







SOCIAL IMPACT & SUSTAINABILITY GOALS & PROGRESS






OUR GOALS ARE AN IMPORTANT PART OF OUR STRATEGY TO EMBED SOCIAL IMPACT AND SUSTAINABILITY INTO BUSINESS OPERATIONS. BELOW IS PROGRESS TOWARD OUR GOALS AS OF JUNE 30, 2021.

Please read about our Racial Equity and Gender Equality commitments in the Inclusion, Diversity & Equity chapter, starting on page 32.

 TARGET MET  ON TRACK

GOAL ¹	FY21 PROGRESS	TARGET	PROGRESS NOTES	STATUS	
SUSTAINABILITY					
<i>Climate and Energy</i>	Reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 50% by 2030 from a 2018 base year. ^{2,3}	59% Scope 1 and 2 reduction	50% reduction (FY 2030 target)	In fiscal 2021, we continued to make progress towards our 2030 target through a portfolio of climate solutions. See pp. 56-63 for details.	
	Reduce Scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution and business travel 60% per unit revenue by 2030 from a 2018 base year. ^{2,4}	Fiscal 2021 data available in calendar year 2022	60% per unit revenue (FY 2030 target)	In fiscal 2021, we engaged with suppliers through CDP Supply Chain and established an internal governance structure to oversee emissions reduction. See p. 64 for details.	
	In fiscal 2020 and fiscal 2021, we achieved Net Zero and sourced 100% renewable electricity globally for our direct operations, reaching the target we set on joining RE100. ⁵				
<i>Responsible Sourcing</i>	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.	We have identified a number of ingredients as priorities and have developed and are implementing biodiversity and social action plans (please see pp. 68-77 for details). As part of our ongoing review, we will continue to develop and implement action plans as per our prioritization process.			
	By 2025, at least 90% of our palm-based ingredients ⁶ (palm oil and its derivatives) will be certified sustainable from RSPO physical supply chains.	71% (calendar year 2020)	90%	In total, 100% of our palm-based ingredients ⁶ are certified under one of RSPO's four certification types: Mass Balance, Identity Preserved, Segregated, or Book & Claim.	

1. "By 20XX" means by the end of calendar year 20XX, unless otherwise noted.
 2. For SBT goals, the base year is fiscal 2018 and completion year is fiscal 2030.
 3. Excludes brands acquired by ELC during or after fiscal 2021.
 4. Excludes brands acquired by ELC during or after fiscal 2020 and other acquisitions made prior thereto that have not yet been integrated into the relevant ELC systems.
 5. ELC joined the RE100 campaign in 2017. Please see www.there100.org  for more information.
 6. Excludes palm-based ingredients not directly procured by ELC, such as those procured by Third-Party Manufacturers (TPMs) and certain acquired brands not yet fully integrated into the relevant ELC systems.

GOAL ¹	FY21 PROGRESS	TARGET	PROGRESS NOTES	STATUS
SUSTAINABILITY <i>(continued)</i>				
<i>Packaging</i> ⁷	By 2025, 75-100% of our packaging will be recyclable, refillable, reusable, recycled, or recoverable.	59%	75-100%	
	We will increase the amount of post-consumer recycled (PCR) material in our packaging by up to 50% by 2025, from a fiscal 2019 baseline. ⁸	73% increase, equal to 15% PCR	50% increase, equal to 13% PCR	We have achieved this goal. The amount of PCR material in our packaging is 15% as of the end of fiscal 2021. 
	By 2025, increase the amount of post-consumer recycled (PCR) material in our packaging to 25% or more.	15% PCR	≥ 25%	Having achieved our original PCR goal ahead of schedule, we have now set a more ambitious goal. New goal
	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.	89%	100%	
	By 2030, reduce the amount of virgin petroleum plastic in our packaging to 50% or less.	New goal	≤ 50%	New goal
<i>Ingredient Transparency</i>	We will develop a glossary of key ingredients that includes descriptions of the ingredients' purpose and will make this information available online by 2025.	Eleven of our brands—Aveda, Bobbi Brown, Bumble and bumble, Clinique, Estée Lauder, Editions de Parfums Frédéric Malle, GlamGlow, La Mer, M·A·C, Origins, Smashbox—have posted glossaries of key ingredients on their websites.		
SOCIAL INVESTMENTS				
	Each brand ⁹ will focus on and support at least one social or environmental cause by 2025.	95%	100%	Our brands identify and support causes that are meaningful to them and resonate with their individual brand identities. 
EMPLOYEE ENGAGEMENT				
<i>Employee Safety</i>	We will drive safety to continue decreasing the total incident rate ¹⁰ to ensure continued world class-leading levels, with a goal of 0.15 by 2025.	0.18	0.15	
<i>Employee Engagement</i>	By 2025, we will engage 50% of eligible employees in regional, brand, or local volunteerism and giving programs such as ELC Good Works, The Breast Cancer Campaign, and the M·A·C Global Volunteer program.	19% ¹¹	50%	In fiscal 2021, ELC Good Works expanded to 17 additional markets globally and now includes 19 markets in total. ¹² 

7. Excludes brands acquired by ELC during or after fiscal 2020.

8. Fiscal 2019 baseline = 8.7% PCR material in our packaging.

9. For purposes of this metric the number of brands is 22. This number excludes brands acquired by ELC during or after fiscal 2020 and certain licensed brands for which ELC has determined that it will cease to be the licensee.

10. Total incident rate is the number of OSHA recordable incidents per 100 workers. Excludes brands acquired by ELC during or after fiscal 2020.

11. In fiscal 2021, the COVID-19 pandemic continued to negatively impact volunteerism rates due to restrictions on assembly.

12. Metrics reflect information self-reported to ELC Good Works, the Company's internal platform used to report employee volunteerism, employee monetary donations, and ELC charitable matching gifts. In September 2020 (fiscal 2021), ELC Good Works expanded to 17 markets outside the United States and the United Kingdom. During fiscal 2021, ELC Good Works was available to eligible employees in 19 markets globally. "Eligible employees" are those who meet certain criteria, which varies by market, and have access to ELC Good Works. Excludes brands acquired by ELC during or after fiscal 2020. For additional information, see [Management Assertion](#).