

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The Estée Lauder Companies Inc. is one of the world's leading manufacturers and marketers of quality skin care, makeup, fragrance and hair care products. The company's products are sold in approximately 150 countries and territories under brand names including: Estée Lauder, Aramis, Clinique, Lab Series, Origins, Tommy Hilfiger, M·A·C, La Mer, Bobbi Brown, Donna Karan New York, DKNY, Aveda, Jo Malone London, Bumble and bumble, Michael Kors, Darphin Paris, TOM FORD BEAUTY, Smashbox, Ermenegildo Zegna, AERIN, Le Labo, Editions de Parfums Frédéric Malle, GLAMGLOW, KILIAN PARIS, Too Faced and Dr. Jart+, and the DECIEM family of brands, including The Ordinary and NIOD. The Estée Lauder Companies Inc. and its subsidiaries are referred to as "The Estée Lauder Companies", "ELC", "we", "us" or "our" in this report.

At The Estée Lauder Companies our vision is to be the global leader in prestige beauty: a well-diversified, brand-building powerhouse of unrivalled creativity and innovation. We are inspired by the beauty around us, and our decisions and actions are driven by the Lauder family values. These values include a commitment to quality and excellence, embedding creativity and innovation across our business and acting responsibly and caring for the communities we serve.

In FY16 (July 1, 2015-June 30, 2016), we set a goal to achieve Net Zero carbon emissions by the end of 2020. Our strategy is to improve efficiency in our operations, invest in clean and renewable energy and purchase carbon offsets. We are also committed to improving our waste management and water usage practices.

In FY20, we achieved our Net Zero carbon emissions goal for our direct operations through a combination of renewable energy utility contracts, renewable energy certificates, on-site solar, energy efficiency and high-quality carbon offsets. We also set new Science Based Targets, covering emissions from Scopes 1, 2 and 3. Looking back, we can be proud of our achievements. Looking forward, we will continue to work as a caring corporate citizen and careful steward of our communities and environment, so we can build a more beautiful and sustainable world for everyone.

This report covers ELC's Fiscal Year 2020 (FY20) – July 1, 2019 through June 30, 2020.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2019	June 30 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Argentina
Australia
Austria
Belgium
Brazil
Bulgaria
Canada
Chile
China
China, Hong Kong Special Administrative Region
Colombia
Costa Rica
Cyprus
Czechia
Denmark
Finland
France
Germany
Greece
Hungary
India
Indonesia
Israel
Italy
Japan
Kazakhstan
Luxembourg
Malaysia
Mexico
Netherlands
New Zealand
Norway
Panama
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Singapore
Slovakia
South Africa
Spain
Sweden
Switzerland
Taiwan, Greater China
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	The sustainability strategic pillar is sponsored by our CEO and our Executive Chairman. The Sustainability Executive Committee is composed of senior leaders from Finance, Supply Chain, Human Resources and Corporate Citizenship and Sustainability, along with additional representation across brands, regions and other functions. This committee drives citizenship and sustainability strategy. Citizenship and sustainability work is led by the Senior Vice President (SVP) of Global Corporate Citizenship and Sustainability (GCCS), who reports to our President and Chief Executive Officer (CEO). The SVP directs a dedicated team that leads corporate-wide sustainability strategy; citizenship efforts; and strategic planning and communications around citizenship and sustainability, including supporting brand-led sustainability strategies. GCCS establishes corporate-wide goals and objectives for our company on an annual and long-term strategic basis, in partnership with key internal functions regarding Sustainability. The SVP of GCCS provides periodic updates on the company's citizenship and sustainability performance to the Board's Nominating and Governance Committee. Example of climate-related decision made: In FY20, the decision to approve our company's Science Based carbon emissions targets (SBTs) before they were submitted to the Science Based Targets Initiative for verification was made by the Executive Chairman. The Executive Chairman considered the level of ambition, potential levers for achievement and costs to realize the targets.
Chief Executive Officer (CEO)	The sustainability strategic pillar is sponsored by our CEO and our Executive Chairman. The Sustainability Executive Committee is composed of senior leaders from Finance, Supply Chain, Human Resources and Corporate Citizenship and Sustainability, along with additional representation across brands, regions and other functions. This committee drives citizenship and sustainability strategy. Citizenship and sustainability work is led by the Senior Vice President (SVP) of Global Corporate Citizenship and Sustainability (GCCS), who reports to our President and Chief Executive Officer (CEO). The SVP directs a dedicated team that leads corporate-wide sustainability strategy; citizenship efforts; and strategic planning and communications around citizenship and sustainability, including supporting brand-led sustainability strategies. GCCS establishes corporate-wide goals and objectives for our company on an annual and long-term strategic basis, in partnership with key internal functions regarding Sustainability. The SVP of GCCS report directly to the CEO. Example of climate-related decision made: In FY20, the decision to approve our company's new Science Based carbon emissions targets (SBTs) before they were submitted to the Science Based Targets Initiative for verification was made by our CEO. The CEO considered the level of ambition, potential levers for achievement and costs to realize the targets.
Other, please specify (Nominating and Governance Committee)	The company's Nominating and Governance Committee is a board-level committee. It is responsible for corporate governance matters and includes oversight of the company's ESG activities and practices, including citizenship and sustainability matters. Citizenship and Sustainability is a standing agenda item for this committee

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives 	<Not Applicable>	GCCS provides periodic updates on the company's citizenship and sustainability initiatives and performance at the Board and committee level. As of July 2019, Corporate Citizenship and Sustainability is a standing agenda item scheduled for the Nominating and Governance committee of the Board of Directors. These reports help the Board to monitor implementation and how we are performing against our climate-related objectives. Specifically, this committee evaluates how well we are performing on our sustainability goals, which include goals to use 100% renewable electricity and to achieve Net Zero carbon emissions by the end of 2020. The company's Nominating and Governance Committee's responsibility for corporate governance includes oversight of the Company's citizenship and sustainability matters.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (SVP Global Corporate Citizenship & Sustainability)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Established in 2017, the Net Zero Steering Committee is a sustainability Steering Committee. Members of ELC’s senior leadership sit on this committee and both assess and manage key sustainability initiatives across the company, including those related to climate. This committee is scheduled to meet on a quarterly basis and is responsible for identifying, evaluating and acting on climate-related investments that will be funded through ELC’s Net Zero capital fund for sustainability initiatives. These senior leaders were selected to join the committee because they are all able to drive strategy and make decisions about how resources are allocated.

The Members of the Steering Committee include:

- SVP, Global Corporate Citizenship and Sustainability, who is responsible for driving sustainability strategy throughout the business.
- EVP, Global Supply Chain, who drives sustainable initiatives throughout the supply chain.
- Chief Procurement Officer, who drives sustainability through partnerships with our suppliers.
- SVP, Deputy General Counsel and Secretary, who assesses legal risks for our company.
- VP, Environmental Affairs and Safety, who is responsible for sustainability at our owned and operated facilities.
- SVP, Corporate Controller, who oversees financial planning and analysis for our company.

Because the committee has cross functional membership, ELC it is able to make informed business decisions in an efficient and effective manner. Members of this committee both assess and manage key sustainability initiatives across the company, including those related to climate. This committee meets on a quarterly basis and is responsible for identifying, evaluating and acting on climate-related investments that will be funded through ELC’s Net Zero capital fund for sustainability initiatives. In addition, this committee steers climate strategy and resources.

We consider C-Suite to be our executive leadership team. ELC’s SVP, Global Corporate Citizenship and Sustainability (GCCS) is therefore considered to be a member of our C-suite; ELC’s SVP, Global Corporate Citizenship and Sustainability (GCCS) reports directly to the Executive Chairman and CEO.

In this role, the SVP, GCCS is responsible for integrating citizenship and sustainability into business strategy and operations. In particular, the SVP, GCCS guides climate change-related sustainability strategy, oversees the progress on our Science Based Target, and assesses and manages climate-related risks and opportunities. The SVP, GCCS, is scheduled to report to the Nominating and Governance Committee of the Board of Directors on a quarterly basis, providing updates on climate-related issues, such as progress on our SBT and RE100 targets.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Executive officer	Monetary reward	Emissions reduction project	Executive Vice President (EVP) Global Supply Chain's annual performance includes the success in meeting the Net Zero carbon emissions Goal.
Management group	Monetary reward	Emissions reduction project	Senior Vice President (SVP) Global Corporate Citizenship and Sustainability's annual performance includes the success in meeting the Net Zero carbon emissions Goal.
Management group	Monetary reward	Emissions reduction project	Vice President of Global Environmental Affairs & Safety's annual performance includes the success in meeting the Net Zero carbon emissions Goal.
Environment/Sustainability manager	Monetary reward	Emissions reduction project	Sustainability managers' annual performance evaluations includes an assessment of their success in reducing energy use and carbon emissions, including meeting the Net Zero carbon emissions goal.
Facilities manager	Monetary reward	Emissions reduction project	Facility managers' annual performance evaluations include an assessment of their success in reducing energy use and carbon emissions, including meeting the Net Zero carbon emissions Goal.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	
Medium-term	3	6	
Long-term	6	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

In line with our Enterprise Risk Management framework, ELC defines financial impact on a 5-point scale ranging from Very Low to Very High. An inherent risk is considered substantive from a financial point of view when its impact exceeds 1% of annual net sales (ELC reported total net sales of \$14,294 million in FY20 as per 10K). From a strategic standpoint, we consider a risk to be substantive when the reputation of ELC or one of our brands has the potential to be impacted in a meaningful way. (e.g., loss of consumer confidence/trust, loss of sales via boycotts).

