

December 7, 2020

The Estée Lauder Companies (ELC) takes allegations of human rights abuses seriously.

As a global manufacturer of prestige beauty products, The Estée Lauder Companies (ELC) relies on a complex and multilayered supply chain of globally sourced raw materials to make its products. ELC requires its suppliers to operate in compliance with all applicable laws, including laws pertaining to safe, healthy workplaces and laws pertaining to human rights, forced labor and worker health and safety, through the company's [Supplier Code of Conduct](#). Additionally, ELC contracts with third parties to conduct on-site audits for ELC Suppliers that are selected based on criteria such as geography, type of material and impact to the business. ELC also assesses certain ELC Suppliers against environmental and social criteria using EcoVadis, a third-party sustainability ratings platform.

In addition to ELC's Supplier Code of Conduct, the company provides [Supplier Sustainability Guidelines](#) to its suppliers that outline how suppliers can support women in their workforce, including providing new and existing workers with appropriate personal protective equipment at no personal cost and encouraging suppliers to strive to provide flexible working arrangements and on-site facilities to women who are pregnant or nursing. As part of ELC's responsible supplier efforts, the company is proud to openly share its resources and tools, transparently working with its direct suppliers and their suppliers, as well as providing an example of how to strengthen systems in complex supply chains and encourage responsible practices.

Specific to ELC's commitment to the responsible sourcing of palm oil, ELC is a comparatively low-volume user of palm-based ingredients (palm oil and its derivatives) relative to other sectors and yet the company is committed to taking concrete action with its suppliers to build sustainable and ethical palm supply chains. ELC has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2014. RSPO is the leading convening body that develops and sets the standards for sustainable palm oil and enables certification against a set of environmental and social criteria aimed at preventing deforestation and protecting human rights. In fiscal 2020, ELC signed the RSPO's North American Sustainable Palm Oil Network (NASPON) Charter Agreement, signaling its continued commitment to using certified sustainable palm oil/palm kernel oil (CSPO).

ELC further strengthened its commitment to responsible palm oil sourcing by becoming one of the founding members of a new coalition, [Action for Sustainable Derivatives](#) (ASD). ASD is focused on the complex palm oil derivatives supply chain and comprises a group of personal care companies and their suppliers that use derivatives. ASD intends to increase the transparency of the global derivatives supply chain, collectively monitor risks and activities along the supply chain and implement collective action projects to address social and environmental issues on the ground. Through ASD, ELC has engaged with key suppliers to establish traceability to the mill level for more than 70% of its palm derivative

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volumes. This visibility is crucial to help address risks and will allow the company to confirm that the sourcing practices of its palm ingredients suppliers align to its principles.

In total, 100%* of the palm-based ingredients (palm oil and its derivatives) the company sources for its products are RSPO certified through a combination of RSPO certified physical supply chains and RSPO Book & Claim palm oil credits. The company's goal is that 90%* of the palm-based ingredients it sources will be certified sustainable from RSPO physical supply chains by 2025. You can read more about ELC's work related to responsible sourcing of palm oil and support of smallholder palm oil farmers in Indonesia in the [FY20 Citizenship and Sustainability Report](#) starting on page 26. ELC's palm oil goals are listed on page 10.

You can find more information on ELC's [palm oil commitments](#) on its website.

*Excludes palm-based ingredients not directly procured by The Estée Lauder Companies, such as those procured by Third-Party Manufacturers.