

ESTÉE
LAUDER
COMPANIES

UK GENDER PAY GAP
REPORT 2022

INTRODUCTION

At the Estée Lauder Companies, our ambition is to be the most diverse, equitable and inclusive beauty company in the world. Our commitment to gender equity is a critical component to progress toward our goal, and we are continually investing in providing a workplace where all of our people can thrive.

We recognise the value of a diverse team, and the ways our varied strengths, capabilities and perspectives make us more effective in meeting the needs of our consumers.

The Estée Lauder Companies is proud to have been named in the 2022 Bloomberg Gender-Equality Index (GEI) for the fifth year in a row.

81% of our global workforce are women and 59% of global Vice President positions and above are held by women*.

Similar to previous years, our report includes the Gender Pay Gap figures for Estée Lauder Companies UK & Ireland ('ELC UK'), our corporate, point of sale and distribution centre business, as well as Whitman

Laboratories Limited, our UK-based manufacturing business.

Our gender pay gap analysis shows that we still have both a mean and median gender pay gap for Whitman Laboratories Ltd and ELC UK, where we have a diverse array of roles which can vary significantly in scope.

We recognise the need to reduce this gap and remain committed to our efforts for longer-term improvements. We invite you to read about our latest updated gender equity commitments and initiatives in this report.

*as of 31 December, 2022.



Sue Fox,
President,
The Estée Lauder Companies UK
& Ireland



Ben Smith,
Plant Manager,
Whitman Laboratories Ltd

65% of our UK Leadership team is female and Estée Lauder Companies' UK workforce is 86% female overall.

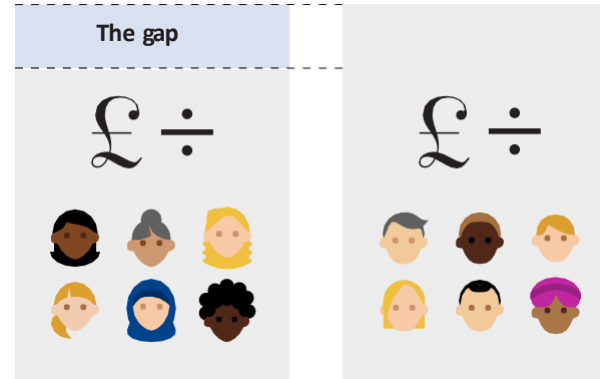
UNDERSTANDING THE UK GENDER PAY GAP

The UK Gender Pay Gap measures the difference between the average earnings of females and males across the business (shown as a percentage of male's earnings), regardless of the work they do.

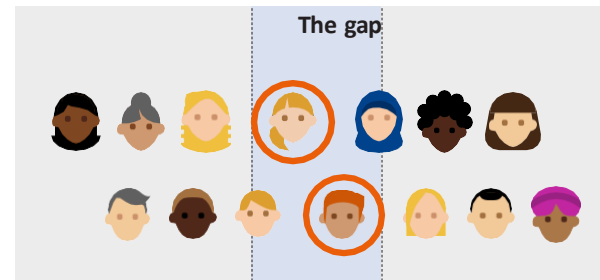
This is expressed through reporting the differences in mean and median earnings between women and men calculated on the basis of equivalent hourly rates. This includes base pay, allowances and any other bonus and incentive pay paid.

The gender bonus gap is the difference in all incentive pay received by males and females in the previous 12 months. This includes all bonuses, long-term incentives and sales commission payments.

Note: the binary gender pay gap analysis does not account for differences in roles nor how the compensation for roles may vary across salary, bonus and equity. The gender pay gap does not measure equal pay, which relates to what women and men are paid for the same or similar jobs or work of equal value.



Mean: The mean is calculated by adding up the total pay of employees and dividing by the number of employees in the list. The calculation is completed separately for males and females and the totals are compared.



Median: The median is the middle number of a ranking of pay from lowest to highest and gives us the best view of 'typical' pay.

2022 RESULTS

THE ESTÉE LAUDER COMPANIES UK

	2022	
Mean Gender Pay Gap	34%	
Median Gender Pay Gap	23%	
	M	F
Quartile 1	5%	95%
Quartile 2	7%	93%
Quartile 3	12%	88%
Quartile 4	20%	80%
Mean Gender Bonus Gap	70%	
Median Gender Bonus Gap	52%	
% of Males Receiving Bonus	87%	
% of Females Receiving Bonus	88%	

WHITMAN LABORATORIES LTD

	2022	
Mean Gender Pay Gap	17%	
Median Gender Pay Gap	9%	
	M	F
Quartile 1	33%	67%
Quartile 2	49%	51%
Quartile 3	59%	41%
Quartile 4	64%	36%
Mean Gender Bonus Gap	73%	
Median Gender Bonus Gap	15%	
% of Males Receiving Bonus	86%	
% of Females Receiving Bonus	85%	

UNDERSTANDING OUR RESULTS

ELC UK

Similar to previous years, our analysis shows that our gender pay gap is largely driven by our workforce profile, with a compounding effect of the following factors:

- Our employee base is predominantly female (86% of the ELC UK workforce), which broadly reflects the profile of our customers. Moreover, females account for 93% of our workforce in the retail sector, where pay rates, while market competitive, tend to be lower than for office-based roles, where there are comparatively more males.
- Many of our retail roles are occupied by employees working part-time, females account for most of these roles, which offer more flexibility than full-time retail roles. This has an impact on our bonus gap results due to prorated levels of sales-based commission.
- While we seek to have an equal representation of men and women in senior technical or specialist roles, like other businesses, we tend to have a high proportion of men applying for these roles, which tend to attract higher pay rates than retail roles.
- We are nonetheless very proud of the high representation of females throughout our organisation, including at Director and above, where 66% of our colleagues are female.

