



Welcome to The Estée Lauder Companies Global Corporate Citizenship and Sustainability Scorecard, which serves as a snapshot of our performance across key social, economic and environmental indicators during fiscal 2018. I am proud of our accomplishments and of the enduring strength of our company and iconic brands, which has allowed us to achieve another successful year in a dynamic industry.

Our world is changing rapidly. We are seeing an increased focus from many of our stakeholders to be driven by purpose as well as profit. For a values-driven organization such as The Estée Lauder Companies, we embrace this call to action and are committed to delivering value well beyond the bottom line. The global beauty market is thriving, and we believe we must operate responsibly—and responsively to consumer, employee and investor needs—in order to maintain our growth in the years to come.

At The Estée Lauder Companies, prestige beauty is a multifaceted offering that is more than skin deep, and nowhere is this more evident than in our pioneering philanthropic programs. We honored the 25th anniversaries of both The Breast Cancer Campaign (2017) and M·A·C's VIVA GLAM Campaign (2019), which have collectively raised more than \$500 million since their inceptions. We also maintained our long-standing commitment to our communities through volunteerism and service. In fiscal 2018, we expanded employee volunteerism through the launch of ELC Good Works U.K. and engaged employees in our global programs including The Breast Cancer Campaign's fundraising initiatives, La Mer's Blue Heart Campaign and M·A·C's World AIDS Day Initiative.

We also celebrated the 50th anniversary of the opening of our Melville, New York manufacturing site, home to our largest factory and a multidisciplinary R&D team of scientists and inventors who enable The Estée Lauder Companies brands to benefit from the latest scientific breakthroughs. It is these employees—and all employees across our global operational, retail and office locations—whom we continue to celebrate each year, as our success is a direct result of their passion and dedication.

We prioritize the management and reduction of our environmental impact globally, working to preserve and protect the health and beauty of this planet for future generations. At our plant in Melville, we send zero waste to landfill and drive toward a reduced carbon footprint through renewable energy use. We solidified our commitment to a low-carbon economy by joining the Climate Group's RE100 campaign in fiscal 2018, with our public pledge to source 100 percent of our global electricity consumption from renewable energy technologies by the end of 2020. One of our biggest investments was the installation of a 1 Megawatt solar PV system at our Whitman Laboratories facility in the United Kingdom, which has put us on track to achieve our Net Zero carbon goal by the end of 2020.

We have come a long way in our more than 70-year history, remaining agile in an industry that continues to evolve with tremendous speed. At the same time, we recognize the need for continued leadership in the face of the world's most pressing challenges. We are committed to addressing them through a transformative, inclusive and collaborative approach, drawing on the talents of our vibrant employees who enable us each day to be a stronger and more resilient company. On behalf of The Estée Lauder Companies, I thank our customers, investors, and suppliers for their support, and I look forward to a bright and sustainable future together.

Nancy Manon

Senior Vice President
Global Corporate Citizenship and Sustainability

, Chal

June 2019

OUR CITIZENSHIP & SUSTAINABILITY GOALS

Setting clear and measurable goals is an important part of our strategy to fully embed citizenship and sustainability across our business. In March 2019, we announced additional Citizenship and Sustainability Goals that align with certain of our priority focus areas where we believe we have the biggest opportunity to positively impact the environment and society. We will report progress against goals in our next full report.

ENERGY AND EMISSIONS

- By 2020, we will achieve Net Zero carbon emissions and RE100
- By 2020, we will build upon our current Net Zero carbon emissions commitment and set a sciencebased target covering Scopes 1, 2, and 3

WASTE

 By 2020, we will achieve zero waste to landfill for all global manufacturing and distribution sites

EMPLOYEE SAFETY

 We will drive safety to continue decreasing the total incident rate* to ensure continued world class-leading levels, with a goal of 0.15 by 2025



RESPONSIBLE SOURCING

- As part of our continuous efforts to address issues that may exist within complex supply chains, by 2025, we will have identified sensitive ingredient supply chains and developed robust biodiversity and social action plans for them
- At least 90% of our palm-based ingredients (palm oil and its derivatives) will be certified sustainable from RSPO physical supply chains by 2025, with 50% palm-based ingredients certified sustainable from RSPO physical supply chains by 2020

PACKAGING

- By 2025, 75-100% of our packaging will be recyclable, refillable, reusable, recycled or recoverable. In achieving this goal, we will increase the amount of post-consumer recycled material in packaging by up to 50%
- Our ambition is to use responsibly-sourced paper products whenever possible with a goal to have 100% of our forest-based fiber cartons FSC certified by 2025



INGREDIENT TRANSPARENCY

 We will develop a glossary of key ingredients that includes descriptions of the ingredients' purpose and will make this information available online by 2025

LEARNING AND DEVELOPMENT

 We are committed that by 2020, 100% of our employees worldwide will have access to training on basic sustainability and corporate social impact programs



