



CLIMATE
TRANSITION
PLAN
2024 PROGRESS UPDATE

ESTÉE LAUDER COMPANIES



CAUTIONARY NOTE

This Climate Transition Plan contains information about 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., acquisition, 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, or 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 Plan 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 Plan 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 Plan is not an indication that such information is necessarily material to ELC in those contexts.

This Plan 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 Plan or to continue to report any information.

A NOTE FROM OUR LEADERS



NANCY MAHON
Chief Sustainability Officer

On behalf of The Estée Lauder Companies, we are pleased to share with you our latest update on our climate transition journey. Our science-based targets continue to guide our efforts to reduce emissions across our value chain and align our business with the UN Sustainable Development Goal 13 – Climate Action.



ROBERTO CANEVARI
Executive Vice President,
Global Supply Chain

Highlights of our progress since our last publication include expanding our Responsible Store Design program and LEED certifications across multiple spaces, increasing electric vehicles in our corporate fleet, further investing in energy efficiency and renewable infrastructure, shifting to lower-emissions modes of transportation, and exploring solutions to help decarbonize our raw materials and packaging. We continue to build upon our engagement with suppliers and other stakeholders to further improve our data integrity, transparency, and Scope 3 emissions reductions.



CARL HANEY
Executive Vice President,
Research, Product and
Innovation Officer

As leaders from Supply Chain, R&D and Innovation, Finance, and Sustainability, we are proud to champion climate action and support the efforts of our passionate and engaged employees. We are grateful for their contributions and ideas as we work towards a more beautiful future for ourselves and generations to come.



PEDRO PONS ESTER
Senior Vice President,
Treasurer and Global
Brand Finance

Nancy Mahon *Roberto Canevari* *Carl Haney* *Pedro Pons Ester*
NANCY MAHON ROBERTO CANEVARI CARL HANEY PEDRO PONS ESTER



CLIMATE GOALS

Reduce absolute Scope 1 and 2 GHG emissions


50% by 2030 from a 2018 base year.²

Reduce Scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and business travel³

60% per unit revenue by 2030 from a 2018 base year.⁴

ABOUT THIS PROGRESS UPDATE

We at The Estée Lauder Companies Inc. (ELC¹) are committed to sustainability across our diverse portfolio of brands. Through our continued efforts, as illustrated within this progress update, we remain dedicated to creativity, innovation, and collaborative solutions to help create a better world and better outcomes for future generations. Together, we will continue to lead with purpose, so that ELC is best positioned for long-term, sustainable growth.

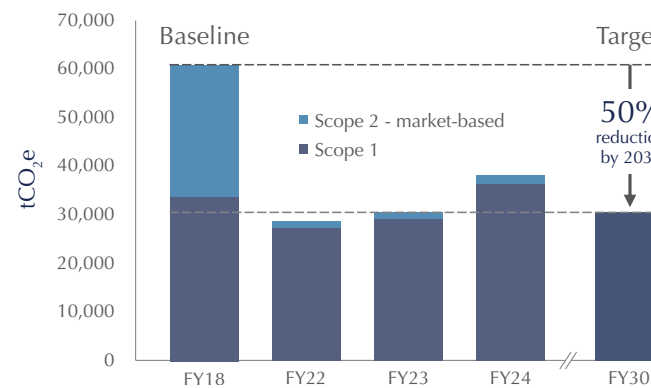
This update describes the recent progress and evolution towards our 2030 science-based targets (SBTs) across our Climate Action Workstreams. For a further understanding of our strategic framework and ongoing initiatives, we invite you to explore our [2023 Climate Transition Plan](#). 

Please note the Cautionary Note on page 1. References to our fiscal year (e.g., fiscal 2024) cover July 1 of the prior year through June 30 of the stated year.