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

ELC takes a formal approach to embedding risk management into existing practices and business processes through the Company's Enterprise Risk Management ("ERM") process. Critical Corporate Risks ("CCR"), including climate-related risks, are identified and addressed through a consistent and disciplined process which is appropriately integrated with ELC's strategic planning process. The ERM process includes a governance structure of Risk Sub-Committees ("RSC") and a Corporate Enterprise Risk Management Committee ("ERMC"). The RSC members include individuals from different functions of the organization and help form a comprehensive view of the risks and mitigations. The ERMC is comprised of senior members of our leadership team who are responsible for setting the strategy for ELC. New and updates to Critical Corporate Risks (CCRs) and Risk Owners are identified by the risk sub-committees (RSCs) and approved by the Corporate Risk Management Committee (ERMC). The Risk Owners are held accountable for the management and mitigation of the CCRs. They identify and establish mitigation strategies and tasks and assign individuals with the relevant expertise to ensure the execution of the mitigation strategies and tasks in a timely manner. The overall risk assessment considers risk drivers, risk scenarios, mitigation effort, mitigation effectiveness, velocity, impact and probability for each CCR. Each year, the ERM Team generates reporting to help management assess mitigation strategies and tasks and considers their effectiveness. The results are aggregated and presented to the ERMC, Audit Committee and Board of Directors for review and approval. The Enterprise Risk Management process is held annually, however ELC monitors regulatory risks on an ongoing basis through weekly regulatory conference calls with internal and external stakeholders. In addition, overall risk assessment considers mitigation effort, impact, likelihood and velocity for each Critical Corporate Risk. In line with our Enterprise Risk Management framework, ELC defines financial impact on a 5-point scale from Very Low to Very High. The ERM team is included in several internal groups to promote awareness and enable the ERM team to identify, address and escalate risks as applicable. Some examples include Strategy Development, Crisis Management, Global Sustainability initiatives, IT & Cybersecurity Steering Committee, as well as compliance committees for finance, legal/contract, and IT regulatory. Cross-functional subcommittees identify and evaluate potential risks to the company. When the subcommittee identifies risks that may be significant to the company, the committee alerts the appropriate stakeholders so that they can act. Case Study – Physical Risk: ELC has identified certain physical risks, such as extreme weather events, that could potentially impact our direct operations and value chain because of climate change. To address this risk, many of the sustainability stakeholder groups are now working together to reduce our impact on climate change and in 2020, we set Science Based Targets (in line with the IPCC's guidelines). We have also achieved our target to purchase 100% of our electricity from renewable sources by the end of 2020. Additionally, using the climate-risk scenarios that the cross-functional team develops, we identify current and future opportunities and risk mitigation strategies. The team then prioritizes these opportunities based on the significance of the associated risk and the potential to drive business value, among other factors. These opportunities are shared with the relevant stakeholders, so that they can act upon them. Part of our mitigation strategy is for facilities to develop business continuity plans to address potential disruption from climate change impacts or other events. Case Study – Transition Risk: We recognize that the primary transition risk that may affect ELC is regulatory. We have modelled scenarios to understand the impact this may have on ELC. For example – an emerging regulation that limits or taxes the amount of carbon organizations can release would impact our operations and may require additional controls of carbon emissions. To mitigate this potential risk, ELC utilizes outside sources to monitor potential changes in laws, regulations, and enforcement relevant to our industry. New policies and regulations relating to climate change are part of this monitoring giving ELC the opportunity to reduce or avoid exposure by proactively reducing our emissions. Our science-based target is part of this strategy.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	ELC evaluates current regulations affecting climate change as part of our ERM risk assessment process. Existing regulations that require carbon reporting or mitigation are assessed as part of the risk assessment process. For example, our UK facilities, such as our Whitman Laboratories manufacturing plant, are subject to the UK Climate Change Levy. In total, we pay approximately \$74,000 annually to the UK Carbon Tax.
Emerging regulation	Relevant, always included	We evaluate emerging regulations affecting climate change as part of the risk assessment process. For example, we review new or proposed regulations that aim to limit the amount of carbon that organizations can produce or which tax the emissions of CO2. For example, in the United States, we are closely tracking developments related to the SEC's enhanced focus on climate-related matters. In the EU, we are similarly tracking developments related to the proposal for a Corporate Sustainability Reporting Directive (CSRD) and potential implications for our climate strategy and disclosure.
Technology	Relevant, sometimes included	ELC sees climate change as a small risk around technology and this is not identified as material. But we have taken some actions to address technological risks that are identified in our risk assessment. When evaluated, technology risks are assessed through the Enterprise Risk Management process for climate risks. For example, we have installed backup generator power at our larger facilities in case of power outages.
Legal	Relevant, always included	Our Legal Team uses internal and external counsel to advise on legal implications that may affect climate change regulations globally by analyzing emerging regulations on a weekly basis. For example, our legal team assesses climate regulations that would limit corporate carbon emissions into the atmosphere. For instance, our global sustainable packaging team is monitoring the impacts of timber regulations, such as The Lacey Act and the EU Timber Regulation. These regulations aim to eliminate the import of illegal logging and thus illegal timber. Deforestation is a major contributor to climate change, and deforestation due to illegal logging is a serious problem in many countries. As such, by monitoring these timber regulations we are indirectly monitoring climate change impacts.
Market	Relevant, always included	Market risks are always included in our Enterprise Risk Management Climate risk assessment through scenario analysis of possible sustainability market risks. For example, we consider risks associated with investors' perceptions of our actions against climate change.
Reputation	Relevant, always included	Reputational risk is always included in our Enterprise Risk Management assessment. For example, consumers choose a competitor's product based on consumer preference for natural, clean organic products and for companies with stronger pro-social and environmental campaigns and programs. In particular, we look at the reputational risks associated with sourcing commodities linked to deforestation and the reputational risk of being seen as a laggard on sustainability issues
Acute physical	Relevant, always included	We always consider acute physical risks in our Enterprise Risk Management climate risk assessments. For example, our process evaluates the risk of extreme weather events that may interrupt business and impede the supply of critical raw materials or components needs for the manufacturing of products, and communities affected by disasters require assistance. Superstorm Sandy affected one of our factories in New York in 2012, leading to \$750k in uninsured costs.
Chronic physical	Relevant, always included	We always evaluate chronic physical risks through climate risk scenario analysis as a part of the Enterprise Risk Management process for sustainability risks. Risk scenarios include poor outdoor air quality, which leads to higher incidence of disease among employees and the community, and water stress, where the groundwater supply at our Melville manufacturing and innovation site could be increasingly stressed due to climate change.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In most geographies in which we operate, we are not directly impacted by carbon taxes and carbon trading schemes. However, current carbon taxes in some geographies, including Europe, do affect the costs of operating our facilities, transporting our goods and purchasing materials. Company specific: A number of our facilities, including our Whitman Laboratories manufacturing facility, are in the UK and are affected by the UK Climate Change Levy. It is more likely than not that additional carbon taxes will impact us in other geographies at some point over the coming years. Currently, we pay approximately \$90,000 annually in carbon taxes for our facilities in the UK, Poland and Greece.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

900000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

These regulations have the ability to affect our raw material, energy and logistics providers. As such, we keep abreast of the regulations and work with our suppliers to ensure that we do not have a disruption of our business or unexpected cost increases. While it is difficult to estimate financial implications of future impacts, we are already impacted by existing carbon taxes. For example, the UK Climate Change Levy carbon tax for our operations in the UK is approximately \$74,000 annually. And though this represents less than 0.1% of our operating costs globally, these costs could grow into the millions of dollars as additional carbon taxes are implemented in additional countries and geographies in which we operate. As a result, we have estimated a that a worst-case scenario, in the medium-term, would be a 10-fold increase in our carbon tax-related operating costs, which would have a financial impact of \$900,000.

Cost of response to risk

6800000

Description of response and explanation of cost calculation

To manage this risk, we are aiming to decarbonize our energy supply by installing solar panels at a number of our sites, including our Whitman Labs, Melville and Blaine manufacturing locations and by sourcing 100% renewable electricity. Through this, we aim to reduce the potential carbon tax implications going forward. The costs of actions to manage and mitigate against the impacts of such regulation are not directly available, as they fall under more company-wide energy and emissions reduction initiatives. Result: We have invested additional resources in energy efficiency and renewable energy initiatives to reduce our greenhouse gas emissions. For instance, we established a dedicated sustainability capital fund ("Net Zero Capital Fund") to support low-carbon initiatives. In FY19, we approved a \$2.1M investment to add solar panels to our Lachen campus. In addition, we spent approximately \$1.4M on energy efficiency (lighting, compressed air, HVAC) in FY19. In FY20, we spent \$3.3M to upgrade lighting at one of our facilities and install solar arrays at two of our sites.

Comment

n/a

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

We have a large manufacturing and innovation site located at our Melville, New York campus. The groundwater supply originates from glacial aquifers which we expect will become increasingly stressed due to climate change. At Melville, we manufacture skincare products and fill fragrances for producing the creams and lotions that make up a substantive part of our business. Without the necessary quantity of groundwater, the Melville site would not be able to operate its chilled water distribution system, resulting in a disruption of sales.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

10000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We manufacture skincare products, fill fragrances and conduct Research and Development at our Melville campus. All of these processes require water, so if the Melville campus was without water for a week and unable to operate, the financial burden could be as high as 10 MM based on Net Operating Income. We understand this may be a risk to our company because Long Island shows high stress levels for both water quality and quantity based on an increase in population and an increase in water pollution from nitrogen and 1,4 dioxane and regulation in New York State is increasing and water utility infrastructure is getting older. The risk of closing of our Melville manufacturing site due to water stress could have a substantive strategic impact for ELC, given that Melville is our oldest and largest manufacturing site.

