and material, as well as the location in which it is sold.
- **Refillable:** Packaging that allows containers to be used multiple times, helping to minimize single-use waste and contribute to a circular economy.
- **Reusable:** Containers are designed to be used multiple times for the same purpose, reducing the need for single-use items and promoting long-lasting sustainability practices.
- **Recycled:** Packaging materials that are post-consumer recycled, which is material generated by consumers in their role as end-users of the product which can no longer be used for its intended purpose. This includes returns of material from the distribution chain and excludes pre-consumer material, such as industrial scrap.
- **Recoverable:** Packaging materials that would have otherwise been disposed of, including to landfill, but have instead been collected through The Estée Lauder Companies’ take back programs.

We understand that transforming packaging to meet these characteristics at scale takes time, especially as it requires change across the entire value chain. For example, existing recycling infrastructure often cannot recover small size packaging; post-consumer recycled materials supply might be limited and not meet quality or compatibility specifications; roll out of refillable components must take into account new delivery systems; and consumers often dispose of empty cosmetics packaging in their bathrooms, where recycling is not top of mind.

For our part, we continue to work through these challenges. We are investing in innovative packaging sustainability solutions, process improvements, supplier collaborations, and alternative materials, as supported by insights from listening to our consumers.

PLASTICS

We are committed to minimizing the use of virgin petroleum content in our plastic packaging. Our internal plastic guidelines help drive the reduction of virgin petroleum and nonrecyclable plastic in our packaging, products, offices, facilities, and retail spaces. Our guidelines include options such as pursuing alternatives to single-use virgin petroleum plastic packaging, replacing plastic applicators used in our retail stores with paper or wood versions, reducing plastic water bottles and cutlery in our spaces, and

reducing virgin petroleum and nonrecyclable plastic used in our visual merchandising.

Our goal of reducing the amount of virgin petroleum content in our plastic packaging, as well as regulations around the world that target plastic reduction, encourages a holistic approach to addressing the challenges related to plastic and complex packaging formats. To support our efforts to achieve this goal, we continue to leverage a broad range of packaging solutions, including the use of advanced recycling as a complementary solution to mechanical recycling, exploration of bio-based resins, and innovative uses of materials such as paper. In fiscal 2024, certain brands also engaged in packaging redesign to help achieve reductions in virgin petroleum content in their plastic packaging (*see pages 17-20 for brand examples*).

Advanced recycling returns hard-to-recycle plastic back to its basic chemical building blocks. This is important because traditional mechanical recycling streams for plastics are limited, and plastics can only be recycled a finite number of times. Once the plastic has been broken down to its molecular state through advanced recycling, it can be used to create high-performance plastics akin to a virgin material. Our work with leading suppliers in the material-to-material molecular recycling technology space has helped us incorporate advanced recycling technologies into PCR content used in our packages.

SECONDARY AND TERTIARY PACKAGING

Secondary and tertiary packaging materials protect the integrity of our products while in transit. We focus on improving the sustainability profile of shipping packaging materials through various methods. For example, we work with suppliers to use alternative materials and increase the percentage of PCR content in tertiary packaging. Certain brands also provide consumers with the choice to opt out of gift boxes to reduce excess packaging. These efforts help improve packaging sustainability while maintaining a luxurious experience throughout the consumer journey. At our manufacturing sites, we have implemented pilot projects with local suppliers to reuse and return component trays to help reuse and reduce waste.

PARTNERSHIPS

We engage in partnerships and collaborations with sustainability organizations, recyclers, suppliers, and other stakeholders to address industry-wide challenges and inform our approach to meeting our packaging targets. The knowledge gained through partnerships allows us to further enhance design choices related to packaging features such as color, dimensions, separability, and decoration. Understanding how these features impact the packaging's end-of-life enables us to improve our guidelines, internal tools, and trainings to help us deliver packaging designed with sustainability in mind. For example, in fiscal 2024, we completed a multi-year study in partnership with Strategic Materials, Inc., the largest glass recycler in North America, to identify ways to enhance the recyclability of cosmetic glass packaging.

We continue to invest in industry-leading collaborations as a critical component of our holistic approach to addressing the challenges related to complex packaging formats. We are members of, or collaborate with, the following organizations focused on reducing the environmental impacts of packaging:

- Business Coalition for a Global Plastics Treaty
- Ellen MacArthur Foundation
- EUROOPEN
- Material ConneXion
- Stina Inc.
- Sustainable Packaging Coalition (SPC)
- The Sustainable Packaging Initiative for CosmEtics (SPICE)
- Strategic Materials INC
- 4evergreen

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Plastics Viewpoint 🔗	

METRICS

CAUTIONARY NOTE REGARDING SOCIAL IMPACT AND SUSTAINABILITY INFORMATION. [🔗](#)

		FY24	FY23	FY22
SELECT FINANCIAL DATA (IN MILLIONS, EXCEPT PER SHARE DATA)	Net sales	\$15,608	\$15,910	\$17,737
	Net earnings attributable to The Estée Lauder Companies Inc.	\$390	\$1,006	\$2,390
	Net earnings attributable to The Estée Lauder Companies Inc. per common share—Diluted	\$1.08	\$2.79	\$6.55

		JUNE 30		
		2024	2023	2022
GLOBAL EMPLOYEES ¹ Amounts may not sum due to rounding	Total employees (thousands)	61.0*	60.7 ⁺	60.9 ⁺
	% Total employees, by region			
	<i>The Americas</i>	36.9%*	37.5% ⁺	38.6% ⁺
	<i>Asia/Pacific</i>	29.8%*	28.8% ⁺	28.1% ⁺
	<i>Europe, the Middle East & Africa</i>	33.3%*	33.7% ⁺	33.2% ⁺
	% Total employees, by age group			
	<30 yo	28.4%*	29.3% ⁺	30.2% ⁺
	30-50 yo	54.7%*	54.0% ⁺	53.7% ⁺
	>50 yo	16.9%*	16.7% ⁺	16.1% ⁺
	% Total employees, by gender			
	<i>Female employees</i>	80.8%*	80.4% ⁺	80.9% ⁺
	% Total corporate employees by job level, by gender			
	<i>Female Vice President and Above</i>	60.4%*	59.1% ⁺	57.4% ⁺
	<i>Female Director and Executive Director</i>	64.3%*	62.5% ⁺	64.2% ⁺
	<i>Female Manager and Below</i>	78.5%*	81.8% ⁺	80.0% ⁺
% Total employees by role type, by gender				
<i>Female in Corporate</i>	75.3%*	75.5% ⁺	76.5% ⁺	
<i>Female in Retail</i>	88.5%*	88.9% ⁺	89.5% ⁺	
<i>Female in Manufacturing and Distribution</i>	50.2%*	50.9% ⁺	51.1% ⁺	
<i>Female in STEM</i>	63.3%*	62.8% ⁺	64.9% ⁺	

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

⁺Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

1. Total employees include global full-time, part-time, regular, and temporary employees on active assignment or on leave with pay. Employee metrics in this and other tables exclude approximately 1,300+ DECIEM employees. DECIEM is in the process of being fully integrated into the principal ELC HR Data System.

		JUNE 30		
		2024	2023	2022
GLOBAL EMPLOYEES BY EMPLOYEE TYPE (THOUSANDS) Amounts may not sum due to rounding	TOTAL EMPLOYEES BY EMPLOYEE TYPE, BY REGION			
	Regular employees, by region			
	<i>The Americas</i>	14.9*	15.4 ⁺	16.2 ⁺
	<i>Asia/Pacific</i>	16.7*	16.1 ⁺	16.1 ⁺
	<i>Europe, the Middle East & Africa</i>	18.9*	18.9 ⁺	18.8 ⁺
	Temporary employees, by region			
	<i>The Americas</i>	7.6*	7.4 ⁺	7.4 ⁺
	<i>Asia/Pacific</i>	1.4*	1.4 ⁺	1.1 ⁺
	<i>Europe, the Middle East & Africa</i>	1.4*	1.5 ⁺	1.5 ⁺
	TOTAL EMPLOYEES BY EMPLOYEE TYPE, BY GENDER			
	Regular full-time employees, by gender			
	<i>Female</i>	32.9*	32.6 ⁺	33.5 ⁺
	<i>Male</i>	9.6*	9.8 ⁺	9.6 ⁺
	Regular part-time employees, by gender			
	<i>Female</i>	7.4*	7.4 ⁺	7.3 ⁺
<i>Male</i>	0.6*	0.6 ⁺	0.6 ⁺	
Temporary full-time employees, by gender				
<i>Female</i>	1.3*	1.4 ⁺	1.5 ⁺	
<i>Male</i>	0.3*	0.3 ⁺	0.3 ⁺	
Temporary part-time employees, by gender				
<i>Female</i>	7.8*	7.4 ⁺	7.0 ⁺	
<i>Male</i>	1.1*	1.1 ⁺	1.0 ⁺	

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

		JUNE 30		
		2024	2023	2022
U.S. EMPLOYEES ² Amounts may not sum due to rounding	% TOTAL U.S. EMPLOYEES, BY RACE/ETHNICITY ³			
	White	48.2%*	47.9% ⁺	47.9% ⁺
	Not Self-Identified	0.7%*	1.3% ⁺	1.8% ⁺
	People of Color	51.0%*	50.9% ⁺	50.3% ⁺
	<i>American Indian or Alaskan Native</i>	0.5%*	0.5% ⁺	0.4% ⁺
	<i>Asian</i>	15.1%*	15.4% ⁺	14.8% ⁺
	<i>Black or African American</i>	12.6%*	13.0% ⁺	13.1% ⁺
	<i>Hispanic or Latino</i>	18.6%*	18.1% ⁺	18.3% ⁺
	<i>Native Hawaiian or Pacific Islander</i>	0.4%*	0.4% ⁺	0.5% ⁺
	<i>Two or More Races</i>	3.8%*	3.5% ⁺	3.2% ⁺

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*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

- Data is only available for U.S.-based employees and race/ethnicity category is defined according to Equal Employment Opportunity Commission (EEOC) guidelines as American Indian or Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, Two or More Races, and White. Excludes DECIEM.
- ELC's consolidated EEO-1 reports are available to download here ([2022 EEO-1](#) and [2023 EEO-1](#)). These reports represent the ELC U.S.-based employee population as of the close of the 2022 and 2023 calendar year, in alignment with federally mandated Job Category and Level definitions.

		JUNE 30		
		2024	2023	2022
U.S. EMPLOYEES BY ROLE TYPE Amounts may not sum due to rounding	% U.S. CORPORATE EMPLOYEES, BY RACE/ETHNICITY			
	White	61.8%*	61.6%+	63.3%+
	Not Self-Identified	0.1%*	0.3%+	0.1%+
	People of Color	38.1%*	38.1%+	36.7%+
	<i>American Indian or Alaskan Native</i>	0.1%*	0.1%+	0.1%+
	<i>Asian</i>	17.4%*	16.8%+	16.0%+
	<i>Black or African American</i>	6.9%*	7.5%+	7.1%+
	<i>Hispanic or Latino</i>	11.1%*	11.1%+	11.1%+
	<i>Native Hawaiian or Pacific Islander</i>	0.2%*	0.3%+	0.3%+
	<i>Two or More Races</i>	2.3%*	2.3%+	2.1%+
	% U.S. RETAIL EMPLOYEES, BY RACE/ETHNICITY			
	White	41.7%*	41.2%+	40.8%+
	Not Self-Identified	1.4%*	2.5%+	3.8%+
	People of Color	56.9%*	56.3%+	55.5%+
<i>American Indian or Alaskan Native</i>	0.8%*	0.8%+	0.7%+	
<i>Asian</i>	6.2%*	6.3%+	6.1%+	
<i>Black or African American</i>	15.8%*	16.0%+	16.1%+	
<i>Hispanic or Latino</i>	27.1%*	26.8%+	26.6%+	
<i>Native Hawaiian or Pacific Islander</i>	0.6%*	0.6%+	0.7%+	
<i>Two or More Races</i>	6.3%*	5.8%+	5.3%+	
% U.S. MANUFACTURING & DISTRIBUTION EMPLOYEES, BY RACE/ETHNICITY				
White	31.7%*	32.4%+	32.6%+	
Not Self-Identified	0.5%*	0.5%+	0.6%+	
People of Color	67.8%*	67.1%+	66.8%+	
<i>American Indian or Alaskan Native</i>	0.5%*	0.5%+	0.5%+	
<i>Asian</i>	34.5%*	33.6%+	33.9%+	
<i>Black or African American</i>	18.2%*	18.4%+	18.4%+	
<i>Hispanic or Latino</i>	13.7%*	13.4%+	13.0%+	
<i>Native Hawaiian or Pacific Islander</i>	0.3%*	0.3%+	0.3%+	
<i>Two or More Races</i>	0.6%*	0.9%+	0.7%+	

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+Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