SCIENCE-BASED TARGETS PROGRESS

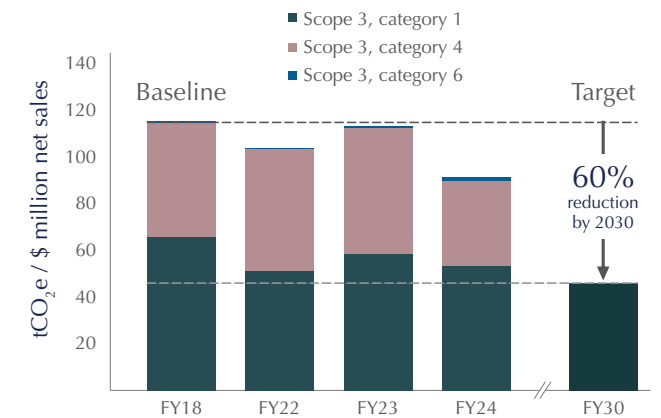
Since we established these targets, our company and the business environment have evolved, introducing challenges to emissions reduction. We recognize that our goal progress may face risks and uncertainties as this evolution continues, including potential impacts of acquisitions and divestitures that 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.

Scopes 1 & 2
Absolute Emissions Target



In fiscal 2024, we realized 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 the facility in fiscal 2025 until this grid connection is complete. We realized an emissions reduction of 20% from fiscal 2023 for our corporate vehicle fleet as we pursue our electric vehicle transition.

Scope 3
Emissions Intensity Target



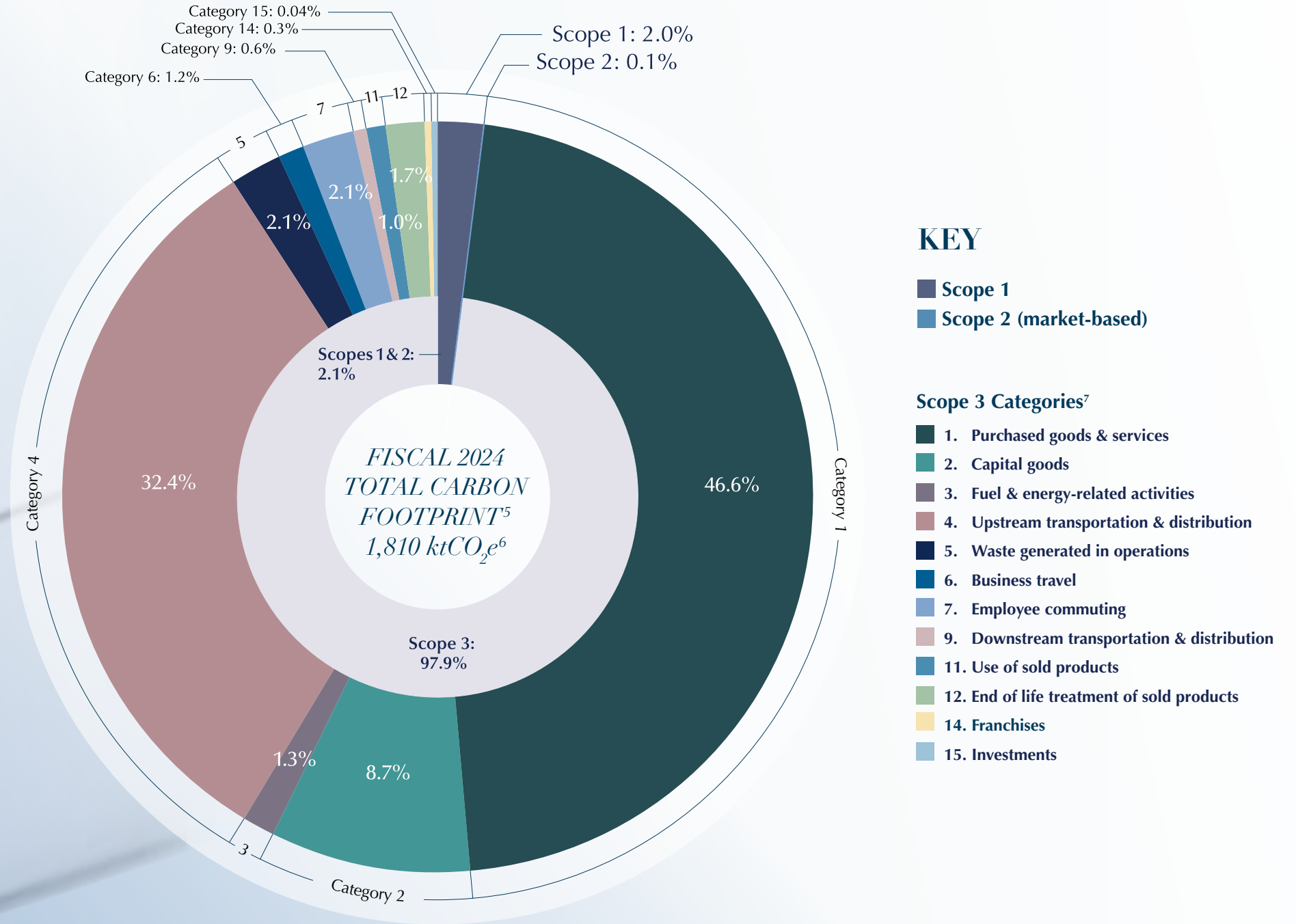
In fiscal 2024, Scope 3 emissions intensity for the covered categories decreased by 21% from our fiscal 2018 baseline. This result is 19% lower than our emissions intensity in fiscal 2023. The numerator of our intensity calculation, absolute emissions, decreased 21% while the net sales in the denominator decreased 2%. The largest contributors to this emissions decrease 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.

