

ABOUT THIS RFP()RT

This is our third corporate responsibility (CR) report. It covers our CR performance from FY2011 to FY2012, ending June 30, 2012. We have used the Global Reporting Initiative guidelines to ensure we cover the main issues of interest to our stakeholders (see our GRI Index). A summary of our financial performance is below. Please see our Annual Report and SEC filings for more information on our business performance.

COMPANY OVERVIEW (FY2012)

NET SALES

CASH FLOW FROM **OPERATIONS**

COUNTRIES & TERRITORIES IN WHICH WE OPERATE

NUMBER OF EMPLOYEES

ABOUT THE ESTÉE LAUDER COMPANIES

The Estée Lauder Companies Inc. (ELC), founded in 1946 by Mrs. Estée Lauder, is one of the world's leading manufacturers and marketers of prestige skin care, makeup, fragrance and hair care products. We continue to be guided by the Lauder family, who hold a controlling interest in the Company. The Company is led by its Executive Chairman, William P. Lauder, and its President and Chief Executive Officer, Fabrizio Freda.

Our products are sold in more than 150 countries and territories under the following brand names: Estée Lauder, Aramis, Clinique, Prescriptives, Lab Series, Origins, M·A·C, Bobbi Brown, Tommy Hilfiger, Kiton, La Mer, Donna Karan, AVEDA, Jo Malone, Bumble and bumble., Darphin, Michael Kors, American Beauty, Flirt!, GoodSkin Labs, Grassroots Research Labs, Tom Ford, Coach, Ojon, Smashbox, Ermenegildo Zegna, AERIN, Osiao and MARNI.

THE BEAUTY OF RESPONSIBILITY

We are a global leader in the prestige beauty industry because of the recognition of our brands, our product innovation, our strong position in key geographic markets and the consistently high quality of our products. We have a structured approach to nurturing talent, the environment and the well-being of communities where we operate. This approach is supported by our family values and strengths: respect for individuals, passion for entrepreneurship and drive for creativity.

ELC is a member of the FTSE4Good investment indices.



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LETTER FROM WILLIAM P. LAUDER



As our business continues to grow and prosper around the world, we work passionately to make our global presence profitably sustainable, never taking our success for granted.

Our deep-seated family values and strengths—respect for individuals, our passion for excellence in all we do, in effect, HOW we do business—define our commitment to Corporate Responsibility and inspire us to continue to improve.

Our growing global presence highlights the need to further encourage diversity as a pillar of innovation within The Estée Lauder Companies. This richness of variety helps us fulfill our mission to build a great business, nurture talent, protect the environment and contribute to the well-being of communities where we operate. Since we last reported in 2010, we have continued to make progress in meeting our social and environmental commitments. We set a new target to reduce our greenhouse gas (GHG) emissions per unit of revenue by 20% by 2015, using FY2008 as a baseline. We are firmly on track to meet this goal, and at the end of FY2011 we had already reduced the GHG intensity of our operations by 16%. This reduction was achieved by improving energy efficiency and by using more renewable energy, including the installation of extra photovoltaic generating capacity at our site in Melville, New York. More than 90% of the electricity used at our automated warehouse there is supplied by solar panels on the site.

We continue to improve the environmental profile of our packaging and have recently joined the Sustainable Packaging Cosmetic Roundtable, which aims to share best practices in our industry.

During her more than 50 years with this Company, my mother, Mrs. Evelyn H. Lauder, carried the torch of our Company heritage and the values passed to her by my grandmother, Mrs. Estée Lauder. Through the establishment of The Estée Lauder Companies' Breast Cancer Awareness (BCA) Campaign and The Breast Cancer Research Foundation® (BCRF), Evelyn Lauder worked tirelessly to advocate for breast cancer awareness and funding for research. As we celebrate The BCA Campaign's 20th anniversary this year, we also celebrate my mother's life and enduring legacy.

Our philanthropy, so enthusiastically supported through volunteering by our employees, continues to improve the plight of many who suffer from the effects of breast cancer and HIV/AIDS. Since 1992, The Breast Cancer Awareness Campaign has raised more than \$35 million; since 1994, M·A·C Cosmetics has raised more than \$250 million for M·A·C AIDS Fund and other visionary organizations that confront the HIV/AIDS epidemic.

Our heritage of responsibility reflects the way we approach our business; producing some of the best beauty products globally while providing a sustainable return on investment by respecting the environment and contributing to a better society. For me, that is the Beauty of Responsibility.

William P. Lauder

Executive Chairman

Willeston



Q&A WITH GREG POLCER

EXECUTIVE VICE PRESIDENT, GLOBAL SUPPLY CHAIN

Greg Polcer is Executive Vice President, Global Supply Chain for The Estée Lauder Companies and a member of the Executive Leadership Team. Mr. Polcer oversees the Company's supply chain, including procurement, manufacturing, planning, quality assurance, logistics, environmental affairs and safety.

Q. How has the increased global focus on corporate responsibility changed the way supply chains are managed?

A. The efficiency of the supply chain has always been critical to the success of the business. Increased attention to issues such as environmental care and human rights has added another layer of complexity, which brings challenges but also many opportunities.

Q. Where are the opportunities?

A. These lie in tackling the challenges and being able to demonstrate to customers, consumers and investors that you can manage the risks while also contributing to a better world by championing good practices. For me, this is made a lot easier because our values and our history demonstrate that business can be mobilized for the greater good.

Q. How does this help ensure continued growth, globally?

A. It's absolutely integral because you need clean, efficient supply chains and a safe, motivated workforce to produce beautiful quality products that our consumers demand.

Q. What are your major challenges?

A. We've continued to energize our global campaign to ensure a safe workplace. This is a challenge for most companies, but I am determined that we can improve our record and motivate our employees to use the tools we provide to keep themselves safe at all times.

We use many ingredients in our formulas, and we are working hard with our suppliers to source ingredients responsibly.

As we become more global, the challenges become increasingly diverse and complex. I feel confident that we are creating the necessary awareness and have systems in place to ensure we manage our risks and continue to create products of the highest quality.

Q. How important is corporate responsibility for the business in the future?

A. It is critically important, and its significance will only increase as our consumers become more diverse and the environmental pressures on the planet increase. That's why we spend time, effort and money on ensuring we manage our business in a responsible way.



MRS. EVELYN H. LAUDER

IN MEMORIAM MRS. FVFIYN H. I AUDFR

(1936 - 2011)

rs. Evelyn H. Lauder was Senior Corporate Vice President and Head of Fragrance Development Worldwide for The Estée Lauder Companies Inc. During her more than 50 years with the Company, she held many positions while contributing her invaluable insights about fashion trends, consumers' changing needs and new approaches to the development of innovative skin care, makeup and fragrance products.

Mrs. Lauder was perhaps best known to the public for her work in bringing global awareness to the importance of women's breast health. In 1992, Mrs. Lauder and Alexandra Penney of SELF magazine created the Pink Ribbon, recognized as the worldwide symbol of breast health. Simultaneously, Mrs. Lauder launched The Estée Lauder Companies' Breast Cancer Awareness (BCA) Campaign (www.bcacampaign.com).

Mrs. Lauder was Chairman of The Breast Cancer Research Foundation® (BCRF), which she founded in 1993. She was passionately committed to the Foundation's mission to prevent breast cancer and find a cure in our lifetime by funding the most innovative clinical and translational research at leading medical centers worldwide. BCRF has raised more than \$380 million, cumulatively. Read more about the The BCA Campaign and BCRF.

In 1989, Mrs. Lauder initiated the fundraising drive that established the Evelyn H. Lauder Breast Center at Memorial Sloan-Kettering Cancer Center in

New York City. As the first comprehensive breast and diagnostic center, it became a model for similar facilities around the world. The expanded Evelyn H. Lauder Breast Center, opened in September 2009, provides the most up-to-date breast cancer prevention, diagnosis and outpatient treatment services.

In June 2007, Mrs. Lauder received the prestigious Partners in Progress Award from the American Society of Clinical Oncology for her efforts to increase public awareness about cancer. In 1999 and 2007, she was featured in Crain's New York Business magazine as one of New York's 100 Most Influential Women in Business. In 2010, Mrs. Lauder received the Fashion Group International Humanitarian Award in recognition for her work with BCRF and her tireless efforts toward eradicating breast cancer. In December 2011, Mrs. Lauder posthumously received the inaugural WWD Beauty Inc. Corporate Social Responsibility Award for setting a precedent with her industrious mission to raise awareness of breast health and funds for research.

Mrs. Lauder passed away from complications of non-genetic ovarian cancer on November 12, 2011. She is survived by her husband, Leonard A. Lauder, Chairman Emeritus of The Estée Lauder Companies; her son William, Executive Chairman of The Estée Lauder Companies; her son Gary, Managing Director of Lauder Partners LLC, and his wife Laura, General Partner of Lauder Partners; and her five grandchildren.

THE ESTÉE LAUDER COMPANIES CR ACHIEVEMENTS TIMFLINE

1946 Estée Lauder Cosmetics Co. officially launches

1960s ELC officially embeds values as a fundamental part of business

1968 ELC creates allergy tested brand Clinique

1980s ELC establishes animal welfare policy

1990 ELC introduces Origins as the first department store wellness brand

1992 Mrs. Evelyn H. Lauder creates The Estée Lauder Companies' Breast Cancer Awareness (BCA) Campaign

1993 ELC establishes policy on heavy metals

1994 M·A·C Cosmetics founders Frank Toskan and Frank Angelo establish M·A·C AIDS Fund

1997 ELC acquires AVEDA and supports its mission of environmental and community leadership and responsibility

1998 ELC establishes policy on responsible use of wood pulp and forestry practices

1998 ELC establishes Environmental Affairs and Safety Committee

1998 ELC joins the U.S. EPA's Energy Star Buildings Program

1999 ELC establishes Employee Wellness Program

....... 2001 ELC enacts its Environmental

2002 AVEDA is the first in industry to use 35% post-consumer recycled (PCR) high-density polyethylene (HDPE) in tubes

2003 ELC Global Operations establishes "No Landfill Policy"

2004 ELC becomes a founding member of the Sustainable Packaging

2005 ELC forms a Diversity Committee made up of senior executives from across the Company

2005 La Mer begins its work with conservation partner Oceana

2005 Origins produces Dr. Weil cartons using renewable energy

2005 ELC achieves a perfect score on the Corporate Equality Index for the first time, sponsored by the Human Rights Campaign Foundation

2006 Estée Lauder Advanced Night Repair and Eye Makeup Remover sample bottles move to 100% PCR polyethylene terephthalate (PET) plastic

2007 ELC reduces its accident frequency rate by 73% at Global Operations facilities from 1995

2007 AVEDA named a U.S. EPA GreenPower Leader for its work offsetting the carbon produced by the electricity used in manufacturing and distribution

2007 Bumble and bumble. Curl Line 8 oz. and liter bottles move to 25% PCR content

2007 ELC becomes the owner of the Ojon Corporation, a hair and skincare Company committed to traditional, sustainable harvesting practices (and care of sourcing communities)

2007 ELC's first significant photovoltaic system goes online

2007 ELC begins purchasing renewable energy for its manufacturing and distribution facilities

2007 ELC releases its first CR report

2008 ELC launches its corporate Earth Month Campaign

2008 AVEDA launches "Recycle Caps with AVEDA" program

2009 Origins launches the "Return to Origins" recycling program as part of the Origins Earth Initiative

..... development

> 2010 ELC commits to upholding the principles contained in the United Nations Universal Declaration of Human Rights and the California Transparency in Supply Chains Act

2010 ELC ranks number 27 in Newsweek's green rankings of the Top 500 U.S. companies

2010 ELC launches its Green Chemistry program

2010 ELC Global Supply Chain rolls out a Behavior Based Safety program across all facilities

2010/2011 The National Safety Council recognizes five ELC facilities in the U.S. with its Occupational Excellence awards

2011 ELC's Melville, NY manufacturing complex uses renewable energy derived from an additional 1,850 solar panels

2011 ELC joins the Natural Resource Stewardship Circle (NRSC)

2012 ELC's Whitman Laboratories UK is awarded the British Safety Council Award for the 25th consecutive year

2012 ELC proudly signs a Memorandum of Understanding with the U.S. EPA

2012 ELC joins the Sustainable Packaging Cosmetic Roundtable

2012 ELC celebrates the 20th Anniversary of The Estée Lauder Companies' Breast Cancer Awareness (BCA) Campaign

2012 ELC South Africa affiliate receives certification as Best Employer by CRF Institute South Africa

THE ESTÉE LAUDER COMPANIES CR GOALS

EMPLOYEE SAFETY

Goals (FY2010)

Achieve a Total Incident Rate (TIR) of 0.5

Progress against goals (FY2011/FY2012)

In FY2012, our TIR was 0.8, an 18% decrease from FY2010 and a 77% improvement since FY2004, when we began tracking and reporting this figure.

We shifted our original goal of achieving a TIR of 0.5 by FY2013 to target year FY2014 to allow sufficient opportunity for additional improvement and maturation of our Behavior Based Safety programs. We have implemented a number of new health and safety initiatives to help us reach our goal.

Read more in Health & Safety

New Goals (FY2012)

Achieve a TIR of 0.5 by FY2014

GLOBAL PHILANTHROPY

Goals (FY2010)

Continue to cultivate relationships with global organizations that are dedicated to health and human services, education, the environment and the arts

Progress against goals (FY2011/FY2012)

We continued to build relationships with global organizations dedicated to diversity and inclusion, health and human services, education, the environment and the arts. We are proud that:

- Since 1992, ELC donated more than \$35 million to BCRF
- M·A·C Cosmetics has raised over \$250 million to benefit organizations that confront HIV/AIDS
- In the U.S. alone, employees volunteered 16.393 hours at 692 activities in FY2012

Read more in Our Corporate Philanthropy

ENVIRONMENTAL STEWARDSHIP

Goals (FY2010)

We will continue to reduce our global energy consumption by achieving in FY2010, a 30% reduction from our 1990 normalized baseline. This goal is supported by a sustainable projects budget, including renewable energy projects in which the return on invested capital meets financial obligations. We will continue to:

- Conduct the second phase of comprehensive energy studies at our manufacturing and distribution facilities
- Generate equipment specifications to improve energy profile at manufacturing and distribution sites
- Modify our Greenhouse Gas Goal with our partner EPA Climate Leaders in FY2011
- Reduce waste and increase our recycling rate, achieving a 70% recycling rate ahead of our goal through the Company LEAN initiative at our manufacturing and distribution sites

Progress against goals (FY2011/FY2012)

We assessed our global manufacturing and distribution sites in FY2011 and FY2012 and identified cost-effective energy conservation opportunities, including lighting retrofits, technology and equipment upgrades.

We set a new greenhouse gas goal as reported in the Carbon Disclosure Report for 2011.

In FY2012, we beat our target of 75% by achieving a recycling rate of 77%, including our manufacturing and distribution sites.

New Goals (FY2012)

Reduce our Scope 1 and Scope 2 greenhouse gas emissions per unit of revenue by 20% by 2015, using FY2008 as a baseline

Achieve zero waste from our manufacturing and distribution sites by 2020 by applying innovative Reduce, Reuse, Recycle methods to our operations

Read more in Environmental Stewardship

SUSTAINABLE PACKAGING

Goals (FY2010)

Design packaging that enhances and reflects our brands' images while minimizing environmental impact by:

- Defining brand-specific packaging guidelines
- Ensuring that 25% of our packaging suppliers use renewable energy
- Increasing use of renewable and recycled content in packaging
- Developing additional product takeback programs to increase end-of-life recycling of ELC product packaging

Progress against goals (FY2011/FY2012)

We continued to look for ways to increase the use of renewable and recycled content in packaging.

In FY2012, three of our brands (AVEDA, M·A·C and Origins) offered recycling or take-back programs.