Cost of response to risk

50000

Description of response and explanation of cost calculation

In FY19 we started to investigate ways to reduce our consumption of groundwater at our plant in Melville, New York. Currently, the Melville plant uses a groundwater chilling system to provide comfort cooling, which derives most of its cooling from water extracted from two open-loop groundwater wells. As part of a master planning process for the site, we are evaluating alternative cooling systems, which would reduce our reliance on the groundwater chillers. In addition, we have conducted a Source Vulnerability Assessment and a combined energy/water efficiency study at the site to understand the local watershed conditions and ways that we can reduce our water consumption. Through these actions, we aim to preserve water for future generations for the Long Island region and mitigate the impacts of water stress on our business. This figure represents the costs spent on a Source Vulnerability Study and a combined Water/Energy efficiency study at our Melville plant. The SVA included a comprehensive/360° baseline assessment of current and projected watershed conditions considering source water options and vulnerabilities, climatic and hydrogeologic conditions, economic development and water supply versus demand, regulatory situation, and stakeholder mapping. The energy/water efficiency study identified and prioritized optimization opportunities and provided initial investment quantifications for prioritized opportunities. As part of this process, consultants visited our Melville site for three days, to see the facility first hand and to speak with our local team members. In addition, as part of this project, our consultants provided a summary presentation of the SVA and efficiency study results for senior site management.

Comment

n/a

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Extreme weather events such as hurricanes and typhoons can interrupt and add costs to our manufacturing, distribution, retail and office operations. Severe weather events also pose risks—such as timely and accurate delivery of products—to our supply chain. Company specific: We previously experienced flood damage due to an extreme weather event (Superstorm Sandy) at our factory in New York. This led to uninsured costs of \$750k. In line with our Enterprise Risk Management framework, ELC

measures financial and strategic impact within its own operations on an annual basis. These issues are considered separately, each on a 5-point scale.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Extreme weather events such as hurricanes and typhoons can interrupt and add costs to our manufacturing, distribution, retail and office operations. Significant impacts from Superstorm Sandy in 2012 in the New York region led to uninsured costs of \$750k. We have assumed that a similar incident, adjusted for inflation would be nearer to 1MM dollars if it were to occur now.

Cost of response to risk

6800000

Description of response and explanation of cost calculation

To manage this risk, we will continue to monitor the expected effects of climate change to ensure that our business strategy accounts for potential business risks. We also have purchased insurance for our facilities to protect our business against these risks. Case Study: In 2012, Superstorm Sandy hit the East Coast of the United States. Our Melville, NY manufacturing and R&D facility was impacted by this weather. In order to address this, we incurred uninsured costs of \$750k. Result: We have invested additional resources in energy efficiency and renewable energy initiatives to reduce our greenhouse gas emissions. For instance, we established a dedicated sustainability capital fund (“Net Zero Capital Fund”) to support low-carbon initiatives. In FY19, we approved a \$2.1M investment to add solar panels to our Lachen campus. In addition, we spent approximately \$1.4M on energy efficiency (lighting, compressed air, HVAC) in FY19. In FY20, we spent \$3.3M to add solar panels to two of our sites and upgrade lighting at one of our facilities. We continue to make investments in sustainability and resiliency to manage against such climate change risks. In addition, we have purchased insurance to protect our business against these risks.

Comment

n/a

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Carbon taxes and trading schemes are increasingly likely to be adopted by more countries and regions across the globe. In FY20, ELC consumed 159,176 MWh of purchased electricity, so we see an opportunity to reduce the carbon intensity of the electricity we use and avoid current and potential taxes on the carbon we would have emitted. We also see this as an opportunity to achieve our RE100 target. Company Specific: In 2017, ELC joined RE100, committing to source 100% of our electricity from renewable sources by the end of 2020. As one strategy to achieve this goal, we are deploying a portfolio of onsite solar arrays. These solar arrays provide an opportunity for ELC to use lower-emissions sources of energy and help to lower our energy costs. This will help to lower energy costs in our European operations which are subject to carbon taxes/ trading schemes. This is significant for us because we have 5 facilities in the UK and currently pay approximately \$74,000 in carbon taxes there annually.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

900000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Potential Impact: We would be more resilient to changes in the price of carbon if taxes were to be introduced into the regions we operate in. For example, we paid approximately \$90,000 in carbon taxes for our UK, Poland and Greece in FY20. Financial impact figure: Given that we operate in over 50 countries, if our carbon taxes increased ten-fold, we estimate that our financial impact would be \$900,000. Assuming carbon taxes become more common place, we are therefore avoiding this \$900,000 burden due to generating renewable energy for our RE100 target.

Cost to realize opportunity

9100000

Strategy to realize opportunity and explanation of cost calculation

As part of our strategy to meet our RE100 target we are beginning to install renewable projects to reduce our electricity carbon intensity. Case Study: We have invested approximately \$9.1M in capital expenditures on onsite solar arrays. These investments include a one-megawatt solar array at our Whitman Labs manufacturing location in the UK, a 900kw ground-mount solar array at our Blaine, Minnesota (USA) manufacturing location, a 1.45MW ground-mount solar array at our Melville, New York (USA) manufacturing location and a 1.6MW solar array at our Trend, Switzerland plant.

Comment

n/a

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced direct costs

Company-specific description

Our efforts to reduce the carbon-intensity of our operations via our Net Zero capital fund and additional actions against our Net Zero GHG emissions by the end of 2020 goal could give us a cost advantage on our competitors. In FY19 and FY20, we updated our lighting to be more energy efficient in 5 of our locations including Agincourt (Canada) and Blaine (USA), Trevoise (USA), Whitman (UK) and Lachen (Switzerland) sites. In addition, we invested in more efficient cooling technology at our Whitman (UK) facility and optimized compressed air systems at our Lachen (Switzerland) facility. In FY20, ELC consumed 159,176 MWh of purchased electricity, so we see these efforts to improve our resource efficiency as an opportunity to help achieve our RE100 target.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

1400000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The main financial impact would be that more energy efficient buildings are cheaper to run due to the reduced energy usage. Financial impact figure: Based on historical savings from energy efficiency mechanisms, we can conservatively estimate that we will save approximately \$1,400,000 through energy efficiency initiatives.

Cost to realize opportunity

1700000

Strategy to realize opportunity and explanation of cost calculation

As part of our overall strategy we are aiming to reduce our carbon emissions through energy efficiency. We are already investing against our capital fund in order to take advantage of the cost reduction, risk mitigation and other opportunities presented by climate change. Case Study: We have invested additional resources in energy efficiency and renewable energy initiatives to reduce our greenhouse gas emissions. In FY19 and FY20, we spent approximately \$1.7M on energy efficiency (lighting, compressed air, HVAC). As previously stated, in FY19, we updated our lighting to be more energy efficient in 5 of our locations including Agincourt (Canada) and Blaine (USA), Trevoise (USA), Whitman (UK) and Lachen (Switzerland) manufacturing sites. In addition, we invested in more efficient cooling technology at our Whitman (UK) facility and optimized compressed air systems at our Lachen (Switzerland) facility.

Comment

n/a

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced direct costs

Company-specific description

In FY21, ELC undertook a water and energy optimization study at our Melville manufacturing site. During this study, we identified an opportunity to improve the efficiency of our kettle-cleaning processes by installing more efficient kettles and implementing uniform clean-in-place procedures. ELC uses atmospheric kettles to manufacture some of our products, such as creams and lotions. Currently, cleaning these kettles requires ELC to use a substantial amount of water. The cleaning process also requires a substantial amount of energy to heat the water, in order to properly sanitize the kettles. Our strategy to realize this opportunity is to shift to more efficient kettles and to develop uniform clean-in-place procedures for these kettles, which will enable ELC to improve our water and energy efficiency and to improve the efficiency of our manufacturing processes. A case study of where this would be most effective would be at our Melville site. Water and energy efficiency are especially important at here because a recent WRI Watershed Risk assessment identified Melville as a water-stressed site. We anticipate that climate change impacts could exacerbate water stress in this region. The risk of closing our Melville manufacturing site due to water stress would have a substantive strategic impact for ELC, given that Melville is our oldest and largest manufacturing site. We consider this opportunity to be strategically substantive for our company because it will allow us to enhance the efficiency of our manufacturing processes, while reducing our energy and water consumption in a water-stressed region. Because of these factors, we consider the opportunity to have a substantive strategic impact for our business.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

16000

Potential financial impact figure – maximum (currency)

107000

Explanation of financial impact figure

Based on initial engineering estimates, we expect that we would save between \$16,000 and \$107,000 per year by improving the efficiency of our kettle-cleaning procedures at our Melville site. This cost savings considers the cost of water used in the cleaning processes and the cost of natural gas used to heat the water for cleaning and sanitization. Cost savings could result in a 4-28% decrease in natural gas costs for the site, based on FY20 natural gas costs. The potential financial impact range is dependent on how frequently the kettles are cleaned – the maximum potential financial impact could be realized if all of the kettles at the site were cleaned once a day (with the exception of holidays and downtime). Cost savings could result in a 4-28% decrease in natural gas costs for the site, based on FY20 natural gas costs. This is significant because Melville is our largest manufacturing site. We consider this opportunity to be strategically substantive for our company because it will allow us to improve the efficiency of our manufacturing processes, while reducing our energy and water consumption in a water-stressed region. We also believe that the impacts of climate change may exacerbate water-stress in this region in the future, so realizing this opportunity will help to mitigate this risk.

Cost to realize opportunity

100000

Strategy to realize opportunity and explanation of cost calculation

Our strategy to realize this opportunity is to shift to more efficient kettles and establish uniform clean-in-place procedures, which will enable ELC to improve our water and energy efficiency and to enhance the efficiency of our manufacturing processes. This will allow ELC to improve our process for producing the creams and lotions that make up a substantive part of our business. We have calculated a \$100,000 cost to realize this opportunity, associated with conducting water and energy optimization studies and for performing technical engineering studies. The implementation of uniform clean-in-place procedures is considered to be part of ELC employees' jobs and therefore does not require additional costs.