1 ELC, we, our, and similar terms generally includes The Estée Lauder Companies Inc. and its subsidiaries.
 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 These categories represented approximately 80% of our estimated Scope 3 emissions at the time of SBTi approval and in fiscal 2024.
 4 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.

FISCAL 2024 GHG INVENTORY

METHODOLOGY UPDATE

In fiscal 2024, we updated our Scope 3 emissions calculations to further improve our data quality, expand our data coverage, and reflect recent changes in the business. We continue to expand our use of supplier-reported emissions factors for raw materials. New in our fiscal 2024 footprint, we've estimated emissions associated with third-party retailer operations (Category 9). Finally, due to our recent acquisition of TOM FORD, we now include emissions associated with the licensed production of apparel and eyewear (Category 14).



KEY

- Scope 1
- Scope 2 (market-based)

Scope 3 Categories⁷

- 1. Purchased goods & services
- 2. Capital goods
- 3. Fuel & energy-related activities
- 4. Upstream transportation & distribution
- 5. Waste generated in operations
- 6. Business travel
- 7. Employee commuting
- 9. Downstream transportation & distribution
- 11. Use of sold products
- 12. End of life treatment of sold products
- 14. Franchises
- 15. Investments

⁵ Figures in this chart have been rounded to the nearest tenth decimal place and therefore do not sum to 100.0%.

⁶ CO₂e means carbon dioxide equivalent, a normalized measure of Global Warming Potential which includes carbon and other GHGs.

⁷ Scope 3 categories 8, 10, and 13 are not relevant for our GHG inventory at this time. In addition, due to data limitations, emissions from burning of candles are excluded from category 11, and emissions from disposal of residual product are excluded from category 12. The Scope 3 boundary is reviewed on an annual basis.

PROGRESS AT A GLANCE





37%
REDUCTION IN SCOPE
1 & 2 EMISSIONS
from fiscal 2018 baseline

21%
REDUCTION IN SCOPE 3
EMISSIONS INTENSITY
from fiscal 2018 baseline (tCO₂e/ \$ million net sales)

OUR OPERATIONS

 Building Operations	2 MW of additional on-site solar capacity added in fiscal 2024	30+ STORES participating in the Responsible Store Design program globally, expanded from 5 stores in fiscal 2023	6 NEW LEED PROJECTS COMPLETED in fiscal 2024, the most LEED-certified locations ELC achieved in one year
 Electric Vehicles	DOUBLED THE PERCENTAGE OF OUR FLEET THAT TRANSITIONED TO ELECTRIC⁸ from 5.4% in fiscal 2023 to 10.7% in fiscal 2024		OVER 30 NEW EV CHARGERS installed across ELC sites globally in fiscal 2024
 Manufacturing	CONDUCTED THIRD-PARTY ENERGY AUDITS at two manufacturing sites in fiscal 2024	IMPROVED COVERAGE OF REAL-TIME ENERGY MONITORING and kicked off planning for installation at the rest of ELC's manufacturing sites	

