

**Particulars**

**About Your Organisation**

**Organisation Name**

The Estee Lauder Companies Inc.

**Corporate Website Address**

WWW.ELCOMPANIES.COM

**Primary Activity or Product**

- Manufacturer

**Related Company(ies)**

Yes

Company	Primary Activity	RSPO Member	Plantation?	Files	
				GHG Report	Map file

**Membership**

Membership Number	Membership Category	Membership Sector
4-0596-15-000-00	Ordinary	Consumer Goods Manufacturers

## Consumer Goods Manufacturers

### Operational Profile

**1.1 Please state what your main activity(ies) is/are within manufacturing**

- End-product manufacturer
- Home & Personal Care Goods
  - Personal Care
- Own-brand
- Manufacturer of candles
- Other:

Licensee for select brands.

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### Operations and Certification Progress

**2.1 Do you have a system for calculating how much palm oil and palm oil products you purchased?**

Yes

**2.2.1 Do you manufacture for:**

Own Brand

**2.2.2 Total volume of Refined Palm Oil or Refined, bleached, and deodorized (RBD) Oil Palm sold in the year:**

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**2.2.3 Total volume of refined Palm Kernel Oil sold in the year:**

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**2.2.4 Total volume of other Palm Oil Derivatives and Fractions sold in the year:**

3302.00

**2.2.5 Total volume of all oil palm products you sold in the year:**

3302.00

**2.3 Palm oil volume sold in the year in your own brands that is sourced through RSPO-certified physical supply chains:**

**In Your Own Brand**

No	Description	Refined palm oil/Refined, bleached, and deodorized (RBD) oil palm (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)	Volume of Palm Kernel Expeller used / processed and/or traded in the year (Tonnes)
1	Book & Claim			3,142.00	
2	Mass Balance			160.00	
3	Segregated				
4	Identity Preserved				
5	Total volume of oil palm products that is RSPO-certified			3,302.00	

**2.4.1 What type of products do you use CSPO for?**

Palm kernel oil derivative ingredients may be used in products across categories (i.e. makeup, fragrance, hair care and skin care).

**2.5 What is the percentage of certified sustainable palm oil in the total oil palm products your company sells in:**

- Europe --%
- India --%
- China --%
- South East Asia --%
- North America --%
- South America --%

**2.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:**

- Europe 100%
- India 100%
- China 100%
- South East Asia 100%
- North America 100%
- South America 100.00%

**Time-Bound Plan**

**3.1 Date expected to/or started to use any RSPO certified palm oil products - own brand**

2015

**3.2 Date expected to be using 100% RSPO certified palm oil products from any supply chain option - own brand**

2015

**3.3 Date expected to be using 100% RSPO certified palm oil from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products**

2030

**3.4 Do your (own brand) commitments cover your company's companies' global use of palm oil?**

y

**3.5 Does your company use CERTIFIED SUSTAINABLE PALM OIL products in goods you manufacture on behalf of other companies?**

y

**3.6 Which countries that your organization operates in do the above commitments cover?**

- United States

**3.7 What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies**

As of 2015, 100% of The Estée Lauder Companies' palm kernel oil derivative ingredient procurement is RSPO certified through a combination of CSPO physical supply chains (MB/IP/S) and Book & Claim. We intend to purchase Green Palm Certificates annually to offset the use of conventional palm kernel oil derivative ingredients that we procure directly. By 2020, we aim to procure at least 50% of our total palm kernel oil derivative ingredient volume through CSPO physical supply chains (MB/IP/S). We intend to substitute existing conventional palm kernel oil derived ingredients with RSPO certified Mass Balance (MB) and/or Segregated (S) alternatives.

**3.8 Date of first supply chain certification (planned or achieved)**

2030

**Comment:**

At this time, The Estée Lauder Companies does not have plans to certify its owned manufacturing.

**Trademark Related****4.1 Do you use or plan to use the RSPO trademark on your own brand products?**

No

**Please explain why**

At this time, The Estée Lauder Companies does not have plans to use the RSPO trademark on our products. As a brand driven, consumer inspired enterprise, it is important for our Company and its brands to find the best way to communicate on the sustainable sourcing of the raw materials contained in our products.

**GHG Emissions****5.1 Are you currently assessing the GHG emissions from your operations?**

Yes

**5.2 Do you publicly report the GHG emissions of your operations?**

Yes

URL: <https://www.cdp.net/sites/2015/85/5885/Climate%20Change%202015/Pages/DisclosureView.aspx>

**Actions for Next Reporting Period****6.1 Outline actions that will be taken in the coming year to promote sustainable palm oil.**

Starting in 2015, The Estée Lauder Companies began to substitute existing palm kernel oil derivative ingredients with RSPO-certified Mass Balance and/or Segregated alternatives and notified strategic suppliers of our enhanced policy in this regard. In 2015, we began working with the Natural Resources Stewardship Circle (NRSC), in partnership with The Forest Trust (TFT), to map the supply chain of our palm oil, palm kernel oil and derivatives from palm. Establishing traceability is a first step towards ensuring our high volume suppliers comply with our zero-deforestation policy.