		JUNE 30		
		2024	2023	2022
U.S. CORPORATE EMPLOYEES BY JOB LEVEL	% U.S. VICE PRESIDENT AND ABOVE CORPORATE EMPLOYEES, BY RACE/ETHNICITY			
	White	70.6%*	70.1%+	72.0%+
	Not Self-Identified	0.0%*	0.6%+	0.2%+
	People of Color	29.4%*	29.4%+	27.8%+
	<i>American Indian or Alaskan Native</i>	0.0%*	0.0%+	0.0%+
	<i>Asian</i>	14.8%*	15.1%+	13.3%+
	<i>Black or African American</i>	5.1%*	5.0%+	4.9%+
	<i>Hispanic or Latino</i>	7.1%*	7.1%+	7.7%+
	<i>Native Hawaiian or Pacific Islander</i>	0.0%*	0.0%+	0.0%+
	<i>Two or More Races</i>	2.4%*	2.2%+	1.9%+
	% U.S. DIRECTOR AND EXECUTIVE DIRECTOR CORPORATE EMPLOYEES, BY RACE/ETHNICITY			
	White	66.5%*	66.3%+	68.2%+
	Not Self-Identified	0.2%*	0.3%+	0.1%+
	People of Color	33.3%*	33.5%+	31.7%+
	<i>American Indian or Alaskan Native</i>	0.1%*	0.1%+	0.1%+
	<i>Asian</i>	18.9%*	19.0%+	17.9%+
	<i>Black or African American</i>	4.5%*	4.8%+	4.8%+
	<i>Hispanic or Latino</i>	7.9%*	7.8%+	7.3%+
	<i>Native Hawaiian or Pacific Islander</i>	0.1%*	0.1%+	0.2%+
	<i>Two or More Races</i>	1.9%*	1.7%+	1.4%+
	% U.S. MANAGER AND BELOW CORPORATE EMPLOYEES, BY RACE/ETHNICITY			
	White	58.5%*	58.6%+	60.2%+
	Not Self-Identified	0.1%*	0.3%+	0.0%+
	People of Color	41.3%*	41.1%+	39.8%+
	<i>American Indian or Alaskan Native</i>	0.1%*	0.1%+	0.1%+
	<i>Asian</i>	17.0%*	16.0%+	15.5%+
	<i>Black or African American</i>	8.3%*	9.0%+	8.3%+
	<i>Hispanic or Latino</i>	13.1%*	13.1%+	13.1%+
	<i>Native Hawaiian or Pacific Islander</i>	0.3%*	0.4%+	0.3%+
	<i>Two or More Races</i>	2.4%*	2.5%+	2.4%+

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

		FY24	FY23	FY22
TURNOVER RATE ⁴ Amounts may not sum due to rounding	Total turnover rate	21.3%*	25.6% ⁺	27.2% ⁺
	Total turnover rate, by leave reason			
	<i>Voluntary turnover rate</i>	17.4%*	20.0% ⁺	21.5% ⁺
	<i>Involuntary turnover rate</i>	3.9%*	5.6% ⁺	5.6% ⁺

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).
⁺Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

		JUNE 30		
		2024	2023	2022
BOARD OF DIRECTORS Amounts may not sum due to rounding	Total Board count	15	16	16
	% Female	40.0%	43.8%	43.8%
	% People of Color	26.7% ⁵	31.3%	25.0%
	% Board composition, by age group			
	<30 yo	0.0%	0.0%	0.0%
	30-50 yo	20.0%	18.8%	12.5%
	>50 yo	80.0%	81.3%	87.5%

		FY24	FY23	FY22
SOCIAL INVESTMENTS	Total charitable contributions (\$ Millions) ⁶	\$41.4	\$31.2	\$45.2

4. Includes regular full-time and regular part-time employees. Excludes temporary full-time and temporary part-time employees. Turnover rate is calculated by dividing total employees who exited during the fiscal year by average headcount during the fiscal year. Fiscal year average headcount is calculated by adding headcount on the last day of each month and dividing by 12. Excludes DECIEM.
5. As of June 30, 2024, one of our directors self-identified as Black or African American, one of our directors self-identified as Afro-Latino, and two of our directors self-identified as Asian.
6. Amounts represent cash and product donations recorded by ELC for such period and include ELC matching contributions related to employee contributions (amounts do not include charitable contributions made by employees). Changes in contribution levels from year to year reflect, in part, the timing of contributions to the ELC Charitable Foundation, the ELC Cares Fund, and the ELC Good Works program.

		FY24	FY23	FY22
EMPLOYEE VOLUNTEERISM & GIVING ⁷ (THOUSANDS) Amounts may not sum due to rounding	Employee volunteer hours	23.7*	19.7+	14.4+
	Employee donations	\$1,083*	\$1,134+	\$1,166+
	Amount matched by ELC ⁸	\$2,327*	\$1,944+	\$1,810+
	Total cumulative employee donations and Company matches through ELC's social impact and sustainability engagement program ⁹	\$24,224	\$20,815	\$17,738

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

+Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

		FY24	FY23	FY22	
EMPLOYEE SAFETY ¹⁰	Total Recordable Incident Rate	0.22*	0.20+	0.20+	
	Days Away, Restricted or Transfer Rate (DART)	0.17*	0.17+	0.16+	
	Lost Time Frequency Rate	0.13*	0.15+	0.14+	
	Total fatalities	0*	0*	0*	
	Total Recordable Incidents ¹¹	107*	102+	97+	
	# Recordable work related injuries, by main types ¹²				
	<i>Slips, trips, and falls</i>	37*	40+	31+	
	<i>Ergonomic injuries</i>	14*	8+	14+	
	<i>Struck by</i>	14*	24+	14+	

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

+Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

- Metrics reflect information self-reported to ELC's employee social impact and sustainability engagement program, the ELC Good Works platform, used to report employee volunteerism, employee monetary donations, and ELC charitable matching gifts. The platform was available in 17, 31, and 31 markets at the end of fiscal 2022, 2023, and 2024, respectively. Eligible employees are those who meet certain criteria, which varies by market, and have access to the platform. Excludes DECIEM.
- Due to volunteer and Company rewards, as well as campaigns that provide more than a 1-to-1 match, amount matched by ELC is higher than employee donation amount. For more information, see [Management Assertion](#). ELC match amount is also included as part of the "Total Charitable Contributions" metric in the Social Investments data table.
- Metric includes total cumulative ELC employee donations and amount matched, inclusive of volunteer rewards, by ELC since the launch of the ELC Good Works platform in November 2015.
- Data includes employees and contractors under direct supervision. Breakdown by direct employees and contractors is not available. Rates are calculated using the Occupational Safety and Health Administration (OSHA) recordability criteria and are based on 200,000 hours worked and the ELC Total Hours Worked for the fiscal year. Excludes DECIEM. For additional information, see [Management Assertion](#).
- Recordable Incidents are measured using OSHA recordability criteria.
- Main types include the top three most frequently occurring types of recordable injuries as observed over a five-year lookback period.

		FY24	FY23	FY22
ENERGY (THOUSAND MWH EXCEPT FOR PERCENTAGES) Amounts may not sum due to rounding	Total energy consumption within the organization	382.0*	331.4 ⁺	316.0 ⁺
	Total fuel consumption, by source ¹³	194.2*	152.4 ⁺	135.3
	<i>Non-renewable</i>	193.0*	151.4 ⁺	130.7 ⁺
	<i>Renewable</i>	1.2*	1.0 ⁺	4.6
	Total electricity consumption, by source ¹⁴	187.8*	179.0 ⁺	180.7
	<i>Non-renewable</i>	0.0*	0.0 ⁺	0.0 ⁺
	<i>Renewable</i>	187.8*	179.0 ⁺	180.7
	Energy intensity (MWh normalized to million dollars of net sales)	24.5*	20.8 ⁺	17.8 ⁺
	% Global energy sourced from renewable energy	49.5%*	54.3% ⁺	58.7% ⁺
	% Renewable electricity	100%	100%	100%
	Reduction of energy consumption due to conservation and efficiency measures ¹⁵	2.8*	2.3 ⁺	2.0 ⁺
	% of corporate fleet that are electric vehicles ¹⁶	10.7%	5.3%	-

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

13. Fuel consumption for all global activities with ELC operational control. Non-renewable fuel includes diesel, natural gas, mobile gasoline, mobile diesel, fuel oil, liquefied natural gas (LNG), propane, and purchased energy (purchased steam and district heat from natural gas and blended feedstocks). Renewable fuel includes bio-fuel and district heating from wood and wood residuals. For additional information, see [Management Assertion](#).
14. Electricity consumption for all global activities with ELC operational control. Non-renewable electricity consumption reflects utility purchases not covered by renewable off-site generation (utility contracts) and Energy Attribute Certificate (EAC) purchases. Renewable electricity consumption reflects on-site solar generated and consumed at ELC locations, renewable off-site generation (utility contracts), EAC purchases, and a Virtual Power Purchase Agreement (VPPA). For additional information, see [Management Assertion](#).
15. Total estimated annual savings from projects implemented in the reporting period. Total energy savings are attributed to the year in which projects launched, regardless of timing during the fiscal year. For additional information, see [Management Assertion](#).
16. Global corporate fleet vehicles include sales, executive benefit, and employee perquisite passenger vehicles that are owned or leased by ELC and provided to employees pursuant to their role within the organization. Electric vehicles are defined as battery-electric vehicles and plug-in hybrid vehicles with an all-electric range of at least 50 km.

		FY24	FY23	FY22
GREENHOUSE GAS (GHG) EMISSIONS: SCOPE 1 AND 2 (THOUSAND METRIC TONS CO ₂ EQUIVALENT EXCEPT FOR PERCENTAGES)	Scope 1 ¹⁷	36.6*	29.5+	27.8+
	Scope 2 Market-based ¹⁸	1.9*	1.3+	1.3+
	<i>Electricity</i>	0.0	0.0	0.0
	<i>Thermal</i>	1.9	1.3	1.3
	Scope 2 Location-based ¹⁸	63.1*	60.2+	54.8+
	GHG intensity (normalized to million dollars of net sales) ¹⁹	0.0*	0.0+	0.0+
	% Carbon neutral	100%	100%	100%
	% Scope 1 and 2 reduction ²⁰	37%	51%	54%
	Reduction of emissions due to conservation and efficiency measures ²¹	0.8*	0.7+	0.7+

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

17. Scope 1 emissions include direct emissions associated with fuel consumption for the operation of ELC owned and leased facilities and vehicles, except emissions associated with refrigerants sources at retail, office, and certain regional distribution and innovation locations. The base year for Scope 1 and Scope 2 emissions is fiscal 2018. Global warming potential (GWP) factors are taken from the Intergovernmental Panel on Climate Change's Fifth (AR5) and Sixth Assessment Reports (AR6) (select refrigerant GWPs are pulled from AR5 if not provided by the more recent AR6). For additional information on emissions and emissions accounting standard used, see [Management Assertion](#).

18. Scope 2 emissions include indirect emissions associated with purchased electricity, purchased steam, and district heating for the activities of all ELC owned and leased facilities. Market-based emissions include renewable electricity sourced from contractual agreements (as of fiscal 2022) and the application of country or regionally specific residual mix emission factors for electricity (where available). For additional information on emissions and emissions accounting standard used, see [Management Assertion](#).

19. GHG intensity is calculated based on Scope 1 and Scope 2 market-based emissions including carbon offsets and renewable energy sourced from contractual agreements.

20. Reduction is from a fiscal 2018 baseline and reflects Scope 1 and Scope 2 market-based emissions including renewable energy sourced from contractual agreements.

21. Total estimated annual savings from projects implemented in the reporting period. Total energy and GHG emission savings are attributed to the year in which projects launched, regardless of timing during the fiscal year. For additional information, see [Management Assertion](#).

		FY24	FY23	FY22
GREENHOUSE GAS (GHG) EMISSIONS: SCOPE 3 (THOUSAND METRIC TONS CO ₂ EQUIVALENT) Amounts may not sum due to rounding	Scope 3, by category ^{22, 23}	1,771.8	2,269.1	2,331.8
	<i>Category 1: Purchased goods and services²⁴</i>	844.1	946.5	927.5
	<i>Category 2: Capital goods</i>	156.6*	261.0 ⁺	266.2
	<i>Category 3: Fuel and energy-related activities²⁵</i>	22.9*	25.5 ⁺	23.6
	<i>Category 4: Upstream transportation and distribution</i>	585.5	870.8	942.9
	<i>Category 5: Waste generated in operations²⁶</i>	37.3	46.3	47.9
	<i>Category 6: Business travel²⁷</i>	22.3	17.7	9.4
	<i>Category 7: Employee commuting</i>	38.7	42.3	40.6
	<i>Category 8: Upstream leased assets</i>	-	-	-
	<i>Category 9: Downstream transportation and distribution</i>	10.6	10.5	12.6
	<i>Category 10: Processing of sold products</i>	-	-	-
	<i>Category 11: Use of sold products</i>	17.7	17.8	23.1
	<i>Category 12: End-of-life treatment of sold products</i>	30.4	30.1	37.6
	<i>Category 13: Downstream leased assets</i>	-	-	-
	<i>Category 14: Franchises²⁸</i>	4.9	-	-
<i>Category 15: Investments</i>	0.8	0.6	0.4	
% Scope 3 reduction per unit revenue ²⁹	21%	2%	10%	

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

⁺Metric previously assured by an external third party. [See Report of Independent Accountants](#).

22. Scope 3 emissions are reported for all categories that are relevant to ELC. Please refer to [ELC's 2024 CDP Response](#) for additional information.

23. Select fiscal 2022 and 2023 Scope 3 metrics previously reported have been revised due to methodology improvements or the availability of more complete data. Refer to [fiscal 2022 Social Impact & Sustainability Report](#) and [fiscal 2023 Social Impact & Sustainability Report](#) for the previously reported metrics.

24. Category 1 includes Raw Materials, Packaging, third-party manufacturers (TPMs), and indirect procurement of goods and services.

25. Category 3 includes fuel and energy-related activities associated with global activities with ELC operational control. Assurance was completed after publication of the fiscal 2023 metrics.

26. Category 5 data for fiscal 2024 includes Q4 FY23 and Q1-Q3 FY24 data due to data availability constraints.

27. Category 6 includes air travel, hotel stays, rail travel, and car rentals, but excludes out-of-pocket employee travel expenses.

28. Category 14 is included for the first time in fiscal 2024 as a result of the acquisition of TOM FORD and subsequent licensing of fashion and eyewear production.

29. This metric includes purchased goods and services, upstream transportation and distribution, and business travel. Reduction is calculated from a fiscal 2018 Scope 3 baseline (Scope 3 in metric tons CO₂ equivalents / net sales in million USD). See pp. 44-47 for additional details.