Read more in Packaging

GLOBAL SUPPLY CHAIN

Goals (FY2010)

Continue to build on our global supplier monitoring program based on the Company enterprise risk assessment

Read more in Global Supply Chain

» 12 Inclusion & Diversity » 15 Learning & Development » 18 Health & Safety



Our incredibly talented and diverse global workforce is the key to our continued success as we expand around the world. We have embraced, and will always continue to embrace, inclusion and diversity, encouraging people of all races, sexual orientations, genders, gender identities, ethnicities, religions, ages, experiences, physical abilities and backgrounds, to shine as members of The Estée Lauder Companies. It's who we are

-Marilu Marshall, Senior Vice President, Global Human Resources, Chief Diversity Officer





INCLUSION & DIVERSITY

or our business to flourish, it is vital that we understand the different needs of our consumers around the world, spanning more than 150 countries. This is one reason that we value and promote an inclusive and diverse workplace that supports creativity and innovation, leverages each person's unique strengths and encourages every person to be a leader.

We take pride in providing a work environment where all employees can do their best, regardless of their geographic location, age, culture, race/ethnicity, gender, gender identity, sexual orientation, religion or physical ability. Our Code of Conduct lays out our anti-discrimination and harassment policies for our global workforce.

To attract the next generation of leaders, we have implemented a three-year Global Inclusion and Diversity Action Plan, focused on three areas:

DIVERSITY LEADERSHIP:

Foster inclusion and diversity leadership and accountability from every chair

- INCLUSION: Drive creativity and innovation through a globally inclusive culture
- TALENT MANAGEMENT: Identify and leverage the best talent across geographies

DIVERSITY LEADERSHIP

Our Chief Diversity Officer is responsible for guiding strategy and execution of our inclusion and diversity programs. The Officer is supported by the Global Diversity Council, a group of 21 management leaders, including our President and CEO, Fabrizio Freda, which is chaired by our Executive Chairman, William P. Lauder. The Council develops strategies to further enhance inclusion and diversity. Our Strategic Plan Task Force supports the Diversity Council by helping to formulate strategy, executing initiatives and serving as ambassadors for inclusion and diversity throughout the Company.

Our commitment to inclusion and diversity has led to a workforce in which approximately 65% of our international General Managers are either local nationals or people who have worked in cultures different from the ones they were born into.

SUPPORTING AN INCLUSIVE CULTURE

Every person who joins our global team is trained in ELC's philosophy and culture of diversity and inclusion, and we expect all our employees to contribute to a more inclusive workplace.

As part of our Global Inclusion and Diversity Action Plan, we will launch several global initiatives, beginning in July 2013. We are developing Employee Resource Groups to support and enhance professional development of members and help us achieve our business objectives. We will also begin sessions targeted to further enhance employee awareness of the importance of Inclusion & Diversity to our continued business success. These efforts will further enhance talent and support regionally relevant diversity and inclusion initiatives and causes.

In 2011, The Human Rights Campaign (HRC) recognized ELC as one of the "Best Places to Work" for lesbian, gay, bisexual and transgender (LGBT) employees for the sixth consecutive year. The HRC's "Best Places" distinction is awarded to businesses scoring 100% on the HRC Foundation's Corporate Equality Index (CEI), which evaluates non-discrimination policies, benefits, diversity training and other internal resources for LGBT workers, as well as public support for the LGBT community.

In 2012, we received a 75% rating on the CEI as the HRC introduced more stringent criteria. Our preliminary rating for 2013 is 85%. We are proud of our accomplishments and hope to continue to improve our rating in the coming years. See more of our Global Awards & Rankings.



BOBBI BROWN TEAM BUILDING

CASE STUDY

SUPPORTING **EMPLOYEES IN MFXICO**

Unique cultures in different parts of the world can challenge our commitment to provide a supportive workplace.

We are especially proud to be recognized in Mexico for our efforts to improve diversity and provide an appealing workplace for employees. ELC Mexico was honored by Expansión, one of the most respected business magazines in Mexico, for the fifth consecutive year, ranking 11th in the "Super Empresas, los Lugares Donde Todos Quieren Trabajar" (Super-Companies 2012, The Place Everybody Wants to Work).

This ranking recognized ELC for emphasizing and strengthening the engagement of employees in four areas, including diversity. The award demonstrates our continued commitment to create an open, diverse and positive work environment where all are given an equal chance to develop and do their best.

Most of our 1,000 employees in Mexico are located throughout the country, working as makeup artists and consultants in stores. We support them through our central service Conéctate (Connect), which links our employees by phone to counselors who advise them on any issue (personal or work related) in complete confidence. This service has proved valuable to employees, with approximately one in five using the service.

ELC Mexico hosted "Health Week" to highlight the importance of safety and wellness in June 2012. Employees participated in a variety of activities, including group exercise classes, ergonomics training and informational sessions on nutrition and stress management.

TALENT MANAGEMENT

We are continuing to build a diverse and inclusive workforce that fully understands the needs of global consumers. We actively recruit diverse candidates in a number of ways. For example, we post positions on minority and veterans' websites in the U.S. We have increased the number of women and people of color working for the Company in the U.S. by 5.6% and 8.5%, respectively, since FY2010.

We participate in and sponsor events to network with young professionals from diverse backgrounds. Since 2010, we have supported the HOPE Foundation's Annual Latina History Day Conference in Los Angeles, CA. The event recognizes historic and current achievements of Latinas and helps foster leadership skills and networking opportunities for young Latinas. In 2011, ELC participated in a career booth at the Reaching Out MBA Career Conference. The annual conference promotes the acceptance and visibility of LGBT businesspeople in the workplace. It also provides a forum for prospective and current graduate business school students, recent alumni and current business leaders to build personal and professional networks.

CASE STUDY

MENTORING OPPORTUNITIES FOR BLACK STUDENTS BUILD TIES WITH SOUTH AFRICAN FCONOMY

The ELC Graduate Program supports the South African government's Black Economic Empowerment (BEE) initiative. This aims to bring the country's black majority into the economic mainstream and help the country achieve its full economic potential.

Black South African university graduates are selected by ELC Human Resources and our brands to participate in the year-long program, during which they are placed in a Brand or Function and learn multiple skills. The graduates are paired with ELC mentors from our brands and departments. This helps candidates develop critical business skills. The program continues to grow in size and impact, with nine graduates participating in 2012.

Estée Lauder South Africa was recently named one of the "Best Employers South Africa 2012/2013" by the CRF Institute South Africa's annual list.

DIVERSITY DATA

Our Executive Leadership Team (ELT) promotes knowledge sharing, local relevance and diversity of perspective across our business. The team is comprised of 38% women, and 49% of its members have lived and/or worked in countries other than their own. Additionally, 34% of our Global General Managers are women.

DIVERSITY DATA IN THE U.S.— % FEMALE

Our U.S. workforce is 77.6% women, of which 39% come from minority groups. There are seven women (47%) and three people of color (20%) on our Board of Directors, and three of our 12 Executive Officers (separate from the ELT) are women.

DIVERSITY HIGHLIGHTS

//6%

TOTAL % OF WOMEN IN OUR U.S. WORKFORCE



51%

TOTAL % OF WOMEN IN SENIOR VICE PRESIDENTS POSITIONS AND ABOVE IN OUR U.S. WORKFORCE

SOUTH AFRICA AFFILIATE "DO IT DAY"

LEARNING & DEVELOPMENT



reat ideas emerge from every part of our business. We encourage all employees to inspire their colleagues and contribute to team objectives in pursuit of their professional and personal goals. Our employee development programs build the skills, knowledge and behaviors needed for the Company and our employees to thrive (see five core elements on Page 16).

LEARNING OPPORTUNITIES

We offer employees live and online courses covering organizational priorities such as business acumen, effective communication, creativity/innovation and leadership. In addition, we offer long-term programs featuring multiple training sessions to support meaningful and lasting development of key skills and behaviors. For example, Bringing Out Your Best is a 12-month development and education program for managers to develop the broad-ranging business skills and knowledge they need to excel at ELC. Participants meet and interact with senior management from various brands and functions.

To raise our employees' digital knowledge, we launched an initiative in September 2010 to:

- Create a community portal to foster relationships, deliver eLearning, announce events and share resources
- Host experiential workshops, customized for each of our regions
- Coordinate events, in-person and virtually, featuring internal digital experts, partners and industry thought leaders

LEADERSHIP DEVELOPMENT

We are dedicated to providing educational opportunities for every level of leadership at ELC. Our CEO, Fabrizio Freda, promotes "Leadership from Every Chair" and shares his vision through Leadership with Fabrizio Freda: The Estée Lauder Companies' High-Touch Leadership Competencies. Since the program's launch in May 2011, Mr. Freda has hosted 17 seminars, providing more than 2,336 global ELC employees with the opportunity to be inspired by our CEO.

Our Asia-Pacific team launched the Transformation Leadership Program to help elevate the skills of the 160 participating ELC leaders in the region. Other global programs include Innovating for Excellence and Greenhouse Leadership, which provide employees with the tools to create a climate of creativity and innovation. Participants have gone on to create their own innovation teams.

In May 2012, ELC's first global coaching program was launched by our Global Learning and Development team. You, The Coach is a foundational skills building program that equips managers to be effective at coaching employee behavior, performance and development.

EXECUTIVE EDUCATION

Learning never stops. This is why we offer leading-edge development programs for our senior leaders and top talent.

One of our signature events, The Estée Lauder Companies at Bryn Mawr, is attended annually by our global executives. Participants of this world-class program are challenged over five days to grow professionally and personally with a focus on brand equity, innovation, negotiation, strategic thinking and decision making. Held at the Bryn Mawr College campus in Pennsylvania, the event brings together instructors and presenters from top educational institutions such as The Harvard Business School, The Wharton School of the University of Pennsylvania and the Human Performance Institute. The program was created by Mr. Leonard A. Lauder and has been offered every summer for more than 25 years. In the summer of 2012, 160 employees participated in the program.

PROFESSIONAL DEVELOPMENT

We strive to develop and engage our talent through challenging and rewarding roles, and by leveraging the strengths of our employees so they can help meet business objectives. Our Talent Management Framework is the foundation that supports this goal. It consists of five core elements:

TALENT ACQUISITION:

We are proactive and make use of all recruitment channels

PERFORMANCE MANAGEMENT:

We help set expectations with employees and regularly provide feedback about progress through ongoing dialogue (see next page)

TALENT PLANNING:

We enable employees to identify their strengths and help them leverage these by providing challenging and rewarding assignments and roles. We maintain a strong focus on succession planning to fill our leadership vacancies with internal, high-potential and highperformance employees

LEARNING & DEVELOPMENT:

We take a focused approach to learning by linking the appropriate developmental opportunities to an individual's development plan. This is a major success factor in strengthening our learning culture

CASE STUDY

PROMOTING INNOVATION BY ALLOWING **EMPLOYEES TO** DRFAM

Innovation is key to our success. DreamSpace, our ideation portal, has been so successful that we are expanding its reach to include multiple international communities for specific brands, regions and functions across our business.

DreamSpace, launched in 2012, encourages our people to solve strategic business challenges and create change by igniting and exploring collaborative creativity.

Employees can submit, comment on and vote for ideas described on the system. Moderators and subject experts help guide discussions on DreamSpace and test ideas.

Within five months of its official launch. the portal had more than 5,000 visits. For each global challenge launched, we have maintained a participation rate of approximately 30%, which is 20% higher than the industry average for similar programs.

TOTAL **REWARDS:**

We use rewards packages to attract and retain key staff, thereby improving business performance

PERFORMANCE MANAGEMENT & TALENT PLANNING

Our Performance Management program helps us coach, develop, nurture and recognize our talent. It provides an opportunity for employees and managers to collaborate and have ongoing, open dialogue about an employee's achievements and accomplishments, and to identify how employees can continue to develop and grow.

All full-time employees are eligible to participate in The Estée Lauder Companies Performance Management process and receive a yearly assessment on the achievement of their goals.

All full-time employees at the manager level (or equivalent) and above globally approximately 6,000—are eligible to participate in the Talent Planning process, which includes receiving a long-term Individual Development Plan. In FY2012, 58% of eligible employees participated, and that number is expected to increase in FY2013.

KEEPING EMPLOYEES INFORMED AND ENGAGED

To grow and sustain our leadership in global prestige beauty, we cultivate an atmosphere where employees communicate effectively and efficiently, sharing ideas and experiences to encourage one another to meet common goals. We also provide opportunities for them to develop ideas and express concerns.

We use multiple communications channels to stay in touch with employees, including town hall meetings, global roundtables, our global Intranet, newsletters as well as video and conventional emails. A direct link to our CEO is provided through open-format discussions called Conversations with Fabrizio. In FY2011 and FY2012, we hosted nine conversations at ELC locations around the world.

To encourage open communication, Ask Our Leaders provides a direct link between ELC employees and senior management through our Intranet. Employees can submit questions or concerns anonymously, and every two weeks answers are posted. Our Code of Conduct telephone hotline operates in multiple languages to enable all employees throughout the world to anonymously raise concerns regarding ethics, compliance and other workplace issues.

MANAGING OPERATIONAL CHANGE

We value the contributions of each and every one of our employees and we are committed to our employees wellbeing. There are times due to the need of the business when we are required to reduce staff because of restructuring. When this happens, ELC provides a wide array of support programs to departing full-time employees, including some or all of the following:

- Severance packages
- Assistance with state benefit access
- Outplacement services
- Résumé-writing workshops

Since our last report in 2010, we have implemented reductions announced in 2009 as part of a multi-faceted costs savings program throughout 24-months, to operate more efficiently across our brands, regions and functions. This decision was driven by our need to minimize costs, eliminate duplicative work and realign our company to operate more effectively and efficiently during extremely difficult economic times.

One instance of this was the closing of our Islandia product returns facility in Hauppauge, New York and relocation of the operation to Pennsylvania in June 2011. This resulted in some staff reductions. We worked to accommodate employees through relocation to Melville. Employees that did not obtain an alternate position either in Melville or elsewhere within the Company were provided with a separation package consistent with our fair Company practice.

HEALTH & SAFETY



We must ensure the health and well-being of our employees to maintain an engaged and inspired workforce. ELC's Global Environmental Health & Safety (EHS) Policy establishes our commitment to maintaining a safe and healthy workplace for all employees. The policy is enforced and monitored across our supply chain by our Global Environmental Health and Safety management system.

Our health and safety program, including our audit program, is overseen by the Vice President of Global Environmental Affairs and Safety and facility-based EHS representatives at our Global Supply Chain locations.

We aspire to be a workplace with zero incidents. Despite the improvements we have made in recent years, we realized in FY2012 that we would not reach our FY2013 goal to reduce our Total Incident Rate (TIR) to 0.5. We have shifted our target year to FY2014 to provide sufficient opportunity to implement necessary improvements and allow our Behavior Based Safety programs to mature. In FY2012, our TIR was 0.8, an 18% decrease from FY2010 and a 77% improvement since FY2004, when we began tracking and reporting this figure. Our lost-workday rate in FY2012 was 0.45, representing an 85% decrease since FY1995. ELC has never had a work-related fatality.

In FY2010, we launched a global Behavior Based Safety program (see case study), standardization of workplace policies, more robust safety training and increased communication between facilities. Health and safety training is embedded in new-hire orientation throughout the supply chain, and employees receive job-specific safety training as required by regulation and ELC standards.

In June of each year we celebrate Safety Month to remind our ELC community that safety should always be top of mind. In April 2012, an ELC facility in the U.K., Whitman Laboratories, was awarded the British Safety Council Award for the 25th consecutive year. The award is issued annually to companies that achieve lower-than-average accident and incident rates for their industry. Four of our AVEDA facilities in the U.S. received awards from the National Safety Council for their low rates in injury and illnesses involving days away from work. Read more about our Safety Awards.