Comment

n/a

C3. Business Strategy**C3.1****(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 2.6 RCP 8.5	The scenarios RCP 2.6 and RCP 8.5 were chosen in order to follow the TCFD recommendations; i.e. choose 2 scenarios with one aligned 2°C. RCP 2.6 represents the 2°C scenario whereas RCP 8.5 represents scenario "Business As Usual". The inputs come from Regional Climate Models that are available online https://esgf-node.llnl.gov/projects/esgf-llnl/ . The analytical method consists of calculating indicators for physical risks based on scientific papers calculations (Indicator for Heat waves = Tx90p, Indicator for extreme precipitations = R95p, etc ...). These indicators are combined with local data, where available, to get the present exposure of ELC sites to some physical risks. For example, we use Aqueduct WRI data (https://www.wri.org/our-work/project/aqueduct) to assess the present exposure to river flooding. The time horizons considered are 2030 for Water stress and for the other physical risk indicators, they are modelled on the future period (2021-2050). These time horizons were chosen due to the effects of climate change, on our business activities, being likely to occur during this period. The areas of ELC that are considered in this scenario analysis are 23 manufacturing/distribution/innovation sites including those in North America (Canada, USA) and Europe (Switzerland, Belgium, UK). The results from the Physical risks scenario analysis showed that ELC sites are vulnerable to the following risks: - Extreme precipitations and river flooding - Heat waves - Increase of mean temperature - Water stress - Coastal flooding The difference of impacts varies between Scenario RCP 2.6 and Scenario RCP 8.5, with, on average, a higher magnitude of impact of physical risks on ELC sites following scenario RCP 8.5. ELC is incorporating the results from the Climate Related Scenario Analysis into our business strategy by identifying substantive risks to our business and developing plans to mitigate these risks. These plans can include developing strategies to monitor and mitigate risks and investing in capital improvements. Case Study: Our climate-related scenario analysis shows that our facility located in Melville, Long Island is located in a water stressed region and is at risk of experiencing water-stressed events. In FY19 we started to investigate ways to reduce our consumption of groundwater at our plant in Melville, New York. Currently, the Melville plant uses a groundwater chilling system to provide comfort cooling, which derives most of its cooling from water extracted from two open-loop groundwater wells. As part of a master planning process for the site, we are evaluating alternative cooling systems, which would reduce our reliance on the groundwater chillers. In addition, we have conducted a Source Vulnerability Assessment and a combined energy/water efficiency study at the site to understand the local watershed conditions and ways that we can reduce our water consumption. Through these actions, we aim to preserve water for future generations for the Long Island region and mitigate the impacts of water stress on our business.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Consumer preferences are essential to our business. Our business has been impacted by an increased preference from our consumers in products that are produced from companies who have a high regard for Environment, Social and Governance Priorities. We are responding by rolling out strategies to address sustainability in our products, and our ingredients and our packaging and will be making changes over the short, medium, and long-term. Substantive Decision - For example, in FY19, we set two sustainability goals for our packaging: - By the end of 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 our 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 the end of 2025
Supply chain and/or value chain	Yes	Climate-related risks and opportunities have influenced our value chain engagement strategy. Harnessing Opportunities: In FY20, we set Science Based Targets, which address emissions from our own operations (Scope 1 and 2) and emissions from our value chain activities (Scope 3). We believe that setting SBTs, and working with our value chain partners to achieve them, provides us with an opportunity to improve our climate resilience and meet shifting consumer expectations. We will be working to implement this strategy over short, medium and long-term time horizons in line with our SBT target. Strategic decision to mitigate risk: In FY19, we implemented a new process to monitor existing supplier performance via the EcoVadis tool. EcoVadis is an online ratings service by which suppliers can be assessed on environmental impact, labor and human rights, ethics and sustainable procurement practices. Each supplier that participates answers a customized questionnaire and provides supporting documentation on the EcoVadis platform. We are in the process of integrating EcoVadis scorecards into day-to-day business practices in order to drive more sustainable procurement decisions, while positively incentivizing suppliers that align with our corporate citizenship and sustainability expectations. In FY20, we rolled out the platform to more than 280 suppliers, bringing the total number of suppliers using it to more than 460. In addition, in FY21 we joined CDP Supply Chain and have requested many of our suppliers to provide climate change data through this platform.
Investment in R&D	Yes	We believe in embedding sustainability into product formulation. This is due to climate risks of the sustainability of supply-chains along with reputational risk from consumers if we are seen to not be acting. We also understand that early-investment will lead to climate-related opportunities compared to our peers. We have long understood that green chemistry is an important part of this approach, and we recognized many years ago that the principles of green chemistry would play an important role in the future of our business. This work is ongoing; we have been establishing our process carefully over time as both the science and our business evolve and transform. We plan to keep investing in this over our short, medium and long-term time horizons. Strategic decision: Applying green chemistry principles requires a multi-layered and collaborative approach. A decade ago, we began working with external experts to design and pilot a green chemistry assessment and support program. This collaboration helped ensure that our methodology was valuable to our business and our consumers. In addition, it allowed us to monitor the evolution of green chemistry and helped us begin to understand the expectations of our stakeholders. Our early work has led to the development of our proprietary design tool, which we are now validating. The tool will help us evaluate raw materials through the lens of environmental, ecotoxicity and human health impacts. We plan to roll out this tool across our business, so that in the future we can: – Enable our chemists and formulators to better understand the environmental and sustainability implications of their choices and allow them to make comparisons among alternatives in a systematic way – Establish a baseline for our existing portfolio by product subcategory to enable us to benchmark progress and develop clear enterprise improvement targets.
Operations	Yes	The results from the Physical risks scenario analysis showed that ELC sites are vulnerable to the following risks: - Extreme precipitations and river flooding - Heat waves - Increase of mean temperature - Water stress - Coastal flooding As mentioned previously, our climate scenario analysis covered risks to ELC over long-term time horizons. As a result, we have taken steps to mitigate this risk now and will continue to do so in the long-term. Strategic decision: As part of our strategy to address climate-related risks and opportunities, ELC established a dedicated Net Zero capital fund for sustainability in our Operations. In FY19, we approved a 900 kilowatt (kW) ground-mounted photovoltaic solar array at our Blaine, Minnesota, manufacturing plant. The system went live in our FY20 and should generate more than 1,500 MWh of solar power and reduce GHG emissions by more than 1,000 metric tons annually. We anticipate that renewable energy solutions, like this, will help to mitigate climate-related risks.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Assets Liabilities	Currently, climate-related risks and opportunities are influencing our financial planning on a short, medium and long-term basis. In the short-term, we allocate funds on an annual basis to enable the deployment of climate-related initiatives, including implementation and maintenance of our Net Zero and RE100 goals. In the medium-term, we have created cost estimates to achieve each of our sustainability goals, including our packaging goals. In the long-term, we have estimated the costs to achieve our 2030 SBTs and are factoring those costs into future financial plans. Case study: In support of our 2020 Net Zero goal, we established a dedicated Net Zero capital fund to support low-carbon sustainability initiatives. We have created a Net Zero Steering Committee, composed of senior leaders from various functions, that drives our emissions-reduction strategy and governs the investments we make to achieve the Net Zero goal, such as renewable energy investments. This capital fund has influenced our financial planning by requiring the need to forecast and allocate funds needed for large-scale capital projects.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

57444

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

28722

Covered emissions in reporting year (metric tons CO2e)

27226

% of target achieved [auto-calculated]

105.208550936564

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

The Estée Lauder Companies Inc. has committed to reducing absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. The Estée Lauder Companies Inc. also has committed to reducing scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and business travel 60% per unit revenue over the same timeframe. FY18 Scope 1 GHG emissions metrics restated due to updated EPA and IEA emission factors and more accurate data capture.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2017

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2016

Figure or percentage in base year

49

Target year

2020

Figure or percentage in target year

100

Figure or percentage in reporting year

100

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

Abs1

Is this target part of an overarching initiative?

RE100

Please explain (including target coverage)

The Estée Lauder Companies Inc is a member of RE100 and sourced 100% renewable electricity in 2020, achieving the goal we set on joining RE100 in 2017. Please note that given that the goal was 100% renewable electricity by the end of 2020, the base year has no impact on the magnitude of the goal.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	4	883.94
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

859.45

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

132000

Investment required (unit currency – as specified in C0.4)

2280623

Payback period

16-20 years

Estimated lifetime of the initiative

>30 years

Comment

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

17.63

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

84000

Investment required (unit currency – as specified in C0.4)

325000

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

6.86

Scope(s)

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

33000

Investment required (unit currency – as specified in C0.4)

485000

Payback period

11-15 years

Estimated lifetime of the initiative

>30 years

Comment

Initiative category & Initiative type

Low-carbon energy generation	Other, please specify (Solar PV and EV charging)
------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

0

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

215000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

C4.3c**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	Dedicated budget as a percentage of the Global Supply Chain annual capital allocation. The budget is allocated based on the return on investment.
Lower return on investment (ROI) specification	Energy savings projects are approved based on the return on investment. However, the company has approved energy savings projects with greater than a nine-year return.
Dedicated budget for other emissions reduction activities	Dedicated ring-fenced capital fund (Net Zero Capital Fund) to achieve our Net Zero goal. This has financed emissions reductions initiatives, such as onsite solar installations.