	FY24	FY23	FY22
WASTE³⁰	HAZARDOUS WASTE		
(THOUSAND METRIC TONS)	Total hazardous waste, by management method		
Amounts may not sum due to rounding	1.3	1.4	1.4
	Diverted from disposal		
	<i>Recycling</i>	0.02	0.02
	<i>Other recovery³¹</i>	0.11	-
	Directed to disposal		
	<i>Energy recovery</i>	1.0	1.3
	<i>Landfill</i>	0	0
	<i>Incineration</i>	0.23	0.08
	<i>Other treatment method³²</i>	<0.01	<0.01
	NON-HAZARDOUS WASTE		
	Total non-hazardous waste, by management method (excluding reuse) ³³		
	20.8	29.6	30.0
	Diverted from disposal		
	<i>Reuse³³</i>	7.7	4.1
	<i>Recycling³³</i>	16.4	16.9
	<i>Composting</i>	0.04	0.03
	<i>Other recovery³¹</i>	0.57	-
	Directed to disposal		
	<i>Energy recovery³³</i>	12.2	13.0
	<i>Landfill³⁴</i>	0.10	0.11
	<i>Incineration³³</i>	0.19	-
	<i>Other treatment method³²</i>	0.02	-

30. Fiscal 2024 waste data reflects production and surplus waste from 47 locations (14 manufacturing sites, 26 distributions sites, and 7 innovation sites). Sludge waste and product giveaways are not included. Excludes DECIEM.

31. Other recovery methods in fiscal 2024 include anaerobic digestion and co-processing.

32. Other treatment methods in fiscal 2024 include a combination of chemical, biological, and/or physical.

33. Fiscal 2023 data revised due to more accurate data capture.

34. Metric includes municipal solid waste, a non-industrial waste stream that is not in scope of ELC's zero industrial waste-to-landfill goal and a small portion of industrial waste.

		FY24	FY23	FY22
WATER	Withdrawal (million cubic meters) ³⁵	1.6*	1.6+	1.5
	Consumption (million cubic meters) ³⁵	0.2*	0.2+	0.1
	Discharge (million cubic meters) ³⁵	1.4*	1.4+	1.4
	% Water consumption from all areas with high or extremely high water stress ³⁶	53.0%*	46.4%+	49.8%
	% Water withdrawn from all areas with high or extremely high water stress ³⁶	80.2%*	67.8%+	77.2%
	Water consumption intensity (cubic meters normalized to million dollars of net sales)	10.6*	10.3+	7.5
	% Reduction in water withdrawal at manufacturing sites ³⁷	23%	18%	13%

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#).

		FY24	FY23	FY22
SUPPLIER EVALUATION AND MONITORING ³⁸	% of new suppliers screened using environmental and social criteria ³⁹	100%	100%	100%
	% of strategic suppliers screened using environmental and social criteria ⁴⁰	100%	100%	99%
	Number of third-party supplier audits ⁴¹	124	97	69

35. Fiscal 2024 Withdrawal, Consumption, and Discharge data reflects 171 locations operated by ELC (16 manufacturing sites, 43 distribution sites, 7 innovation sites, and 105 offices). For additional information, see [Management Assertion](#).

36. A water risk assessment conducted in fiscal 2024 indicates 79 locations are present in areas of high or extremely high water stress as defined by the World Resources Institute's Water Risk Atlas tool (Aqueduct version 4.0). For additional information, see [Management Assertion](#).

37. Reduction is from a fiscal 2019 baseline of 1.5 million cubic meters water withdrawal at ELC-operated manufacturing sites. Excludes any manufacturing sites not fully operated by ELC within the target timeline.

38. Suppliers are those that provide direct raw material, ingredient, packaging, and third-party manufacturing to ELC.

39. Excludes DECIEM.

40. Strategic suppliers include those with broad and unique capabilities, proven value creation, and a high level of collaboration. These suppliers comprise more than half of ELC direct spend in the periods reported. Excludes DECIEM.

41. Includes third-party audits requested by ELC, as well as other mutually recognized audits that (i) align to ELC's audit standard; (ii) are conducted by third-party auditors; and (iii) meet ELC's validity date criteria.

		CY23	CY22	CY21
PALM OIL ⁴² Amounts may not sum due to rounding	Total amount of palm oil sourced (thousand metric tons)	3.2*	5.1+	5.1+
	% Total palm oil certified by RSPO, by certification type	100%*	100%+	100%+
	<i>Identity preserved</i>	<1%*	<1%+	<1%+
	<i>Segregated</i>	<1%*	<1%+	<1%+
	<i>Mass balance</i>	95%*	91%+	92%+
	<i>RSPO Credits</i>	5%*	9%+	8%+
	% Total palm-based ingredients sourced through certified-sustainable physical supply chains	95%*	91%+	92%+
	% Palm derivative volume traceable to the mill level	87%	84%	82%
	% Palm derivative volume traceable to the plantation level	58%	47%	30%

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

		FY24	FY23	FY22
PACKAGING ⁴³	% Packaging that is recyclable, refillable, reusable, recycled, or recoverable	71%*	71%+	63%+
	% Post-consumer recycled (PCR) material	20%*	19%+	17%+
	% Forest-based fiber carton codes FSC certified ⁴⁴	95%*	99%+	95%+
	% Virgin petroleum content in plastic packaging	82%*	83%+	87%+
	Total weight of product packaging, by type (thousand metric tons)	61.3*	66.2+	71.6+
	<i>Non-renewable</i>	49.1*	52.2+	54.8*
	<i>Renewable</i> ⁴⁵	12.2*	14.0+	16.8*
	Total weight of materials reclaimed through consumer take back programs (thousand metric tons) ⁴⁶	0.1*	0.2+	0.2+
	% Packaging reclaimed through consumer take back programs ⁴⁶	0.20%*	0.25%+	0.25%+
	% Packaging made from PCR content and/or renewable materials	40%*	40%+	40%+

*Metrics assured by PricewaterhouseCoopers LLP. See PwC's [Report of Independent Accountants and Management Assertion](#).

*Metrics previously assured by an external third party. See [Report of Independent Accountants in the FY23 Social Impact and Sustainability Report](#) and [Report of Independent Accountants in the FY22 Social Impact and Sustainability Report](#).

42. Palm oil sourcing is reported by Calendar Year (CY) in alignment with the Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress (ACOP) guidelines. Excludes palm-based ingredients not directly procured by ELC, such as those procured by third-party manufacturers (TPMs) and directly procured and received by DECIEM.

43. Product packaging is defined as any item to be used for the containment, protection, handling, and presentation of products and delivery to ELC's distribution centers that is included on the bill of materials. Excludes DECIEM. For additional information, see [Management Assertion](#).

44. Forest-based fiber cartons are defined as folding cartons or sleeves made from solid bleached sulfate paperboard, folding box board, or an equivalent board made with post-consumer waste.

45. Renewable materials are those composed of biomass from a living source and are replenished at a rate equal to or greater than the rate of depletion.

46. Materials collected in North America, Latin America, EMEA, and Australia only.

GRI / SASB / TCFD / TNFD INDEXES

GRI CONTENT INDEX

STATEMENT OF USE

The Estée Lauder Companies has reported the information cited in this GRI content index for the period July 1, 2023–June 30, 2024 (fiscal year 2024) with reference to the GRI Standards.

GRI 1 USED

GRI 1: FOUNDATION 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	The Estée Lauder Companies Inc. FY24 Form 10-K, pp. 2-9, 20 🔗 767 Fifth Avenue, New York, New York
	2-2 Entities included in the organization's sustainability reporting	FY24 Form 10-K, p. 2 🔗 This report covers The Estée Lauder Companies and its subsidiary operations unless otherwise specified.
	2-3 Reporting period, frequency, and contact point	July 1, 2023–June 30, 2024 Fiscal year (annual reporting) The fiscal 2024 Social Impact & Sustainability Report was published on October 24, 2024. Please use our online form for inquiries regarding this report. 🔗
	2-4 Restatements of information	Information on restatements of social impact and sustainability data are included in the footnotes to the tables in the Metrics section.
	2-5 External assurance	About this Report section Report of Independent Accountants and The Estée Lauder Companies Management Assertion 🔗
	2-6 Activities, value chain, and other business relationships	FY24 Form 10-K, pp. 2-9, 12, 20, 30-33 🔗 Sourcing, Packaging, and Nature and Biodiversity sections Climate Transition Plan, pp. 15-22 🔗 Climate Transition Plan 2024 Progress Update, p. 10 🔗
	2-7 Employees	Metrics, pp. 65-70 There are no significant seasonal variations in our workforce.
	2-8 Workers who are not employees	We do not use non-employees to perform a significant portion of the organization's activities.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021 <i>(continued)</i>	2-9 Governance structure and composition	2024 Proxy Statement, pp. 9-21 🔗 The Nominating and ESG Committee is responsible for social impact and sustainability oversight. Nominating and ESG Committee Charter, p. 1 🔗 Corporate Governance Guidelines, p. 9 🔗
	2-10 Nomination and selection of the highest governance body	2024 Proxy Statement, pp. 9, 18-20 🔗
	2-11 Chair of the highest governance body	2024 Proxy Statement, pp. 10, 19-20 🔗
	2-12 Role of the highest governance body in overseeing the management of impacts	The Nominating and ESG Committee is responsible for social impact and sustainability oversight. Nominating and ESG Committee Charter, p. 1 🔗 Our Commitment to Social Impact and Sustainability section
	2-13 Delegation of responsibility for managing impacts	Our Commitment to Social Impact and Sustainability section
	2-15 Conflicts of interest	2024 Proxy Statement, pp. 10-17, 24-30, 33, 44, 60 🔗 Code of Conduct, pp. 13-14 🔗
	2-19 Remuneration policies	2024 Proxy Statement, pp. 40-85 🔗 Our Commitment to Social Impact and Sustainability section (Corporate Governance and Executive Compensation)
	2-20 Process to determine remuneration	2024 Proxy Statement, pp. 40-85 🔗 Our Commitment to Social Impact and Sustainability section (Corporate Governance and Executive Compensation)
	2-21 Annual total compensation ratio	2024 Proxy Statement, p. 84 🔗
	2-22 Statement on sustainable development strategy	Letter from William P. Lauder and Fabrizio Freda
	2-23 Policy commitments	Culture and Values 🔗 Code of Conduct 🔗 Human Rights Policy 🔗 Modern Slavery Statement 🔗
	2-24 Embedding policy commitments	Our Commitment to Social Impact and Sustainability section
	2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct, pp. 6-8, 14-20 🔗 Our Commitment to Social Impact and Sustainability section (Ethics and Integrity)
	2-27 Compliance with laws and regulations	In fiscal 2024, we were not subject to any environmental fines or penalties. FY24 Form 10-K, p. 14, (compliance with laws and regulations) 🔗
	2-28 Membership associations	We maintain membership in various social impact and sustainability related associations, many of which are referenced throughout this report.
	2-29 Approach to stakeholder engagement	Our Commitment to Social Impact and Sustainability section (Priority Focus Areas for Social Impact and Sustainability and Stakeholder Engagement) We engage with certain stakeholders (individuals and organizations) who have the potential to influence our business strategy and operations and whom our business impacts in turn.
	2-30 Collective bargaining agreements	FY24 Form 10-K, p. 13 🔗

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 3: MATERIAL TOPICS 2021	3-1	Process to determine material topics	Our Commitment to Social Impact and Sustainability section (Priority Focus Areas for Social Impact and Sustainability and Stakeholder Engagement) We conducted engagement with internal and external stakeholders as part of our priority focus areas analysis. This input helped to define, validate, and prioritize social impact and sustainability topics and to inform the content of this report.
	3-2	List of material topics	Our Commitment to Social Impact and Sustainability section (Priority Focus Areas for Social Impact and Sustainability) Our Social Impact and Sustainability Goals and Commitments reflect our priority focus areas, as informed by stakeholder concerns and sentiments. Additional information on specific stakeholder topics of interest are included throughout this report.
	3-3	Management of material topics	Social Impact and Sustainability Goals and Progress and Gender and Racial Equity Commitments section Please refer to individual priority focus areas in this report for related disclosures on governance, policies, strategy, and fiscal 2024 progress.
GRI 201: ECONOMIC PERFORMANCE 2016	201-2	Financial implications and other risks and opportunities due to climate change	2024 CDP Response, pp. 51-94 🔗 Climate Transition Plan, pp. 7-8, 25-27 🔗 Climate section
GRI 301: MATERIALS 2016	3-3	Management of material topics	Packaging section More information about the topic boundary and definitions is included in the About This Report section and in footnotes to the Metrics tables.
	301-1	Materials used by weight or volume	Metrics, p. 76 (Packaging)
	301-2	Recycled input materials used	Metrics, p. 76 (Packaging)
	301-3	Reclaimed products and their packaging materials	Metrics, p. 76 (Packaging) We do not currently track reclaimed product and packaging materials by product category.
GRI 302: ENERGY 2016	3-3	Management of material topics	Climate section More information about the topic boundary and definitions is included in the About This Report section and in footnotes to the Metrics tables. 2024 CDP Response, pp. 16-202 🔗 Climate Transition Plan, pp. 1-27 🔗 Climate Transition Plan 2024 Progress Update, pp. 2-11 🔗
	302-1	Energy consumption within the organization	Metrics, p. 71 (Energy)
	302-3	Energy intensity	Metrics, p. 71 (Energy)
	302-4	Reduction of energy consumption	Metrics, p. 71 (Energy)
	GRI 303: WATER AND EFFLUENTS 2018	303-1	Interactions with water as a shared resource
303-3		Water withdrawal	Metrics, p. 75 (Water) 2024 CDP Response, pp. 658-703 🔗
303-4		Water discharge	Metrics, p. 75 (Water) 2024 CDP Response, pp. 658-703 🔗
303-5		Water consumption	Metrics, p. 75 (Water) 2024 CDP Response, pp. 658-703 🔗
GRI 304: BIODIVERSITY 2016	304-3	Habitats protected or restored	Nature and Biodiversity section Climate Transition Plan, p. 22 🔗 Climate Transition Plan 2024 Progress Update, p.11 🔗 2024 CDP Response, pp. 704-767 🔗