CASE STUDY

EMPLOYEE-LED SAFETY PROGRAM SHARES BEST PRACTICE

In FY2010, our Global Supply Chain rolled out a Behavior Based Safety program across all facilities after a successful trial at our U.K. factory that resulted in an approximate 90% reduction in Total Incident Rate.

The program is designed by ELC employees and aims to further improve safety culture through observation and communication. Employees advise one another to promote safe behaviors and change behaviors that could put themselves or colleagues at risk of injury. Within two years, the program has demonstrated its value by improving employee engagement on safety. For example, employees at our Pennsylvania facilities developed safety videos to train colleagues in the program's procedures and are now sharing best practices between facilities. Our first employee global Behavior Based Safety Conference will be held in the fall of FY2012 to further inspire, engage and promote safety excellence.

WELLNESS PROGRAMS

Established in 1999, our wellness program provides information on health and wellness and yearly screening services for employees in certain locations, including health check-ups, smoking-cessation programs, mammograms, fitness and weight loss programs, influenza vaccinations and more. Since the program's inception, we have conducted:

We have programs in place to help lower the risk of ergonomic injury among employees. We conduct annual ergonomic assessments of all Global Supply Chain locations and provide multi-level ergonomic training. In FY2012, we began to roll out a global on-shift stretching program at all North American supply chain locations and some office locations.

- 22 Our Corporate Philanthropy » 23 Breast Cancer Awareness » 29 M·A·C AIDS Fund » 31 La Mer Supports Ocean Conservation
- » 34 Employee Volunteer Programs » 38 Consumers » 39 Culturally Relevant Products » 40 Responsible Marketing



Mrs. Estée Lauder had a unique way of connecting with people. It came naturally to her because she really respected consumers and their communities. And she quite genuinely wanted to make their lives better. Her legacy survives and we're justifiably famous for our philanthropy, such as the amazing work we do in the Breast Cancer Awareness Campaign and the M.A.C AIDS Fund. Today, our philanthropy and employee volunteerism allow us to engage and support the communities we live in as well as the larger global community. Mrs. Estée Lauder rightly taught us that as a Company we are only as strong, healthy, educated and diverse as the communities that surround us.

-Nancy Mahon, Senior Vice President, Philanthropy and Social Initiatives for M•A•C and Specialty Brands



OUR (())RP()RATF PHII ANTHROPY

We have a long history of community support-generating funds and raising awareness to benefit the communities in which we work. In addition to our work in diversity and inclusion, the environment and the arts, we continue to bring together our brands, employees and consumers to make a difference in the priority areas of women's health, women's empowerment, education, health and human services, and emergency disaster relief.

APPROACH & HERITAGE

We aim to make positive, meaningful impacts in the communities worldwide in which ELC has a presence and to promote education as the major tool for economic self-sufficiency and the building of strong, sustainable communities.

Our corporate philanthropy program builds partnerships with organizations working in these priority areas by donating time, money and expertise at global and local levels. Many of our brands have their own community involvement programs. We also encourage and facilitate employee volunteerism through the Employee Volunteer Program (EVP) based at our New York headquarters, as well as other volunteer opportunities throughout ELC. Many of our key executives serve on the boards of charitable organizations.

BREAST CANCER AWARENESS



THE BREAST CANCER AWARENESS CAMPAIGN'S 20TH ANNIVERSARY CAMPAIGN AD

reast cancer is by far the most common cancer diagnosed in women, excluding skin cancer. The good news is that the mortality rate continues to decline. This is believed to be the result of early detection and more effective treatments. We know that if a localized breast cancer is detected early, 90% of women survive more than five years. (Source: www.cancer.org)

In FY2012, we were proud to celebrate the 20th Anniversary of ELC's Breast Cancer Awareness (BCA) Campaign, launched in 1992 by the late Mrs. Evelyn H. Lauder. The Campaign is devoted to defeating breast cancer through education and medical research. It is now active in more than 70 countries and represents one of the most significant and influential campaigns ever instituted to educate women worldwide about the importance of breast health and early detection.

All funds raised in the U.S., Canada, the U.K. and certain other countries go toward supporting The Breast Cancer Research Foundation® (BCRF), also established by Mrs. Evelyn H. Lauder. This independent nonprofit organization invests in the most promising breast cancer research worldwide to lead to prevention and hopefully a cure in our lifetime. Since 1992, ELC has donated more than \$35 million to BCRF, which has made possible 140 research grants around the world.

The Breast Cancer Awareness Campaign has inspired our employees to take an active role in raising awareness, supporting research and recognizing specific needs and organizations in their countries and regions.

- In the United Kingdom, the annual fundraising activities by ELC brands and the passionate involvement of the employees have supported important and innovative breast cancer research, funded through BCRF, at the Royal Marsden Hospital
- In Ireland, The BCA Campaign supports translational research through The Cancer Clinical Research Trust Dublin, a worldwide clinical laboratory partnership that has resulted in revolutionary new treatments for many types of cancer
- The BCA Campaign in Germany and Switzerland is dedicated to supporting the important work of the local "Look Good, Feel Better" program to help local cancer patients
- In Italy, The BCA Campaign supports LILT, the Italian League Against Breast Cancer, which provides medical services for early diagnosis, support for patients and families, and education and information about cancer prevention and treatment. In addition, all female employees and spouses of employees are offered free mammograms throughout the country

Source: International Agency for Research on Cancer / World Health Organization



During our 20th Anniversary Campaign, we reached countless people all over the world. We distributed millions of iconic BCA Pink Ribbons at the counters of ELC's brands worldwide, adding to the 115 million Pink Ribbons distributed to date. Our brands also sold Pink Ribbon products to raise funds for medical research. To focus attention on

the importance of breast health and early detection, we illuminated buildings, monuments and landmarks all over the world in glowing pink $lights.\ Visit\ \underline{www.bcacampaign.com, www.facebook.com/bcacampaign}$ or Twitter @BCAcampaign to find out more.

FLEBRATES 20 YEARS

Mrs. Evelyn H. Lauder partners with then SELF magazine's Editor-in-Chief, Alexandra Penney, to create a symbol for breast cancer awareness: the Pink Ribbon.

The Estée Lauder Companies' Breast Cancer Awareness (BCA) Campaign launches in October. 6

Evelyn Lauder and Alexandra Penney deliver Pink Ribbon petitions to First Lady Hillary Rodham Clinton at the White House. President Clinton signs a proclamation naming October 19 National Mammography Day. 7

Estée Lauder, Clinique, Prescriptives and Origins offer a pink enamel pin in exchange for a minimum \$10 donation "pledge," raising almost \$300,000 for The Breast Cancer Research Foundation® (BCRF). 2

Evelyn Lauder publishes her first book of nature photographs, The Seasons Observed, All her royalties from the sale of the book benefit BCRF. 11

Elizabeth Hurley becomes Spokesmodel for The BCA Campaign. 13

The BCA Campaign launches in Moscow, Russia. 4

The BCA Campaign distributes its most powerful educational bookmark to date, "Breast Cancer Doesn't Just Affect Women." 14

The BCA Campaign's Global Landmark Illuminations Initiative is launched by Evelyn Lauder to focus attention on the importance of breast health and early detection. In its first year, 26 landmarks in 22 countries are symbolically lit in bright pink lights, including the Empire State Building (U.S.), Sydney Opera House (Australia) and Tower of Pisa (Italy).

More than 40 of the world's First Ladies and other dignitaries participate in the Global Landmark Illuminations Initiative, officiating at ceremonies to bathe significant global landmarks in pink lights. 17

Evelyn Lauder publishes her second book of photographs, An Eye for Beauty. All her royalties from the sale of the book benefit BCRF. 10

The Ribbon of Light Campaign is launched with hundreds of "human ribbons" holding glowing pink candles, flashlights or balloons populating parks, college campuses and plazas around the world to show solidarity in the fight against breast cancer. 16

As part of the Global Landmark Illuminations Initiative, 74 historic landmarks in 28 countries are illuminated, including Esterhazy Castle (Austria), Niagara Falls (Canada) and Amsterdam Bridge (The Netherlands).



LETTER FROM THE EDITOR

wear this ribbon make a difference



& make a difference





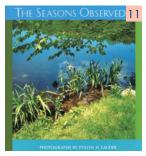


























The Estée Lauder Companies' famed Pink Ribbon "Turns Up The Heat on Breast Cancer" by changing its color from pale to hot pink.

As part of the Global Landmark Illuminations Initiative, 119 historic landmarks in more than 40 countries are illuminated, including Kensington Palace (U.K.) and Tokyo Tower (Japan).

Evelyn Lauder publishes her first cookbook, In Great Taste: Fresh, Simple Recipes for Eating and Living Well. All her royalties from the sale of the book benefit BCRF. 5

The BCA Campaign's new theme, Win the Fight Against Breast Cancer, is created by Marisa Acocella Marchetto, cartoonist and author of the graphic memoir Cancer Vixen. 8

A new BCA Campaign Initiative is launched, encouraging countries to designate their own World Pink Ribbon Ambassadors (WPRA), which include First Ladies, politicians and celebrities. 3

France kicks off BCA month by releasing hundreds of pink balloons in front of the Eiffel Tower.

Over 70 countries participate in The BCA Campaign: World Pink, World Without Breast Cancer. Wear a Pink Ribbon. Make a Difference™. 12

China kicks off The BCA Campaign by illuminating the National Aquatics Centre in Beijing's Olympic Park.

The BCA Campaign sets a firsttime Guinness World Record titled "Most Landmarks Illuminated for a Cause in 24 Hours." Historic landmarks include Ángel de la Independencia (Mexico), Peninsula Hotel (Hong Kong), Zappeion (Greece), Burj Al Arab (Dubai) and Rockefeller Center (U.S.). 9 15

The BCA Campaign launches its Facebook page and Twitter handle @bcacampaign.

A blue stone is added to the Estée Lauder Jeweled Pink Ribbon Pin to represent the approximately 1% of all breast cancer cases in the United States that are diagnosed in men.

The BCA Campaign and Philips Lighting launch a global partnership whereby global landmarks are illuminated in pink lights using Philips' innovative and environmentally friendly LED technology.

The BCA Campaign launches www.bcacampaign.com, the first-ever dedicated website that serves as a destination for The BCA Campaign news, event information, tips on breast health and healthy living.

The BCA Campaign unveils a new logo and mission statement: Devoted to defeating breast cancer through education and medical research. 18

The BCA Campaign celebrates its 20th Anniversary and the life and legacy of Founder Evelyn Lauder. The 2012 BCA Campaign—Courage. Believe in a world without breast cancer. Know we're here until it's true-highlights the Company's commitment to defeating breast cancer through education and medical research.

To date, total contributions by The BCA Campaign to BCRF exceed \$35 million.

For more than 20 years, we have been co efeating breast cancer th nd medical Ve will remain diliger message that early

PINKWASHING

For decades, ELC has encouraged women to be proactive in taking care of themselves, which includes asking us about the safety of our products in relation to their health.

From time to time, studies suggest the possibility of links between certain cosmetics ingredients and breast cancer. These studies have been discredited by the scientific community. Scientists have found no direct link between allegedly harmful cosmetics ingredients and breast cancer.

Nevertheless, we take such claims very seriously and carefully review all science in relation to the possible effects of ingredients. Product Safety and the safety of the consumers who use our products are top priorities for ELC and all of its brands.

The Estée Lauder Companies' Breast Cancer Awareness Campaign is a source of pride and passion for us. For more than 20 years, we have been committed to defeating breast cancer through education and medical research. We will remain diligent in our efforts to communicate the lifesaving message that early detection saves lives. By reaching as many people as possible with this awareness message and by providing significant funds to breast cancer research, we hope to save lives and one day make breast cancer a thing of the past.



THE 2012 M-A-C COSMETICS VIVA GLAM CAMPAIGN, FEATURING ARTISTS NICKI MINAJ AND RICKY MARTIN

M·A·C AIDS FUND

M·A·C Cosmetics has raised more than \$250 million for M·A·C AIDS Fund (www.macaidsfund.org) and other visionary organizations that confront the HIV/AIDS epidemic in the most neglected and highest-risk communities around the world. M·A·C AIDS Fund is now the largest corporate foundation and second largest private donor in the U.S. for HIV/AIDS causes. In the U.S., Canada and the U.K., M·A·C AIDS Fund is an independent nonprofit organization.

Since the campaign was established in 1994 by M·A·C Cosmetics founders Frank Toskan and Frank Angelo, M·A·C Cosmetics and its retailers have committed every cent of the sales price of VIVA GLAM Lipstick and Lipglass to M·A·C AIDS Fund and to other programs that help women, men and children affected by HIV/AIDS. This 100 percent giving model is unique, as M·A·C Cosmetics underwrites all of the costs associated with making and selling the product.

M·A·C employees are deeply committed to the work of M·A·C AIDS Fund and generous with their time and energy to support the Fund's efforts and spread the word about VIVA GLAM. One of M·A·C AIDS Fund's signature programs, the World AIDS Day Global Volunteer Initiative, has become part of the core commitment of the M·A·C staff each year. During the week of World AIDS Day 2011, more than 2,000 M·A·C employees volunteered at HIV/AIDS organizations in 35 countries around the world.

SUPPORTING HIV/AIDS PREVENTION AROUND THE WORLD

GRANTS FROM THE M-A-C VIVA GLAM CAMPAIGN FOCUS ON REACHING MARGINALIZED POPULATIONS AS WELL AS FUNDING REGIONS MOST IN NEED. IN FY2011 AND FY2012 PROGRAMS SUPPORTED INCLUDE:



DONATIONS FROM M·A·C AIDS FUND HELP PREVENT MOTHER-TO-CHILD TRANSMISSION OF HIV

PREVENTING MOTHER-TO-CHILD TRANSMISSION OF HIV

In total, M·A·C AIDS Fund has donated \$7 million to preventing mother-to-child transmission of HIV in two regions:

South Africa

Preventing mother-to-child transmission of HIV is critical to protecting a new generation of South African children. M·A·C AIDS Fund is now a leading funder in this area, helping to expand access to prevention services to almost 90% of pregnant women in South Africa.

India

Only 20% of all pregnant women in India have access to preventative services against mother-to-child transmission of HIV, and more than 145,000 babies are born HIV-positive in India each year. In 2012, M·A·C AIDS Fund partnered with the Elizabeth Glaser Pediatric AIDS Foundation and Solidarity and Action Against the HIV Infection in India to increase access to services for HIV-positive mothers.

SUPPORTING VULNERABLE WOMEN AND GIRLS

Young women and girls in South Africa are at high risk of HIV infection due to financial insecurity and dependence on their male partners, high rates of domestic and gender-based violence and a lack of access to female-initiated HIV prevention methods. Over the last four years, M·A·C AIDS Fund has given more than \$4 million to address these issues through the M·A·C AIDS Fund Leadership Initiative. This funding has reached more than 50,000 vulnerable women and girls in the form of crucial prevention, care and treatment programs.

PROMOTING FEMALE CONDOMS IN WASHINGTON, D.C.

M·A·C AIDS Fund gave more than \$1 million to the District Female Condom Program, which aims to educate and increase access to the female condom in response to the high rates of HIV infection across Washington, D.C. The program has increased female condom availability and supported community outreach and education.

COUPLES' VOLUNTARY COUNSELING AND TESTING IN THE U.S.

Testing Together is the first attempt to promote Couples' Voluntary HIV Counseling and Testing (CVCT) for men who have sex with men in the United States. Based on a successful approach used with heterosexual couples in Africa, the program aims to decrease the rate of HIV infection among young Black and Latino men who have sex with men. M·A·C AIDS Fund has committed more than \$3 million to work in this area.