SOCIAL INVESTMENTS & EMPLOYEE ENGAGEMENT

- By 2020, our programs and grants focused on health, education and environmental programs will impact the well-being of 10 million individuals around the world
- By 2025, we will engage 50% of eligible employees in regional, brand, or local volunteer programs such as ELC Good Works, The Breast Cancer Campaign and the MAC Global Volunteer program
- Each brand will focus on and support at least one social or environmental cause by 2025

[&]quot;By 20XX" means by the end of Calendar Year 20XX

^{*} Total incident rate is the number of OSHA recordable incidents per 100 workers

SCORECARD

This scorecard provides an update on select sustainability and citizenship metrics since our last progress report, which was published in September 2018. Unless otherwise noted, the scorecard covers activities during our fiscal 2018 (July 1, 2017 to June 30, 2018) and includes data for facilities we own and operate.

There have been no significant changes in our boundary or measurement methods since our last Global Reporting Initiative (GRI) report, published in 2014. Our next GRI report will be published in fiscal 2020 to reflect our progress and performance in fiscal 2019.

We have sought verification by Bureau Veritas North America, Inc. to a limited level of assurance based on the International Standard on Assurance Engagements (ISAE) 3000 for certain environmental metrics (as indicated in the data tables with an asterisk). You can download the assurance letter here.

Please see our Fiscal 2018 Year in Review and filings we made with the U.S. Securities and Exchange Commission for more information about our business performance.

- Fiscal 2018 Year in Review
- Fiscal 2018 Annual Report to Stockholders

Read more about sustainability and citizenship at The Estée Lauder Companies online.



"ATA GLANCE"

COMPANY OVERVIEW

\$13.68B

Net Sales 150+

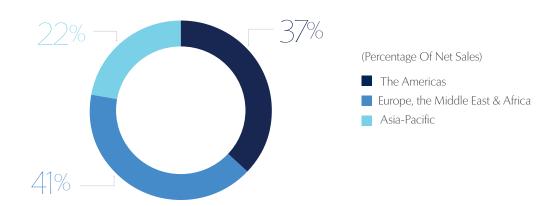
Countries & Territories

25+

Prestige Brands 1,500+

Freestanding Stores

NET SALES BY GEOGRAPHIC REGION



AWARDS AND RECOGNITION



100% Score on the Human Rights Campaign Foundation's 2018 Corporate Equality Index (November 2017)



Ranked 16th on Indeed's 50 Best Places to Work in the Fortune 500 2018 (July 2018)



Included in Working Mother Media's 2018 Diversity Best Practices Inclusion Index (July 2018)



2018 Bloomberg Gender-Equality Index (January 2018)



Ranked 63rd on Forbes' The World's Most Reputable Companies 2018, powered by RepTrack® (March 2018)



China, United Arab Emirates, Mexico and the U.K. & Ireland-Ranked #22 on the first ever Forbes Best Employers for Women 2018 (July 2018)

OUR EMPLOYEES

	FY18	FY17	FY16
Total employees ¹	76,506	79,126	84,457
% Total employees, by region			
The Americas	43.2	46.0	50.5
Asia/Pacific	22.1	20.5	18.8
Europe, the Middle East & Africa	34.7	33.5	30.7
% Total employees, by gender			
% female employees	85.0	85.5	86.0
% female in senior management ²	45.7	44.2	44.4
% female in management ³	62.8	60.6	60.3
% female in technical ⁴	27.8	26.8	28.0
% Total employees, by age group			
% <30 yo	36.4	32.5	28.3
% 30-50 yo	50.5	53.4	56.7
% >50 yo	13.1	14.2	15.1
% Total U.S. employees, by ethnicity ⁵			
% minority U.S. employees	45.3	44.7	41.8
% minority in U.S. senior management ²	15.9	16.1	16.3
% minority in U.S. management ³	24.6	23.5	22.0
% minority in U.S. technical ⁴	42.0	41.3	40.0

Amounts may not sum due to rounding

BOARD OF DIRECTORS

	FY18	FY17	FY16
Total Board count	17	15	15
% Women on Board	47.1	40.0	46.7
% Board composition, by age group			
% <30 yo	0.0	0.0	0.0
% 30-50 yo	23.5	13.3	20.0
% >50 yo	76.5	86.7	80.0

¹ Total employees includes global full-time, part-time and temporary employees on active assignment and on leave with pay, as of June 30th, 2016 for FY16, June 30th, 2017 for FY17 and June 30th, 2018 for FY18. ² Senior management is defined as ELC employees in positions with the title "Senior Vice President" and above. ³ Management is defined as ELC employees in positions with the title "Director" and above. ⁴ Technical is defined as ELC employees in the Information Technology department who have a technical skill job title. ⁵ Minority employee data is only available for U.S. based employees and is defined according to Equal Employment Opportunity Commission (EEOC) guidelines as four groups who share a race, color or national origin. These groups are: American Indian or Alaskan Native, Asian or Pacific Islander, Black (except Hispanic) and Hispanic.