OUR VALUE CHAIN

 Fulfilment	CONTINUED TO TRANSITION SHIPMENTS FROM AIR FREIGHT TO MARINE, TRUCK, OR RAIL to reduce costs and our environmental impact	 Third-Party Manufacturing 16 OF OUR TOP 20 TPMS reported using renewable energy in fiscal 2024
 Raw Materials	ENHANCING OUR GREEN CHEMISTRY ASSESSMENT TOOL for a more comprehensive view of ingredient impact	RELEASED A CORPORATE GLOSSARY OF 100+ INGREDIENTS as part of our commitment to ingredient transparency
 Packaging	UPDATED OUR PACKAGING SPECIFICATION SYSTEM to better track supplier-used materials, reduce waste, and boost recyclability	COMPLETED A MULTI-YEAR STUDY ON RECYCLABILITY and published our findings in partnership with Strategic Materials, Inc. (SMI)

⁸ Electric vehicles are defined as battery-electric vehicles and plug-in hybrid vehicles with an all-electric range of at least 50km.

OPERATIONS

SCOPES 1 & 2

In fiscal 2024, Scope 1 and 2 emissions accounted for approximately 2.1% of our measured footprint. We continue to address emissions from our direct operations through our ongoing work to source renewables and the work of our Building Operations, Electric Vehicles, and Manufacturing Climate Action Workstreams.



ELC's China Innovation Labs in Shanghai (LEED Platinum)

BUILDING OPERATIONS

Renewable Electricity

In fiscal 2024, we again sourced 100% renewable electricity globally and have achieved carbon neutrality across our Scope 1 and 2 emissions, commitments that we have maintained since fiscal 2020.⁹

Utilizing our dedicated capital fund for sustainability initiatives, we added two new on-site solar installations to our manufacturing sites in Belgium and Japan. These projects combined will provide an additional 2 MW of clean energy capacity, with an anticipated annual savings of 422 MT CO₂e. Now, with eight solar-equipped locations, we have a global capacity of 8.3 MW of renewable electricity.

Our Use of Carbon Offsets

We have adopted a portfolio approach for meeting our carbon neutrality goal, which includes on-site renewables, a virtual power purchase agreement and high-quality offsets.¹⁰ When ELC purchases carbon offsets, it is to complement, not replace, our emissions reduction efforts. We collaborate with reputable offset providers to source high-quality offsets that have a meaningful impact. Pursuant to California's act on Voluntary Carbon Market Disclosures (Cal. Health & Saf. Code § 44475.1), we have published further details of our fiscal 2024 offset purchases in our **Fiscal Year 2024 Social Impact and Sustainability Report.** [🔗](#)

Green Buildings

Our Green Building Standards continue to guide sustainability improvements across ELC spaces. These standards, covering energy, water, waste, indoor air quality, and materials, are a foundational tool that helps us address our environmental impact.

As of fiscal 2024, 100% of our offices over 5,000 square feet are implementing all core sustainability practices, including purchasing ENERGY STAR-rated equipment, reducing lighting and plug load energy consumption, providing on-site recycling, and purchasing Forest Stewardship Council (FSC)-certified paper products.

Alignment with our Green Building Standards is tracked across 30+ countries through a biannual questionnaire distributed via our internal Sustainability Champions Program. Our 70+ Champions serve an important role in implementing and maintaining these practices across our largest offices.

LEED CERTIFICATIONS

In fiscal 2024, we achieved LEED certification for six additional sites, the most certifications we achieved in a year: Galgenen, Switzerland distribution center (LEED Silver); Beijing, China office (LEED Silver); Le Labo's Brooklyn, New York headquarters (LEED Silver); Wohlen, Switzerland office (LEED Gold); all five floors of one of our New York City offices (LEED Gold), and our Innovation Labs in Shanghai, China (LEED Platinum).