C4.5**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

July 1 2007

Base year end

June 30 2008

Base year emissions (metric tons CO2e)

35725.7

Comment

Scope 2 (location-based)

Base year start

July 1 2007

Base year end

June 30 2008

Base year emissions (metric tons CO2e)

68649.1

Comment

Scope 2 (market-based)

Base year start

July 1 2007

Base year end

June 30 2008

Base year emissions (metric tons CO2e)

68649.1

Comment

The location-based result has been used as a proxy since a market-based result cannot be calculated for the base year.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

27226.45

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

This is the fifth year we have calculated both a location-based and market-based scope 2 emissions response. For our Scope 2, market-based figure, we incorporated residual mix factors for our facilities in the European Union, as well as the purchases of utility supplied green purchased power and REC purchases. We otherwise reverted back to regional emission factors (e.g., for our facilities in the United States) as we were unable to obtain supplier or contractual rates. We expect to acquire more of this information and provide more accurate market-based figures in future years.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

55901.88

Scope 2, market-based (if applicable)

0

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

This is the fifth year we have calculated both a location-based and market-based scope 2 emissions response. For our Scope 2, market-based figure, we incorporated residual mix factors for our facilities in the European Union, as well as the purchases of utility supplied green purchased power for three of our European facilities, our United Kingdom affiliates, and one North American facility, as well as REC purchases for operations in North America.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

HFC emissions from HVAC equipment in leased office and retail space

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why this source is excluded

Scope 1 emissions from HVAC HFC emissions are considered de minimis after an initial estimate that they would constitute less than 1% of aggregate Scope 1 emissions. There would be no Scope 2 emissions from this source.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1473269

Emissions calculation methodology

The Estée Lauder Companies reports emissions associated with our purchased raw material, packaging, third-party manufacturing, as well as other indirect procurement spend (e.g. marketing, professional services). Emissions are calculated using a combination of spend-based method leveraging the CEDA V5 I-O emissions factors, process-based method usingecoinvent and Redipoint emissions factors, and hybrid methodology where suppliers reported third-party verified Scope 1, 2, and 3 emissions. Supplier specific emissions data is only used if it meets our strict data quality criteria: - Scope 1 & 2 data is verified - Scope 3 data is complete (6+ Scope 3 categories disclosed) - Scope 3 data is verified Should quality criteria not be met, CEDA V5 factors are applied. Data pertains to our FY20 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

12

Please explain

n/a

Capital goods

Evaluation status

Relevant, calculated

Metric tonnes CO2e

130523

Emissions calculation methodology

The Estée Lauder Companies reports emissions associated with our PP&E spend. Using a hybrid supplier specific calculation approach, emissions are calculated using cost data from procurement - indirect spend, supplier specific data (where available) and CEDA V5 I-O emission factors. Supplier specific emissions data is only used if it meets our strict data quality criteria: - Scope 1 & 2 data is verified - Scope 3 data is complete (6+ Scope 3 categories disclosed) - Scope 3 data is verified Should quality criteria not be met, CEDA V5 factors are applied. Data pertains to our FY20 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0.72

Please explain

n/a

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

19713

Emissions calculation methodology

The Estée Lauder Companies reports emissions associated with well-to-tank and transmission & distribution loss from the fuel and energy consumption. Using energy (Scope 1 & 2) data captured from operational facilities, emissions are calculated using DEFRA 2018 and IEA 2017 factors. Data pertains to our FY19 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

n/a

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

447938

Emissions calculation methodology

The Estée Lauder Companies reports emissions associated with all transportation arranged (paid for) by ELC, inclusive of both inbound and outbound shipment. Also included is third-party warehousing. Emissions have been calculated using a spend-based method with CEDA V5 I-O. Data pertains to our FY20 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

n/a

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5531

Emissions calculation methodology

The Estée Lauder Companies reports emissions associated with waste generated in our operations. Primary data including production and excess obsolete (EXOB) waste were collected from 22 locations (8 manufacturing, 7 Distribution Centers, 2 Packaging and Assembly facilities, 1 Returns Center and 2 Innovation Sites). This has been uplifted using global site level information. Emissions are calculated using DEFRA 2018 emission factors. Data pertains to our FY19 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

n/a

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

23264

Emissions calculation methodology

Business Air Travel: Flight data is provided by ELC's corporate travel agency, HRG. The data represent both flights booked through the travel agency for US employees and include flights originating internationally by international employees. In FY20, ELC's employee business travel flight data for all markets (North America and international) were provided by flight leg and then categorized by short (0-300 miles), medium (301-2300 miles) and long haul (>2301 miles) flight legs. The short, medium- and long-haul emissions factors are applied respectively to the corresponding total mileage per country to calculate emissions from employee business travel. Intercity Rail: Intercity rail travel data for North American employees is provided by ELC's corporate travel agency, HRG. In FY18, ELC began capturing intercity rail travel data for global employees as total mileage travel by employees on national and regional rail lines by country. The emissions factor for intercity rail taken from the EPA is applied to total intercity rail mileage to calculate emissions from global rail travel. Car Rentals: Employee car rental data for North American employees is provided by Enterprise/National. Since FY18, employee car rental data for international employees is provided by ELC's travel service provider HRG. Car rental data for the US and Canada is provided as total mileage driven per rental car class and the corresponding total gallons of transport fuel (motor diesel or motor gasoline) consumed. Car rental data for international markets is provided as total car rental days. The appropriate emissions factor from the EPA—for either motor diesel or motor gasoline—is applied to gallons of transport fuel consumed. In FY20, ELC did not report any motor diesel consumption as a result of employee car rentals, only motor gasoline was reported. Hotel Stays: FY17 was the first year for which ELC included hotel stays in its Scope 3 emissions calculations. Prior to FY18, hotel stay data were received as hotel room nights stayed by ELC employees in the US and Canada. In FY20, hotel stay data were received from HRG for ELC employees across North American and international markets. An emissions factor provided by DEFRA is applied to the total number of hotel nights stayed. Data pertains to our FY20 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

n/a

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

34723

Emissions calculation methodology

Emissions are calculated using a third-party commuting model. This uses research into average commuting times and most popular forms of transport by country to estimate emissions. Data pertains to our FY19 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

n/a

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions in this category are not relevant as The Estée Lauder Companies do not have leased assets that are not already included in the Scope 1 and 2 emissions.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

138595

Emissions calculation methodology

All transportation arranged (paid) for by Estée Lauder split by Air, Sea, Ground is multiplied against CEDA V5 I-O emission factors. This covers both inbound and outbound transportation. It is understood that circa. 50% of outbound distribution is collected by our customers. The reported figure uses this assumption to estimate downstream transportation and distribution emissions based on the transportation lanes and types within ELC's outbound transport. Data pertains to our FY19 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

n/a

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions in this category are not relevant as The Estée Lauder Companies manufactures, markets, and sells finished goods that do not require further processing.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

30278

Emissions calculation methodology

ELC reports emissions associated with the release of refrigerants as a result of the use of sold products containing aerosol propellants. The refrigerant used in products with an aerosol propellant is assumed to be HFC-152a (R-152a). Use of sold products data is received as units sold per product type with the associated declared content amount and chemical composition. The weight of refrigerants consumed per product type is calculated by multiplying the number of units sold by the declared content by the refrigerant percent of the product type. The resulting total weight of refrigerants consumed in the use of sold products is multiplied by the emissions factor for HFC-152a to determine total emissions associated with the use of sold products. Data pertains to our FY19 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

n/a

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

64638

Emissions calculation methodology

The Estée Lauder Companies reports emissions associated with the end-of-life treatment of the packaging materials of our sold products. Process-based LCA calculation have been completed on packaging types using ecoinvent emission factors. Emission factors are applied to the quantity (mass) of packaging material of sold products in the reporting period. Data pertains to our FY19 year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

n/a

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions in this category are not relevant as The Estée Lauder Companies do not have any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions in this category are not relevant as The Estée Lauder Companies does not have any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions in this category are not relevant as The Estée Lauder Companies is not a financial institution and does not have any investments.

Other (upstream)

Evaluation status

<Not Applicable>

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

<Not Applicable>

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	48.16	Ethanol fuel consumed in Brazil fleet vehicles

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000582

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

83128.33

Metric denominator

unit total revenue

Metric denominator: Unit total

1429400000

Scope 2 figure used

Location-based

% change from previous year

2.04

Direction of change

Decreased

Reason for change

Revenues decreased 3.8% year-over-year, while scope 1 & 2 emissions decreased 5.8% year-over-year. Continued focus on improving the energy efficiency of our facilities – for example, our factories are certified to ISO 14001 standards for environmental management and have moved to the newer ISO 14001:2015 standards for all global manufacturing sites – has supported the realized decrease in scope 1 & 2 emissions.

Intensity figure

1.7318403

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

83128.33

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

48000

Scope 2 figure used

Location-based

% change from previous year

5.79

Direction of change

Decreased

Reason for change

Scope 1 & 2 emissions decreased 5.8% year-over-year, while total FTE employees did not change year-over-year. As a result, our emissions per FTE employee decreased by 5.79% compared to the previous year. Continued focus on improving the energy efficiency of our facilities – for example, our factories are certified to ISO 14001 standards for environmental management and have moved to the newer ISO 14001:2015 standards for all global manufacturing sites – has supported the realized decrease in scope 1 & 2 emissions.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	26033.3	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	18.04	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	28.76	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	1146.36	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Argentina	11.08
Australia	258.88
Austria	96.9
Belgium	2229.95
Brazil	3.54
Bulgaria	10.65
Canada	2179.14
Chile	21.97
China	14.26
Czechia	61.99
Denmark	201.34
Finland	14.79
France	279.05
Germany	410.52
Greece	227.34
China, Hong Kong Special Administrative Region	47.83
Hungary	16.38
India	7.15
Israel	259.71
Italy	511.65
Japan	115.28
Republic of Korea	24.62
Luxembourg	14.41
Malaysia	9.86
Mexico	405.73
Netherlands	241.84
New Zealand	56.67
Norway	43.88
Peru	0.91
Poland	162.74
Portugal	41.26
Russian Federation	123.54
Singapore	12.1
South Africa	129.38
Spain	411.32
Sweden	53.33
Switzerland	505.24
Thailand	22.47
Turkey	214.69
United Arab Emirates	8.17
United Kingdom of Great Britain and Northern Ireland	2855.37
United States of America	14843.25
Philippines	0
Romania	66.38
Viet Nam	0
Taiwan, Greater China	0
Colombia	0
Panama	0
Slovakia	0
Cyprus	0
Indonesia	0
Kazakhstan	0
Saudi Arabia	0
Ukraine	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Free Standing Store (FSS)	1057.64
ELC Office	1907.24
ELC RnD	776.69
ELC Salon	155.9
ELC Manufacturing	8846.25
ELC Warehouse	683.44
ELC Distribution Center	2323.77
ELC Packaging and Assembly	322.71
ELC Returns Center	190.61
Sales Fleet	10933.94
ELC School	28.27

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Distribution Center	2323.77
Manufacturing	8846.25
Office	1935.51
Packaging	322.71
R&D	776.69
Retail	1057.64
Returns Center/Warehouse	190.61
Salon	155.9
Warehouse	683.44
Sales Fleet	10933.94

