

ESTÉE
LAUDER
COMPANIES

UK GENDER PAY GAP
REPORT 2023

INTRODUCTION

At the Estée Lauder Companies, we have a long-standing ambition 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 a workplace where all of our people can thrive.

We continue to 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 2023 Bloomberg Gender-Equality Index (GEI) for the sixth year in a row.

80% of our global workforce are women, 59% of global Vice President positions and above are held by women and more than 60% of our scientists, engineers and technology professionals are women*.

Like previous years, our report includes the Gender Pay Gap figures for Estée Lauder Companies UK ('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 have reduced the mean and median gender pay gap for ELC UK. For Whitman Laboratories Ltd, we have reduced the mean gender pay gap and the median gender pay gap remains unchanged.

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



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



Ben Smith,
Plant Manager,
Whitman Laboratories Ltd

Women comprise 73% of our UK Leadership team.

*as of November 2023.

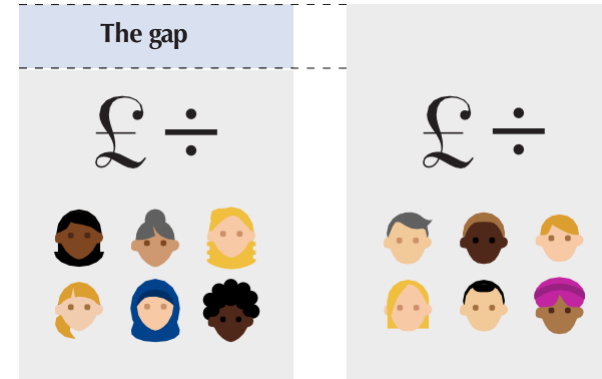
UNDERSTANDING THE UK GENDER PAY GAP

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

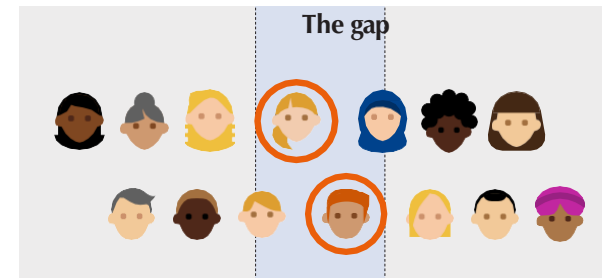
This is expressed through reporting the differences in mean and median earnings between women and men calculated on the basis of equivalent hourly rates. This includes base pay, allowances and any other bonus and incentive pay paid.

The gender bonus gap is the difference in all incentive pay received by men and women 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 men and women 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.

2023 RESULTS

THE ESTÉE LAUDER COMPANIES UK

	2023	
Mean Gender Pay Gap	27%	
Median Gender Pay Gap	14%	
	M	F
Quartile 1	5%	95%
Quartile 2	7%	93%
Quartile 3	11%	89%
Quartile 4	20%	80%
Mean Gender Bonus Gap	58%	
Median Gender Bonus Gap	48%	
% of Men Receiving Bonus	85%	
% of Women Receiving Bonus	89%	

WHITMAN LABORATORIES LTD

	2023	
Mean Gender Pay Gap	14%	
Median Gender Pay Gap	9%	
	M	F
Quartile 1	35%	65%
Quartile 2	45%	55%
Quartile 3	60%	40%
Quartile 4	61%	39%
Mean Gender Bonus Gap	35%	
Median Gender Bonus Gap	14%	
% of Men Receiving Bonus	95%	
% of Women Receiving Bonus	94%	

UNDERSTANDING OUR RESULTS

ELC UK

Whilst lower than in previous years, our analysis shows that a gender pay gap remains due to our workforce profile, with a compounding effect of the following factors:

- Our overall employee base is predominantly composed of women, which continues to broadly reflect the profile of our customers. Women continue to account for 93% of our retail workforce, which accounts for most of our workforce at ELC UK, and pay rates for retail roles, 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. Women account for most of these part-time 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 proud of the high representation of women throughout our organisation, including at Director and above, where 68% of our colleagues are women.

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, around 50% of STEM roles at Whitman are occupied by women.



OUR COMMITMENTS AND INITIATIVES

CONTINUOUSLY ADVANCING WOMEN'S CAREER DEVELOPMENT

- 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.
- Our **Open Doors Collection** continues to help our colleagues to develop important skills, including Grit, Resilience and Growth Mindset, and we are expanding the qualifications we offer, including Leadership and Coaching.
- We continue to offer **Apprenticeship qualifications** at 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**, providing our young talent with the possibility to interact with senior leaders and directly input into our strategy, as well as **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 women 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 women 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 increase gender diversity overall.
- We are proud to support the British Beauty Council's **Future Talent Programme for Schools** to inspire and educate young students to consider STEM careers & apprenticeships in beauty.
- Globally, we continue to support to the **UN Sustainable Development Goal Number 5** to achieve gender equality and empower all women to reach their full potential.

SUPPORTING OUR COLLEAGUES THROUGH A RANGE OF BENEFITS

- MyELChoices, an online portal, continues to provide access to a **suite of flexible employee benefits and tools** to support our colleagues' financial, physical and mental wellbeing.
- A **Perimenopause / Menopause Support App** continues to offer support our colleagues and their partners.
- Our **three mental health providers** continue 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 ERGs** 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**, recognising the increased desire for flexibility and part-time work; and strive to support our employees' work/life balance.

CONTINUOUSLY 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 **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 2023

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