INCREASING ACCESS TO TREATMENT IN THE CARIBBEAN

There is a high prevalence of HIV infection in the Caribbean but relatively low investment in treatment and prevention. M·A·C AIDS Fund launched the Caribbean Initiative in 2007, which aims to expand HIV prevention, care and treatment services for vulnerable groups. To date, it has committed more than \$8 million to treatment access programs in the Dominican Republic, Haiti and Jamaica.



M-A-C VOLUNTEERS IN NEW ZEALAND HAND OUT RIBBONS ON WORLD AIDS DAY



I A MFR SUPPORTS OCEAN DNSERVATION

a tribute to founder Dr. Max Huber's passion for the sea, La Mer seeks to raise awareness about the fragility of the ocean. Sea kelp is an essential ingredient in La Mer's Miracle Broth™ and the brand is proud to support Oceana's habitat protection initiatives to preserve ocean resources for future generations. La Mer has contributed more than \$1.4 million to Oceana, which is helping to protect more than a million square miles of ocean habitats in places such as Alaska, Belize and Chile.

La Mer also generates awareness of Oceana's work and the importance of the sea through its World Oceans Day campaign. In 2012, to commemorate this seven-year collaboration, La Mer created a limited-edition World Oceans Day Crème in a specially-designed, ocean-inspired jar. La Mer also donated \$5 per new "Like" of the La Mer Facebook page from May 24, 2012 to June 8, 2012, up to a maximum of \$30,000, which was reached. La Mer also partnered with National Geographic to launch the global "La Mer Oceans" photography contest for the chance to win a National Geographic Photography Expedition to the northwest seaboard of North America.

ELC PHILANTHROPIC PROGRAMS

IN ADDITION TO OUR LONGSTANDING PARTNERSHIPS, EACH YEAR WE SUPPORT ORGANIZATIONS AROUND THE WORLD DOING INNOVATIVE WORK IN OUR PRIORITY AREAS. IN FY2011 AND FY2012, THESE INCLUDED:

SUPPORTING A WORLD-CLASS EDUCATION FACILITY IN HAITI

In January 2010, a devastating earthquake struck Haiti, killing an estimated 230,000 people and destroying much of the country's infrastructure. In response, Olivier Bottrie, President of ELC Travel Retailing Worldwide, co-founded the Hand in Hand for Haiti Foundation (HiHHF). ELC was the first company to support Hand in Hand for Haiti's mission and donated \$475,000 to relieve suffering.

HiHHF has committed to creating a world-class educational facility, the Lycée Jean-Baptiste Pointe du Sable, which began enrolling students in October 2011. The hurricane-proof, anti-seismic, sustainable school complex is being built in stages and will provide accessible education from preschool to secondary school for 720 students. The level of learning meets international academic standards and offers trilingual education in Creole, English and French. The school provides two meals a day and preventive healthcare to all students.

FUNDING TRIBAL SCHOLARS

Tribal colleges provide higher education for Native Americans in the U.S. but often find it difficult to generate sufficient funding. The Estée Lauder Tribal Scholars Program provided an inaugural gift of \$11,000 to tribal colleges in Minnesota for the 2011-12 academic year. This gift provided \$1,000 scholarships to 10 American Indian students studying marketing, business, environmental science or a related field. The remaining \$1,000 will be used to administer the program.



EMPLOYEES SUPPORT DRESS FOR SUCCESS



OLD ENGLISH GARDEN IN BATTERSEA PARK, LONDON

JO MALONE SUPPORTS OLD ENGLISH GARDEN

Gardens are at the heart of communities all over the world and represent a major source of inspiration for Jo Malone. The brand has announced the first in an ongoing series of projects that aim to regenerate and improve green spaces, giving people in need the opportunity to engage with their communities, fostering social inclusion, promoting physical and mental health, and developing gardening skills as a pathway to work and self-sufficiency.

Our inaugural program is with Thrive, a U.K. organization whose mission is to harness the therapeutic power of gardening as a way to change the lives of disabled people. Jo Malone is funding a regeneration of Thrive's largest London gardening project: the Old English Garden in Battersea Park. The garden will be developed by a team of trainee gardeners living with physical disabilities or ill mental health.

BOBBI BROWN SUPPORTS DRESS FOR SUCCESS

As part of Bobbi Brown's personal commitment to empower women, Bobbi Brown Cosmetics supports organizations such as Dress for Success (DFS) that promote economic independence among disadvantaged women. The organization provides professional attire, a network of support and career development tools to help women thrive in work and in life. Bobbi Brown has supported DFS since 2001, and Bobbi Brown Cosmetics has donated more than \$3 million in funds and cosmetics since 2006. Bobbi Brown Artists nationwide donate their time to local affiliates by providing professional makeup applications for DFS clients preparing for job interviews. Employees are encouraged to volunteer their time to DFS and donate suits and other office wear.



WILLIAM P. LAUDER, CHAIRMAN OF THE BOARD OF THE FRESH AIR FUND, WITH STUDENTS

THE FRESH AIR FUND

William P. Lauder serves as Chairman of the Board of the Fresh Air Fund, an independent nonprofit organization that has provided free summer experiences to more than 1.7 million inner-city children since 1877. In 2011, Mr. Lauder hosted the Fund's Annual Spring Gala in a Salute to American Heroes in New York City. The event raised \$1.2 million for the organization, which provides free programming for more than 10,000 New York City children annually.

SMASHBOX SUPPORTS LOS ANGELES TALENT

Smashbox Cosmetics joined forces with the The Museum of Contemporary Art (MOCA), Los Angeles and indie music label IAMSOUND to present three exciting nights of art and music. The event brought together a diverse group of musicians and artists to collaborate in a series of visual and musical performances, highlighting the cultural vitality and diversity of the city of Los Angeles.

pureDKNY AND CARE

pureDKNY is working with leading humanitarian organization CARE International to support projects through CARE's savings-led microfinance program. The partnership began in 2010 with the launch of pureDKNY Vanilla.



EMPLOYEE VOLUNTEER PROGRAMS



BEAUTYBANK PARTNERS WITH NYC COOLROOFS

olunteering benefits our employees by contributing to job satisfaction, improving skills and promoting community-building within ELC. Our employee volunteer programs (EVPs) are brought to life by the passion of our employees who give their time to make a difference to their local communities. In the U.S. alone, employees contributed 16,393 volunteer hours in 692 activities through more than 280 nonprofits in FY2012. Also in FY2012, we began to establish a network of volunteer program managers across different regions and brands in the U.S. and Canada to increase alignment and share best practices. One of our goals is to increase the proportion of skills-based volunteering opportunities (currently approximately 5-10%).

The opportunity for our employees to share their professional expertise brings benefits to the organizations we support and contributes to employees' professional development.

- Employees around the world continue to support volunteer programs through M·A·C AIDS Fund, The BCA Campaign and Aveda Earth Month
- 23 employees led teams of volunteers in partnerships with nine New York City public schools through our affiliation with PENCIL, a nonprofit that helps schools develop strong leaders, enhance student learning and encourage greater community support
- 114 employees volunteered 684 hours in FY2011 and FY2012 with Food Bank for New York City, an organization whose mission is to end hunger in the five boroughs of NYC
- 90 ELC employees from APAC's regional office in Hong Kong volunteered at the Fu Hong Society Rehabilitation Centre for people with physical and intellectual disabilities in a range of activities, including arts and crafts, cookie making and team games
- 32 employees from BeautyBank partnered with NYC CoolRoofs to apply reflective white coating to 17,000 square feet of rooftops in the South Bronx. This will lower internal building temperatures, cutting the power demand and reducing carbon emissions

SUPPORTING THE NEXT GENERATION OF FEMALE LEADERS

ELC is proud to have completed its fifth year of partnership with The Young Women's Leadership School (TYWLS) of East Harlem, New York. The school is one of the city's only public schools for girls and aims to prepare low-income students for college, boasting a 100% acceptance rate and providing many students with the opportunity to become the first in their families to attend college.

In the 2011-2012 school year, 71 ELC employees contributed more than 800 volunteer hours to inspire and empower nearly 460 TYWLS students. Employees led educational workshops about the beauty industry and business for all six grade levels. Programs included mock product launches, activities developed by ELC environmental executives and scientists, college preparatory workshops and a visit to our headquarters. In March, ELC also hosted its Fourth Annual "Project Beauty" workshop for the senior class, created to give the students a "day-in-the-life" experience of a beauty industry professional.

We have started to mirror this program in the Oprah Winfrey Leadership Academy for Girls (OWLA) in South Africa to support the development of a new generation of dynamic women leaders. ELC representatives from HR, Marketing, Sales, Training and Distribution participated in OWLA's career day, sharing their experiences and the steps they took to get where they are today. In 2012, eight volunteer ELC makeup artists partnered with OWLA to provide makeup for the school's graduation ceremony.

SARA MOSS, GENERAL COUNSEL, THE ESTÉE LAUDER COMPANIES AT THE YOUNG WOMEN'S LEADERSHIP SCHOOL IN EAST HARLEM, NEW YORK

VOLUNTEERING **HIGHLIGHTS** FY2011-FY2012

16,393

VOLUNTEER HOURS CONTRIBUTED BY U.S. EMPLOYEES

HOURS DONATED BY 114 EMPLOYEES TO FOOD BANK FOR NEW YORK CITY

HONG KONG ELC EMPLOYEES VOLUNTEERED AT THE FU HONG SOCIETY REHABILITATION CENTRE

17,000

SOUARE FEET OF REFLECTIVE WHITE **ROOFTOP COATING APPLIED BY 32** BEAUTYBANK EMPLOYEES

RECOGNIZING COMMUNITY LEADERSHIP

THE LEONARD A. LAUDER VOLUNTEER OF THE YEAR AWARDS RECOGNIZE ELC EMPLOYEES FOR EXEMPLARY SERVICE AND LEADERSHIP IN THEIR LOCAL COMMUNITIES.



THE WINNERS IN 2012 WERE:

DEEPTHI BINNY, Business Analyst, Middle East & India, The Estée Lauder Companies FZE, for her work campaigning for children's education with Save the Globe, a nonprofit organization in India.

JILL GOULD, former Director of Global Education for Origins, for her seven-year commitment to developing Origins Oasis in partnership with Project Sunshine, which gives spa treatments to parents of hospitalized children. 2

MELISSA PANDOLFI, Manager of the Company's Corporate Archives, for her decade-long commitment to Camp Rising Sun, which provides a haven for children diagnosed with cancer. 3





The primary nonprofit partner supported by each winner received a \$2,500 donation from ELC.

CELEBRATING EARTH MONTH AROUND THE WORLD

EVERY APRIL, ELC'S BRANDS AND OUR EMPLOYEES AROUND THE WORLD CELEBRATE EARTH MONTH TO PROMOTE ENVIRONMENTAL AWARENESS AND THE IMPORTANCE OF RESPECTING THE EARTH'S RESOURCES.

ENGAGING AND INFORMING EMPLOYEES

Our Global Communications and Environmental and Safety departments collaborate to engage and inform our global workforce on the Company's sustainability initiatives. We send our Global Supply Chain sites and our affiliates an Earth Month Tool Kit designed to promote green practices.

In FY2012:

- Our site in Oevel, Belgium, implemented new recycling activities to help us reach our zero waste target and provided tips for employees on water reuse and conservation at home
- Our New York headquarters promoted reusing materials and ran clothing and housewares collection drives to support local nonprofits and disadvantaged communities. Many employees also took part in local action events during Earth Month, including the 40 employees and their families who participated in a beach cleanup on Long Island Sound
- Our Mexico affiliate asked employees to submit inspiring ideas to reduce our environmental impacts at work and home. Winning ideas were implemented
- Employees in Malaysia established paperless Fridays

EARTH MONTH AT ORIGINS

Origins celebrated Earth Month and raised awareness of its Global Earth Initiatives with the kickoff of its third annual Origins Rocks concert. Chart-topping singer-songwriters Gavin DeGraw and Vanessa Carlton headlined at Webster Hall in New York City, while A-Lin and Alan Kao headlined concerts in Taipei, and Johannes Strate performed in Berlin. Origins also held concerts in Shanghai and Seoul. The concerts reached global audiences through live streaming on Origins. com. Select Origins stores in 20 markets nationwide hosted live streaming parties.

As part of Origins' global Plant-A-Tree initiative, 5,000 trees were planted on behalf of concert attendees and live stream viewers through partnership with American Forests Global ReLeaf. The brand has planted 265,700 trees globally since the launch of the program in 2009, bringing it one step closer to its goal of planting 300,000 trees by 2015.



PLANT-A-TREE INITATIVE IN GERMANY WITH JANE LAUDER, GLOBAL PRESIDENT, GENERAL MANAGER, ORIGINS AND OJON

EARTH MONTH AT AVEDA

During Earth Month, AVEDA employees, salons and consumers work together to raise money for organizations working on water issues around the world. Since 1999, AVEDA has raised more than \$26 million. In 2011 and 2012 alone, AVEDA raised nearly \$9 million through sales of the Light the Way™ Earth Month candle and local fundraising events. AVEDA donated 100% of the suggested retail price of its Light the Way[™] candle (approximately one-third of the total funding) to its Earth Month Partner Global Greengrants Fund, which works to protect water resources and provide access to clean, safe water in communities around the world.

Two-thirds of Earth Month funds were raised by AVEDA's global salon-spa network and distributed to 40 local NGO partners working to protect clean water around the world. American Rivers, a partner in the U.S., is using the funds to grow its National River Cleanup program. AVEDA networks in the U.K. and Hong Kong each organized a Walk for Water to raise awareness of water scarcity and support local partners Water Aid and A Drop of Life Limited in building water infrastructure in China, Ethiopia and Nepal.

CONSUMERS

CONSUMER COMMUNICATIONS

We always strive to be authentic, credible and responsive in our communication. It is part of our High-Touch approach. Our consumers contact us about a wide range of topics, including product ingredients, usage and availability, and service issues, or simply to pay a compliment. We work hard to resolve consumer concerns and to provide the information needed, making sure that our responses are relevant to the region where the query originated. We communicate with our consumers through a variety of channels and support our brands by inviting consumers around the world to engage with us, join our community, ask us questions and give us feedback. We operate five Consumer Care Centers around the globe to respond to all our consumers, whether they visit our retail stores or contact us via brand web sites, toll-free numbers or social media sites.

As social media becomes increasingly central to our communications, we have invested in building a Community Management function globally. We have developed a comprehensive Community Manager Certification Program through our Digital Marketing program to ensure that those on the front lines of new media possess the training and knowledge to be best-in-class representatives of our brands.

CONSUMER SATISFACTION

We measure our performance through satisfaction surveys and analysis of consumer feedback. All consumer contacts are methodically tracked and monitored internally to make sure we address concerns and implement product improvements where appropriate. In FY2012, our Consumer Care Centers globally handled approximately 850,000 consumer inquiries. Consumer feedback is reviewed and discussed monthly by senior managers in our brands and corporate functions.



CULTURALLY RELEVANT PRODUCTS

great products that exceed the expectations of our consumers across different cultures, skin tones and preferences. We track global and local consumer trend/ preference data, which is reviewed by our Local and Cultural Relevancy function and used to bring consumer insight to life, enabling our brands to bring the excitement of our culturally relevant products to diverse, new and emerging consumers. For example, Clinique's Even Better Clinical, a universal product and global campaign, addresses uneven skin tone concerns for women of all ethnicities. The brand used specifically inclusive communication to be relevant to the way in which people of various cultures and skin tones articulate and relate to this concern. Estée Lauder's communications around Advanced Night Repair highlight benefits for skin types across all ethnicities. Feedback from consumers in the Middle East informed the creation of our new Estée Lauder Wood Mystique fragrance.