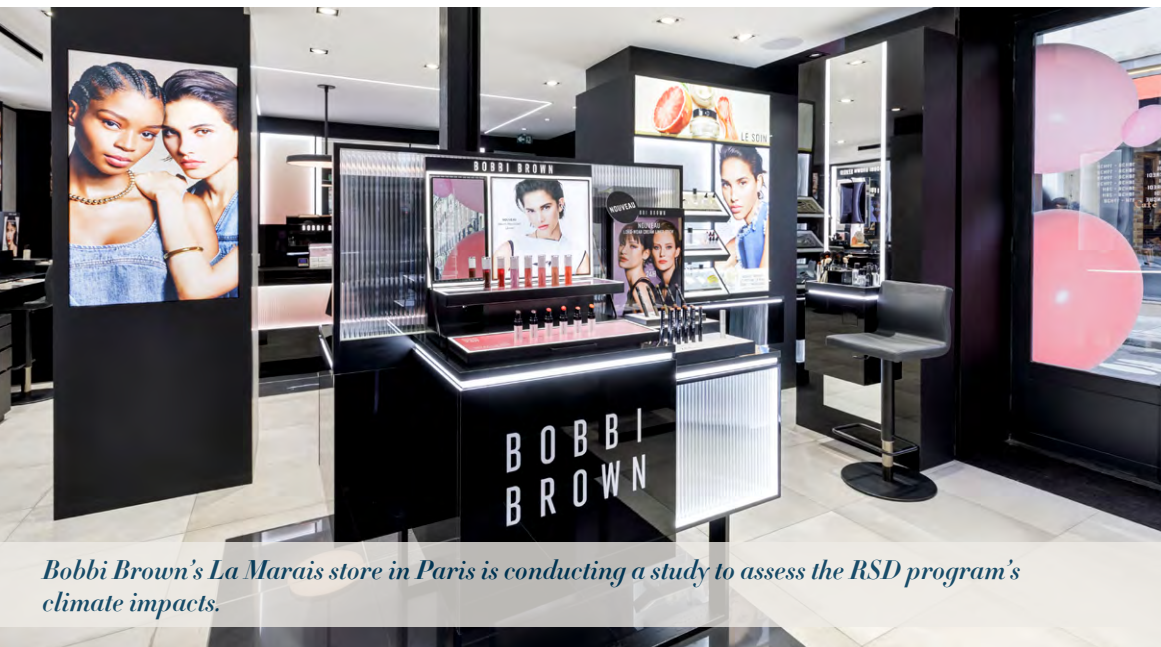
⁹ Electricity consumption for all global activities under ELC operational control. Renewable electricity consumption reflects onsite generation, off-site generation (utility contracts), Energy Attribute Certificates (EACs), and a Virtual Power Purchase Agreement (VPPA). ELC joined the RE100 campaign in 2017. Please see www.there100.org for more information.

¹⁰ High quality offsets are associated with GHG reductions or removals that are considered permanent, additional, enforceable, real, and verified to a rigorous third-party standard.

Responsible Store Design

After launching our third-party-assured Responsible Store Design (RSD) program in fiscal 2023 with five pilot locations, we expanded this internal program to 33 stores globally, implementing our core retail sustainability initiatives covering waste, water, energy, and indoor air quality. Ten brands - Aveda, Bobbi Brown Cosmetics, Editions de Parfums Frédéric Malle, Estée Lauder, Jo Malone London, KILIAN PARIS, La Mer, M·A·C, Origins, and TOM FORD - are now participating in the RSD program.

The RSD program has several energy-specific requirements, including the installation of LED lighting, the procurement of energy-efficient equipment and systems, and the implementation of an end-of-day shutdown procedure. Additional energy-related practices, like lighting power density reduction, air curtain installation, and lighting control systems are also encouraged to conserve energy and meet the program requirements.



Bobbi Brown's La Marais store in Paris is conducting a study to assess the RSD program's climate impacts.

ELECTRIC VEHICLES

Our support for a low-carbon future is reflected in our goal to transition 100% of our global corporate fleet vehicles to electric by 2030.¹¹ We are proud to operate one of the most geographically diverse fleets with vehicles in 47 countries across the globe.¹²

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%. In addition to transitioning the corporate fleet, we offer free electric charging stations for employees at certain sites in North America and Europe, installing more than 30 EV charging stations globally during fiscal 2024. As part of our EV100 commitment, we aim to expand this work through global driver surveys to better understand employee commuting trends and continually assess additional sites to meet charging demand.