SOCIAL INVESTMENTS

	FY18	FY17	FY16
Total charitable contributions [million USD]	44.9	52.6	65.7
Total charitable contributions, by campaign [million USD]			
Breast Cancer Campaign	10.1	7.3	6.5
VIVA GLAM Campaign ⁶	19.4	30.6	41.2
Other contributions ⁷	15.4	14.7	18.0

EMPLOYEE *ENGAGEMENT*

	FY18	FY17	FY16
Total employee volunteer hours ⁸	24,932	23,777	5,496
Total employee donations [USD] ⁹	883,777	665,485	418,735
Total amount matched by ELC [USD] 8 10	1,139,297	816,440	445,696
# Employee Resource Groups (ERGs)	27	22	19

EMPLOYEE SAFETY 11

	FY18	FY17	FY16
Total Recordable Incident Rate 12	0.24	0.29	0.31
Days Away, Restricted or Transfer Rate (DART) 11	0.18	0.20	0.21
Total fatalities	0	0	0
# Recordable work-related injuries, by main types			
Slips, trips and falls	58	71	69
Ergonomic injuries	28	30	41
Cuts and lacerations	7	9	19

FY16 and FY17 VIVA GLAM Campaign contributions have been revised to reflect current reporting methodology. ⁷ Other Contributions' includes donations made to Civic & Community, Culture & The Arts, Education, Environment, Health, Other and Product Donations. Donations include all cash giving to 501(c)(3) organizations or their equivalent, including ELC Good Works contributions. Product donations include all product giving to 501(c)(3) organizations or their equivalent and are reported by Corporate Finance and Corporate Tax at cost of goods. ⁸ The ELC Good Works volunteerism platform was available to United States (U.S.) full-time and part-time employees starting in Q2 FY16 therefore the total volunteer hours for FY16 reflects only part of the year. In FY18, the volunteerism platform also became available to United Kingdom (U.K.) corporate full-time, part-time and fixed-term contract employees only. ⁹ The ELC Good Works employee matching gifts platform was available to U.S. full-time employees in FY16, FY17 and FY18. In FY18, the employee matching gifts platform also became available to U.S. full-time employees only. ¹⁰ In FY18, matching made by ELC in the UK totaled £40,000. Exchange rate from June 30th, 2018 of 1.3208 USD to 1 GBP is used to convert the U.K. matching to USD for the "Total Amount Matched by ELC [USD]'. ¹¹ Includes all ELC full-time and part-time employees and temporary employees supervised by ELC. ¹² Rates are calculated using OSHA recordability criteria and are based on 200,000 hours worked and the ELC Total Hours Worked for the fiscal year.

GREENHOUSE GAS (GHG) EMISSIONS*

	FY18	FY17	FY16
Scope 1 [metric tons CO ₂ equivalent] ¹³	34,537	36,740	31,963
Scope 2 [metric tons CO ₂ equivalent] ¹⁴	61,566	58,738	60,845
Scope 3 for measured categories [metric tons CO ₂ equivalent] ¹⁵	48,397	51,569	57,593
GHG intensity (normalized to net sales in million USD) 16	7.02	8.07	8.24
% year-over-year GHG emissions reduction from operations ¹⁷	-0.66	-2.88	Not tracked

^{*}Data verified by Bureau Veritas North America, Inc.

ENERGY*

	FY18	FY17	FY16
Total fuel consumption within the organization, by source [MWh] 18			
Non-renewable	165,108	171,712	147,441
Renewable	596	97	89
Total electricity consumption [MWh] 19	158,116	150,059	149,371
Total electricity consumption, by source [MWh]			
Non-renewable	51,283	72,927	75,961
Renewable	106,833	77,132	73,410
Total energy consumption within the organization [MWh] ²⁰	323,820	321,868	296,902
Energy intensity (normalized to net sales in million USD)	23.67	27.22	26.36
% of global energy sourced from renewable energy	33.2	24.0	24.8

WASTF* 21

	FY18	FY17	FY16
Total hazardous waste [metric tons]	159	238	149
Total non-hazardous waste [metric tons]	25,278	22,224	21,922
Total non-hazardous waste, by disposal method [metric tons]			
Reuse	2,581	2,127	2,181
Recycling	15,727	14,285	13,997
Composting	17	25	20
Recovery, including energy recovery	6,953	5,788	5,724
Landfill	0	0	0