BOBBI BROWN LAUNCHED PRETTY POWERFUL 2.0 TO CELEBRATE THE BEAUTY OF ALL WOMEN

RESPONSIBLE MARKETING

BEAUTY AND SELF-ESTEEM

The success of our business depends on our consumers trusting the quality of our ingredients and acknowledging our integrity. This is especially important in the way we market our products.

Some of our brands set realistic expectations of women and support efforts to promote self-esteem. For example, Estée Lauder includes written consumer testimonials from around the world as part of its advertising campaigns, and AVEDA uses video testimonials on its website from real people who have tried its Invati[™] line.

In 2012, Cosmetics Europe launched its Guiding Principles on Responsible Cosmetics Advertising. The Principles address issues such as claims, digital enhancement of images, advertising and children, body image, diversity and self-esteem, as they relate to industry advertsising.

Our belief in the importance of self-esteem goes beyond our advertising and marketing activities and is central to the philanthropic work we do in breast cancer awareness and with the HIV/AIDS community. Many ELC employees use their time and talents to boost the confidence of those in need. For example, employees volunteer to give makeovers to people recovering from cancer through the industry-wide "Look Good, Feel Better" program, and provide personal color consultations to people living with HIV/AIDS through the M·A·C "Good Spirits" program.

CASE STUDY

PRETTY POWERFUL 2.0 CELEBRATES BEAUTY OF REAL WOMEN

In August 2011, Bobbi Brown Cosmetics launched Pretty Powerful 2.0, a follow-up to the brand's Pretty Powerful beauty campaign.

Pretty Powerful celebrates the beauty of real women from a variety of backgrounds through their inspiring stories, photos and videos. In keeping with that philosophy, Pretty Powerful 2.0 featured 30 women from different international backgrounds, careers and lifestyles. The new campaign included "before" and "after" photos of each woman, as well as video footage and interviews, testimonials and makeup application tips. When the first Pretty Powerful campaign launched in January 2010, it featured before-and-after photos of "real" women. Pretty Powerful's mission is to help women feel more confident and empowered and to celebrate the beauty of all women.

ENVIRONMENTAL

» 43 Energy & Climate Change » 45 Water » 46 Waste & Recycling » 47 Packaging » 49 Standards & Compliance



We create prestige products of the highest quality and it's a reputation we're proud of. An important part of that is respecting the environment by making our operations efficient. It makes perfect sense because it saves energy, water, waste and money, too.

We strive to reduce our environmental impact throughout our operations, from manufacturing to retail.

OUR PRIORITIES

- Reducing our contribution to global climate change by conserving energy and cutting greenhouse gas emissions
- Recycling and reusing many of our resources
- Researching the impact of our water use

OUR ENVIRONMENTAL MANAGEMENT SYSTEM

Corporate Environmental Affairs and Safety Committee

The Corporate Environmental Affairs and Safety Committee (EAS Committee) sets Company environmental and safety policies. See Managing Corporate Responsibility for more information.

Our Global Supplier Relations team

Our Global Supplier Relations team assesses our suppliers' environment, health and safety performance to ensure compliance with our Supplier Code of Conduct (see Global Supply Chain).

OUR PROGRESS IN FY2012 TOWARDS ZERO WASTE BY FY2020

INCREASE IN RECYCLING RATE AT OUR MANUFACTURING AND DISTRIBUTION SITES BETWEEN FY2008-FY2012

WASTE RECYCLED FROM MANUFACTURING AND DISTRIBUTION

WASTE RECYCLED OR CONVERTED TO ENERGY BY OUR MANUFACTURING AND DISTRIBUTION SITES



ENERGY & CLIMATE CHANGE

We reduced our greenhouse gas intensity by 16% by year-end FY2011.

ur climate change strategy is to reduce total energy use and greenhouse gas emissions. We are improving the energy efficiency of our operations and switching to renewable energy where economically feasible and have partnered with organizations such as the U.S. Environmental Protection Agency's Energy Star buildings program and Green Power Partnership. In addition, we are reducing energy use by reformulating our products (see Green Chemistry) and reducing the impact of our Packaging.

Our target is to reduce our Scope 1 and Scope 2 greenhouse gas emissions per unit of revenue by 20% by 2015, using FY2008 as a baseline. We are on track to meet and exceed this target, having already reduced our greenhouse gas intensity by 16% by year-end FY2011. We calculate our carbon footprint each year in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and the U.S. Environmental Protection Agency Climate Leaders Design Principles Guidance. See a breakdown of our emissions. We report our greenhouse gas emissions data to the Carbon Disclosure Project.

RENEWABLE FNFRGY **HIGHLIGHTS**

REDUCTION IN GHG INTENSITY

KILOWATTS OF ELECTRICITY PRODUCED FROM SOLAR PANELS

NEW SOLAR PANELS ADDED AT MELVILLE FACILITY

ENERGY EFFICIENCY

The largest contributor to our greenhouse gas footprint is the electricity we use in manufacturing facilities. We assessed our global manufacturing and distribution sites in FY2011 and FY2012, identifying cost-effective energy conservation opportunities, including lighting retrofits and technology and equipment upgrades. Our IT and data centers use Energy Star equipment, and we use high-efficiency technology to manage airflow and temperature, helping to reduce energy use. Most of our Company's PCs and laptops are configured to automatically switch screens to a power-saving mode if unused for 15 minutes.

RENEWABLE ENERGY

Investing in renewable energy supports our long-term viability. We have installed solar panels at five of our factories. More than 90% of the energy used in the automated storage warehouse at our Melville manufacturing complex comes from the 1,850 new solar panels that we added in 2011. With this installation of additional solar panels, ELC is now producing a total of 1,400 kW from our solar panel projects. We plan to increase our renewable output over the coming years.

In support of the renewable energy market, we purchase renewable electricity directly from utilities or Green-e certified renewable energy certificates to offset the electricity used at our global manufacturing and distribution facilities. In addition, the Origins and AVEDA brands have purchased Green-e certified renewable energy certificates to offset the electricity used in their North American retail stores, and Bumble and bumble. for its New York City offices and salons, AVEDA has purchased carbon offsets that provide direct financial support to wind farms and landfill gas projects in India, South America and the U.S. These offsets are equivalent to the natural gas used by our Minnesota manufacturing facilities and cover consumer use, transportation and production of AVEDA aerosol products.

EMISSIONS FROM TRANSPORT

We have redesigned our global distribution network to improve efficiency and reduce emissions. Changes include limiting the number of days suppliers can ship into our facilities and discouraging the use of airfreight. We review carrier sustainability as part of our global supplier selection process and favor companies that are reducing their emissions. In the U.S. we work with carriers that are part of the EPA SmartWay, a program that helps logistics companies become more fuel efficient. AVEDA is a member of SmartWay.

Greenhouse gas emissions from business travel increased by 23% between FY2010 and FY2011, reflecting our continued business growth. We are working to separate this relationship, so that we can continue to improve our financial performance without increasing our emissions. We promote the use of phone and video conferencing to reduce business travel. In FY2011, we began implementing Communicator, which enables employees to hold virtual online meetings and share desktops. Most of our conference rooms are now equipped with video conferencing. Some of our facilities offer preferred parking for hybrid vehicles and employees who carpool.

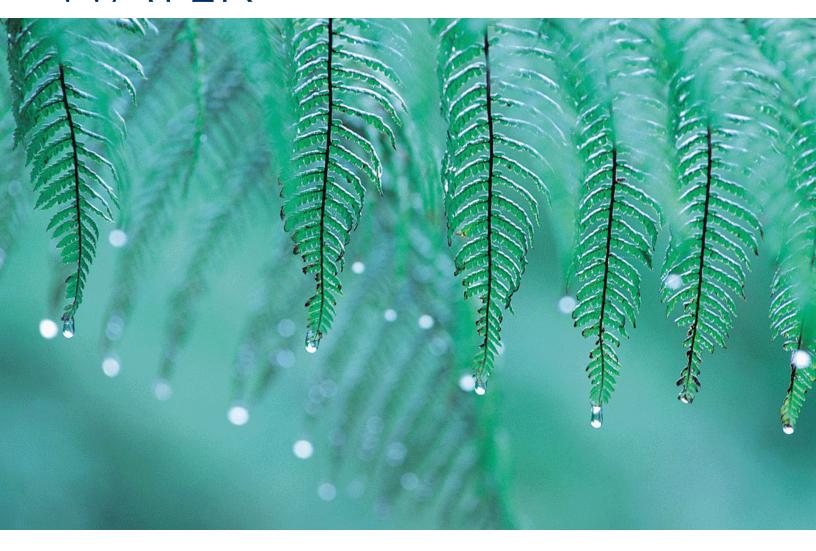
EMISSION TO AIR

Some of our manufacturing operations produce air emissions, including volatile organic compounds (VOCs) and particulates (dust). VOCs come from solvents, such as ethanol. To limit VOC releases, we have installed technology to minimize emissions during manufacturing. Closed-loop systems and dust collectors ensure negligible particulate emissions during the manufacture of cosmetic powders.

In FY2012, we saw a slight reduction in VOC and particulate emissions as a result of using less natural gas for heating because of warmer temperatures (see Performance).

We also generate negligible volumes of sulfur and nitrogen oxides, and carbon monoxide from on-site boilers.

WATER



In FY2012, all manufacturing sites monitored water consumption and quantified the benefits of water conservation.

resh water availability is a growing concern worldwide. Poor management of the world's fresh water could have significant impacts on our business and the communities in which we operate.

We limit the impact of our operations on water courses and aquatic biodiversity by discharging wastewater in line with local regulations and never directly to surface water.

We are exploring ways to reduce our water use in factory processes such as cleaning, sanitation and landscape irrigation. We are also improving the quality of our data on water use in order to better understand the impact of our operations.

In FY2012, all manufacturing sites monitored water consumption and quantified the benefits of water conservation. The results will help us identify the most effective water efficiency initiatives to implement across operations. Some sites have already implemented water-saving projects. For example, our Melville manufacturing facility replaced a water-cooling system with an air-cooled compressor, reducing water usage by 15 million gallons a year and annual greenhouse gas emissions by 76 metric tons.

WASTE & RECYCLING

ur waste profile varies by site but in general includes corrugated fiberboard, wooden pallets, metals, plastic, glass and ethanol.

We are working toward our goal of zero waste by 2020 at our manufacturing and distribution sites by applying innovative reduce, reuse and recycle methods to our operations. We do not send waste to landfill from our facilities. If we cannot recycle the waste, we convert it to energy at licensed power plants. In the U.S., ethanol is recycled as a fuel additive.

The EPA's WasteWise Program is helping us reach our zero waste goal. The program provides educational materials for employees as well as an Annual Climate Profile, which tracks greenhouse gas reduction resulting from reduced waste.

In FY2012, we recycled approximately 77% of waste from manufacturing and distribution operations. We have challenged our supply chain to increase this statistic to 80% by FY2014.

Several of our sites have successfully increased their recycling rate:

- Our facility in Petersfield, U.K., increased its recycling rate by 14% in FY2012 to 76% by working with a new recycling vendor and improving segregation and collection controls
- Our facility in Blaine, Minnesota, now composts five metric tons of food waste and non-recyclable paper products from the cafeteria each year
- Our Canadian distribution facility raised its recycling rate by 8% in FY2012 and now recycles 95% of its waste, after finding a new way to recycle plastic shrink-wrap



JANE LAUDER, GLOBAL PRESIDENT, GENERAL MANAGER, ORIGINS AND OJON AND WILLIAM P. LAUDER, EXECUTIVE CHAIRMAN, THE ESTÉE LAUDER COMPANIES AT ELC'S EARTH MONTH INITIATIVE

SUSTAINABILITY TRAINING

It is important that new employees understand our commitments and approach to the environment. All new employees are introduced to sustainability and corporate responsibility, while those with environmental responsibilities receive targeted training from an environmental, health and safety representative or their supervisor. For example, teams in package development, design and marketing are trained on packaging regulations and our sustainable packaging goals. We held several of these training sessions in FY2011.

We reward people who are responsible for our annual operational environmental performance for their efforts. A facility manager's annual performance evaluations may, for example, include an assessment of their success in reducing energy use and carbon emissions.



RETURN TO ORIGINS IS THE FIRST NATIONWIDE COSMETICS RECYCLING PROGRAM TO ACCEPT ALL COSMETIC EMPTIES, **REGARDLESS OF BRAND**

PACKAGING

market innovative cosmetic products of the highest quality. Our packaging must support our luxury brands, appeal to consumers, and protect and deliver our products. We believe our packaging can meet these market criteria as well as our commitment to environmental stewardship. We recognized early on that more sustainable packaging was needed, and we were one of the first members of the Sustainable Packaging Coalition and the Sustainable Packaging Cosmetic Roundtable, working alongside other companies to share and exchange best practices in our sector.

We follow seven broad packaging principles (at right), in line with the Sustainable Packaging Coalition's guidelines, including maximizing the use of renewable and recycled materials and designing our packaging to ensure that materials can be recovered.

These principles help us create more sustainable packaging that supports our brands in the market and help us to identify opportunities for responsible packaging development.

OUR PACKAGING PRINCIPLES

We aim to design packaging so that it:

Is sourced, manufactured, transported and recycled using renewable energy

Maximizes the use of renewable and recycled source materials

Is manufactured using clean production technologies and best practices

Meets marketing

performance and cost

criteria for

Is made from materials healthy in all probable life cycle scenarios

Is physically designed to optimize materials and energy

Can be effectively recovered for re-use as a resource after our product has been consumed

SUSTAINABLE PACKAGING SUPPLIERS

We use a number of packaging suppliers to manufacture our designs. We work with our suppliers to identify sustainable packaging materials and, where feasible, we use packaging made from materials that have been recycled or come from certified sustainable sources. These materials include post-consumer resin (PCR) plastics, glass, metal and paper. All wood fiber in ELC packaging is either from recycled pulp or from sustainably managed forests.

In particular, we are working with suppliers to develop packaging made from plant-based plastics, which produce fewer greenhouse gas emissions and break down more quickly than plastics made from fossil fuels.

We have a set of packaging aspirations, including:

- All ELC brands to use Forest Stewardship Council-certified wood for their wooden makeup pencils. Every promotional setup box to contain a minimum of 80% post-consumer recycled material. Achieving this depends on availability of materials.
- Every corrugated shipper and carrier to contain 70% recycled material. Achieving this depends on availability of materials from our suppliers
- All plastic bottles and extruded plastic tubes to contain a minimum of 35% PCR. We are working with two suppliers with this capability and have been phasing in new tubes. AVEDA and Origins have reached this target
- All matte or satin anodized aluminum components (closures for bottles and jars) to contain 80% recycled content. This has been achieved by AVEDA and a number of Estée Lauder, Origins and Bumble & bumble. closures now contain recycled aluminum
- All resins for plastic tubes, bottles and jars to be made with plant-based high density polyethylene and low linear density polyethylene to replace fossil-fuel-based plastics. All our brands are currently pilot-testing the new resins

Sixteen of our suppliers use renewable energy when manufacturing packaging components for our products. In FY2012 we sent formal surveys to all our packaging suppliers to determine whether they use renewable energy when manufacturing components.

DESIGN FOR RECYCLABILITY AND PRODUCT TAKE-BACK

Where we can, we are committed to the recovery, recycling and reuse of packaging at our products' end-of-life. Some of our packaging is designed to use refills. For example, our Estée Lauder brand sells refills for its metal-pressed powder compacts, while AVEDA sells lipstick and powder compact refills.

ENGAGING CONSUMERS WITH RECYCLING

We have a number of successful take-back programs, designed to make it easy for consumers to bring back product packaging for reuse or recycling.

Recycle Caps with AVEDA has been running successfully in the U.S. since 2008. Initially targeting factory employees, the program now partners with 1,700 schools to encourage young people to collect caps. AVEDA is using the recycled materials to make new bottle tops.