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Argentina	91.75	0	260.67	260.67
Australia	1270.86	0	1574.47	1574.47
Austria	58.65	0	362.97	362.97
Belgium	2495.22	0	14526.39	14526.39
Brazil	195.66	0	1673.91	1673.91
Bulgaria	120.65	0	234.97	234.97
Canada	584.91	0	15691.41	15691.41
Chile	274.76	0	629.13	629.13
China	4578.92	0	7311.02	7311.02
Taiwan, Greater China	511.46	0	817.05	817.05
Czechia	136.17	0	271.38	271.38
Denmark	92.99	0	614.46	614.46
Finland	1.53	0	14.46	14.46
France	186.81	0	2692.56	2692.56
Germany	652.34	0	1558.24	1558.24
Greece	547.75	0	1027.42	1027.42
China, Hong Kong Special Administrative Region	1472.97	0	2021.33	2021.33
Hungary	131.22	0	490.9	490.9
India	263.78	0	365.08	365.08
Israel	806.84	0	1448.39	1448.39
Italy	791.64	0	2421.48	2421.48
Japan	1121.54	0	2139.27	2139.27
Republic of Korea	1250.38	0	2318.52	2318.52
Luxembourg	6.79	0	38.6	38.6
Malaysia	731.85	0	1121.66	1121.66
Mexico	256.31	0	559.64	559.64
Netherlands	89.32	0	203.6	203.6
New Zealand	16.45	0	142.04	142.04
Norway	0.46	0	55.44	55.44
Peru	17.42	0	78.28	78.28
Philippines	202.49	0	301.41	301.41
Poland	181.16	0	254.23	254.23
Portugal	15.79	0	43.79	43.79
Romania	159.2	0	463.1	463.1
Russian Federation	119.21	0	339.3	339.3
Singapore	372.36	0	938.96	938.96
South Africa	2472.72	0	2736.37	2736.37
Spain	461.07	0	1592.02	1592.02
Sweden	1.08	0	84.92	84.92
Switzerland	137.27	0	4751.49	4751.49
Thailand	407.33	0	853.72	853.72
Turkey	1665.81	0	3599.73	3599.73
United Arab Emirates	127.1	0	192.89	192.89
United Kingdom of Great Britain and Northern Ireland	3337	0	13532.72	13532.72
United States of America	27254.35	0	65678.17	65678.17
Viet Nam	13.92	0	38.49	38.49
Colombia	63.78	0	473.63	473.63
Panama	92.18	0	491.75	491.75
Slovakia	11.19	0	69.73	69.73
Cyprus	1.6	0	2.48	2.48
Indonesia	32.9	0	42.64	42.64
Kazakhstan	0.52	0	0.85	0.85
Saudi Arabia	7.78	0	10.96	10.96
Ukraine	6.67	0	18.39	18.39

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Free Standing Store (FSS)	20832.35	0
ELC Office	8420.68	0
ELC RnD	2502.06	0
ELC Salon	450.84	0
ELC Manufacturing	13898.56	0
ELC Warehouse	348.96	0
ELC Distribution Center	8255.63	0
ELC Packaging and Assembly	737.42	0
ELC Returns Center	402.27	0
ELC School	53.1	0

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Distribution Center	8269.2	0
Manufacturing	13898.56	0
Office	8460.91	0
Packaging	737.42	0
R&D	2502.06	0
Retail	20831.65	0
Returns Center/Warehouse	402.27	0
Salon	450.84	0
Warehouse	348.96	0

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?
Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	26795.12	Decreased	48.1	This emissions value of 48.1% is based off our Scope 1 emissions and market-based Scope 2 emissions and is calculated in the following manner: (Change in Scope 1+2 emissions attributed to reason/Previous year Scope 1+2 emissions)*100 or (26795.12/55717.30)*100. Both years follow our market-based approach, in terms of including residual mix factors for our facilities in the European Union as well as all our use of green power (which include both REC purchases and contracts with suppliers/utilities supported by energy attribute certificates).
Other emissions reduction activities	17.63	Decreased	0.03	As reported in C4.3b, non-renewable energy consumption emission reduction projects led to an approximate savings of 17.63 mTons CO2e. Operational and energy efficiency initiatives in manufacturing, research & development, packaging, retail and distribution facilities have had an estimated impact of 0.03% reduction in total Scope 1 and 2 emissions. This was calculated in the following manner: (Change in Scope 1+2 emissions attributed to reason/Previous year Scope 1+2 emissions)*100 or (17.63/55717.30)*100.
Divestment	0	No change	0	ELC had no divestments, acquisitions, or mergers in FY20 that would affect our GHG Inventory
Acquisitions	0	No change	0	ELC had no divestments, acquisitions, or mergers in FY20 that would affect our GHG Inventory
Mergers	0	No change	0	ELC had no divestments, acquisitions, or mergers in FY20 that would affect our GHG Inventory
Change in output	0	No change	0	Revenues decreased 3.8% year-over-year. Many retail stores had to close for varying periods of time, and many offices closed with workers transitioning to wholly remote work, due to the COVID-19 pandemic. This change in output likely caused a decrease in emissions but we cannot attribute a specific emissions figure to this change in output.
Change in methodology	0	No change	0	ELC always uses the most updated emission factors to calculate its GHG inventory. The most recent factor updates impacted both FY18 and FY19, and so no change to emissions has occurred.
Change in boundary	0	No change	0	n/a
Change in physical operating conditions	0	No change	0	n/a
Unidentified	1678.1	Decreased	3	Total Scope 1 and market-based Scope 2 emissions decreased by 28,490.84 mTons CO2e in FY20 when compared with FY19, from 55,717.30 to 27,226.45 mTons CO2e. Of this, 26,795.12 mTons can be attributed to an increase in renewable energy consumption and 17.63 mTons CO2e can be attributed to energy consumption and emissions reductions projects implemented in FY20. The remaining reduction of 1,678.10 mTons CO2e is not attributable to any one source and is assumed to be a result of natural changes in general consumption patterns, operational activities, and location opening and closures occurring over the reporting period. Emissions reductions due to unidentified causes had an estimated impact of 3.0% reduction in total Scope 1 and market-based scope 2 emissions. This was calculated in the following manner: (Change in Scope 1+2 emissions attributed to the reason/Previous year Scope 1+2 emissions)*100 or (1678.10/55717.30)*100.
Other	0	No change	0	n/a

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	205.85	128441.87	128647.72
Consumption of purchased or acquired electricity	<Not Applicable>	159176.49	0	159176.49
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1364.12	<Not Applicable>	1364.12
Total energy consumption	<Not Applicable>	160746.46	128441.87	289188.33

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Fuel Oil Number 5

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

1181.62

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

2.96

Unit

kg CO2e per liter

Emissions factor source

WRI Emission Factors Compilation from Cross-Sector Tools. Version 1.0. April 2014.

Comment

n/a

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

14370.05

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

10.22

Unit

kg CO2e per gallon

Emissions factor source

U.S. EPA, Emission Factors for Greenhouse Gas Inventories (Nov 2015)

Comment

n/a

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

28069.88

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

8.81

Unit

kg CO2e per gallon

Emissions factor source

U.S. EPA, Emission Factors for Greenhouse Gas Inventories (Nov 2015)

Comment

n/a

Fuels (excluding feedstocks)

Natural Gasoline

Heating value

Unable to confirm heating value

Total fuel MWh consumed by the organization

84820.32

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

181.22

Unit

kg CO2e per MWh

Emissions factor source

U.S. EPA, Emission Factors for Greenhouse Gas Inventories (Nov 2015)

Comment

n/a

Fuels (excluding feedstocks)

Other, please specify (Ethanol (E100))

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

205.85

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

5.76

Unit

kg CO2e per gallon

Emissions factor source

U.S. EPA, Emission Factors for Greenhouse Gas Inventories (Nov 2015).

Comment

n/a

C8.2d**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	1364.12	1364.12	1364.12	1364.12
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.****Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Australia

