

The Estée Lauder Companies Releases Fiscal 2019 Corporate Responsibility Report Highlighting Progress on Citizenship and Sustainability Goals
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The Estée Lauder Companies Inc. (NYSE: EL) released its Fiscal 2019 Corporate Responsibility Report (CR Report).

The report entitled, "Inspired by Beauty, Driven by Our Values," underscores the company's progress and commitment to strengthening efforts across core citizenship and sustainability focus areas and highlights key milestones demonstrating industry leadership in inclusion and diversity (I&D) practices. "As we continue to deliver on our promise to create the world's most beloved products and experiences, we believe that embedding citizenship and sustainability across our business reflects the value we place on long-term, sustainable growth," said Fabrizio Freda, President and Chief Executive Officer of The Estée Lauder Companies Inc. "This year, we took important steps to more formally integrate these longstanding principles into our strategy and across our entire business."

The company continually strives to enhance the depth and transparency of its citizenship and sustainability disclosure to better meet the expectations of key stakeholders, including consumers, investors and employees. The report applies the internationally recognized Global Reporting Initiative (GRI) Standards at the "Core in Accordance" level as well as generally aligning to the Sustainability Accounting Standards Board (SASB) disclosure recommendations.

"We credit the success of The Estée Lauder Companies in the dynamic and fast-paced world of prestige beauty to the passion and dedication of our employees, the vision of our leaders and the strength of our beloved brands," said William P. Lauder, Executive Chairman of The Estée Lauder Companies Inc. "We look forward to building a beautiful and sustainable future together."

CR Report Highlights

Energy & Emissions: The company is on track to meet its environmental sustainability goals of achieving Net Zero carbon emissions and sourcing 100% renewable energy (RE100) by the end of 2020¹. Integral to progress in 2019 was the continued roll-out of a portfolio of projects that reflects the full scope of climate change mitigation strategies, including solar power, wind energy and more. Recent investments in support of the Net Zero goal include installing a 1.4 MW ground-mounted solar array at the company's Melville campus in New York. This site is designed to produce more than 1,800 MWh of solar power annually from more than 3,300 panels and is expected to offset the release of 1,300 metric tons of CO₂ into the atmosphere annually.

Responsible Sourcing: In line with its 2025 goal to address issues that may exist within complex supply chains, the company reviewed and prioritized more than 4,000 ingredients considered sensitive from a responsible sourcing perspective and began developing and implementing biodiversity and social action plans. In fiscal 2019, the company implemented a new process to monitor existing supplier performance via the EcoVadis tool and became the first prestige beauty company to fund the HERproject - a program aimed at unlocking the full potential of women in global supply chains.

Social Impact: In 2019, the company set its goal of impacting the well-being of 10 million individuals around the world through programs and grants focused on health, education and the environment. As the company marked the 25th anniversary of the M·A·C VIVA GLAM Fund (the largest corporate HIV/AIDS funder outside of the pharmaceutical industry) the fund's fiscal 2018 grants have positively impacted more than 12 million individuals. Additionally, more than \$10.3 million was raised globally via The Breast Cancer Campaign to support vital research, education and medical services aligned to its mission of creating a breast cancer-free world.

The Estée Lauder Charitable Foundation (the Foundation) continued its efforts to support girls' education globally, especially to equip girls worldwide with the academic training, life skills and confidence to thrive in their communities. For example, the Foundation continued its support of the Student Leadership Network's "The Young Women's Leadership School" (TYWLS) of East Harlem, New York, and recently supported the model's expansion to Los Angeles, California. Last year, 100% of graduating TYWLS seniors were accepted into college.

Beyond social impact initiatives at the enterprise level, a range of brands within the company's portfolio pursued various cause programs in fiscal 2019².

Inclusion & Diversity: The company's efforts within inclusion and diversity (I&D) continued in fiscal 2019. The Human Rights Campaign (HRC) recognized the company as a "Best Place to Work for LGBTQ Equality" following a perfect score of 100% on HRC's 2019 Corporate Equality Index³. And the company received several notable media recognitions:

- Named Forbes' "#1 Employer for Women 2019 (July 2019)
- Recognized within Forbes' "Best Employers for Diversity 2019"
- Named to 2019 Bloomberg Gender-Equality Index for the second consecutive year

The company worked proactively to attract a more diverse pool of talent, hiring a dedicated recruiter to focus on diverse talent and attending career fairs at Historically Black Colleges and Universities in the United States. Additionally, significant efforts were made internally to celebrate and empower diverse employee groups through its 30 Employee Resource Groups.

Employee Engagement: The company's employees are the key to realizing its sustainability and social impact goals. In fiscal 2019, the company made a commitment to provide access to basic sustainability and social impact training across all levels of its organization by the end of 2020. The company is also on track to meet its 2025 goal to engage 50% of eligible employees in regional, brand or local volunteer programs such as ELC Good Works, The Breast Cancer Campaign and the M·A·C Global Volunteer program.

This year's CR Report demonstrates how the company's progress toward its goals has a positive impact on society and on the planet. Nancy Mahon, Senior Vice President, Global Corporate Citizenship and Sustainability of The Estée Lauder Companies Inc. stated, "This year we have accelerated programs and initiatives at corporate and brand levels and have gained recognition for those efforts. As a family-founded company with a deep commitment to values and giving back, we are proud to continue our work to create a business that has social impact, inclusivity and sustainability at its core. It's been an outstanding year."

Read [The Estée Lauder Companies Fiscal 2019 Corporate Responsibility Report](#)

CAUTIONARY NOTE REGARDING CITIZENSHIP AND SUSTAINABILITY INFORMATION

This press release contains information about our citizenship and sustainability goals and efforts. These involve certain risks and uncertainties, such as changes in our business (e.g., acquisitions, divestitures or new manufacturing or distribution locations), the standards by which achievement is measured, the assumptions underlying a particular goal and our ability to accurately report particular information. Actual results could differ from our stated goals or the results we expect. We also may change, or decide not to pursue, certain goals or initiatives. Moreover, the standards by which citizenship and sustainability efforts and related matters are measured are developing and evolving, and certain areas are subject to assumptions. The standards and assumptions could change over time. In addition, statements made about our company, business or efforts may not apply to all business units (e.g., ones that are recently acquired). We assume no responsibility to update the information contained in this report or to continue to report any information.

About The Estée Lauder Companies Inc.

The Estée Lauder Companies Inc. is one of the world's leading manufacturers and marketers of quality skin care, makeup, fragrance and hair care products. The company's products are sold in approximately 150 countries and territories under brand names including: Estée Lauder, Aramis, Clinique, Prescriptives, Lab Series, Origins, Tommy Hilfiger, M·A·C, Kiton, La Mer, Bobbi Brown, Donna Karan New York, DKNY, Aveda, Jo Malone London, Bumble and bumble, Michael Kors, Darphin, Tom Ford, Smashbox, Ermenegildo Zegna, AERIN, Tory Burch, RODIN olio lusso, Le Labo, Editions de Parfums Frédéric Malle, GLAMGLOW, By Kilian, BECCA and Too Faced.

An electronic version of this release can be found at the company's website, www.elcompanies.com.

¹ For our citizenship and sustainability goals, by 20XX means by the end of Calendar Year 20XX.

² For more information on brand-driven social impact and sustainability initiatives in fiscal 2019, see the following sections of the 2019 Corporate Responsibility Report: *Responsible Sourcing*; *Product Responsibility*; *Citizenship*.

³ 2019 was The Estée Lauder Companies' second consecutive year with a perfect score and the 10th time overall that we have achieved 100% in the 17 years HRC has been conducting its surveys.

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