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: EMISSIONS 2016	3-3 Management of material topics	Climate section More information about the topic boundary and definitions is included in the About This Report section and in footnotes to the Metrics tables. 2024 CDP Response, pp. 16-202 🔗 Climate Transition Plan, pp. 1-27 🔗 Climate Transition Plan 2024 Progress Update, pp. 2-11 🔗
	305-1 Direct (Scope 1) GHG emissions	Metrics, p. 72 (GHG Emissions) Management Assertion, p. 98
	305-2 Energy indirect (Scope 2) GHG emissions	Metrics, p. 72 (GHG Emissions) Management Assertion, p. 98
	305-3 Other indirect (Scope 3) GHG emissions	Metrics, p. 73 (GHG Emissions)
	305-4 GHG emissions intensity	Metrics, p. 72 (GHG Emissions)
	305-5 Reduction of GHG emissions	Metrics, p. 72 (GHG Emissions) 2024 CDP Response, pp. 205-229, 484-496 🔗
GRI 306: WASTE 2020	306-2 Management of significant waste-related impacts	Waste section
	306-3 Waste generated	Metrics, p. 74 (Waste)
	306-4 Waste diverted from disposal	Metrics, p. 74 (Waste)
	306-5 Waste directed to disposal	Metrics, p. 74 (Waste)
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	Metrics, p. 75 (Supplier Evaluation and Monitoring)
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Metrics, p. 69 (Turnover Rates)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Experience section (Employee Compensation and Benefits)
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	3-3 Management of material topics	Employee Health and Safety section More information about the topic boundary and definitions is included in the About This Report section and in footnotes to the Metrics tables.
	403-1 Occupational health and safety management system	Employee Health and Safety section
	403-2 Hazard identification, risk assessment, and incident investigation	Employee Health and Safety section
	403-3 Occupational health services	Employee Health and Safety section
	403-4 Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety section
	403-5 Worker training on occupational health and safety	Employee Health and Safety section
	403-6 Promotion of worker health	Employee Health and Safety section Employee Experience section (Employee Compensation and Benefits)
	403-9 Work-related injuries	Metrics, p. 70 (Employee Safety)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: TRAINING AND EDUCATION 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Experience section (Employee Engagement) FY24 Form 10-K, p. 13 🔗
	404-3 Percentage of employees receiving regular performance and career development reviews	Employee Experience section (Employee Development)
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	3-3 Management of material topics	ID&E section Gender and Racial Equity Commitment Tables More information about the topic boundary and definitions is included in the About This Report section and in footnotes to the Metrics tables.
	405-1 Diversity of governance bodies and employees	Metrics, pp. 65-69
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	Metrics, p. 75 (Supplier Risk Assessments)
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	Political Engagement Viewpoint 🔗
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	3-3 Management of material topics	Product Formulation section Corporate Ingredient Glossary 🔗 Ingredient Philosophy 🔗 More information about the topic boundary and definitions is included in the About This Report section and in footnotes to the Metrics tables.
	416-1 Assessment of the health and safety impacts of product and service categories	Ingredient and Product Testing and Safety Viewpoint 🔗 We assess 100% our products for health and safety.
GRI 417: MARKETING AND LABELING 2016	3-3 Management of material topics	Product Formulation section Goals Progress Table (Ingredient Transparency goal) More information about the topic boundary and definitions is included in the About This Report section and in footnotes to the Metrics tables.
	417-1 Requirements for product and service information and labeling	Product Formulation section Ingredient and Product Testing and Safety Viewpoint 🔗

SASB HOUSEHOLD & PERSONAL PRODUCTS STANDARD

DISCLOSURE TOPIC AND ACCOUNTING METRICS		RESPONSE
WATER MANAGEMENT		
CG-HP-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Metrics, p. 75 (Water) Goals Progress Table
CG-HP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water section
PRODUCT ENVIRONMENTAL, HEALTH, AND SAFETY PERFORMANCE		
CG-HP-250a.1	Revenue from products that contain REACH substances of very high concern (SVHC)	At The Estée Lauder Companies (ELC), the health and safety of our consumers is a top priority. We select our ingredients for many reasons, including safety, efficacy, and sustainability. We work diligently to ensure that our products are formulated to meet the requirements of governmental, regulatory, and scientific bodies wherever our products are sold, as well as our own high-quality standards. For those who are interested in learning more about the ingredients used in our products, please see our Ingredient Philosophy webpage. 🔗
CG-HP-250a.2	Revenue from products that contain substances on the California DTSC Candidate Chemical List	
CG-HP-250a.3	Discussion of process to identify and manage emerging materials and chemicals of concern	Product Formulation section Ingredient and Product Testing and Safety Viewpoint 🔗
CG-HP-250a.4	Revenue from products designed with green chemistry principles	We incorporate green chemistry principles in our product development process. Our Green Score program provides a quantifiable method for our formulators to benchmark and inform their formulation choices based on the principles of green chemistry, specifically through the lenses of human health, ecosystem health, and the environment. We have assigned green scores to thousands of our active ingredients and formulas. Please see Product Formulation section for more details.
PACKAGING LIFECYCLE MANAGEMENT		
CG-HP-410a.1	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Metrics, p. 76 (Packaging)
CG-HP-410a.2	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Packaging section
ENVIRONMENTAL & SOCIAL IMPACTS OF PALM OIL SUPPLY CHAIN		
CG-HP-430a.1	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) identity preserved, (b) segregated, (c) mass balance, or (d) Book and Claim	Metrics, p. 76 (Palm Oil)
ACTIVITY METRIC		
CG-HP-000.B	Number of manufacturing facilities	FY24 Form 10-K, p. 24 🔗

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

DISCLOSURE	RESPONSE
GOVERNANCE	
Describe the board's oversight of climate-related risks and opportunities.	Climate section 2024 CDP Response, pp. 95-104 ↗ Climate Transition Plan, pp. 24-26 ↗
Describe management's role in assessing and managing climate-related risks and opportunities.	Climate section 2024 CDP Response, pp. 18-40, 105-115 ↗ Climate Transition Plan, pp. 24-26 ↗
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate section 2024 CDP Response, pp. 51-94 ↗ Climate Transition Plan, pp. 26-27 ↗
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate section 2024 CDP Response, pp. 51-94, 162-168 ↗ Climate Transition Plan, pp. 7-8, 25-27 ↗
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate section 2024 CDP Response, pp. 138-202 ↗ Climate Transition Plan, pp. 9-22 ↗ Climate Transition Plan 2024 Progress Update, pp. 4-11 ↗
RISK MANAGEMENT	
Describe the organization's processes for identifying and assessing climate-related risks.	Climate section 2024 CDP Response, pp. 16-41 ↗ Climate Transition Plan, pp. 24-26 ↗
Describe the organization's processes for managing climate-related risks.	Climate section 2024 CDP Response, pp. 16-41 ↗ Climate Transition Plan, pp. 24-25 ↗
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate section 2024 CDP Response, pp. 16-41 ↗ Climate Transition Plan, pp. 24-25 ↗
METRICS AND TARGETS	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Metrics, pp. 71-75 (Energy, GHG Emissions, Water, Waste)
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Metrics, pp. 72-73 (GHG Emissions) 2024 CDP Response, pp. 206-292 ↗
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Goals Progress Table Metrics, pp. 71-75 (Energy, GHG Emissions, Water, Waste) 2024 CDP Response, pp. 484-496, 697-703 ↗ Climate Transition Plan, pp. 4-6, 9-20 ↗ Climate Transition Plan 2024 Progress Update, pp. 2-11 ↗

THE TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES (TNFD) INDEX

DISCLOSURE	RESPONSE
GOVERNANCE	
A. Describe the board's oversight of nature-related dependencies, impacts, risks, and opportunities.	Our Commitment to Social Impact and Sustainability section Nature and Biodiversity section 2024 CDP Response, pp. 95-103 🔗
B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities.	Our Commitment to Social Impact and Sustainability section 2024 CDP Response, pp. 105-110 🔗
C. Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks, and opportunities.	Our Commitment to Social Impact and Sustainability (Our View on Human Rights) 2024 CDP Response, pp. 190-202, 640-657 🔗 Human Rights Policy 🔗 Supplier Code of Conduct 🔗 Modern Slavery Statement 🔗 No Deforestation, No Peat, No Exploitation (NDPE) Policy 🔗 Palm Oil Action Plan 🔗 Water Stewardship Strategy 🔗
STRATEGY	
A. Describe the nature-related dependencies, impacts, risks, and opportunities the organization has identified over the short, medium, and long term.	Climate Transition Plan (p. 26) 🔗 2024 CDP Response, pp. 17-41, 51-94 🔗 Nature and Biodiversity section
B. Describe the effect nature-related dependencies, impacts, risks, and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	Climate Transition Plan, pp. 22, 26 🔗 2024 CDP Response, pp. 17-41, 51-94, 159-168 🔗 FY24 Form 10-K, p. 20 🔗
C. Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	2024 CDP Response, pp. 138-202 🔗 Nature and Biodiversity section Climate Transition Plan 2024 Progress Update, p. 11 🔗
D. Disclose the locations of assets and/or activities in the organization's direct operations, and where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	Water section 2024 CDP Response, pp. 41-42, 69-94, 685-696, 705-767 🔗

DISCLOSURE	RESPONSE
RISK MANAGEMENT	
<p>A. (i) Describe the organization’s processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its direct operations.</p> <p>(ii) Describe the organization’s processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks, and opportunities in its upstream and downstream value chain(s).</p>	<p>Nature and Biodiversity section 2024 CDP Response, pp. 17-42, 115-122, 171-202, 704-707 ↗</p>
<p>B. Describe the organization’s processes for managing nature-related dependencies, impacts, risks, and opportunities.</p>	<p>Our Commitment to Social Impact and Sustainability section 2024 CDP Response, pp. 17-41, 161-168, 170-177 ↗ Climate Transition Plan 2024 Progress Update, p. 11 ↗</p>
<p>C. Describe how processes for identifying, assessing, prioritizing, and monitoring nature-related risks are integrated into and inform the organization’s overall risk management processes.</p>	<p>Nature and Biodiversity section 2024 CDP Response, pp. 17-41, 162-165 ↗</p>
METRICS AND TARGETS	
<p>A. Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Goals Progress Table 2024 CDP Response, pp. 16-44 ↗</p>
<p>B. Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.</p>	<p>Goals Progress Table 2024 CDP Response, pp. 16-44 ↗</p>
<p>C. Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks, and opportunities and its performance against these.</p>	<p>Water and Sourcing sections 2024 CDP Response, pp. 484-496, 609-625, 697-703 ↗ No Deforestation, No Peat, No Exploitation (NDPE) Policy ↗</p>

FISCAL 2024 CARBON OFFSET PURCHASES

Since fiscal 2020, ELC has achieved carbon neutrality across our Scope 1 and Scope 2 emissions and sourced 100% renewable electricity globally for our direct operations each year*—commitments that we met again in fiscal 2024 and intend to maintain moving forward. For further details on Scope 1 and 2, refer to the Greenhouse Gas (GHG) Emissions: Scope 1 and 2 table in the Metrics section.

We apply a portfolio approach to reducing GHG emissions, including the use of on-site renewables, energy-efficiency projects, green utility contracts, and renewable energy credits. In addition, we invest in carbon offsets to address residual emissions from our direct operations. Pursuant to California’s act on Voluntary Carbon Market Disclosures (Cal. Health & Saf. Code § 44475.1), we are disclosing the details of our fiscal 2024 carbon offset projects related to our Scope 1 and 2 emissions, travel retail, and carbon neutral shipping. For further information on our science-based targets and portfolio approach, please refer to the Climate section of this report and our Climate Transition Plan. [🔗](#)

PROJECT NAME (as listed in registry/program)	PROJECT DETAILS
WILLITS WOODS IFM	<p>Selling Entity: 3Degrees Group, Inc. Offset Registry: Climate Action Reserve (CAR) Project ID: CAR1140 Project Type: Improved forest management (carbon removal) Project Location: Mendocino County, California, US Protocol: ARB Compliance Offset Protocol for U.S. Forest Projects (2014) Third-party Verified: Yes</p>
GREEN ASSETS—BJT AVOIDED CONVERSION PROJECT	<p>Selling Entity: 3Degrees Group, Inc. Offset Registry: American Carbon Registry (ACR) Project ID: ACR287 Project Type: Forest carbon (carbon removal) Project Location: Georgia, US Protocol: ARB Compliance Offset Protocol for U.S. Forest Projects (2014) Third-party Verified: Yes</p>
RESTAURACIÓN FORESTAL X-PICHIL	<p>Selling Entity: Anthesis LLC Offset Registry: Climate Action Reserve (CAR) Project ID: CAR1739 Project Type: Forestry (carbon removal) Project Location: X-Pichil, Quintana Roo, Mexico Protocol: Mexico Forest Protocol 3.0 Third-party Verified: Yes</p>

*Electricity consumption for all global activities with ELC operational control. Renewable electricity consumption reflects on-site solar generated and consumed at ELC locations, renewable off-site generation (utility contracts), Energy Attribute Certificates (EACs) purchases, and a Virtual Power Purchase Agreement (VPPA)

PROJECT NAME (as listed in registry/program)	PROJECT DETAILS
WIND BASED POWER GENERATION BY PANAMA WIND ENERGY GODAWARI PRIVATE LIMITED	<p>Selling Entity: Native, A Public Benefit Corporation Offset Registry: Verified Carbon Standard (VCS) Project ID: VCS1523 Project Type: Energy industries (avoided emissions) Project Location: Maharashtra, India Protocol: ACM0002: Grid-connected electricity generation from renewable sources version 16.0 Third-party Verified: Yes</p>
WIND BASED POWER GENERATION BY PANAMA WIND ENERGY PRIVATE LIMITED	<p>Selling Entity: Native, A Public Benefit Corporation Offset Registry: Verified Carbon Standard (VCS) Project ID: VCS1671 Project Type: Energy industries (avoided emissions) Project Location: Maharashtra, India Protocol: ACM0002: Grid-connected electricity generation from renewable sources version 12.3 Third-party Verified: Yes</p>
ANEW—DOE MOUNTAIN FORESTRY PROJECT	<p>Selling Entity: 3Degrees Group, Inc. Offset Registry: American Carbon Registry (ACR) Project ID: ACR398 Project Type: Improved forest management (carbon removal) Project Location: Tennessee, US Protocol: ACR Forest Carbon Project Standard version 5.1 Third-party Verified: Yes</p>
BIGCOAST FOREST CLIMATE INITIATIVE	<p>Selling Entity: Mosaic Forest Management Corp. Offset Registry: Verified Carbon Standard (VCS) Project ID: VCS3018 Project Type: Improved forest management (carbon removal) Project Location: British Columbia, Canada Protocol: British Columbia Forest Carbon Offset Protocol 1.0 Third-party Verified: Yes</p>



REPORT OF INDEPENDENT ACCOUNTANTS

To the Management of The Estée Lauder Companies Inc.