MWh consumed accounted for at a zero emission factor

939.29

Comment**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Belgium

MWh consumed accounted for at a zero emission factor

8760.07

Comment**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Switzerland

MWh consumed accounted for at a zero emission factor

1758.38

Comment

Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

7097.41

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Austria

MWh consumed accounted for at a zero emission factor

362.97

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Belgium

MWh consumed accounted for at a zero emission factor

5766.32

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Bulgaria

MWh consumed accounted for at a zero emission factor

234.97

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Cyprus

MWh consumed accounted for at a zero emission factor

2.48

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Czechia

MWh consumed accounted for at a zero emission factor
271.38

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Denmark

MWh consumed accounted for at a zero emission factor
614.46

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Finland

MWh consumed accounted for at a zero emission factor
14.46

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
France

MWh consumed accounted for at a zero emission factor
2692.56

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Germany

MWh consumed accounted for at a zero emission factor
1558.24

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Greece

MWh consumed accounted for at a zero emission factor
1027.42

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Hungary

MWh consumed accounted for at a zero emission factor

490.9

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Italy

MWh consumed accounted for at a zero emission factor

2421.48

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Kazakhstan

MWh consumed accounted for at a zero emission factor

0.85

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Luxembourg

MWh consumed accounted for at a zero emission factor

38.6

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Netherlands

MWh consumed accounted for at a zero emission factor

203.6

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Norway

MWh consumed accounted for at a zero emission factor

55.44

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Poland

MWh consumed accounted for at a zero emission factor

254.23

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Portugal

MWh consumed accounted for at a zero emission factor

43.79

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Romania

MWh consumed accounted for at a zero emission factor

463.1

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Russian Federation

MWh consumed accounted for at a zero emission factor

339.3

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Slovakia

MWh consumed accounted for at a zero emission factor

69.73

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Spain

MWh consumed accounted for at a zero emission factor

1592.02

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Sweden

MWh consumed accounted for at a zero emission factor

84.92

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Switzerland

MWh consumed accounted for at a zero emission factor
2993.11

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Ukraine

MWh consumed accounted for at a zero emission factor
18.39

Comment

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor
13532.72

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Argentina

MWh consumed accounted for at a zero emission factor
260.67

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Brazil

MWh consumed accounted for at a zero emission factor
1673.91

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Chile

MWh consumed accounted for at a zero emission factor
629.13

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
China

MWh consumed accounted for at a zero emission factor

7311.02

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Colombia

MWh consumed accounted for at a zero emission factor

473.63

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

China, Hong Kong Special Administrative Region

MWh consumed accounted for at a zero emission factor

2021.33

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

India

MWh consumed accounted for at a zero emission factor

365.08

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Indonesia

MWh consumed accounted for at a zero emission factor

42.64

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Israel

MWh consumed accounted for at a zero emission factor

1448.39

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Republic of Korea

MWh consumed accounted for at a zero emission factor

2318.52

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Malaysia

MWh consumed accounted for at a zero emission factor

1121.66

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Mexico

MWh consumed accounted for at a zero emission factor

559.64

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Panama

MWh consumed accounted for at a zero emission factor

491.75

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Peru

MWh consumed accounted for at a zero emission factor

78.28

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Philippines

MWh consumed accounted for at a zero emission factor

301.41

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Saudi Arabia

MWh consumed accounted for at a zero emission factor

10.96

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Taiwan, Greater China

MWh consumed accounted for at a zero emission factor

817.05

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Thailand

MWh consumed accounted for at a zero emission factor

853.72

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Turkey

MWh consumed accounted for at a zero emission factor

3599.73

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United Arab Emirates

MWh consumed accounted for at a zero emission factor

192.89

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Viet Nam

MWh consumed accounted for at a zero emission factor

38.49

Comment

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Singapore

MWh consumed accounted for at a zero emission factor

938.96

Comment

Purchase of I-REC/TIGRS backed by The International REC Standard (I-REC Standard and/or Tradable Instruments for Global Renewables Standard)

Sourcing method

Unbundled energy attribute certificates, other - please specify (J Credit)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Japan

MWh consumed accounted for at a zero emission factor

2139.27

Comment

Purchase of J-Credit backed by J-Credit Implementation Rule (v.4.2)

Sourcing method

Unbundled energy attribute certificates, other - please specify (LGCs)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Australia

MWh consumed accounted for at a zero emission factor

635.18

Comment

Purchase of LGCs as defined by the Australian Renewable Energy (Electricity) Act

Sourcing method

Unbundled energy attribute certificates, other - please specify (NZECS)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

New Zealand

MWh consumed accounted for at a zero emission factor

142.04

Comment

Purchase of NZECS backed by New Zealand Energy Certificate System Rules Version 2.2

Sourcing method

Unbundled energy attribute certificates, other - please specify (zaREC)

Low-carbon technology type

Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling

South Africa

MWh consumed accounted for at a zero emission factor

2736.37

Comment

Purchase of zaREC backed by Renewable Energy Certificate South Africa market participant's association (RECSA)

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

Canada

MWh consumed accounted for at a zero emission factor

15691.41

Comment

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

58580.76

Comment

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Estee Lauder CDP Verification Statement FY20 10-23-2020.pdf

Page/ section reference

p. 1 "Data Verified"

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

99

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Estee Lauder CDP Verification Statement FY20 10-23-2020.pdf

Page/ section reference

p. 1 "Data Verified"

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Estee Lauder CDP Verification Statement FY20 10-23-2020.pdf

Page/ section reference

p. 1 "Data Verified"

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Estee Lauder CDP Verification Statement FY20 10-23-2020.pdf

Page/section reference

p. 1 "Data Verified"

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	ELC calculates the year-over-year change % change, total Scope 1 GHG emissions and this data has been verified by our assurance provider. ELC calculates the year-over-year change % change, Scope 2 market-based GHG emissions excluding renewables and this data has been verified by our assurance provider
C4. Targets and performance	Other, please specify (Percent Progress to RE100)	ISO14064-3	ELC calculates the percent progress to RE100 and this data has been verified by our assurance provider.
C8. Energy	Energy consumption	ISO14064-3	ELC calculated the total energy consumed in FY20 in MWh from direct and indirect sources and this data has been verified by our assurance provider. ELC calculated the total non-renewable fuel consumed from direct sources in FY20 in MWh, which includes consumption of natural gas, motor gasoline, motor diesel, and fuel oil, and this data has been verified by our assurance provider. ELC calculated the total non-renewable electricity consumed from indirect sources in FY20 in MWh, which includes utility purchases not covered by offsite generation (utility contracts) and REC purchases, and this data has been verified by our assurance provider.
C8. Energy	Renewable energy products	ISO14064-3	ELC calculated the total renewable fuel consumed from direct sources in FY20 in MWh, which includes consumption of onsite solar and biofuel, and this data has been verified by our assurance provider. ELC calculated the total renewable electricity consumed from indirect sources in FY20 in MWh, which reflects offsite generation and REC purchases, and this data has been verified by our assurance provider.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

Poland carbon tax

Other carbon tax, please specify (UK Climate Change Levy)

Other carbon tax, please specify (Greece Carbon Tax)

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Poland carbon tax

Period start date

July 1 2019

Period end date

June 30 2020

% of total Scope 1 emissions covered by tax

0

Total cost of tax paid

6750

Comment

This tax applies to electricity usage and therefore we do not have any Scope 1 emissions being taxed.

Other carbon tax, please specify

Period start date

July 1 2019

Period end date

June 30 2020

% of total Scope 1 emissions covered by tax

6.5

Total cost of tax paid

73749

Comment

This covers the UK Climate Change Levy tax on our natural gas and Electricity consumption in the UK

Other carbon tax, please specify

Period start date

July 1 2019

Period end date

June 30 2020

% of total Scope 1 emissions covered by tax

0

Total cost of tax paid

12669

Comment

The tax applies to electricity usage and therefore we do not have any Scope 1 emissions being taxed

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our UK ELC operations have engaged Schneider Electric to help support carbon emissions management and create a strategy for monitoring, reporting and reducing energy usage for our UK facilities. In FY20, we paid a Climate Change Levy of \$USD 73749 . Our strategy for complying with the tax system is through reducing our emissions with a combination of company wide policy and facility-by-facility improvements. Our manufacturing facility in the UK is equipped with a 1MW roof top solar power system that is responsible for generating about 25% of the electrical power for the building. In addition, our large Manufacturing and Distribution facilities have implemented energy monitoring of our equipment, a system that gives us visibility into our energy use, enabling us to reduce inefficiencies. In FY20, we completed energy audits at select manufacturing, distribution and retail locations using external engineering professionals to identify additional opportunities to reduce energy and carbon emissions. In support of our Net Zero carbon emissions goal we continue to support the use of renewable electricity and have signed contracts with Orsted Power to secure renewable electricity for all of our operations in the UK where we are responsible for the electricity supply. In Poland and Greece, we source 100% renewable electricity to help to reduce our environmental impact.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Forests

Project identification

Massachusetts Tri-City Forestry Project

Verified to which standard

ACR (American Carbon Registry)

Number of credits (metric tonnes CO2e)

30000

Number of credits (metric tonnes CO2e): Risk adjusted volume

30000

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Energy efficiency: households

Project identification

Production and dissemination of Ceramic Water Purifiers by Hydrologic in the Kingdom of Cambodia

Verified to which standard

Gold Standard

Number of credits (metric tonnes CO2e)

60

Number of credits (metric tonnes CO2e): Risk adjusted volume

60

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Solar

Project identification

Solar grouped project by ACME Group

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

60

Number of credits (metric tonnes CO2e): Risk adjusted volume

60

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Bundled Wind Power Project by Giriraj Enterprises

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

60

Number of credits (metric tonnes CO2e): Risk adjusted volume

60

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

Credit origination or credit purchase

Credit purchase

Project type

Wind

Project identification

Maharashtra India Wind

Verified to which standard

VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)

33946

Number of credits (metric tonnes CO2e): Risk adjusted volume

33946

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

98

% total procurement spend (direct and indirect)

61

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We identify our Strategic and Joint Value Creation (JVC) suppliers, which we define as highly critical suppliers with broad and unique capabilities, proven value creation in one or multiple pillars and highest level of collaborative partnership. These suppliers comprise over half of our Direct Spend. As a result, we aim to create close ties with these suppliers and seek to engage with them on climate-related issues; helping to align our supply chain with our targets. This helps reduce our supply chain partners' risk to climate-change as well as the risk to our supply chain.

Impact of engagement, including measures of success

We assess suppliers' CSR performance through COC-aligned audits conducted by a leading third-party monitoring organization or through EcoVadis assessments*. We partner with suppliers to improve CSR performance, through continuous improvement plans. The EcoVadis assessment considers a range of CSR issues, including the Environment. Climate related areas are covered such as Energy Consumption & GHGs, Water, and Pollution, among others. For example, suppliers are assessed on the actions they have in place regarding the reduction of energy consumption and the emissions of GHG. Measure of success: Ultimately, we aim to have 100% of our key (strategic and JVC) suppliers enrolled in the program; 80% of our strategic suppliers, including 100% of our JVC suppliers which represents more than 50% of our direct spend. In FY20 98% of our key suppliers were engaged. With this coverage of engagement, we aim to track and encourage energy saving, reporting to CDP and other disclosures, and the setting of Science Based Targets. In FY20, we rolled out the platform to more than 280 suppliers, bringing the total number of suppliers using it to more than 460. Impact of Engagement: Prior to 2019, six of our suppliers had set verified Science Based Targets. Through EcoVadis engagement we now understand that this number has increased by 50% to nine suppliers with a further five committing to setting an SBTi-approved Science Based Target. In FY20, 58% of our strategic suppliers improved their Sustainability performance compared to their last assessment by implementing continuous improvement plans. Both examples point to a link that our aim to engage with 100% of suppliers is encouraging our supply chain to improve. In addition to this at the end of FY20 we started engaging with the CDP Supply Chain team to learn more about CDP Supply Chain and understand the path forward engaging suppliers. As a result of these conversations we signed up as a member of CDP Supply Chain in FY21 and have invited many of our suppliers to the 2021 CDP Supply Chain disclosure cycle. *EcoVadis is an internationally recognized, collaborative CSR platform that helps us measure and drive suppliers' CSR improvements in the areas of labor & human rights, environmental management and ethical business practices.