Return to Origins was launched by Origins in 2009 as part of the Origins Earth Initiative. This was the first nationwide cosmetics recycling program to accept all cosmetic empties, regardless of brand. Containers are either recycled or responsibly converted to energy.

Back 2 M·A·C is a program that rewards consumers for returning primary packaging. Consumers receive a free M·A·C lipstick of their choice by returning six M·A·C containers to a M·A·C counter or M·A·C Cosmetics online.



CASE STUDY

AVEDA RECEIVES CRADLE-TO-CRADIE® CERTIFICATION

As of June 2012, three AVEDA Invati products have received Cradleto-Cradle® certification from McDonough Braungart Design Chemistry (MBDC), a global sustainability consulting and product certification firm. Invati is a botanical solution to a hair care need (thinning hair and hair loss) that is typically addressed through the use of synthetic chemicals. Invati shampoo and conditioner are produced in a factory that uses renewable energy. In addition, the key botanical ingredients are grown on small farms and extracted using CO₂ or by cold pressing rather than by using chemical solvents. Packaging is certified based on the use of easily recyclable resins that contain high post-consumer recycled content.





SOLAR PANELS AT OUR FACILITY IN MELVILLE, NEW YORK

STANDARDS & COMPLIANCE

manufacture at shared ELC facilities in Canada, Europe and the U.S., and some of our products are produced by third-party manufacturers. We ensure that all factories adhere to our required quality, safety and environmental standards. All ELC manufacturing, packaging and distribution facilities implement our Company-wide Environmental and Safety Management System. Our manufacturing sites are certified to ISO 14001. In FY2012, ELC's manufacturing facility in Melville, New York, received a fine from the U.S. Environmental Protection Agency of US \$5,850 for submitting a Toxic Chemical Release Inventory Reporting Form after the due date of July 1, 2010, in violation of Section 313 of the Emergency Planning and Community Right-to-Know Act.

RESEARCH OPMFNT.

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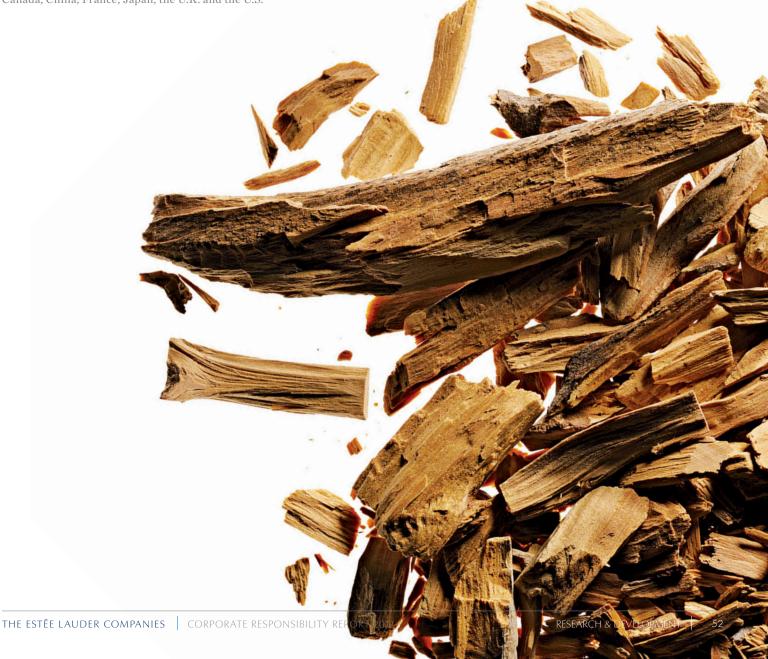


We're really curious people. And we make it our business to understand as much as possible about our consumers and their skin. This helps us stay ahead and create truly innovative products. Our R&D philosophy is based on the three pillars of creativity, innovation and the latest science. Our scientists in our R&D centers around the world work closely with our researchers to make sure we continue to give our diverse consumers the beautiful quality products they expect.



PRODUCT INGREDIENTS

onsumer-inspired, creativity-driven—that's the ethos that drives our research and development and motivates our R&D professionals around the world. The quality of our products and how they are made, the way ingredients are sourced and the integrity of our relationships with our consumers, customers, suppliers and employees are all critical to the success of our business. Our scientists use the latest scientific research to develop high-performance cosmetics, innovating to meet the needs of our increasingly global and diverse consumers. Our integrated global R&D network includes facilities in Belgium, Canada, China, France, Japan, the U.K. and the U.S.



PRODUCT SAFETY & INTEGRITY

ll products made and sold by The Estée Lauder Companies are safe to use as intended. Our strict product safety process reviews, evaluates and tests ingredients and finished products. We comply with all legal limits on the use of ingredients. Our regulatory affairs team tracks changes in laws and regulations, and our scientists monitor the latest scientific research.

Our toxicologists and safety experts assess the safety of every natural or synthetic chemical before it can be used in our products. They draw on the latest peer-reviewed scientific research and refer to government-supplied lists of chemicals that are prohibited or restricted for use in cosmetics wherever we operate.

We are a consumer-led Company and highly responsive to people who trust our brands. Some common permitted ingredients remain of concern to many consumers despite a lack of clear scientific evidence to the contrary. In these cases, we may look to find ways to minimize the use of these ingredients in our formulations.

Our safety processes are overseen by our Senior Vice President, Regulatory Affairs, who reports to our Executive Vice President, Global Research and Development (R&D), Corporate Product Innovation, Package Development.

We consult external scientific experts as needed, and constantly review the latest scientific research to develop new methods for evaluating the safety and comfort of our products.

ANIMAL WELFARE

Providing consumers with products unsurpassed in quality and safety, while strictly adhering to legal requirements wherever we do business, is part of our heritage. Our longstanding commitment to end animal testing has not changed: We do not test our products or ingredients on animals, nor do we ask others to test on our behalf, except where required by law.

We were one of the first cosmetic companies to demonstrate that cosmetic product safety can be achieved by non-animal testing methods. We are proud of the role we have played in advocating to regulators and industry participants worldwide that cosmetic product safety can be proven by means other than animal testing. Since its inception 20 years ago, we have consistently supported the research program for the replacement of animal tests, coordinated by the European trade association, Cosmetics Europe. This broad program includes projects co-funded by the European Commission, such as SEURAT (Safety Evaluation Ultimately Replacing Animal Testing). We are also members of the European Partnership for Alternatives to Animal-Testing (EPAA), an initiative launched in 2005 by stakeholders

from various industries, including the European Commission, to promote the sharing of knowledge across industries and facilitate the validation and acceptance of alternative test methods and strategies.

We are proud of our role in the great progress that has been made in eliminating animal testing around the world. However, given that there are still countries that require some animal testing, we have an opportunity to encourage global acceptance of scientifically validated non-animal testing methods. We are increasing our efforts and investments to make this goal a reality. We are:

- Co-hosting industry dialogues and consortia to discuss the promotion of non-animal testing, state-of-the-art research and new breakthroughs in in-vitro and other advanced testing methods with regulators throughout the world
- Contributing funds to the Institute for In-Vitro Sciences (IIVS), a U.S.-based nonprofit research and testing laboratory dedicated to the advancement of in-vitro methods worldwide
- Developing and implementing hands-on workshops in China and other markets where in-vitro testing is not fully accepted, in order to inform scientists of the scientifically validated safety record of these methods
- Continuing to support innovation and sharing protocols with regulators and industry participants worldwide

NANOTECHNOLOGY

All of our products must meet our own internal rigorous standards as well as global regulatory and safety requirements. The science on nano ingredients in cosmetics indicates that these ingredients are safe. We do use a limited number of nano materials in some products.

VOLUNTARY PRODUCT RECALL

In March 2012, AVEDA announced a voluntary consumer recall of its Lash Abundance Boosting Serum after it was determined that the preservative system in the formula may not have been sufficient to protect against certain microorganisms. AVEDA conducted a thorough evaluation and concluded that the risks of eye irritation or infection in healthy individuals following the use of this product were low. However, there was a potential of heightened health risk for a small number of consumers. Once the issue was identified, AVEDA took prompt steps to address it.

Our three-step safety model guides design and development of each and every ELC product and its ingredients.

ESTABLISH EFFICACY,
SAFETY, QUALITY
AND PURITY OF
EVERY RAW MATERIAL

EVALUATE ALL FORMULAS,
INCLUDING REFORMULATIONS
OF EXISTING PRODUCTS, BEFORE
RELEASE TO MARKET, A PROCESS
THAT CAN INCLUDE EXHAUSTIVE
IN-VITRO AND CLINICAL
LABORATORY TESTING AND
SAFETY EVALUATIONS

CONTINUE TO MONITOR
OUR PRODUCTS ON THE
MARKET BY REVIEWING
CONSUMER FEEDBACK
AND INVESTIGATING AND
RESPONDING TO CONCERNS
AND COMPLAINTS

To ensure compliance with our three-step safety model, we conduct safety and quality control checks during product development and manufacturing.



GREEN CHEMISTRY

reen Chemistry is a scientific approach to designing products and processes with a focus on minimizing harm to the environment. It presents important opportunities for ELC and our industry, and it is our hope that Green Chemistry will soon become standard industry practice.

Our Green Chemistry program focuses on:

- Environmental impact: The amount of energy and other inputs used in manufacturing
- Human health: Potential impacts of use on humans
- Eco-toxicity: The potential for the product to harm the environment—for example, when it is washed into water courses

Through this program, we will strive to reduce the environmental impact of all our products over their full life cycle, focusing on sourcing, extraction and processing of raw materials, manufacturing, production, packaging, distribution and end-of-life recycling. One of our greatest challenges is working with suppliers to source raw materials that meet our Green Chemistry principles. See Environmental Stewardship and Sustainable Packaging for more on our life cycle approach.

Our Green Chemistry Task Force oversees the Green Chemistry program, which involves 40 scientists and engineers around the world. Our Green Chemistry guide and materials are reviewed by independent toxicologists and environmentalists.

SCORING SYSTEM TO HELP ASSESS SUSTAINABILITY OF PRODUCTS

To assess the sustainability of our formulas, we established an internal scoring system that will help assess environmental impact and eco-toxicity. Unique scores will be assigned to each formula to compare products, identify low-impact ingredients and processes, and progressively improve the sustainability of our products.

Raw materials suppliers are important partners in this initiative. Each supplier is assessed and given a grade according to its environmental and social practices. We provide feedback and assistance if necessary to help suppliers improve and reach the highest possible standards.

Our goal is to use Green Chemistry to help reduce the total number of ingredients used in our products and the average number of raw materials in each product.



DR. ANDREW WEIL FOR ORIGINS™ MEGA-BRIGHT SKIN TONE CORRECTING SERUM

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The companies around the world-big and small-who supply the ingredients we use in our unique formulas are our partners. We work together to make sure we maintain the utmost integrity and quality while complying with the highest standards of safety, human rights and environmental protection.



RESPONSIBLY SOURCED INGREDIENTS USED IN AVEDA'S INVATI™ COLLECTION

OUR SUPPLY CHAIN

ur suppliers help us deliver the exceptional products our consumers expect. From the ingredients in our formulas to the iconic packaging, our suppliers provide us with the goods and services that help make our products unique.

We recognize that environmental and social risk varies according to location, type of supplier and product or service. This is why we work

to build long-term, trusting relationships and require our suppliers to meet our high standards. We also look for opportunities to enhance livelihoods, protect biodiversity and support human rights.

Where possible, we try to source services and supplies local to our manufacturing plants, boosting regional economies and reducing emissions from transport.

SUPPLY CHAIN MANAGEMENT

ur Global Supplier Relations function leads our procurement and is supported by representatives in each region. This department, in partnership with Global Quality Assurance and Research and Development, is responsible for ensuring that all our products meet safety, regulatory and quality standards.

Every ELC supplier must complete new supplier paperwork that validates compliance with our Supplier Code of Conduct as well as local regulations. The Code outlines our expectations for quality, health and safety, environment, labor conditions and human rights, including our policy against suppliers' use of child labor, prison labor or slave labor. All our suppliers and their officers, directors and employees are expected to adhere to the highest standard of business ethics and to conduct themselves at all times within the letter and spirit of our Supplier Code of Conduct.

SUPPLIER CODE OF CONDUCT AUDITS

Beginning in 2012, all our new suppliers are required to pass our Supplier Code of Conduct self-audit unless they can provide an up-to-date ISO14001 certification. As part of a formalized global program, we offer suppliers the opportunity to meet with recommended third-party green chemistry experts. These specialists advise and help our suppliers improve their performance. Approximately 200 suppliers have participated in the program since FY2012, and we plan to provide this opportunity every two years.

Our agreements with suppliers give us the right to audit their operations at any time. In 2009 we began assessing existing suppliers for adherence to our Supplier Code of Conduct. We began our program in the Asia-Pacific region and are expanding globally. This process includes:

- Prioritizing suppliers through specific criteria
- Determining which suppliers must go through a physical audit

In cases of supplier non-compliance with the Supplier Code of Conduct, suppliers may be required to implement necessary corrective actions followed by a re-audit.

If the audit reveals minor or significant non-compliance, the supplier is required to make the necessary corrections immediately. We conduct follow-up audits to review progress, and no new business is offered to the supplier until it is fully compliant.

Audited suppliers must complete a self-assessment questionnaire every two years to provide evidence of continued compliance. Every year, we randomly select a sample of these suppliers for a follow-up with an in-person audit, to verify the accuracy of the self-assessments.

As of January 2010, our Company only approves new suppliers or new manufacturing plants that pass both the Supplier Code of Conduct audit and the Global Quality Assurance audit.

The Company reserves the right to immediately cease doing business with those suppliers that fail to adhere to the Supplier Code of Conduct.

RESPONSIBLE SOURCING OF NATURAL INGREDIENTS

any of our brands use natural ingredients from around the world, ranging from Australian sandalwood to Moroccan argan oil. We only want to use sustainable sources and species, and we work with experts in environmental organizations and international institutions to ensure we meet our goal.

Careful consideration of where our natural ingredients are sourced gives us opportunities to bring about social and environmental good. A number of our brands, such as AVEDA and Ojon, have used their purchasing power to successfully enhance local livelihoods and support farming practices. We understand that our influence is limited, but these programs remind us that we have a significant opportunity to make a difference.



DARPHIN PARTNERS WITH A COMMUNITY THAT PRODUCES SHEA

CASE STUDY

SUPPORTING **AGRICUITURE** IN INDIA

AVEDA partners with the Indian firm Nisarga to source organic turmeric and amla for its Invati hair products (formulated to help prevent hair loss due to breakage). The partnership ensures that the crops are produced in a way that benefits local communities and the environment

The spices are grown at organic farms in India, creating jobs for nearby villagers who cultivate the fields and process the plants. The ingredients are extracted using carbon dioxide, a method that avoids toxic residues and works at a lower temperature, saving energy.

To eliminate the dangers of chemical fertilizers and pesticides in the region, Nisarga encourages local farmers to convert to certified organic agriculture. Over the years, Nisarga has demonstrated the benefits of organic farming to about 35,000 farmers. Nisarga pays the organic certification costs for some of their farmer partners and also provides some continuing educational support to boost the success of conversion to organic methods.

ENSURING A CLEAN WATER SUPPLY FOR **IOCAL FARMS**

After learning about water problems at the two villages near the Nisarga farms, AVEDA partnered with Global Greengrants Fund to help these communities.

In the village of Chogre Umbari, the leaking water system was repaired and rebuilt. A new spring was tapped for the village of Jadha Umbari to replace a contaminated supply. AVEDA provided the funds needed to buy materials for the improved infrastructure and to hire skilled labor. Read more about Our Corporate Philanthropy.