MANUFACTURING

With our 2030 SBTs in sight, gaining a deeper understanding of our energy consumption across our manufacturing sites is a foundational step in unlocking new opportunities for efficiency. We continue to implement real-time energy monitoring at our manufacturing sites. This practice aids in guiding strategic direction around equipment upgrades, lighting enhancements, and building envelope improvements as well as helps inform routine third-party energy audits. Our team aims to increase the frequency of energy audits to remain proactive as we stay on track to meet our climate goals.



Estée Lauder product being filled at one of our manufacturing facilities.

¹¹ 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. By 2030 means by the end of calendar year 2030. ELC joined the EV100 campaign in 2022. Please see www.theclimategroup.org for more information.

¹² ELC is 9th in the "Members with EVs deployed in the most locations (individual markets)" graphic in Climate Groups' "Charging the EV Transition — 2024 EV100 Progress and Insights Report."

PURCHASED GOODS & SERVICES

SCOPE 3, CATEGORY 1

In fiscal 2024, emissions from purchased goods and services accounted for approximately 47% of our measured footprint. We continue to address emissions from this category through the work of our Raw Materials, Packaging, Indirect Procurement, and Third-Party Manufacturing (TPM) Climate Action Workstreams.

RAW MATERIALS

We are committed to enhancing the consumer experience while keeping performance, quality, sustainability, and safety top of mind across our portfolio of unique brands. In fiscal 2024, we launched a corporate ingredient glossary featuring 100+ key ingredients to improve transparency for consumers. Supply chain transparency is an essential part of our ingredient sourcing strategy and can unlock scalable opportunities for sustainability improvements, including emissions reductions. By fostering greater traceability and collaboration with our suppliers, we gain a better understanding of our material portfolio.

Enhancing Green Chemistry

Our Green Chemistry team is currently developing an implementation plan for the first major methodological iteration of ELC's Green Chemistry assessment tool.¹³ Building upon the valuable insights offered by the initial tool, the enhanced methodology will integrate assessments on waste generation and process hazards during ingredient manufacturing as well as ingredient biodegradability. It also will feature refinements for improved data robustness across environmental endpoints. The proposed enhancements have been validated by ELC's Green Chemistry Scientific Advisory Group for scientific rigor and relevance.¹⁴

Once the implementation process is complete, these enhancements will facilitate a higher resolution view on ingredient environmental impact, such as factors that may contribute to GHG emissions. Together with our supplier data collection processes, this will help us to better prioritize ingredients with lower GHG emissions.

¹³ Read the peer-reviewed article, "Applying Green Chemistry to Raw Material Selection and Product Formulation at The Estée Lauder Companies," on the [Green Chemistry journal website](#).

¹⁴ ELC's green chemistry methodology has been validated by our Green Chemistry Advisory Group, which is composed of academic experts from China, Europe, North America, Asia-Pacific, and Latin America.



PURCHASED GOODS & SERVICES

PACKAGING

In fiscal 2024, we continued to focus on addressing the GHG emissions associated with our packaging while maintaining the high-quality experience our consumers expect. We expanded the use of our internal GHG tool to assess the climate impacts of packaging materials earlier in the design process, helping enable more informed decisions on recyclability, refillability, and overall emissions impact. We broadened our internal training to connect our packaging goals more intentionally to our corporate SBTs. Equipping our teams with knowledge and tools to assess the climate impact of packaging helps us make more informed choices that align with our broader sustainability and climate goals.

We also enhanced our packaging specification system with a new inbound transit packaging section to better track supplier-used materials. This increased visibility allows us to pinpoint areas where we can reduce material usage and improve overall sustainability, including recyclability. This data-driven approach is critical to improving the carbon footprint of our packaging going forward.

Additionally, we continue to provide guidance to our brand designers and developers via the creation of new product category menus. These menus help them make informed decisions and provide design dos and don'ts that align with our 5 Rs (recyclable, refillable, reuseable, recycled, or recoverable) while considering potential tradeoffs. This marks an important step in more strongly linking our 5 Rs approach to our climate transition.