We have reviewed the accompanying management assertion of The Estée Lauder Companies Inc. that the metrics, as of or for the year ended June 30, 2024, other than the palm oil metrics, which are presented for the year ended December 31, 2023 in management's assertion, are presented in accordance with the assessment criteria set forth therein. The Estée Lauder Companies Inc.'s management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The firm applies the Statements on Quality Control Standards established by the AICPA.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, performed tests of mathematical accuracy of computations on a sample basis, read relevant policies to understand terms related to relevant information about the metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the metrics on a sample basis, and performed analytical procedures.

Greenhouse gas (GHG) emissions quantification is subject to inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of alternative measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of employee, employee volunteerism & giving, employee safety, water, palm oil, and packaging metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of alternative acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

As discussed in management's assertion, The Estée Lauder Companies Inc. has estimated GHG emissions for certain emissions sources and consumption for certain energy and water sources for which no primary usage data is available.

Based on our review, we are not aware of any material modifications that should be made to The Estée Lauder Companies Inc.'s management assertion in order for it to be fairly stated.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers LLP'.

New York, New York
October 22, 2024

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THE ESTÉE LAUDER COMPANIES INC. MANAGEMENT ASSERTION

OVERVIEW

With respect to the following metrics reported by The Estée Lauder Companies Inc. (“ELC” or the “Company”) as of or for the year ended June 30, 2024 (fiscal 2024), other than palm oil metrics, which are presented for the year ended December 31, 2023 (calendar year 2023), ELC’s management asserts that such metrics, which are also included in the Fiscal 2024 Social Impact and Sustainability Report metrics tables as identified by the “*” symbol, are presented in accordance with the assessment criteria set forth below.

Management is responsible for the completeness, accuracy, and validity of the metrics and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. The selection by management of alternative acceptable measurements could have resulted in materially different amounts or metrics reported herein.

The preparation of select metrics (Employees, Employee Volunteerism & Giving, Employee Safety, Water, Palm Oil, and Packaging) requires management to establish the criteria, make determinations as to the relevancy of the information to be included, and make assumptions that affect reported information.

EMPLOYEES

Employee metrics are reported based on information recorded in the ELC Human Resources data system (ELC HR Data System) as of June 30, 2024 (fiscal 2024). Gender, age, and race/ethnicity information is self-reported by employees. Employee metrics include regular full-time, regular part-time, temporary full-time, and temporary part-time employees on active assignment or on leave with pay.

Employee data pertaining to DECIEM is excluded from the fiscal 2024 metrics as it is not yet integrated into the principal ELC HR Data System.

FISCAL 2024 METRIC VALUE (AMOUNTS MAY NOT SUM DUE TO ROUNDING)		MANAGEMENT CRITERIA	
GLOBAL EMPLOYEES	Total employees (thousands)	61.0	Age group and gender is reported according to the date of birth, and gender as self-reported by the employee and recorded in the ELC HR Data System. Region is based on the employee work location, as recorded in the ELC HR Data System. Job levels of Vice President and Above, Director and Executive Director, and Manager and Below are based on the internal ELC Global Grade System, as recorded in the ELC HR Data System. Role types of Corporate, Retail, Manufacturing and Distribution, and STEM (Science, Technology, Engineering, and Mathematics) are high level groupings of job roles classified based on specific Job Functions, Job Subfunctions, and Job Areas within the ELC Job Hierarchy, as recorded in the ELC HR Data System.
	% Total employees, by region		
	<i>The Americas</i>	36.9%	
	<i>Asia/Pacific</i>	29.8%	
	<i>Europe, the Middle East & Africa</i>	33.3%	
	% Total employees, by age group		
	<30 yo	28.4%	
	30-50 yo	54.7%	
	>50 yo	16.9%	
	% Female employees	80.8%	
	% Total corporate employees by job level, by gender		
	<i>Female Vice President and Above</i>	60.4%	
	<i>Female Director and Executive Director</i>	64.3%	
	<i>Female Manager and Below</i>	78.5%	
% Total employees by role type, by gender			
<i>Female in Corporate</i>	75.3%		
<i>Female in Retail</i>	88.5%		
<i>Female in Manufacturing and Distribution</i>	50.2%		
<i>Female in STEM</i>	63.3%		
GLOBAL EMPLOYEES BY EMPLOYEE TYPE (THOUSANDS)	Regular employees, by region		Regular employees include employees in the employment categories 'Regular full-time' and 'Regular part-time', as recorded in the ELC HR Data System. Temporary employees include employees in the employment categories of 'Temporary full-time' (temporary full-time and intern) and 'Temporary part-time' (temporary part-time and on-call/freelance), as recorded in the ELC HR Data System. Region is based on the employee work location, as recorded in the ELC HR Data System. Gender is reported according to the gender as self-reported by the employee and recorded in the ELC HR Data System.
	<i>The Americas</i>	14.9	
	<i>Asia/Pacific</i>	16.7	
	<i>Europe, the Middle East & Africa</i>	18.9	
	Temporary employees, by region		
	<i>The Americas</i>	7.6	
	<i>Asia/Pacific</i>	1.4	
<i>Europe, the Middle East & Africa</i>	1.4		

FISCAL 2024 METRIC VALUE (AMOUNTS MAY NOT SUM DUE TO ROUNDING)		MANAGEMENT CRITERIA	
GLOBAL EMPLOYEES BY EMPLOYEE TYPE (THOUSANDS) <i>(continued)</i>	Regular full-time employees, by gender	Regular employees include employees in the employment categories “Regular full-time” and “Regular part-time”, as recorded in the ELC HR Data System. Temporary employees include employees in the employment categories of “Temporary full-time” (temporary full-time and intern) and “Temporary part-time” (temporary part-time and on-call/freelance), as recorded in the ELC HR Data System. Region is based on the employee work location, as recorded in the ELC HR Data System. Gender is reported according to the gender as self-reported by the employee and recorded in the ELC HR Data System.	
	<i>Female</i>		32.9
	<i>Male</i>		9.6
	Regular part-time employees, by gender		
	<i>Female</i>		7.4
	<i>Male</i>		0.6
	Temporary full-time employees, by gender		
	<i>Female</i>		1.3
	<i>Male</i>		0.3
	Temporary part-time employees, by gender		
<i>Female</i>	7.8		
<i>Male</i>	1.1		
U.S. EMPLOYEES	% TOTAL U.S. EMPLOYEES, BY RACE/ETHNICITY		
	White	48.2%	
	Not Self-Identified	0.7%	
	People of Color	51.0%	
	<i>American Indian or Alaskan Native</i>	0.5%	
	<i>Asian</i>	15.1%	
	<i>Black or African American</i>	12.6%	
	<i>Hispanic or Latino</i>	18.6%	
	<i>Native Hawaiian or Pacific Islander</i>	0.4%	
	<i>Two or More Races</i>	3.8%	
	% U.S. CORPORATE EMPLOYEES, BY RACE/ETHNICITY		
	White	61.8%	
	Not Self-Identified	0.1%	
	People of Color	38.1%	
	<i>American Indian or Alaskan Native</i>	0.1%	
<i>Asian</i>	17.4%		
<i>Black or African American</i>	6.9%		
<i>Hispanic or Latino</i>	11.1%		
<i>Native Hawaiian or Pacific Islander</i>	0.2%		
<i>Two or More Races</i>	2.3%		

FISCAL 2024 METRIC VALUE (AMOUNTS MAY NOT SUM DUE TO ROUNDING)		MANAGEMENT CRITERIA
U.S. EMPLOYEES <i>(continued)</i>	% U.S. RETAIL EMPLOYEES, BY RACE/ETHNICITY	
	White	41.7%
	Not Self-Identified	1.4%
	People of Color	56.9%
	<i>American Indian or Alaskan Native</i>	0.8%
	<i>Asian</i>	6.2%
	<i>Black or African American</i>	15.8%
	<i>Hispanic or Latino</i>	27.1%
	<i>Native Hawaiian or Pacific Islander</i>	0.6%
	<i>Two or More Races</i>	6.3%
	% U.S. MANUFACTURING AND DISTRIBUTION EMPLOYEES, BY RACE/ETHNICITY	
	White	31.7%
	Not Self-Identified	0.5%
	People of Color	67.8%
	<i>American Indian or Alaskan Native</i>	0.5%
	<i>Asian</i>	34.5%
	<i>Black or African American</i>	18.2%
	<i>Hispanic or Latino</i>	13.7%
	<i>Native Hawaiian or Pacific Islander</i>	0.3%
	<i>Two or More Races</i>	0.6%
% U.S. VICE PRESIDENT AND ABOVE CORPORATE EMPLOYEES, BY RACE/ETHNICITY		
White	70.6%	
Not Self-Identified	0.0%	
People of Color	29.4%	
<i>American Indian or Alaskan Native</i>	0.0%	
<i>Asian</i>	14.8%	
<i>Black or African American</i>	5.1%	
<i>Hispanic or Latino</i>	7.1%	
<i>Native Hawaiian or Pacific Islander</i>	0.0%	
<i>Two or More Races</i>	2.4%	

Race/ethnicity is reported according to the race and ethnicity as self-identified by the employee and recorded in the ELC HR Data System.

Data is only available for U.S.-based employees. Race/ethnicity category is defined according to Equal Employment Opportunity Commission (EEOC) guidelines as American Indian or Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, Two or More Races, and White.

Role types of Corporate, Retail, and Manufacturing and Distribution are high level groupings of job roles classified based on specific Job Functions, Job Subfunctions, and Job Areas within the ELC Job Hierarchy, as recorded in the ELC HR Data System.

Job levels of Vice President and Above, Director and Executive Director, and Manager and Below are based on the internal ELC Global Grade System, as recorded in the ELC HR Data System.

FISCAL 2024 METRIC VALUE (AMOUNTS MAY NOT SUM DUE TO ROUNDING)		MANAGEMENT CRITERIA
U.S. EMPLOYEES <i>(continued)</i>	% U.S. DIRECTOR AND EXECUTIVE DIRECTOR CORPORATE EMPLOYEES, BY RACE/ETHNICITY	
	White	66.5%
	Not Self-Identified	0.2%
	People of Color	33.3%
	<i>American Indian or Alaskan Native</i>	0.1%
	<i>Asian</i>	18.9%
	<i>Black or African American</i>	4.5%
	<i>Hispanic or Latino</i>	7.9%
	<i>Native Hawaiian or Pacific Islander</i>	0.1%
	<i>Two or More Races</i>	1.9%
	% U.S. MANAGER AND BELOW CORPORATE EMPLOYEES, BY RACE/ETHNICITY	
	White	58.5%
	Not Self-Identified	0.1%
	People of Color	41.3%
	<i>American Indian or Alaskan Native</i>	0.1%
<i>Asian</i>	17.0%	
<i>Black or African American</i>	8.3%	
<i>Hispanic or Latino</i>	13.1%	
<i>Native Hawaiian or Pacific Islander</i>	0.3%	
<i>Two or More Races</i>	2.4%	
TURNOVER RATE	Total turnover rate	21.3%
	<i>Voluntary turnover rate</i>	17.4%
	<i>Involuntary turnover rate</i>	3.9%
		<p>Race/ethnicity is reported according to the race and ethnicity as self-identified by the employee and recorded in the ELC HR Data System.</p> <p>Data is only available for U.S.-based employees. Race/ethnicity category is defined according to Equal Employment Opportunity Commission (EEOC) guidelines as American Indian or Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or Other Pacific Islander, Two or More Races, and White.</p> <p>Role types of Corporate, Retail, and Manufacturing and Distribution are high level groupings of job roles classified based on specific Job Functions, Job Subfunctions, and Job Areas within the ELC Job Hierarchy, as recorded in the ELC HR Data System.</p> <p>Job levels of Vice President and Above, Director and Executive Director, and Manager and Below are based on the internal ELC Global Grade System, as recorded in the ELC HR Data System.</p>
		<p>Includes regular full-time and regular part-time employees globally. Excludes temporary full-time and temporary part-time employees globally.</p> <p>Turnover rate is calculated by dividing total global regular employees who exited during the fiscal year by average global regular employee headcount for the fiscal year. Fiscal year average global regular employee headcount is calculated by adding headcount on the last day of each month and dividing by 12.</p>

EMPLOYEE VOLUNTEERISM AND GIVING

ELC Good Works is the Company's internal platform used to report employee volunteerism, employee monetary donations, and ELC charitable matching gifts. The ELC Good Works guidelines outline program eligibility, criteria, and terms and conditions, as adapted to meet local requirements.