WHITMAN LABORATORIES LTD

At our Whitman manufacturing site, while we always try to ensure a diverse range of candidates for our roles, the gender pay gap is largely driven by the fact that the majority of applicants for our senior manufacturing and technical roles are male. We continue to work towards greater gender diversity across all levels.

Overall, 52% of STEM roles at Whitman are occupied by females.

67% of the top 30 ELC UK incentive pay-outs were to women, in line with the proportion of females in senior leadership roles.



OUR COMMITMENTS AND INITIATIVES

ADVANCING FEMALE CAREER DEVELOPMENT

We continue to run a range of initiatives to advance female talent including:

- We continue to significantly invest in our digital learning platform for all colleagues, providing opportunities to develop skills and capabilities across Leadership, Sustainability and E-Commerce. In 2022 we introduced The Open Doors Collection, a leadership development programme designed to help our colleagues lead from every chair, embrace infinite possibilities, and develop important skills.
- We continue to expand the qualifications we offer, including Leadership and Coaching. In addition, we continue to offer qualifications which are funded by the Apprenticeship Levy in both ELC UK and Whitman Laboratories Ltd, focusing on qualifications that support critical areas of the business such as Manufacturing, Data Analytics, and Leadership.
- We continue to offer reverse mentoring, which our young talent can interact with senior leaders and directly input into our strategy, as well as launching Mentor Moments, an opportunity for our talent to learn about the diverse career experiences of leaders across our organisation.
- Our Women's Leadership Network continues to support, encourage and engage all females across the Company to reach their full potential to emerge as true leaders both personally and professionally.
- In the UK, ELC offers 20 weeks of fully paid maternity leave, adoption leave, or shared parental leave (where applicable) to UK & Ireland-based employees. This includes those working in retail, manufacturing supply chain and corporate roles.
- At Whitman Laboratories Ltd, we continue to sponsor and attend STEM events and school fairs (where possible) to attract female students and increase their awareness around Engineering and Technical related areas; as well as encourage male students to explore the breadth of opportunities that we can offer; to ensure more gender diversity in all areas in the longer term.
- Globally we continue to pledge our support to the UN Sustainable Development Goal Number 5 to achieve gender equality and empower all females around the world to reach their full potential.

SUPPORTING OUR COLLEAGUES

- Our ELC Cares Employee Relief Fund, launched during the pandemic, continues to provide immediate and critical financial relief to employees impacted by catastrophic disasters, personal disasters, and personal hardships (including COVID-19).
- We relaunched MyELChoices, an online portal which provides access to a suite of flexible employee benefits and includes tools to support our colleagues' financial, physical and mental wellbeing.
- In October 2021, we launched a Perimenopause / Menopause Support App to support our female colleagues and their partners. We also expanded the provision of free mammograms for females as well as starting to offer new prostate cancer examinations.
- We have three mental health providers to support all employees and their families. Our Mental Health & Wellbeing Employee Resource Group (ERG) also supports our employees, and our Mental Health First Aiders are trained to provide support to anyone who is experiencing a mental health concern.
- Our Parents and Carers Circle and Families@Work ERG continue to provide colleagues with support to help create a balance between work and family responsibilities, while recognising that every family is unique.

- We continue to offer flexible and agile working policies to formalise our stance on the increased desire for flexibility and part-time work; and to also support our employees' work/life balance.

EMBEDDING INCLUSION, DIVERSITY & EQUITY

- We continuously work to advance and embed our Global Inclusion, Diversity & Equity (ID&E) Strategy through our UK&I Sustainable ID&E Circle, a group of internal champions who help to develop and drive a locally relevant ID&E approach across our matrix, reporting into our Regional Director ID&E and Regional Diversity Council.
- 100% of corporate, retail, and fulfilment centre employees have completed Unconscious Bias training and we continue to roll out Inclusive Leadership training to all people managers.
- Our 5 UK ERGs promote community and allyship while enhancing professional development and business alignment. These include GenNext, which leverages generational insights to contribute to ELC's business objectives and workplace experiences, and wELCome, which educates our teams and brands on how we authentically support and LGBTQUIA+ colleagues and consumers.



GENDER PAY GAP
REPORT 2022

This report has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, which require large employers to publish their Gender Pay Gap data. We confirm that the data included in this report is accurate.

Signed:



Amit Anand
Vice President - Finance,
Estée Lauder Cosmetics Ltd

Signed:



Stephen Pople
Executive Manager, Finance,
Whitman Laboratories Ltd