Amounts may not sum due to rounding

[&]quot;'Scope 1 emissions are calculated for all worldwide activities with ELC operational control. Emissions data is updated and restated on an annual basis to reflect updates to ELC sites and GHG Protocol calculation methods. The greenhouse gases included as part of this inventory are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydro fluorocarbons (HFCs). The other GHGs, sulfur hexafluoride (SF₆), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃) are not emitted as Scope 1, Scope 2, or Scope 3 emissions in The Estée Lauder Companies' GHG inventory. The base year for the ELC GHG emissions inventory is Fiscal 2008. The base year was chosen due to the completeness of availability of data for all emissions sources within the boundary conditions ext. Any changes in inventory methodology, boundary conditions (operations) or organization), or facility portfolio are tracked against the base year inventory. All global warming potential (GWP) factors are taken from the IPCC's Fifth Assessment Report. "Total Scope 2" refers to market-based Scope 2 emissions and the greenhouse gases included in this inventory are CO₂, CH₄ and N₂O. For electricity purchased in the United States, emissions factors taken from the most recent EPA Emissions & Generation Resource Integrated Database (eGRID) are used to calculate GHG emissions. Province or territory-specific factors from Environment Canada and the Australian Government are applied to Canadian and Australian locations, respectively. Country-specific emissions factors are applied at all other locations including utilizing residual mix emission factors for its locations in the European Union. Offsite generation (utility contracts) of renewable energy is accounted for under market-based Scope 2 emissions. Scope 3 emissions are calculated for partial Category 9: Downstream Transporation and Distribution (Aveda brand transport and distribution), Category 6: Business Travel and partial Category 11: Use of sold products (HFC aerosol propellants for ELC p

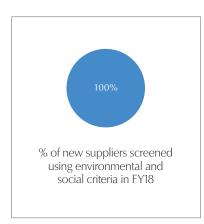
^{*}Data verified by Bureau Veritas North America, Inc.

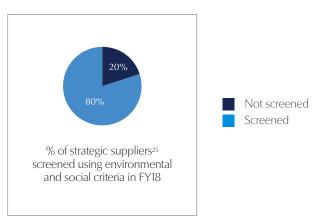
¹⁸ Fuel consumption for all worldwide activities with ELC operational control. Non-renewable fuel includes natural gas, motor gasoline, motor diesel and fuel oil. Renewable fuel includes bio-fuel. ¹⁹ Electricity consumption for all worldwide activities with ELC operational control. Non-renewable electricity consumption reflects utility purchases. Renewable electricity consumption reflects onsite generation, offsite generation (utility contracts) and REC purchases. ²⁰ FY17 and FY16 total energy consumption has been updated due to previously non-reported information as well as removal of information related to retail sites not under ELC ownership. ²¹ In FY16, FY17 and FY18 waste data reflects production and excess obsolete (EXOB) waste from 22 Locations (9 Manufacturing, 7 Distrubution Centers, 2 Packaging and Assembly facilities, 1 Returns Center and 3 Innovation Sites). Sludge waste and product giveaways are not included. Disposal information provided by the waste disposal contractors except for reuse, which is carried out by ELC.

WATER*

	FY18	FY17	FY16
Total water consumption [cubic meters] ²²	1,614,261	1,483,727	1,914,523
Total water consumption, by purpose [cubic meters]			
Industrial site (non-retail) water consumption ²³	658,361	581,819	624,186
Groundwater used for heating ventilation and air conditioning	955,900	901,908	1,290,337
Water intensity (normalized to net sales in million USD)	118	125	170

RESPONSIBLE SOURCING 24





PALM OIL 26

	CY18	CY17	CY16
% Palm oil certified by RSPO, by source type ²⁷			
Identity preserved	0.05	0.00	0.41
Segregated	0.00	0.00	0.00
Mass Balance ²⁸	47.44	32.00	25.98
Book & Claim	52.49	68.00	73.60
Total % palm-based ingredients sourced through certified- sustainable physical supply chains	47.49	32.00	26.40

Amounts may not sum due to rounding

^{*}Data verified by Bureau Veritas North America, Inc.

²² Water consumption data reflects water consumption from 25 locations (9 manufacturing, 7 Distribution Centers, 2 Warehouses,1 Returns Center, 2 Packaging and Assembly, 1 Salon/Institute, and 3 Innovation Sites). ²⁴ Operations water consumption for FY17 is updated due to previously non-reported information. ²⁴ Suppliers include those providing direct raw material, ingredients, packaging and Third-Party Manufacturing to ELC. ²⁵ Strategic suppliers are highly critical suppliers with broad and/or unique capabilities. These suppliers comprise more than half of ELC Direct Spend. ²⁶ Palm oil sourcing is reported by Calendar Year (CY) in alignment with the Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress (ACOP) guidelines. ²⁷ RSPO definitions for source types are available at https://rspo.org/certification/supply-chains. ²⁶ CY16 % palm oil certified by RSPO through Mass Balance has been updated to align with RSPO ACOP reporting.