Metrics reflect information self-reported to ELC Good Works by eligible employees during fiscal 2024. At the end of fiscal 2024, ELC Good Works was available to eligible employees in 31 markets globally. With the launch of a new employee carbon calculator app offering similar features, Missions—a former ELC Good Works program that enabled employees to track and convert personal social impact and sustainability actions, such as using less water or learning about ELC's commitments, into ELC Good Works rewards—was removed from Benevity in fiscal 2024. Employee Volunteerism and Giving data pertaining to DECIEM is not available and is excluded from the fiscal 2024 metrics.

During fiscal 2024, "eligible employees" included regular full-time and regular part-time employees in Argentina; Australia; Belgium; Brazil; Canada; Chile; Colombia; Denmark; France; Germany; Hong Kong, SAR of China; India; Italy; Japan; Luxembourg; Mexico; Netherlands; New Zealand; Norway; Panama; Peru; Philippines; Poland; Portugal; Romania; South Africa; Spain; Sweden; Switzerland; and the United States. In the United Kingdom, "eligible employees" included corporate and point of sale regular full-time, regular part-time, and fixed-term contract¹; all Jo Malone Global and Travel Retail employees; and regular full-time, regular part-time, temporary full-time, and temporary part-time employees at the Whitman manufacturing site.

METRIC	FISCAL 2024 METRIC VALUE (THOUSANDS)	MANAGEMENT CRITERIA
Employee volunteer hours	23.7	Employee volunteer hours are hours that eligible employees self-report through ELC Good Works with regard to leading, organizing, or participating in either Company-organized volunteer efforts or individual eligible activities outside of normal working hours, in accordance with the ELC Good Works guidelines available to employees.
Employee donations	\$1,083	Employee monetary donations are donations that eligible employees self-report through ELC Good Works and must be personal donations from employees' own assets that are given to a 501(c)(3) organization in the United States or to similar organizations outside of the United States. Eligible organizations are determined under the ELC Good Works guidelines available to employees.
Amount matched by ELC	\$2,327	<p>ELC charitable matching gifts include: Company matches of employees' monetary donations at a 1:1 ratio unless specified otherwise by ELC; Company matches of employees' volunteer time (volunteer rewards such as \$20 per hour volunteered earned and redeemed by the employee to make donations to 501(c)(3) organizations in the United States); and Company rewards which are gifted donation credits that employees can donate through ELC Good Works.</p> <p>To be eligible for matching, employees' donations and volunteer time must be recorded through ELC Good Works and be in accordance with the ELC Good Works guidelines.</p> <p>At specified times during fiscal year 2024, there were special matching campaigns during which ELC double matched (2x) eligible employee donations. Due to double match campaigns, volunteer rewards, and Company rewards, the total amount matched by ELC was higher than the total employee donations.</p> <p>Rewards are gifted monetary credits that the Company has added to the ELC Good Works accounts of eligible employees. Employees can use these rewards to make donations to organizations of their choosing through ELC Good Works. Fiscal 2024 metric includes rewards redeemed within the fiscal year.</p>

1. "Fixed-term contract" is an employment type unique to the United Kingdom, indicating someone who is employed for a set period of time under a full employment contract.

EMPLOYEE SAFETY

Employee Safety metrics include data related to ELC regular full-time, regular part-time, temporary full-time, and temporary part-time employees globally who are on active assignment or on leave with pay, and third party paid contractors under direct supervision of an ELC employee globally. Employee Safety data pertaining to DECIEM is excluded from the fiscal 2024 metrics.

All rate metrics in the table below are as of June 30, 2024. Other metrics in the table below are reported for the fiscal year ending June 30, 2024. The data used in the calculations is obtained from internal ELC systems and is based on the Occupational Safety and Health Administration (OSHA) definition for recordable incidents applied globally.

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
Total Recordable Incident Rate	0.22	Total recordable incident rate is calculated using OSHA recordability criteria defined as follows: (Total number of Recordable Incidents * 200,000) / Total ELC Hours Worked for the fiscal year.
Days Away, Restricted or Transfer Rate (DART)	0.17	DART is calculated using the OSHA recordability criteria defined as follows: (Total number of Recordable Incidents that resulted in Days Away, Restricted, or Transferred* 200,000) / Total ELC Hours Worked for the fiscal year. DART incidents are any occupational injury or illness which results in an employee remaining away from work, restricted in their work activities, or transferring to another job.
Lost Time Frequency Rate	0.13	Lost time frequency rate is calculated using the OSHA recordability criteria defined as follows: (Total number of Recordable Incidents with Lost Time* 200,000) / Total ELC Hours Worked for the fiscal year. Lost time incidents are any occupational injury or illness which results in an employee being unable to work a full assigned work shift [i.e., time off from work, or loss of productive work (absenteeism or delays)].
Total fatalities	0	Fatalities are calculated using the OSHA recordability criteria (defined as an employee death resulting from a work-related incident or exposure; in general, from an accident or an illness caused by or related to a workplace hazard). There were no reported fatalities for the fiscal year ended June 30, 2024.
Total Recordable Incidents	107	Total Recordable Incidents are measured using OSHA recordability criteria, by which an injury or illness is considered recordable if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness, or a significant injury or illness diagnosed by a physician or other licensed health care professional.
# Recordable work-related injuries, by main types		Main types include the top three most frequently occurring types of recordable injuries as observed over a five-year lookback period.
Slips, trips, and falls	37	Recordable work-related incidents using OSHA recordability criteria and classified as slips, trips, and falls.
Ergonomic injuries	14	Recordable work-related incidents using OSHA recordability criteria and classified as ergonomic injuries.
Struck by	14	Recordable work-related incidents using OSHA recordability criteria and classified as struck by injuries.

ENERGY AND GREENHOUSE GAS (GHG) EMISSIONS

ELC uses the operational control approach in accordance with the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard: Supplement to the GHG Protocol Corporate Standard (together, "GHG Protocol")* to report energy consumption and direct and indirect GHG emissions for locations where ELC has operational control. These locations include freestanding store, manufacturing, distribution, office, innovation, and salon locations that were in operation for all or part of fiscal 2024.

GHG emissions included as part of emissions reported below for Scope 1, Scope 2 and Scope 3, Category 3: Fuel and energy related activities are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). The other GHG emissions of sulfur hexafluoride (SF₆), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃), are not emitted by ELC locations.

Unless otherwise indicated in the management criteria, ELC uses the GHG Protocol to guide the criteria to assess, calculate, and report GHG emissions.

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
ENERGY		
Total energy consumption within the organization	382 Thousand MWh	Energy from total fuel consumption and total electricity consumption for the operation of ELC owned and leased locations globally.
Total fuel consumption, by source	194.2 Thousand MWh	Energy from consumption of non-renewable and renewable fuel sources.
<i>Non-renewable</i>	193 Thousand MWh	<ul style="list-style-type: none"> Non-renewable fuels include diesel, fuel oil, natural gas, liquified natural gas (LNG), propane, mobile gasoline, mobile diesel, purchased steam, district heat from natural gas, and district heat from blended feedstock. Diesel and fuel oil are used at certain manufacturing, distribution, office, and innovation locations. Natural gas is used at certain freestanding store, manufacturing, distribution, office, innovation, and salon locations. LNG is used at certain manufacturing locations. Propane is used at certain manufacturing and distribution locations. Mobile gasoline and mobile diesel are used by ELC owned and leased fleet vehicles in certain countries where ELC operates. Purchased steam is used at certain office locations. District heat from natural gas is used at certain distribution, freestanding store and office locations. District heat from blended feedstock is used at certain freestanding store, distribution, and office locations. Actual activity data is sourced from direct measurement or third-party invoices when possible. Estimates are determined by fuel source type and are used when actual data is not available. Estimates are determined based on our estimation methodology described in the Estimation Methodology section.
<i>Renewable</i>	1.2 Thousand MWh	<ul style="list-style-type: none"> Renewable fuels include bio-fuel and district heat from wood and wood residuals. Bio-fuel (mobile ethanol) is transport fuel used by ELC owned and leased fleet vehicles in certain countries where ELC operates. District heat from wood and wood residuals are used at certain distribution locations. Energy from on-site solar is categorized as renewable electricity versus renewable fuel. Actual activity data is sourced from direct measurement or third-party invoices when possible. Estimates are determined by fuel source type and are used when actual data is not available. Estimates are determined based on our estimation methodology described in the Estimation Methodology section.

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
ENERGY <i>(continued)</i>		
Total electricity consumption, by source	187.8 Thousand MWh	Electricity consumed from non-renewable and renewable electricity sources.
<i>Non-renewable</i>	0.0 Thousand MWh	<ul style="list-style-type: none"> Non-renewable electricity includes electricity purchased other than electricity purchased through off-site generation (utility contracts), Energy Attribute Certificates (EACs), and a Virtual Power Purchase Agreement (VPPA) by manufacturing, distribution, innovation, office, salon, and freestanding store locations. Actual activity data is sourced from direct measurement or third-party invoices when possible. Estimates are used when actual data is not available and are determined based on our estimation methodology described in the Estimation Methodology section.
<i>Renewable</i>	187.8 Thousand MWh	<ul style="list-style-type: none"> Renewable electricity includes on-site solar and electricity purchased through off-site generation (utility contracts), EACs, and a VPPA. Off-site generation of renewable electricity is through contractual agreements between ELC and a utility or energy service provider to have all or a percent of electricity supplied in whole or in part from renewable energy sources such as wind, solar, geothermal, hydropower, and/or biomass. On-site solar energy is generated at and consumed by certain manufacturing, distribution, and office locations through solar photovoltaic (PV) installations. EACs (e.g., Renewable Energy Certificates (RECs) and Renewable Energy Guarantees of Origin (REGOs)) are tradable commodities that package the environmental benefit achieved from a specific renewable energy project. One EAC is issued for each MWh unit of renewable electricity produced. The VPPA agreement generates RECs through the Ponderosa wind farm project in North America. For accounting for on-site solar energy, we assume that on-site solar generation substitutes the consumption of "brown energy" (i.e., non-renewable consumption) on a one-to-one basis. Actual activity data is sourced from direct measurement or third-party invoices when possible. Estimates are used when actual data is not available and are determined based on our estimation methodology described in the Estimation Methodology section.
Energy intensity (MWh normalized to million dollars of net sales)	24.5 MWh per \$M of net sales	Energy intensity is calculated as follows: Total energy consumption within the organization in MWh/Net Sales for fiscal 2024 in million US dollars from the Annual Report on Form 10-K.
% Global energy sourced from renewable energy	49.5%	Percentage of global energy sourced from renewable energy is calculated as follows: (Renewable Fuel + Renewable Electricity in MWh) / (Total energy consumption within the organization in MWh) X 100.
Reduction of energy consumption due to conservation and efficiency measures	2.8 Thousand MWh	<ul style="list-style-type: none"> Total estimated annual energy savings from projects implemented during fiscal 2024. Total energy savings are attributed to the year of project launch, regardless of timing during the fiscal year. Energy reduction is estimated based on engineering analyses provided by vendors, external consultants, and internal sources. Includes projects implemented at certain manufacturing, distribution, and innovation locations where project plan, estimated savings, and funding is approved internally.

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
GHG EMISSIONS		
SCOPE 1	36.6 Thousand metric tons CO ₂ equivalent	<ul style="list-style-type: none"> Direct GHG emissions associated with on-site fuel consumption (diesel, fuel oil, natural gas, LNG, and propane), stationary refrigerants for the operation of ELC owned and leased locations globally, transport fuel for ELC owned and leased non-electric fleet vehicles (mobile ethanol, mobile gasoline and mobile diesel), and mobile refrigerants for the ELC owned and leased fleet vehicles. Excludes refrigerant sources at freestanding store, salon, office, and certain regional distribution and innovation locations. Does not take into account biogas/green gas certificates at locations that use natural gas (which are treated as offsets), offsets, or “carbon” offsets purchased to cover Scope 1 emissions. Scope 1 emissions are based on direct on-site fuel consumption, stationary refrigerants and mobile refrigerants, and transport fuel consumption multiplied by their associated emission factor and/or global warming potential (GWP). Our estimation methodology and emission factors used are described in the Emission Factors and Estimation Methodology sections.
SCOPE 2: Market-based	1.9 Thousand metric tons CO ₂ equivalent	<ul style="list-style-type: none"> Indirect emissions associated with purchased electricity (inclusive of electric and hybrid vehicle charging at non-ELC locations), district heat, and purchased steam for the operation of ELC owned and leased locations globally. Scope 2 location-based emissions are based on purchased electricity, district heat, and purchased steam multiplied by their associated country or regionally specific emission factor and GWP.
SCOPE 2: Location-based	63.1 Thousand metric tons CO ₂ equivalent	<ul style="list-style-type: none"> Scope 2 market-based emissions include renewable electricity sourced from contractual agreements including utility contracts, EACs, a VPPA, and the application of country or regionally specific residual mix emission factors for electricity (where available) or location-based emission factors for electricity, district heat or purchased steam, and GWP. The EACs and VPPA have been verified by a third party against an accepted standard and retired within the fiscal year of purchase. Our estimation methodology and emission factors used are described in the Emission Factors and Estimation Methodology sections.
GHG intensity (Thousand metric tons CO ₂ equivalent normalized to million dollars of net sales)	0.0 Thousand metric tons CO ₂ equivalent per \$M of net sales	<ul style="list-style-type: none"> GHG intensity is calculated as follows: [(Scope 1 emissions (net of carbon offsets)) + (Scope 2 market-based emissions (net of renewables and carbon offsets))] / Net Sales for fiscal 2024 in million US dollars from the Annual Report on Form 10-K. Offset or “carbon” offset is a unit or CO₂ equivalent that is reduced, avoided, or sequestered to compensate for emissions occurring elsewhere. Carbon offsets have been verified by a third party against an accepted standard and retired within the fiscal year of purchase. Renewables include off-site generation (utility contracts), EACs (e.g., RECs and REGOs), and a VPPA. This metric is calculated in accordance with management’s criteria and is not based on requirements set forth in the GHG Protocol (i.e., this metric includes carbon offsets).
Reduction of emissions due to conservation and efficiency measures	0.8 Thousand metric tons CO ₂ equivalent	<ul style="list-style-type: none"> Emissions reductions are based on estimated annual energy savings from projects implemented during fiscal 2024 multiplied by their associated country or regionally specific location-based emission factor. For projects at locations based in the U.S., the U.S. Environmental Protection Agency (EPA) Emissions & Generation Resource Integrated Database eGRID 2022 (released January 2024) emission factors are used. For projects at locations based in Canada, National Inventory Report: 1990-2022 Greenhouse Gas Sources and Sinks in Canada—Annex 13 (updated in April 2024) emission factors are used. For projects at locations based in all other countries, International Energy Agency (IEA) Emissions Factors 2023 (published September 2023) and U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued in February 2024) emission factors are used.