¹⁵ After having purchased your first refillable and recyclable glass bottle.

PACKAGING HIGHLIGHTS

We are proud to highlight some examples of brand-led packaging initiatives that help to address reductions in plastic and in GHG emissions.



Origins Plastic Reduction Initiative

Origins' recent redesign has helped achieve more than a 35% reduction in plastic use for the brand, equivalent to saving 2 million plastic water bottles. Additionally, its new packaging incorporates 99%+ FSC-certified cartons, helping to ensure responsible forest management practices.



Estée Lauder Luxe Refillable Fragrance

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.¹⁵ This product's refillable bottle also helps to minimize packaging weight by 40%.

THIRD-PARTY MANUFACTURERS

Beginning in fiscal 2023, we partnered 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 goals covering a range of sustainability topics, including energy and GHG emissions.

To support our TPMs in achieving these goals and help suppliers implement and measure effective programs, we provide resources and conduct best practice sharing webinars on key sustainability impact areas. In fiscal 2024, 80% of our top 20 TPMs reported the use of renewable energy, up from 65% in fiscal 2023. We also saw an increase in the number of our top 20 TPMs responding to CDP, with 94% responding in fiscal 2024, up from 80% in fiscal 2023.

TRANSPORTATION & DISTRIBUTION

SCOPE 3, CATEGORY 4

*Upstream Transportation & Distribution
and*

SCOPE 3, CATEGORY 9

Downstream Transportation & Distribution

In fiscal 2024, about 32% of our estimated GHG emissions came from upstream transportation and distribution of our products and their components, and approximately 0.6% came from downstream. We continue to address emissions from these categories through the work of our Fulfilment Climate Action Workstream.



ELC's Galgenen Distribution Center in Switzerland

FULFILMENT

As part of our strategy to decarbonize fulfilment, we aim to continuously assess regional networks for streamlined deliveries and tailor delivery options to each region's needs. We took additional steps in fiscal 2024 to optimize our air freight usage, the most emissions-intensive and costly mode of transportation. We are continuing to evaluate additional opportunities to reduce air freight by modifying supply chains for both raw materials and finished goods and optimizing planning cycles to reduce lead times. A centralized team oversees this process across our supply chain to help ensure consistent decision-making based on standardized criteria. As a result of lower air freight and volume utilization, we achieved approximately a 50% reduction in emissions compared to fiscal 2023.



NORTH AMERICA EXPANDS SAME-DAY DELIVERY FOR M·A·C PRODUCT

We have partnered with delivery platforms to offer same-day delivery for M·A·C Cosmetics in select markets across the US and Canada. This partnership not only enhances customer convenience but also aligns with our sustainability goals, with approximately 20% of deliveries in these select markets being fulfilled using EVs. We are evaluating its success in reducing emissions in our last-mile delivery operations.

BUSINESS TRAVEL

SCOPE 3, CATEGORY 6

In fiscal 2024, about 1.2% of our estimated GHG emissions came from employee business travel. As part of ELC's climate goals, we have integrated various policies to promote responsible travel. ELC's travel policy encourages virtual meetings and provides recommendations on carbon-efficient modes of transportation, such as using electric vehicles, trains, and lower-emission routes for air travel, where possible. Additionally, ELC's Travel Retail Team remains committed to purchasing sustainable aviation fuel (SAF) from key carriers as a part of the Travel Retail team's carbon neutrality commitment for business travel.



SUPPLIER ENGAGEMENT

Our suppliers are partners in helping to reduce our Scope 3 emissions. We continue to support their climate action efforts by providing access to education and resources to calculate and disclose emissions, set reduction targets, and implement abatement strategies. We collect data through industry-standard platforms and provide resources and training to build supplier capabilities.

SUPPLIER LEADERSHIP ON CLIMATE TRANSITION (SUPPLIER LOCT)

In fiscal 2024, we entered our third year participating in Supplier LOCT, a brand consortium focused on reducing GHG emissions by empowering suppliers with skill building and sharing of best practices.