**Reasons for Non-Disclosure of Information****7.1 If you have not disclosed any of the above information, please indicate the reasons why**

Other

**- Others:**

Section 1.4 - The Estée Lauder Companies Inc. has numerous subsidiaries around the world, including Aveda Corporation, Estée Lauder Inc., Estée Lauder Cosmetics Limited, Whitman Laboratories Ltd., Estée Lauder NV, Estée Lauder AG Lachen and Northtec LLC. Section 3.6 - The Estée Lauder Companies' commitments on sustainable palm oil apply globally. Challenges section, Question 2: The Estée Lauder Companies does not currently use other certification schemes for sustainable palm oil/palm kernel oil/palm kernel oil derivative ingredients. We cannot comment on the cost effectiveness, robustness, or ease of compliance of the RSPO compared to similar standards.

**Application of Principles & Criteria for all members sectors****8.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:**

- Water, land, energy and carbon footprints  
No file was uploaded
- Land Use Rights  
No file was uploaded
- Ethical conduct and human rights  
Uploaded file: [M-Policies-to-PNC-ethicalconducthr.pdf](#)
- Labour rights  
Uploaded file: [M-Policies-to-PNC-laborrights.pdf](#)
- Stakeholder engagement  
No file was uploaded
- None of the above

**8.2 What steps will/has your organization taken to support these policies?**

WATER, LAND ENERGY AND CARBON FOOTPRINTS 'The Beauty of Responsibility' 2014 Corporate Sustainability Report 2014: [http://www.elcompanies.com/PdfLibrary/2014\\_ELC\\_Corporate\\_Responsibility\\_Report.pdf](http://www.elcompanies.com/PdfLibrary/2014_ELC_Corporate_Responsibility_Report.pdf) "We consider the environmental impacts that occur throughout our value chain and focus our efforts where we can make the most difference: reducing operational impacts from our wholly owned production (manufacturing and packaging), distribution and retail facilities. All of our manufacturing, packaging and distribution facilities implement our Environmental Safety Management System, which adheres to Company environmental and safety policies set by the corporate Environmental Affairs and Safety team. All of our wholly owned manufacturing facilities are certified to ISO 14001." "We work to reduce our contribution to global climate change by conserving energy, investing in renewable sources of energy and mitigating greenhouse gas (GHG) emissions. We calculate our GHG emissions according to the GHG Protocol Corporate Accounting and Reporting Standard and include emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and hydrofluorocarbons (HFCs)." "None of our manufacturing facilities are in water-stressed areas but we are mindful of the rising trend in water scarcity. This is why we are exploring opportunities to conserve water across our operations and look to best-practice examples at our facilities and from other sector leaders for inspiration." LAND USE RIGHTS N/A ETHICAL CONDUCT AND HUMAN RIGHTS Supplier relations page: <http://www.elcompanies.com/Pages/Supplier-Relations.aspx> "At The Estée Lauder Companies we respect the human rights of our employees, suppliers and the communities in which we operate, and we are committed to upholding the principles contained in the United Nations Universal Declaration of Human Rights and the California Transparency in Supply Chains Act of 2010." The Beauty of Responsibility 2014 Corporate Sustainability Report 2014: [http://www.elcompanies.com/PdfLibrary/2014\\_ELC\\_Corporate\\_Responsibility\\_Report.pdf](http://www.elcompanies.com/PdfLibrary/2014_ELC_Corporate_Responsibility_Report.pdf) "We strive to maintain a culture of integrity and put forth standards to uphold the principles and ideals that make our Company a global leader in prestige beauty. Our reputation is core to our success, and we expect our employees, partners and suppliers to conduct business in accordance with the highest ethical standards and in compliance with applicable laws and regulations. We have a zero-tolerance policy for bribery and corruption." Employee Code of Conduct Link: <http://investors.elcompanies.com/phoenix.zhtml> Supplier Code of Conduct Link: [http://www.elcompanies.com/PdfLibrary/ELC\\_Supplier\\_COC\\_Policy\\_JUNE\\_2015.pdf](http://www.elcompanies.com/PdfLibrary/ELC_Supplier_COC_Policy_JUNE_2015.pdf) LABOUR RIGHTS Supplier relations page: <http://www.elcompanies.com/Pages/Supplier-Relations.aspx> "Our mandatory Supplier Code of Conduct sets clear expectations for our partners to meet or exceed applicable environmental, human rights, labor, and health and safety laws, and comply with regulations in the countries where we do business." 'The Beauty of Responsibility' 2014 Corporate Sustainability Report 2014: [http://www.elcompanies.com/PdfLibrary/2014\\_ELC\\_Corporate\\_Responsibility\\_Report.pdf](http://www.elcompanies.com/PdfLibrary/2014_ELC_Corporate_Responsibility_Report.pdf) "We expect our suppliers around the world to comply with local regulations and national laws governing minimum wages, work hours, overtime compensation, hiring, occupational safety and biodiversity." STAKEHOLDER ENGAGEMENT 'The Beauty of Responsibility' 2014 Corporate Sustainability Report 2014: [http://www.elcompanies.com/PdfLibrary/2014\\_ELC\\_Corporate\\_Responsibility\\_Report.pdf](http://www.elcompanies.com/PdfLibrary/2014_ELC_Corporate_Responsibility_Report.pdf) "In an effort to continuously improve our Corporate Responsibility strategy and follow best practices, The Estée Lauder Companies engaged in open dialogue with external stakeholders in key global markets, to solicit their feedback on our strategy and sustainability performance. The insights from these engagements combined with internal executive interviews have informed this assessment which maps topics that are relevant to stakeholders and important to advancing our sustainability performance."