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
SCOPE 3, Category 2: Capital Goods	156.6 Thousand metric tons CO ₂ equivalent	<ul style="list-style-type: none"> Includes GHG emissions associated with upstream (cradle to gate) emissions from the production of capital goods purchased by ELC. ELC's financial accounting policies and procedures are utilized to determine whether to account for a purchased product as a capital good. Includes spend categories for all capital purchases during the reporting period. Categorized capital goods spend data obtained from a financial accounting system, multiplied by the associated emission factors from the Comprehensive Environmental Data Archive (CEDA) v4.01 Global Database, which are inclusive of GWPs, with the spend data to calculate emissions. GHG emissions included as part of the Scope 3 Category 2: Capital Goods metric include carbon dioxide equivalent (CO₂e), which includes carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), sulfur hexafluoride (SF₆), perfluorocarbons (PFCs), and nitrogen trifluoride (NF₃). Emissions data by individual gas is not disclosed.
SCOPE 3, Category 3: Fuel and energy related activities	22.9 Thousand metric tons CO ₂ equivalent	<ul style="list-style-type: none"> Includes GHG emissions associated with fuel and energy related activities that are not included in ELC's Scope 1 or Scope 2 GHG emissions. Includes upstream (cradle-to-gate) emissions of purchased fuels and electricity (from raw material extraction up to the point of, but excluding, combustion by a power generator). Includes fuel and energy related activities associated with global activities for locations where ELC has operational control. These locations include manufacturing, distribution, innovation, office, salon, and freestanding store locations that were in operation for all or part of fiscal 2024. Calculated based on actual and estimated activity data (onsite fuels, which includes natural gas, diesel, and fuel oil, transport fuels, which includes mobile gasoline, mobile diesel, and biofuel, purchased district heating, purchased heating, purchased steam, and purchased electricity) multiplied by the associated emission factor from these sources, which are inclusive of GWPs. Actual activity data is collected from direct measurement or third-party invoices when possible. When actual data is not available, estimates are determined based on our estimation methodology described in the Estimation Methodology section.

BASE DATA

ELC uses fiscal 2018 as the baseline to which future years' GHG emissions are compared. Any changes in GHG emission methodology, emission factors, organizational boundary conditions (operational or financial control), or location portfolio are tracked against the fiscal 2018 GHG emissions.

For any acquisitions, base year data for the acquired location is added to the total base year data using actual data, if available, or estimated data based on the estimation methodology outlined below. For any divestitures, the base year data for the divested location is subtracted from total base year emissions.

EMISSION FACTORS

Carbon dioxide equivalent emissions are determined by multiplying measured or estimated energy and fuel usage or refrigerant loss by relevant carbon emission factors and/or GHG emissions from the Intergovernmental Panel on Climate Change Fifth (AR5) or Sixth Assessment Reports (AR6) (certain refrigerant GWPs from AR5 are used if not provided by the more recent AR6). The table below outlines the emission factor sources used in the fiscal 2024 GHG emissions calculations. If an emission source does not list separate emission factors for location-based and market-based, the listed factor is used for both.

METRIC	EMISSIONS SOURCE TYPE	EMISSION FACTOR EMPLOYED
SCOPE 1	Natural Gas	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 1	Fuel Oil No. 2	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 1	Diesel	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 1	LNG	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 1	Propane	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 1	Refrigerants (stationary and mobile)	Global Warming Potential from the Intergovernmental Panel on Climate Change Fifth or Sixth Assessment Reports (2013 and 2021) (certain refrigerant GWPs from AR5 are used if not provided by the more recent AR6)
SCOPE 1	Mobile Diesel	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 1	Mobile Gasoline	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 1	Mobile Ethanol (Bio-fuel)	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 2	Purchased Electricity (U.S.) (inclusive of electric and hybrid vehicle charging at non-ELC locations)	Market-based: 2023 Green-e® Residual Mix Emissions Rates (2021 Data) (issued December 2023) Location-based: U.S. EPA eGRID 2022 (issued January 2024)
SCOPE 2	Purchased Steam (U.S.)	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 2	District Heat (Wood and Wood Residuals)	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024)
SCOPE 2	District Heat (Blended Feedstock)	U.S. EPA Emission Factors for Greenhouse Gas Inventories (issued February 2024) Blended feedstock is a weighted combination of the emission factors for wood and wood residuals, municipal solid waste, natural gas, and distillate fuel oil No. 2. It was calculated using a blended emissions factor tailored to the city's district heat production, which is a composite of U.S. EPA emissions factors for wood and wood residuals (30%), municipal solid waste (30%), natural gas (30%), and distillate fuel oil No. 2 (10%). In developing this emission factor, ELC assumes an 80% boiler thermal efficiency (same as U.S. EPA assumes for natural gas steam.)
SCOPE 2	District Heat (Natural Gas)	Department for Energy Security and Net Zero (DESNZ) UK Government GHG Conversion Factors for Company Reporting (issued July 2024)
SCOPE 2	Purchased Electricity (Canada)	National Inventory Report: 1990-2021 Greenhouse Gas Sources and Sinks in Canada—Annex 13 (issued April 2024)
SCOPE 2	Purchased Electricity (Australia)	Australia's Department of Climate Change, Energy, the Environment and Water—Australian National Greenhouse Accounts Factors—Table 1 (issued February 2024)
SCOPE 2	Purchased Electricity (United Kingdom) (inclusive of electric and hybrid vehicle charging at non-ELC locations)	DESNZ UK Government GHG Conversion Factors for Company Reporting (issued July 2024)
SCOPE 2	Purchased Electricity (All other markets) (inclusive of electric and hybrid vehicle charging at non-ELC locations)	Market-based (Europe): Association of Issuing Bodies European Residual Mixes 2024: Version 1.0 2024-05-3; Table 2: Residual Mixes 2023 Location-based: IEA Emission Factors 2023 (issued September 2023)

METRIC	EMISSIONS SOURCE TYPE	EMISSION FACTOR EMPLOYED
SCOPE 3: Category 2: Capital Goods	Capital goods spend data	CEDA v4.01 Global Database published in 2023 by Watershed adjusted for inflation with the in-built inflation adjustment tool from CEDA set to 2022 price levels. To adjust for 2023 inflation levels, inflation for the US was taken from the World Bank's Annual Inflation database (issued April 2024)
SCOPE 3: Category 3: Fuel and Energy Related Emissions	Upstream well to tank (WTT) emissions associated with onsite fuels, transport fuels, purchased district heating, and purchased steam	DESNZ UK Government GHG Conversion Factors for Company Reporting (issued July 2024)
SCOPE 3: Category 3: Fuel and Energy Related Emissions	Upstream emissions associated with purchased electricity	IEA (2023), Life Cycle Upstream Emission Factors (issued October 2023)
SCOPE 3: Category 3: Fuel and Energy Related Emissions	Transmission and distribution emissions associated with purchased electricity	IEA Emission Factors 2023 (issued September 2023)

ESTIMATION METHODOLOGY

Estimation procedures were used to determine energy and GHG emissions data where measurement data is not readily available as noted in the table below. These estimates account for approximately 13% of reported Scope 1 and approximately 36% of reported Scope 2 location-based emissions and approximately 99% of Scope 2 market-based emissions (representative of emissions after contractual agreements have been applied).

For Scope 3—Category 2, capital goods, spend data is collected from a financial accounting system. The spend file captures capital purchases during the reporting period. Spend is consolidated by appropriation request type (i.e., spend category), and each category is mapped to the CEDA v4.01 emission factors that most closely represent each category. For spend categories that do not have corresponding CEDA emission factors, the below estimation methodology is used.

For Scope 3—Category 3, fuel and energy related activities, actual activity data is collected from direct measurement or third-party invoices when possible. When actual data is not available, estimates are determined based on our estimation methodology described below. These estimates account for approximately 22% of activity data used to calculate reported Scope 3, Category 3 GHG emissions.

METRIC & EMISSION SOURCE TYPE	ESTIMATION METHODOLOGY
SCOPE 1: On-site Fuels	<p>If actual fuel usage amounts are unavailable, but it is known that a location uses a fuel, usage data is estimated. Estimations are performed on an annual, or for all missing months, basis, in order to estimate usage across locations where the fuel type was confirmed to be used. Where the type of fuel usage for a location could not be determined it was assumed to be natural gas.</p> <p>For locations that use natural gas that received no fuel data in fiscal 2024 but did in fiscal 2023, the historical fiscal 2023 actual usage was assumed for fiscal 2024. Otherwise, usage was estimated based on the building square footage, days open during fiscal 2024, and the average benchmark natural gas intensities (Btu/ft² per day) from the Commercial Buildings Energy Consumption Survey (CBECS) (2018), by building type.</p> <p>For locations that use diesel that received no fuel data in fiscal 2024 but did in fiscal 2023, the historical fiscal 2023 actual usage was assumed for fiscal 2024. Otherwise, usage was estimated based on the building square footage, days open during fiscal 2024, and the average diesel consumption rate (Btu/ft² per day) derived from locations that reported actual usage data of diesel fuel in fiscal 2024.</p> <p>For locations that use fuel oil No. 2 that received no fuel data in fiscal 2024 but did in fiscal 2023, the historical fiscal 2023 actual usage was assumed for fiscal 2024. Otherwise, usage was estimated based on the building square footage, days open during fiscal 2024, and the average fuel oil No. 2 intensities (US gallons/ft² per day) from the CBECS (2018), by building type.</p> <p>For LNG and propane, no estimates were made as actual data was available for all relevant locations.</p>
SCOPE 1: Transport Fuels	<p><i>Non-electric fleet vehicles—fuel consumption (captured in Scope 1 emissions)</i></p> <p>For countries where ELC operates non-electric owned and/or leased fleet vehicles, transport fuel usage and/or distance travelled data is provided by the fleet vendor and disaggregated by country, vehicle make, vehicle model, fuel type, and travel purpose (e.g., field or benefit vehicles). When distance travelled was provided, fuel usage was estimated for each individual vehicle by multiplying distance travelled by the average fuel efficiency of that specific make and model, or by extrapolating the average fuel consumption of internal combustion engine (ICE) vehicles from actual fuel consumption data for ELC's fleet vehicles. If actual transport fuel usage amounts are unavailable, usage is estimated based on other available transport data. Where both the distance travelled is known and the average fuel efficiency can be researched for the vehicle model, fuel usage is estimated from these variables. In other scenarios, transport fuel usage is estimated based on the average fuel consumption per vehicle by fuel type (e.g., gallons of motor diesel fuel used per vehicle per year) derived from actual fuel usage data received in fiscal 2024 for ELC's non-electric fleet vehicles.</p>
SCOPE 2: Purchased electricity (electric and hybrid vehicle charging at non-ELC locations)	<p><i>Electric and hybrid fleet vehicles—purchased electricity consumption (captured in Scope 2 emissions)</i></p> <p>For countries where ELC operates electric and hybrid owned and/or leased fleet vehicles, no electricity data was available. To estimate electricity usage for electric fleet vehicles, distance travelled is provided by the fleet vendor and was multiplied by the model-specific miles per gallon (MPG) (reported in kwh/mile). Where distance travelled was unavailable for electric vehicles, it was estimated based on the average distance travelled per electric vehicles derived from actual distance travelled data in fiscal 2024 for ELC's electric fleet vehicles. To estimate electricity usage for plug-in hybrid fleet vehicles, distance travelled is provided by the fleet vendor and multiplied by the model-specific MPG and then multiplied by the model-specific percentage of distance travelled in electric vehicle (EV) mode. Model-specific MPG is based on available data from fueleconomy.gov for brands that are sold in the U.S. and fleetnews.co.uk for brands that are not sold in the U.S. Where model-specific MPG data is unavailable for the specific model or year, the closest available comparable vehicle MPG is used as an alternative. Model-specific percentage of distance travelled is based on available data from fueleconomy.gov. Estimated electricity usage for ELC's electric owned and/or leased fleet vehicles is reduced by 50 percent as it is assumed that 50 percent of the charging of ELC's electric fleet vehicles takes place at locations that ELC owns and/or leases, and therefore, the electricity usage is already reflected within the reported Scope 2 emissions metric. The remaining 50 percent of the charging is assumed to occur at non-ELC locations and is added to the reported Scope 2 emissions metric.</p>