AVEDA WORKS WITH LOCAL COMMUNITIES IN NEPAL

ENHANCING LIVELIHOODS AND PROTECTING HUMAN RIGHTS

Responsible sourcing of natural ingredients can play a major role in enhancing the livelihoods of rural communities, empowering women and alleviating poverty.

When we approach potential new supplier communities, we consider three questions: Is the ingredient of high quality? Does its collection and production empower the community? Do harvesting methods protect the environment? Our Green Chemistry program and Supplier Code of Conduct guide our decisions. We also ask about the community's needs, to determine if there are ways we can help support livelihoods and education.

For example, Ojon has used this approach to help a community in Honduras produce palm kernel oil for use in Ojon products. Local people harvest and process palm kernels from a sustainably managed forest. Since FY2010 we have worked on a benefit-sharing plan that provides local communities with better education, communications, food security and water. In FY2012, for example, this has included:

- Building latrines, water wells and water catchment systems
- Developing four organic farms with green energy programs, used as teaching centers
- Improving local transport systems
- Installing four radio communication systems to help in hurricane rescue and medical emergencies
- Providing corn and rice seeds
- Repairing 10 school community centers

We work with suppliers and experts to identify and develop ethical sources of raw materials where the rights of workers are protected. In particular, ELC and AVEDA have been spearheading an effort to reduce child labor in the mica collection industry in India. CASE STUDY

FNCOURAGING FAIR PRACTICES

While traveling in India with our local NGO partner, Bachpan Bachao Andolan (BBA), David Hircock, Executive Director, Corporate Sustainability, learned that children were finding it difficult to get to school because they had no transportation. Bicycles offered a simple solution, but at \$60 each (the equivalent of two months income), they were too expensive for most families. Since 2007, David and his team have raised funds to purchase and donate bicycles to more than 100 children in the community.

ELC supports David's bike project as part of its work with BBA and two suppliers to encourage education and end the use of child labor in Indian mica mines. Mica is a mineral widely used in cosmetics. Less than 10% of the mica we use comes from India, but we continue to source there because we have an opportunity to improve conditions in the micamining communities. With our support, BBA is promoting education as an alternative to work for children in mica-sourcing communities. Together we have established 60 "childfriendly villages"—where every child has access to school and women have the right to vote in local elections. One person from each village is being trained as a paralegal to ensure the villagers have access to Indian law.

The mica industry in India presents complex socioeconomic challenges that can be met only through practical solutions that help the communities. Mica suppliers have promised fair pay for adult workers to enhance their livelihoods and reduce the need for children to work. Education is a cornerstone in this effort, providing skills to help young people get work outside the mica industry.

The program offers periodic health clinics for village children and has started other childfocused social programs, such as youth groups.

While this program has yet to end child labor in mica mines, it shows that responsible business practices can create better prospects for children living in the mica-mining region.

PROTECTING BIODIVERSITY

The health and diversity of nature—biodiversity—is essential to life on earth. We strive to honor the Nagoya Protocol, a supplementary agreement to the U.N. Convention on Biological Diversity (not ratified by the U.S.). The protocol aims to ensure that the benefits of genetic resources (plants and animals) are shared by all those who provide and use them. If this goal is achieved, it will provide incentives for conservation and sustainable use.

We want to source our natural ingredients from suppliers who use responsible harvesting practices. This is essential for the protection of biodiversity, the rights of local communities who benefit from these same resources and the future availability of ingredients.

We have communicated to our third-party vendors and raw material and product suppliers not to formulate or use ingredients listed on any of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) appendices or the International Union for Conservation of Nature (IUCN) Red List. We will consider using ingredients that are not critically endangered, endangered, vulnerable and near threatened.

Palm Oil

We mainly use ingredients derived from palm kernel oil. We buy these derivatives from suppliers, so we cannot directly control the source of the palm kernel oil used to make the derivatives. We continue to engage with others in our industry to find ways to increase the availability of sustainable palm oil and influence our suppliers to buy sustainably sourced oil. As a member of the Natural Resources Stewardship Circle (NRSC) working group on sustainable sourcing of palm oil, we have signed a confidential agreement under which we will disclose our top 10 suppliers who use palm kernel oil derivatives to other working group members. This may help each to decide how to work with suppliers to access sustainable palm kernel oil.



OJON IS COMMITTED TO SUSTAINABLE HARVESTING PRACTICES

CASE STUDY

SOURCING SUSTAINABLE INGREDIENTS FOR FRAGRANCE

Vetiver essential oil is extracted from the roots of a grass-like plant. Its unique scent provides the basis for fragrances such as Tom Ford Grey Vetiver. Around 60% of global vetiver comes from Haiti, where an estimated 20,000 farmers rely on its collection as their main source of income.

Sourcing vetiver responsibly can bring economic and environmental benefits. The plant's strong and deep roots help combat damaging soil erosion, a major problem in Haiti. Local communities prosper from growing and selling the crop.

But vetiver production in Haiti is under threat from the effects of poverty and poor environmental practices. Many Haitian farmers are extremely poor and are increasingly looking for better-paying jobs in the neighboring Dominican Republic. Farmers who remain often use production techniques that damage the local environment. Distillers now increasingly use fuel oil because years of deforestation have left little wood to fuel their boilers.

We want to encourage sustainable vetiver production and the communities that rely on it. This is why we are working in partnership with the Haitian government, non-governmental organizations and academic institutions to find the answers. We have recently launched a pilot project with the Natural Resources Stewardship Circle (NRSC) to trace vetiver supplies to their source. Through complete transparency of the value chain (from planting to harvesting to transportation to processing and exporting), we can work with our Haitian partners to promote a sustainable and economically viable business that will benefit all stakeholders, including the community and the country.

The project is also investigating whether vetiver biomass (roots and leaves) can be used to make fuel briquettes for domestic use or to feed distillery boilers (as an alternative to fuel oil).

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- » 65 Stakeholder Engagement » 65 Managing Corporate Responsibility » 66 Human Rights



Doing your job with integrity is always easier when you know exactly what's expected of you. We have a clear set of values that are guided by our mission—Bringing the Best to Everyone We Touch and Being the Best in Everything We Do. Everyone at The Estée Lauder Companies knows that we are committed to working together with uncompromising ethics and integrity. We are dedicated to making it happen.



CORPORATE GOVERNANCE

he Board of Directors provides general direction and oversight of the management of the Company's business and affairs and has developed corporate governance guidelines to help it fulfill its responsibilities to stockholders.

Our Board is currently led by our Executive Chairman, who is a member of the Lauder family. As provided in our Corporate Governance Guidelines, we also have an independent Director who serves as our presiding Director. The remaining Directors include our President and Chief Executive Officer, nine other non-employee Directors (eight of whom are independent) and three more members of the Lauder family. A majority of the Directors are independent.

There are three key standing committees: Audit, Compensation, and Nominating and Board Affairs. A written charter for each committee outlines its mission, membership qualifications and the duties of committee members.

Please see our Leadership section on www.elcompanies.com for detailed information about our Board, Board committees and their charters and our corporate governance.

EXECUTIVE COMPENSATION

Executive compensation is tied to both the Company's and the individual's performance. The Compensation Committee regularly monitors developments and market conditions relating to executive compensation and determines the compensation of the Executive Chairman, the CEO and other executive officers. We seek to be transparent about our executive compensation program and provide details in our 2012 Proxy Statement.

ENTERPRISE RISK MANAGEMENT

hrough our Enterprise Risk Management process, we identify, assess and mitigate critical corporate risks affecting the Company, including social and environmental risks relating to compliance with law. Each identified risk is assigned to a member of our Executive Leadership Team who is responsible for developing an appropriate mitigation strategy. This risk management process is ongoing and is reported to the Board of Directors annually.

Our most significant risks associated with an investment in our securities are listed in our Form 10-K filed with the U.S. Securities and Exchange Commission (SEC). Those most relevant to corporate responsibility include:

- The quality and safety of our products
- Our ability to attract and retain key personnel
- Risks related to industrial accidents, environmental events, strikes and labor disputes, disruptions in supply chain or information systems, product quality control, safety, licensing requirements and other regulatory issues, or natural disasters

PUBLIC POLICY

ur business is affected by legislation and regulations wherever we operate, market or sell our products. We communicate regularly with governments to give our views on proposed regulations and work to educate them on the high standards to which we hold ourselves.

Much of our public policy work is conducted through trade and industry associations, such as the Personal Care Products Council (PCPC) in the United States, the Canadian Cosmetic, Toiletry and Fragrance Association (CCTFA) in Canada and Cosmetics Europe (formerly COLIPA).

PCPC is the leading U.S. trade association for the cosmetic and personal care products industry and advocates for its members on scientific, legal, regulatory, legislative and international issues.

POLITICAL ENGAGEMENT

The Company is committed to conducting its relations with governments in places where it does business in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations.

As U.S. laws prohibit corporate donations to candidates for federal office, and many states' and other countries' laws similarly prohibit corporate donations to candidates and/or political parties, an employee may not make political contributions on behalf of the Company without written approval from the Senior Vice President,

General Counsel and Secretary. Political contributions include: direct donations of money or Company products or property, the purchase of tickets to fundraisers, and the use of Company facilities, transportation, funds or assets for political activities.

Employees are permitted to make personal political contributions as long as such contributions are not in the name of, on behalf of or attributable to the Company, are not made in exchange for or with the expectation of any benefit to the Company or with an expectation of reimbursement by the Company. In addition, individuals may not use Company facilities or resources for purposes of political fundraising activities or other solicitations of the public at large or perform such activities on company time.

The Company does not make contributions in the U.S. to Super PACs. However, the Company may choose to make a modest number of political contributions to U.S. state and local officials and political parties, with appropriate approvals. In 2010, a total of \$46,350 in state and local political contributions were made; in 2011, \$2,000 was contributed; and in 2012, \$34,750 was contributed. A report on the Company's political spending will be submitted to a Committee of the Board of Directors in early 2013.

The Company has not organized a PAC.

BUSINESS ETHICS

aintaining our reputation is integral to our success, and we are committed to conducting our businesses in . compliance with all applicable laws and regulations. We expect everyone at ELC to observe the highest standards of professional and personal conduct and to uphold the principles and ideals that have made the Company the global leader in prestige beauty. We do not tolerate bribery or corruption. Our expectations and our key policies are summarized in our Code of Conduct (Code) for employees and our Supplier Code of Conduct.

The Code is available in multiple languages and applies to employees worldwide and members of the Board of Directors. All newly hired employees must sign an acknowledgment that they have received the Code, understand its contents and agree to comply with its terms throughout their employment.

We provide both in-person and online training to employees at Director level and above to help them understand the Code's requirements. These employees have access to our online training module, available via our global Intranet, which uses real-life scenarios to help employees understand how to apply the Code. Employees must

pass a test at the end of the training. We also run a series of special features on our Intranet, taking an in-depth look at some of the Code's key requirements. Each year, these management employees certify their compliance with and continued commitment to compliance to the Code.

Employees are expected to report any violation or suspected violation of our Code to their supervisor or to the Executive Vice President and General Counsel, Global Human Resources, or the Chief Internal Control Officer, Employees can also use our toll-free hotline or internal post office box to report concerns confidentially and anonymously. All serious violations are thoroughly reviewed by our Ethics and Compliance Committee. Any employee who is found to breach the Code is subject to disciplinary action, up to and including dismissal. Action may also be taken against employees who fail to prevent or report a violation of the Code.

The Ethics and Compliance Committee reviews our Code of Conduct annually and assesses the effectiveness of our ethics compliance procedures. Our Ethics and Compliance Committee also oversees implementation of our Code of Conduct and reports regularly to the Audit Committee.

STAKEHOLDER ENGAGEMENT

interact regularly with our stakeholders and seek to understand their different views and perspectives. Our stakeholders include consumers, customers (such as retailers and distributors), employees, investors, suppliers, local communities and regulators.

Most stakeholder engagement takes place as part of daily business, and we commission research to give us insight into stakeholder views on specific topics. Our approach includes regular consumer research, supplier surveys, our Investor Relations and our Global Consumer Communications hotline.

We intend to broaden our stakeholder engagement to include soliciting feedback on this report in November 2012.

MANAGING CORPORATE RESPONSIBILITY

ur Corporate Environmental Affairs and Safety (EAS) Committee guides our programs relating to environmental performance and workplace safety. The EAS Committee generally meets three times a year to set corporate responsibility-related goals and objectives for the Company. Members of the subcommittees include executives and other employees from our Environmental Affairs and Safety, Research and Development, Global Communications, Legal, Global Quality Assurance, Global Human Resources, Global Supply Chain, Investor Relations, Global Philanthropy and other Executive Administrative functions. The EAS Committee is chaired by the Executive Vice President, Global Supply Chain, who reports to the Chief Executive Officer. The Executive Vice President, Global Supply Chain, provides updates on performance to the Audit committee of the Board of Directors.

Our Global Environmental Affairs and Safety Department reviews the Company's safety, health and environmental performance throughout the year and reports annually to the EVP, Global Supply Chain, who submits key facts to the Board of Directors or Audit Committee.

REMUNERATION AND SUSTAINABILITY PERFORMANCE

Facility managers of plants, offices and retail stores who receive annual performance evaluations may include an assessment of their success against sustainability or other corporate responsibility targets—for example, reduction in energy use and carbon emissions.





HUMAN RIGHTS

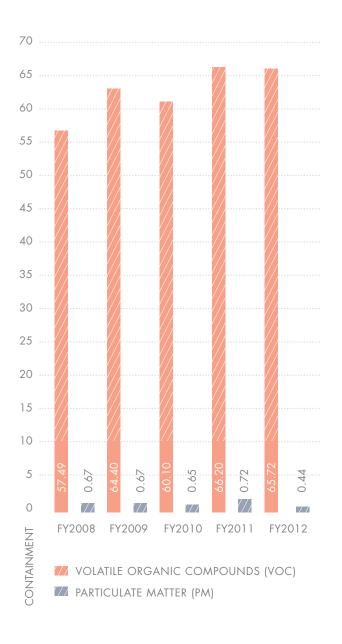
respect the human rights of our employees, suppliers and the communities in which we operate, and are committed to upholding the principles contained in the U.N. Universal Declaration of Human Rights and the California Transparency in Supply Chains Act of 2010.

We expect our suppliers to comply with the law on issues such as minimum wages, overtime compensation, hiring, occupational safety and non-discrimination. Our Supplier Code of Conduct, which all suppliers must acknowledge, clearly states our policy regarding child labor, prison labor, slave labor and human trafficking.

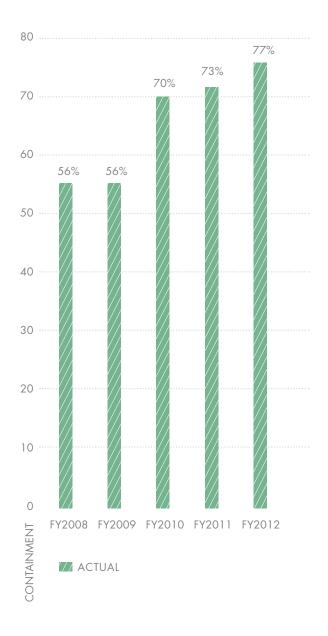
We work with suppliers and others to protect human rights within the cosmetics supply chain. Our commitment to the sustainable harvesting and under use of natural ingredients includes respecting the rights of local communities.