Over 90 ELC suppliers participated in Supplier LOCT

including raw materials, packaging, TPMs, and indirect suppliers from Spring 2022 through the end of fiscal 2024.

After participating in Supplier LOCT, over 20 ELC suppliers set or committed to set SBTs validated by SBTi.

Other participating suppliers are earlier in their climate work and have applied their learnings from Supplier LOCT to complete or improve their GHG footprint calculations.

CDP SUPPLIER DATA

We continue to request key suppliers to participate in the CDP Supply Chain program to encourage accountability and action for emissions reductions, identify areas of opportunity and collaboration, and gather data to help us calculate our Scope 3 GHG inventory.

Over 250 ELC suppliers responded to the 2023 CDP Climate questionnaire our highest participation rate and largest supplier cohort to date.

In 2023, 50 additional ELC suppliers reported using renewable energy compared to 2022.



NATURE & BIODIVERSITY

In fiscal 2024, we continued to build upon our programs that address the intersections of nature and climate. Building upon the nature assessment conducted in partnership with the nonprofit organization BSR last year, we identified key geographies exhibiting a higher biodiversity risk or heightened biodiversity pressures and assessed our sites using the WWF Risk Filter. While less than one percent of the 1,500+ sites we assessed are considered high risk, we are continuing to identify data needs and improve collection to better measure and track our nature impacts.

As biodiversity is highly localized and context-based, we are improving our transparency and traceability capabilities to better understand existing pressures on nature where we operate and source. In fiscal 2024, we became a founding member of the TRaceability Alliance for Sustainable CosmEtics (TRASCE), a consortium which aims to improve the transparency and sustainability of global commodity supply chains. Through TRASCE, shared digital tools, and close collaboration, we have an opportunity to enhance transparency and elevate our sourcing practices by considering the potential impacts on both people and the environment.

In fiscal 2024, in light of evolving stakeholder expectations for increased disclosure of nature impacts and opportunities, we took 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. To read more about this work, please reference our [Fiscal Year 2024 Social Impact and Sustainability Report](#). [↗](#)

INVESTING IN NATURE & PEOPLE

Through the ELC Charitable Foundation (ELCCF), we fund programs that sit at the intersection of nature, climate, and women's leadership.

Conservation International

Through the ELCCF partnership with Conservation International's Amazonia Indigenous Women's Fellowship, we fund projects and provide support to incredible leaders to increase the protection of high-carbon forests within the Amazon. The Fellowship is dedicated to enhancing Indigenous women's leadership in conservation. Since 2022, ELCCF helped support 25 of 115 fellows. The goal is to keep carbon in place and mitigate global climate change by supporting Indigenous Peoples and their communities to conserve 566,000 hectares of irreplaceable high-carbon forests in Bolivia, Colombia, Ecuador, and Peru. In calendar year 2023, many accomplishments were made in strengthening food systems, restoring the land with traditional plants, sustainably managing animal species, and applying Indigenous women's leadership in conservation.

Rainforest Alliance

ELCCF has partnered with Rainforest Alliance over the last three years on a project to elevate the role of women in critical biodiversity areas. This has so far provided over 270 women from rural and Indigenous communities across Peru, Cameroon, and Indonesia the opportunity to develop leadership, business development, and agricultural landscape management skills. The project is focused on empowering women who are part of landscapes severely affected by the climate crisis and the destruction of biodiversity. By the end of 2023, this project had contributed to community implementation of deforestation-free economies across 15,000 hectares.

Action for Sustainable Derivatives (ASD) – Kaleka

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 ELCCF's and other donor's 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 two of the largest palm-producing districts in Central Kalimantan, Indonesia. Through this initiative, more than 600 farmers achieved Roundtable on Sustainable Palm Oil (RSPO) certification since the start of our support for the Kaleka project, and 100 hectares of land were planted for reforestation in Year 2.

ESTÉE LAUDER COMPANIES

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.

ON THE COVER:

Ponderosa wind farm in Oklahoma from which The Estée Lauder Companies signed a Virtual Power Purchase Agreement (VPPA) for 22 megawatts (MW) of wind power in fiscal 2020.