METRIC & EMISSION SOURCE TYPE	ESTIMATION METHODOLOGY
SCOPE 1: Mobile Refrigerants	Estimations are performed to calculate mobile refrigerant usage for ELC owned and/or leased fleet vehicles. Estimates are based on the total fleet vehicle count by country (provided by fleet vendor) and average refrigerant recharge and loss per vehicle. Mobile refrigerants are assumed to be HFC-134a (Freon) and are included in the inventory on a per country per year basis.
SCOPE 1: Stationary Refrigerants	No estimates were made as recharge fluctuates year-over-year. Only ELC locations with operational control over their heating, ventilation, and air conditioning systems report actual refrigerant recharge (usage) data. In fiscal 2024, actual refrigerant usage was reported at manufacturing and certain distribution and innovation locations. It is assumed that the amount of refrigerants used to recharge is the amount that has leaked into the atmosphere.
SCOPE 2: Purchased Electricity	ELC employs several methods to estimate electricity usage when actual activity data is unavailable. In some cases, locations provided estimates based on partial activity data, invoices, and cost data. In the case where locations are unable to provide relevant data (common for many ELC international leased freestanding store and office locations), the preferred method of estimation is based on intensity factors (kWh/ft ² per year) derived from actual electricity usage over a three-year period based on the location type, brand, and/or location. The factors are applied to the building square footage of the locations to estimate the amount of purchased electricity.
SCOPE 2: District Heat (Natural Gas, Blended Feedstock, and Wood and Wood Residuals)	Estimates are made using the district heat intensity factors (Btu/ft ² per day) from the CBECS (2018) by building type. The factors are applied to the building square footage and days open during fiscal 2024 to estimate the amount of district heat. If actual amounts are unavailable, but it is known that a location uses district heat, usage data is estimated.
SCOPE 2: Purchased Steam	Estimates are made using the purchased steam intensity factors (Btu/ft ² per day) from the CBECS (2018) by building type. The factors are applied to the building square footage and days open during fiscal 2024 to estimate the amount of purchased steam. If actual amounts are unavailable, but it is known that a location uses purchased steam, usage data is estimated.
SCOPE 3— CATEGORY 2: Not Assigned/ Bulk Purchases	The calculated weighted average CEDA emission factor was applied to this category of capital goods spend. The weighted average factor was calculated by multiplying the CEDA factors utilized for each other spend type by the percentage of total spend of the appropriation request type represented.
SCOPE 3— CATEGORY 3	The estimation methodology for Scope 3 Category 3 uses the estimation techniques applied within Scope 1 and Scope 2: as the underlying activity data remains consistent across the calculations. For further details, please refer to the Scope 1 and Scope 2 estimation methods above. The Mobile Refrigerants and Stationary Refrigerants emission sources are not relevant for Scope 3 Category 3.

EXCLUSIONS

Each year, we aim to refine our energy and GHG emissions metrics reported. Metrics exclude GHG emissions associated with refrigerant sources at freestanding store, salon, office, and certain regional distribution and innovation locations.

UNCERTAINTY

GHG emissions quantification is subject to inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of alternative acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

WATER

ELC reports the water metrics for locations where ELC has operational control. These locations include manufacturing, distribution, innovation, and office locations that were in operation for all or part of fiscal 2024. Data for salon and freestanding store locations are excluded from the fiscal 2024 metrics.

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
Withdrawal	1.6 million cubic meters	<ul style="list-style-type: none"> Water withdrawal is sourced from third parties and groundwater. There was no water withdrawal directly from surface water. Water withdrawal data is sourced from direct measurement or third-party invoices when possible. When actual data is not available for manufacturing, distribution, and innovation locations, estimates are formed using building square footage multiplied by a location type-specific intensity factor, which is derived from ELC manufacturing, distribution, or innovation locations reporting actual water withdrawal data. When actual data is not available for office locations, estimates are formed using a headcount-based methodology utilizing the following datapoints: office headcount as of the fourth quarter of the fiscal year, gender, workdays, and in-office capacity. Multiplying these datapoints by the standard or water-efficient plumbing fixture rates (as defined by the U.S. EPA, U.S. Green Building Council (USGBC) or Leadership in Energy and Environmental Design (LEED) and dependent on office location) for daily domestic water uses typical of office locations (drinking water, sanitation, and hygiene) results in an estimate of water withdrawal for each office. When the office headcount as of the fourth quarter of the fiscal year, gender, workdays, and in-office capacity datapoints are not available for offices, estimates are formed using rentable square footage multiplied by a location type-specific intensity factor, which is derived from the water withdrawal estimated using the headcount-based methodology. Approximately 6% of the reported water withdrawal is estimated.
Consumption	0.2 million cubic meters	Consumption is calculated as the difference between water withdrawal and water discharge.
Discharge	1.4 million cubic meters	<ul style="list-style-type: none"> Water is discharged to third parties, groundwater, and surface water. Water discharge data is sourced from direct measurement or third-party invoices when possible. When actual data is not available for manufacturing, distribution, and innovation locations, estimates are formed using a discharge ratio based on a location type-specific intensity factor, which is derived from ELC manufacturing, distribution, or innovation locations reporting actual water discharge data. Actual discharge data was not available for office locations. Since the main water usage at these office locations is for domestic purposes (drinking water, sanitation, and hygiene), it was assumed that 95% of withdrawal is discharged. Discharge associated with non-contact cooling water activities at the Melville manufacturing location is estimated based on the actual location water withdrawal minus known water discharge activities (industrial and sanitary wastewater), known water used in finished products, and estimated water consumption (irrigation and human consumption). Approximately 21% of the reported water discharge is estimated.
% Water consumption from all areas with high or extremely high water stress	53.0%	<ul style="list-style-type: none"> Areas of high or extremely high water stress include ELC locations in areas of high or extremely high water stress as defined by the World Resources Institute's Water Risk Atlas tool (Aqueduct 4.0).
% Water withdrawn from all areas with high or extremely high water stress	80.2%	<ul style="list-style-type: none"> Areas of high or extremely high water stress include ELC locations in areas of high or extremely high water stress as defined by the World Resources Institute's Water Risk Atlas tool (Aqueduct 4.0).
Water consumption intensity (cubic meters normalized to million dollars of net sales)	10.6	<ul style="list-style-type: none"> Water consumption intensity is calculated as follows: Water consumption (cubic meters) / Net Sales for fiscal 2024 in million US dollars from the Annual Report on Form 10-K.

PALM OIL

Palm oil metrics indicate the volume and proportion of palm-based ingredients directly procured and received by ELC that were certified as sustainable by the Roundtable on Sustainable Palm Oil (RSPO). RSPO develops and sets standards for sustainable palm oil and enables sustainable palm oil certification.

The metrics in the table below are for the calendar year ended December 31, 2023 (calendar year 2023) which is consistent with ELC's Annual Communication of Progress (ACOP) report submitted to the RSPO. Calendar year 2023 metrics exclude information related to palm-based ingredients i) directly procured and/or received by third-party manufacturers (TPMs) and ii) directly procured and received by DECIEM. Unless otherwise indicated within the management criteria, relevant data (e.g., raw material volume) is obtained from internal ELC raw materials management and procurement systems.

METRIC	CALENDAR YEAR 2023 METRIC VALUE	MANAGEMENT CRITERIA
Total amount of palm oil sourced	3.2 Thousand metric tons	<p>Palm oil sourced is calculated by multiplying the percentage of palm-based ingredients in each raw material directly procured and received by ELC by the raw material volume.</p> <p>Palm-based ingredients include palm oil, palm kernel oil, and other relevant palm-based derivatives.</p> <p>Raw materials are determined to contain palm-based ingredients based on documentation provided by the raw material supplier. Composition of raw materials, including percentage of palm-based materials, is obtained from the raw material supplier.</p>
% Total Palm oil certified by RSPO, by certification type (Amounts may not sum due to rounding)	100%	<p>Raw material suppliers provide confirmation of RSPO certification status and type for palm oil producers who supplied the raw materials directly procured and received by ELC.</p> <p>Accredited RSPO Certifying Bodies certify palm oil producers through verification of the production process in alignment with RSPO Principles and Criteria for the Production of Sustainable Palm Oil.</p> <p>RSPO certification types include identity preserved, segregated, mass balance, and RSPO Credits.</p>
<i>Identity Preserved</i>	<1%	Identity preserved is palm oil from a single identifiable certified source and is kept separately from ordinary palm oil throughout the supply chain.
<i>Segregated</i>	<1%	Segregated is palm oil from different certified sources and is kept separate from ordinary palm oil throughout the supply chain.
<i>Mass Balance</i>	95%	Mass balance is palm oil from certified sources and is mixed with ordinary palm oil throughout the supply chain.
<i>RSPO Credits</i>	5%	<p>An RSPO Credit is proof that one tonne of certified palm oil was produced by an RSPO-certified company or independent producer, and has entered the global palm oil supply chain. By purchasing RSPO Credits, buyers encourage the production of certified sustainable palm oil.</p> <p>Includes palm oil and palm kernel oil credits purchased by ELC through RSPO from independent smallholders that were claimed for palm oil directly procured and received in calendar year 2023.</p>
% Total palm-based ingredients sourced through certified-sustainable physical supply chain	95%	Certified-sustainable physical supply chains include the percentage of total palm oil certified by RSPO for the identity preserved, segregated, and mass balance certification types.

PACKAGING

Packaging metrics include information related to ELC's product packaging. Product packaging is defined as materials included on the ELC Bill of Materials (BOM) to be used for i) the containment, protection, handling, and presentation of products; or ii) delivery to ELC's distribution centers. Product packaging includes packaging that is i) directly purchased by ELC for products manufactured by ELC and/or third parties, and ii) purchased by third parties for products manufactured by third parties.

Product packaging excludes materials used to transport products (e.g., pallets, e-commerce shippers), if not included on the BOM. It is ELC's policy to include acquired brands in the reporting of its packaging metrics when actual data is available. Packaging data pertaining to Dr.Jart+ is partially included in the reported packaging metrics as integration into ELC packaging reporting systems continued during fiscal 2024. Packaging data pertaining to DECIEM is not available and is excluded from the fiscal 2024 metrics.

Relevant weight and packaging attribute data (e.g., post-consumer recycled content (PCR), Forest Stewardship Council certification (FSC)) is obtained from supplier information recorded in ELC's internal packaging management and procurement systems.

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
% Packaging that is recyclable, refillable, reusable, recycled, or recoverable	71%	<p>Packaging is categorized as recyclable, refillable, reusable, recycled, or recoverable by ELC based on ELC's criteria as follows:</p> <ul style="list-style-type: none"> • Recyclable means that a package or packaging component can be recycled through current recycling streams. • Refillable or reusable means that packaging is designed to be used for the same purpose multiple times. • Recycled means that materials are post-consumer recycled or have been recovered or diverted from the waste stream through ELC's consumer take back programs and are re-introduced into ELC's new packaging. • Recoverable means that materials would have otherwise been disposed of to a landfill but have instead been collected through ELC's take back programs. <p>% Packaging that is recyclable, refillable, reusable, recycled, or recoverable, as defined by ELC, is calculated as follows: $[(\text{Total weight of packaging materials classified as recyclable, refillable, reusable, recycled, or recoverable} / \text{Total weight of product packaging material}) * 100] - 0.3\%$.</p> <ul style="list-style-type: none"> • Packaging material weight is only counted once across the categories of recyclable, refillable, reusable, recycled, or recoverable to avoid overstating goal progress through double counting (i.e., a material cannot be counted in multiple categories).
% Post-consumer recycled (PCR) material	20%	<p>PCR material is material generated by consumers in their role as end-users of the product, and which can no longer be used for its intended purpose. PCR material includes returns of material from the distribution chain, but excludes pre-consumer material, such as industrial scrap.</p> <p>% PCR material is calculated as follows: $(\text{Total weight of packaging materials classified as PCR} / \text{Total product packaging material weight}) * 100$.</p>
% Forest-based fiber carton codes FSC certified	95%	<p>Forest-based fiber cartons FSC certified includes packaging cartons made from forest-based fiber materials (e.g., paper) that are certified through FSC. FSC certification is the practice of sourcing renewable materials that are grown and harvested, produced, packed, and transported using management practices that maintain the productivity of natural systems without compromising their capacity for future generations.</p> <p>% Forest-based fiber cartons FSC certified is calculated as follows: $(\text{Total distinct count of forest-based fiber carton codes classified as FSC certified} / \text{Total distinct count of forest-based fiber carton codes}) * 100$.</p>
% Virgin petroleum content in plastic packaging	82%	<p>Virgin petroleum content is plastic derived from fossil-based feedstock that is not made of recycled, bio-based, PCR, or post-industrial recycled (PIR) materials.</p> <p>% Virgin petroleum content in plastic packaging is calculated as follows: $[(\text{Total weight of plastic packaging} - (\text{Total weight plastic packaging classified as recycled} + \text{bio-based} + \text{PCR} + \text{PIR})) / \text{Total weight of plastic packaging}] * 100$.</p>

METRIC	FISCAL 2024 METRIC VALUE	MANAGEMENT CRITERIA
Total weight of product packaging, by type	61.3 Thousand Metric Tons	Weight of product packaging from non-renewable and renewable materials.
<i>Non-renewable</i>	49.1 Thousand Metric Tons	Non-renewable materials are all materials not classified as renewable.
<i>Renewable</i>	12.2 Thousand Metric Tons	Renewable materials, as categorized based on ELC criteria, are those composed of biomass from a living source and are replenished at a rate equal to or greater than the rate of depletion.
Total weight of materials reclaimed through consumer take back programs	0.1 Thousand Metric Tons	Materials reclaimed includes product packaging collected through ELC consumer take back programs, which are available in North America, Europe, Latin America, and Australia. Weight of materials reclaimed is obtained from take back vendors in each region where programs are available.
% Packaging reclaimed through consumer take back programs	0.20%	Includes product packaging collected through ELC consumer take back programs, which are available in North America, Europe, Latin America, and Australia, as a percentage of the total weight of product packaging.
% Packaging made from post-consumer recycled content and/or renewable materials	40%	Includes packaging made from PCR and/or renewable materials, as defined above, as a percentage of the total weight of product packaging.

REFERENCE LINKS

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As part of our ongoing commitment to nature and biodiversity,
The Estée Lauder Companies UK & Ireland supports Revere,
a collaborative nature restoration initiative. Featured on the cover
is the South Downs National Park, one of the parks part of
their woodlands restoration project.