PERFORMANCE

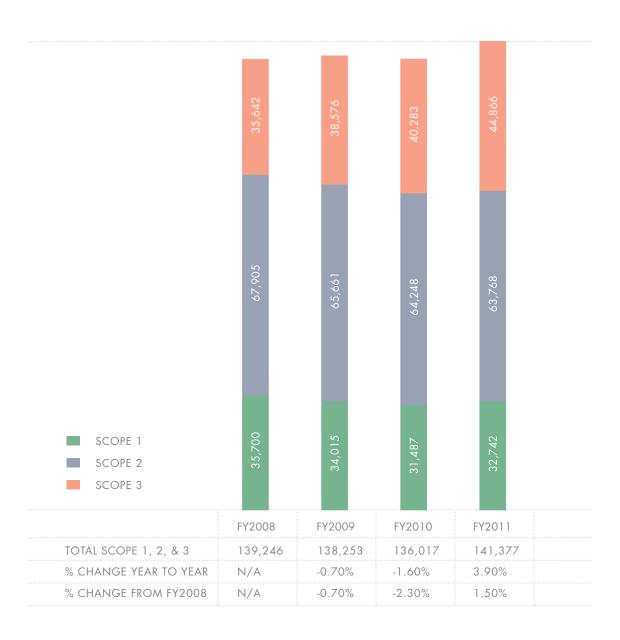
AIR EMISSIONS (METRIC TONS)



RECYCLING RATES



THE ESTÉE LAUDER COMPANIES GREENHOUSE GAS EMISSIONS

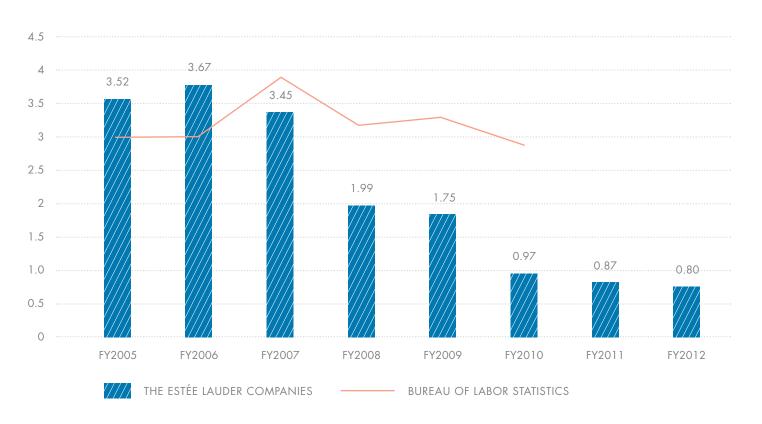


LOST TIME FREQUENCY RATE

NUMBER OF LOST TIME CASES PER 100 EMPLOYEES



TOTAL INCIDENT RATE



GLOBAL AWARDS & RANKINGS HIGHLIGHTS

INCLUDES A SELECTION OF AWARDS AND RANKINGS RECEIVED FY2011-FY2012

EMPLOYMENT

TOP 50 BEST WORKPLACES FOR FIRST JOB (CHINA)

In 2011, Staffers Magazine and China Business Media named ELC's China affiliate as one of the "Top 50 Best Workplaces for First Job" for 2010.

SUPER-COMPANIES 2012 (MEXICO)

ELC Mexico ranked #11 in the "Super Empresas, los Lugares Donde Todos Quieren Trabajar" (Super-Companies 2012, The Best Places Where Everybody Wants to Work) by Expansión magazine, 2012. This award recognized ELC for emphasizing and strengthening the emotional engagement of employees in four areas, including diversity.

THE 100 BEST PLACES TO WORK (ISRAEL)

In 2012, The Marker magazine ranked ELC's Israel affiliate as one of the "100 Best Places to Work" in Israel.

BEST EMPLOYERS (SOUTH AFRICA)

In 2012, ELC South Africa affiliate received certification as Best Employer by CRF Institute.

ENVIRONMENT

EPA GREEN POWER PURCHASER FORTUNE 500

ELC was ranked #26 in the EPA Green Power Partnership Fortune 500 Challenge in 2011.

HEALTH & SAFETY

BRITISH SAFETY COUNCIL AWARD

Whitman Laboratories U.K. was awarded the British Safety Council Award for the 25th consecutive year in April 2012. The award is issued annually to companies that achieve lower-than-average accident and incident rates in their industry.

MINNESOTA STAR CERTIFICATION

In FY2012, two AVEDA facilities in Minnesota renewed their 2010 Minnesota Star certification from the state's Department of Labor, placing AVEDA's safety program among the top 34 in the state.

NATIONAL SAFETY COUNCIL AWARDS

In FY2011, two AVEDA facilities and two ELC facilities received Occupational Excellence awards from the National Safety Council for their low rates of injury and illnesses involving days away from work.

PHILANTHROPY

AWARD OF COURAGE, THE AMERICAN FOUNDATION FOR AIDS RESEARCH (AMFAR)

In 2011, M·A·C AIDS Fund was presented with amfAR's Award of Courage for achievements in the fight against HIV/AIDS.

GRIINDEX

ELC Corporate Resposibility Report 2012: Index of conformance with the GRI G3.1 Guidelines

STRATEGY AND ANALYSIS

REFERENCE IN REPORT

1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	<u>Letter from William P. Lauder</u>
1.2	Description of key impacts, risks and opportunities.	Letter from William P. Lauder About this Report

PROFILE

2.1	Name of reporting organization.	About The Estée Lauder Companies
2.2	Primary brands, products and/or services.	About The Estée Lauder Companies
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	About The Estée Lauder Companies
2.4	Location of organization's headquarters.	www.elcompanies.com
2.5	Number of countries where organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	About The Estée Lauder Companies
2.6	Nature of ownership and legal form.	Annual Report
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Annual Report
2.8	Scale of the reporting organization, including: Number of employees Net sales Total capitalization broken down in terms of debt and equity; and Quantity of products or services provided	About The Estée Lauder Companies
2.9	Scale of the reporting organization, including: Number of employees Net sales Total capitalization broken down in terms of debt and equity; and Quantity of products or services provided	Annual Report
2.10	Awards received in the reporting period.	Global Awards & Rankings Highlights

REPORT PARAMETERS

3.1	Reporting period for information provided.	About this Report
3.2	Date of most recent previous report.	2010
3.3	Reporting cycle.	Every Two Years
3.4	Contact point for questions regarding the report or its contents.	Back Cover
REPORT S	COPE AND BOUNDARY	
3.5	Process for defining report content, including: Determining materiality Prioritizing topics within the report; and Identifying stakeholders who the organization expects to use the report	About this Report
3.6	Boundary of the report.	About this Report
3.7	State any specific limitations on the scope or boundary of the report.	About this Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	All ELC operations as described in our <u>Annual Report</u>
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Environmental Stewardship Performance
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement.	<u>Nanotechnology</u>
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	No significant changes from previous reporting periods
GRI CON	TENT INDEX	
3.12	Table identifying the location of the Standard disclosures in the report.	<u>GRI Index</u>
ASSURAN	ICE	
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider.	We do not seek external assurance for the report

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

GOVERNA	ANCE	
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and if so, their function within the organization's management and the reasons for this arrangement).	Corporate Governance
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Corporate Governance
4.4	Mechanisms for stakeholders and employees to provide recommendations or direction to the highest governance body.	Corporate Governance
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance (including social and environmental performance.	Corporate Governance
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Governance Guidelines
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	Governance Guidelines
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance, and the status of their implementation.	Business Ethics
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Governance Guidelines
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Governance Guidelines
COMMITA	ments to external initiatives	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	No
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses.	United Nations Universal Declaration of Human Rights California Transparency in Supply Chains Act of 2010
4.13	Members in associations and/or national/international advocacy organizations in which the organization: Has positions in governance bodies Participates in projects or committees Provides substantive funding beyond routine membership dues; or Views membership as strategic	Personal Care Products Council (PCPC), United States The Canadian Cosmetic, Toiletry and Fragrance Association (CCTFA) Cosmetics Europe (COLIPA)

STAKEHO	lder engagement	
4.14	List of stakeholder groups engaged by the organization.	<u>Stakeholder Engagement</u>
	E.g., communities, civil society, customers, shareholders and providers of capital, suppliers and employees, other workers and their trade unions.	
4.15	Basis for identification and selection of stakeholders with whom to engage.	<u>Stakeholder Engagement</u>
	$Includes \ process \ for \ defining \ stakeholder \ groups \ and \ for \ determining \ the \ groups \ with \ which \ to \ engage.$	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder Engagement Employee Engagement Consumer Feedback
	E.g., surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures and other vehicles. Say whether any engagement was undertaken specifically as part of the report preparation process.	Supply Chain

PERFORMANCE: ECONOMIC

DISCLOSI	IRE ON MANAGEMENT APPROACH	
DIOCEOSC		C
	Provide a concise disclosure on the Management Approach items outlined below with reference to the following economic aspects: economic performance, market presence and indirect economic impacts.	Governance & Ethics
ECONION	NIC PERFORMANCE INDICATORS	
	CONOMIC PERFORMANCE	
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	About The Estée Lauder Companies
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Governance & Ethics
EC3	Coverage of the organization's defined benefit plan obligations.	Annual Report
EC4	Significant financial assistance received from government.	No
ASPECT: N	MARKET PRESENCE	
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	No
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation.	Global Supply Chain
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	<u>Diversity Leadership</u>
ASPECT: II	ndirect economic impacts	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or probono engagement.	<u>Global Supply Chain</u> <u>Society</u>
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Global Supply Chain Society

PERFORMANCE: ENVIRONMENTAL

ISCLOSU	re on management approach	
	Provide a concise disclosure on the management approach items outlined below with reference to the following environmental aspects: materials, energy, water, biodiversity, emissions, effluents and waste, products and services, compliance, transport and overall.	Our Environmental Management System
ENVIRON	mental performance indicators	
ASPECT: A	MATERIALS	
EN1	Materials used by weight or volume.	No
EN2	Percentage of materials used that are recycled input materials.	No
ASPECT: E	NERGY	
EN3	Direct energy consumption by primary energy source.	<u>Performance</u>
EN4	Indirect energy consumption by primary source.	No
EN5	Energy saved due to conservation and efficiency improvements.	<u>Performance</u>
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	No
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Energy & Climate Change
ASPECT: V	VATER	
EN8	Total water withdrawal by source.	No
EN9	Water sources significantly affected by withdrawal of water.	No
EN10	Percentage and total water volume of water recycled and reused.	No
ASPECT: B	IODIVERSITY	
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity outside protected areas.	No
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Global Supply Chain
EN13	Habitats protected or restored.	Global Supply Chain
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.	Global Supply Chain
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Global Supply Chain

ASPECT: E	MISSIONS, EFFLUENTS AND WASTE	
EN16	Total direct and indirect greenhouse gas emissions by weight.	<u>Performance</u>
EN17	Other relevant indirect greenhouse gas emissions by weight.	Energy & Climate Change
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Energy & Climate Change
EN19	Emissions of ozone-depleting substances by weight.	No
EN20	NOx, SOx and other significant air emissions by type and weight.	<u>Performance</u>
EN21	Total water discharged by quality and destination.	No
EN22	Total weight of waste by type and disposal method.	Waste & Recycling
EN23	Total number and volume of significant spills.	No
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII, and percentage of transported waste shipped internationally.	No
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	No
ASPECT: P	RODUCTS AND SERVICES	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environmental Stewardship
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	<u>Design for recyclability and product</u> take-back
ASPECT: C	OMPLIANCE	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Standards & Compliance
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Emissions from Transport
ASPECT: C	VERALL	
EN30	Total environmental protection expenditures and investments by type.	No

PERFORMANCE: LABOR PRACTICES AND DECENT WORK

DISCLOSU	JRE ON MANAGEMENT APPROACH	
	Provide a concise disclosure on the management approach items outlined below with reference to the following labor aspects: employment, labor/management relations, occupational health and safety, training and education, and diversity and equal opportunity.	<u>People</u>
LABOR PR	actices and decent work performance indicators	
ASPECT: E	MPLOYMENT	
LA1	Total workforce by employment type, employment contract and region.	About The Estée Lauder Companies
LA2	Total number and rate of employee turnover by age group, gender and region.	No
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	No

ASPECT: L	ABOR/MANAGEMENT RELATIONS	
LA4	Percentage of employees covered by collective bargaining agreements.	No
LA5	$\label{lem:minimum} \begin{tabular}{ll} Minimum notice period (s) regarding operational changes, including whether it is specified in collective agreements. \end{tabular}$	Managing Operational Change
ASPECT: C	OCCUPATIONAL HEALTH AND SAFETY	
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	No
LA7	Rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities by region.	Health & Safety
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	Wellness Programs Breast Cancer Awareness M.A.C. AIDS Fund
LA9	Health and safety topics covered in formal agreements with trade unions.	No
ASPECT: T	raining and education	
LA10	Average hours of training per year per employee by employee category.	No
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their careers.	Learning & Development
LA12	Percentage of employees receiving regular performance and career development reviews.	Learning & Development
ASPECT: D	iversity and equal opportunity	
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Inclusion & Diversity
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	No
		<u>i</u>

PERFORMANCE: HUMAN RIGHTS

DISCLOSI	JRE ON MANAGEMENT APPROACH	
	Provide a concise disclosure on the management approach items outlined below with reference to the following human rights: investment and procurement practices, non-discrimination, freedom of association and collective bargaining, abolition of child labor, prevention of forced and compulsory labor, complaints and grievance practices, security practices and indigenous rights.	<u>Human Rights</u>
HUMAN	RIGHTS INDICATORS	
ASPECT: I	nvestment and procurement activities	
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	No
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	No
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees who are trained.	No

ASPECT: N	non-discrimination	
HR4	Total number of incidents of discrimination and actions taken.	No
ASPECT: F	reedom of association and collective bargaining	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	No
ASPECT: C	CHILD LABOR	
HR6	Operations identified as having a significant risk for incidents of child labor, and measures taken to contribute to the elimination of forced or compulsory labor.	No
ASPECT: F	Orced and compulsory labor	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	No
ASPECT: S	ECURITY PRACTICES	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	No
ASPECT: II	ndigenous rights	
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	No
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	No
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	No
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PERFORMANCE: SOCIETY

DISCLOSU	JRE ON MANAGEMENT APPROACH	
	Provide a concise disclosure on the management approach items outlined below with reference to the following society aspects: community, corruption, public policy, anti-competitive behavior and compliance.	Governance & Ethics
SOCIETY	PERFORMANCE INDICATORS	
ASPECT: 0	COMMUNITY	
SO1	$\label{lem:percentage} Percentage of operations with implemented local community engagement, impact assessments, and development programs.$	Global Supply Chain
SO2	Percentage and total number of business units analyzed for risks related to corruption.	No
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	No
SO4	Actions taken in response to incidents of corruption.	No
ASPECT: F	PUBLIC POLICY	
SO5	Public policy positions and participation in public policy development and lobbying.	<u>Public Policy</u>
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	<u>Public Policy</u>
ASPECT: A	anti-competitive behavior	<u>.</u>
SO7	Total number of legal actions for anti-competitive behavior, antitrust and monopoly practices and their outcomes.	No

PERFORMANCE: PRODUCT RESPONSIBILITY

DISCLOSU	JRE ON MANAGEMENT APPROACH	
	Provide a concise disclosure on the management approach items outlined below with reference to the following society aspects: customer health and safety, product and service labeling, marketing communications, customer privacy and compliance.	Research & Development Responsible Marketing
PRODUCT	responsibility performance indicators	
ASPECT: 0	CUSTOMER HEALTH AND SAFETY	
PR1	Lifecycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Research & Development
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and service during their life cycle, by type of outcomes.	No
PR3	Type of product and service information required by procedures, and percentage of significant products and service subject to such information requirements.	Research & Development
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	No
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<u>Consumers</u>
ASPECT: /	MARKETING COMMUNICATIONS	
PR6	Programs for adherence to laws, standards and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.	Responsible Marketing
PR7	Total number of incidents of non-compliance with regulations and voluntary codes of concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	No
ASPECT: (CUSTOMER PRIVACY	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No
ASPECT: (COMPLIANCE	
PR9	Monetary value of significant fines for non-compliance with laws.	No