**Commitments to CSPO uptake**

**As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions:  
Do you have plans to?**

Yes

**Please specify**

The Estée Lauder Companies is working towards sourcing 100% CSPO through physical supply chains (MB/IP/S). By 2020, we aim to procure at least 50% of our total palm kernel oil derivative ingredient volume through CSPO physical supply chains (MB/IP/S). We intend to substitute existing conventional palm kernel oil derived ingredients with RSPO certified Mass Balance (MB) and/or Segregated (S) alternatives, to the extent they are available on the market.

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**9.1 Do you have plans to immediately cover the gap using Book & Claim?**

Yes

**How and when do you plan to immediately cover the gap using Book & Claim?**

As of 2015, 100% of The Estée Lauder Companies' palm kernel oil derivative ingredient procurement is RSPO certified through a combination of CSPO physical supply chains (MB/IP/S) and Book & Claim. Until we are able to purchase 100% CSPO through physical supply chains, we plan to purchase annually Green Palm Certificates to offset the use of non-CSPO ingredients that we procure directly, as needed.

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**Concession Map**

**10.1 Does your company or any subsidiary of your company own or manage oil palm plantations?**

No

**Please explain why**

Not applicable.

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**Challenges**

**1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?**

The personal care products industry sources predominantly palm kernel oil (PKO) derived materials. The complexity of the derivatives supply chain poses challenges to establishing source traceability. In addition, there is limited availability of RSPO-certified PKO and PKO-derived ingredients on the market. The Estée Lauder Companies sources small amounts of PO, PKO, and PKO derivatives relative to other buyers in the market. The personal care products industry represents less than one percent of global palm oil-based materials, and The Estée Lauder Companies procures very little relative to its industry. Consequently, we possess limited leverage to impact the global palm oil market through individual action. Mitigation Efforts: The Estée Lauder Companies is collaborating with stakeholder groups and other companies to identify mechanisms to improve traceability in the PKO and PKO derivatives supply chain with a goal to increase our procurement of CSPO ingredients and collectively engage key actors in the supply chain. The Estée Lauder Companies is continuing to search for higher volumes of Mass Balance products as the oleochemical industry evolves to meet growing demand for CSPO materials, specifically Segregated and Identity-Preserved products.

**2 How would you qualify RSPO standards as compared to other parallel standards?**

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**Cost Effective:**

No

**Robust:**

No

**Simpler to Comply to:**

No

**3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)**

Although The Estée Lauder Companies is a comparatively low-volume user of palm oil, palm fruit oil, PKO and PKO derivatives, we believe we have a responsibility to manage the environmental impacts of all palm materials we source. We are committed to working in collaboration with our suppliers to further enhance the traceability of PKO derivative ingredients we use and to the development of sustainably sourced alternatives for our Company. Our internal Palm Oil Working Group has engaged with suppliers and organizations knowledgeable on sustainable palm sourcing, while seeking sustainable PKO derivatives, where available, to replace existing materials. As a result of our ongoing commitment to support sustainable palm oil sourcing, we have established a more comprehensive policy and a plan for greater traceability and policy compliance among high-volume palm oil, PKO and PKO derived ingredient suppliers from which we procure directly. Our enhanced actions and goals include:

- We have adopted a no-deforestation policy, which requires our high-volume suppliers to ensure that they prohibit new clearing or palm development on High Carbon Stock (HCS), High Conservation Value (HCV) forests and peat lands or the use of fire for the preparation of new planting or re-planting. We aim to require all suppliers of The Estée Lauder Companies' high-volume palm oil, PKO and PKO derived ingredients to provide third-party verification that they are complying with our no-deforestation policy.
- As a member of the RSPO, we are committed to sourcing our PKO and PKO derivative ingredients from certified sustainable sources and from suppliers that can:
  - o Demonstrate their compliance with the RSPO Principles and Criteria.
  - o Support the elimination of deforestation of HCS forests, HCV forests and peat lands.
  - o Provide source traceability.
  - o Until The Estée Lauder Companies is able to purchase 100% CSPO through physical supply chains, we intend to annually purchase Green Palm Certificates to offset the use of non-CSPO ingredients that we procure directly.

The Estée Lauder Companies is a member of the Natural Resources Stewardship Circle (NRSC), a beauty industry initiative, through which companies work collaboratively to advance sustainable practices in key natural raw material supply chains. As part of the NRSC's Palm Oil Working Group, The Estée Lauder Companies is currently mapping its palm oil supply chain and will explore mechanisms for enhanced traceability to ultimately ensure our high-volume suppliers fully comply with our no-deforestation policy.

**4 Other information on palm oil (sustainability reports, policies, other public information)**

N/A