Comment

Our % of suppliers refers to our JVC and strategic suppliers; % of total procurement spend refers to direct spend.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We consider NGOs to be partners in our value chain and pursue partnerships with NGOs to engage with our value chain. Our climate-related strategy is driven by our enterprise-wide goals, which include a commitment to using 100% renewable electricity and achieving net zero carbon emissions, which we achieved in FY20. We prioritize engagements with NGOs that will help us achieve our sustainability goals. In addition, we prioritize engagements that address areas of our value chain that were identified as material to our business in a 2018 materiality study. Each of the projects that we undertake with an NGO partner has its own set of KPIs to measure success. We also measure our success through year over year progress on our goals. Some of our NGO partners include the Ellen MacArthur Foundation, The Climate Group and the Roundtable on Sustainable Palm Oil.

Examples of engagement with NGOs:

We are members of the Ellen MacArthur Foundation, which brings together leaders and innovators in business, governments and academia to contribute to society's transition to a circular economy. Through our membership, ELC employees have access to a portfolio of educational trainings on the importance of shifting to a circular economy and how industry can help expedite that shift.

The Company has a number of key pledges and programmes in place reflecting its commitment to the circular economy, including:

Company-wide initiatives such as:

- We source three quarters of our cartons from a leading sustainable paper mill.
- To encourage consumers to recycle their corrugated shipping cartons, "Corrugated Recycles" logos have been added to Outer Shipping Cartons of pilot brands in the United States.
- Launched in fiscal 2020 for select pilot brands in the United States, our Digital Packslip initiative eliminates printed packaging slips (with the exception of gift-wrapped orders).

Brand initiatives such as:

- AVEDA: Today, 90% of Aveda high-density polyethylene (HDPE) plastic bottles use a minimum of 80% PCR content.
- BOBBI BROWN: Reduced the use of leaflets and eliminated the use of carriers (transit packing material) where possible.
- CLINIQUE: Reduced the use of leaflets and phased in tubes containing bio-polyethylene (PE) and PCR and caps containing PCR to reduce the use of virgin plastic.
- ESTÉE LAUDER: Reduced the use of leaflets and reduced the use of plastic through the ongoing transitioning of certain products to glass bottles.
- ORIGINS: Incorporated a 100%-recycled material mailer for smaller order parcels. M-A-C Working to create sustainable mailers that utilize recycled cardboard, rPET and removable branding.
- SMASHBOX: Reduced the use of leaflets and carriers. The brand is transitioning new cartons to Forest Stewardship Council (FSC)-certified board. Holiday set boxes will be in recyclable paper.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Trade associations
- Other

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

ELC participates in industry trade organizations around the world, such as the Roundtable for Sustainable Palm Oil (RSPO). The Estée Lauder Companies has committed that at least 90% of our palm-based ingredients (palm oil and its derivatives) will be certified from RSPO physical supply chains by the end of 2025. In CY2020, we procured 3614.7 Metric Tonnes of palm ingredients (palm oil and its derivatives)*. Of these volumes, 2545.98 MT were RSPO Mass Balance, 2.72 MT were RSPO Identify Preserved and the remainder of our volume was covered by 1,066 Independent Smallholder credits.

Additionally, The Estée Lauder Companies is a member of the RSPO's North American Sustainable Palm Oil Network (NASPON) whose aim is to educate, build momentum, and accelerate collaboration within the North American market for the uptake of Certified Sustainable Palm Oil. ELC has been an active member of the derivatives working group to collaboratively address common challenges in the palm derivatives supply chain.

Industry Partnerships – Sustainable Packaging:

SUSTAINABLE PACKAGING INITIATIVE FOR COSMETICS (SPICE): We are members of the Sustainable Packaging Initiative for Cosmetics (SPICE), a cohort of organizations in the cosmetics industry collectively shaping the future of sustainable packaging. Our membership allows us to maintain voting rights, ensuring we have a voice in important discussions, co-creating methodologies and tools to drive the future of sustainable packaging for cosmetics.

ELLEN MACARTHUR FOUNDATION: We are also members of the Ellen MacArthur Foundation, which brings together leaders and innovators in business, governments and academia to contribute to society's transition to a circular economy. Through our membership, ELC employees have access to a portfolio of educational trainings on the importance of shifting to a circular economy and how industry can help expedite that shift.

ASSOCIATION OF PLASTIC RECYCLERS (ARP): In fiscal 2020, we joined the Association of Plastic Recyclers (APR), the North American trade association representing companies who acquire, reprocess and sell the output of more than 90 percent of the post-consumer plastic processing capacity in North America. Becoming a member of the APR provides us access to industry experts to better understand how to design plastics for recyclability.

SUSTAINABLE PACKAGING COALITION (SPC): We are proud to be a founding member of the Sustainable Packaging Coalition (SPC), which brings together businesses, educational institutions and government agencies to collectively strengthen and advance the business case for more sustainable packaging. Through the SPC, 250 of our package developers and marketing and creative designers are utilizing the online learning platform, accessing training courses on topics such as the essentials of sustainable packaging, composting, bioresin, ocean plastic and advanced recycling, which is the chemical breakdown of plastic waste into basic components to rebuild new polymers.

Since FY16, we also continued to develop an ethical framework for sourcing from biodiverse areas that includes protocols to ensure sustainable use of materials, as well as respect for local communities including equitable sharing of benefits linked to the use of "genetic resources." Toward that end, we've continued to explore how we can align our sourcing of raw materials with the Nagoya Protocol in order to promote benefit-sharing, further incentivize the conservation and sustainable use of natural resources and preserve critical biodiversity. In addition to our own efforts, we are working with our fellow members of AIM-Progress, a forum of 44 consumer goods manufacturers and suppliers with the main initiative to develop mutual recognition of sourcing audits among member companies, effectively increasing the effectiveness of auditing suppliers against ELC's Code of Conduct.

In FY16, we added further focus on our philanthropy with the creation of The Estée Lauder Companies Charitable Foundation, whose mission is "to help build a more beautiful and sustainable world." The Foundation's Board of Directors consists of The Estée Lauder Companies executives as well as several members from outside the Company.

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

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

ELC's participation in climate change policy is led by the Global Corporate Citizenship and Sustainability team and our individual brands implement initiatives related to climate change or other initiatives and report on these to the Global Corporate Citizenship and Sustainability team for review. We elevated citizenship and sustainability in our governance structure so that the team responsible for those efforts, led by our Senior Vice President for Global Corporate Citizenship and Sustainability, now reports directly to the Executive Chairman and CEO. This change, in particular, reflects our belief that social impact and sustainability are essential to our success as a business and our responsibility as a company. Further, as policymakers focus more on passing legislation related to climate change/water issues, the Global Corporate Citizenship and Sustainability team will ensure alignment with internal stakeholders such as our Global Public Affairs team as well as external associations and partners to support or shape those efforts.

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

FY20 10k.pdf

Page/Section reference

1-final

Content elements

Strategy

Risks & opportunities

Comment

n/a

Publication

In voluntary sustainability report

Status

Complete

Attach the document

elc-fy20-citizenship-sustainability-report.pdf

Page/Section reference

1-final

Content elements

Governance

Strategy

Emissions figures

Emission targets

Other metrics

Comment

In November 2020, The Estée Lauder Companies Inc. (NYSE: EL) released its FY20 Citizenship & Sustainability Report (C&S Report). The report entitled, Beauty Inspired, Values Driven details the company's progress and commitment to key areas of its social impact and sustainability strategy, including ELC's response to the COVID-19 pandemic, climate action initiatives, responsible sourcing programs and inclusion and diversity efforts. Read our FY20 C&S Report here:

https://media.elcompanies.com/files/e/estee-lauder-companies/universal/our-commitments/2020-cs-report/elc-fy20-citizenship-sustainability-report.pdf?_gl=1*1tudi4t*_ga*MT10NzQ1MzEyNS4xNjAzNDk5MDI4*_ga_V9QZ4PSDRY*MTYxNzY1NTg3Ny4zMy4wLjE2MTc2NTU4NzcuNjA.

Publication

In voluntary communications

Status

Complete

Attach the document

Climate Week NYC 2019_ ELC Advances Sustainability Goals, Makes Progress Toward Sustainable Future – The Estée Lauder Companies Inc_.pdf

Page/Section reference

1-final

Content elements

Risks & opportunities

Comment

In FY20, ELC joined the business community and world leaders in New York City for Climate Week NYC to announce its progress toward a sustainable future. (Source: <https://www.elcompanies.com/en/news-and-media/newsroom/press-releases/2019/09-23-2019>)

Publication

In voluntary communications

Status

Complete

Attach the document

The Estée Lauder Companies Becomes First Prestige Beauty Company to Execute a Virtual Power Purchase Agreement for Renewable Energy – The Estée Lauder Companies Inc_.pdf

Page/Section reference

1-final

Content elements

Strategy

Comment

During FY20, ELC signed a virtual power purchase agreement (VPPA) for the Ponderosa wind farm in Beaver County, Oklahoma, adding renewable energy to the electricity grid. (Source: <https://www.elcompanies.com/en/news-and-media/newsroom/press-releases/2019/11-15-2019-140005601>)

Publication

In voluntary communications

Status

Complete

Attach the document

The Estée Lauder Companies Advances in CDP Climate Rankings – The Estée Lauder Companies Inc_.pdf

Page/Section reference

1-final

Content elements

Strategy

Comment

During FY20, the Estée Lauder Companies (ELC) made progress in CDP's Climate rankings for 2019, receiving an "A-" score for its environmental transparency and efforts to address climate change. (Source: <https://www.elcompanies.com/en/news-and-media/newsroom/company-features/2020/cdp>)

Publication

In voluntary communications

Status

Complete

Attach the document

25 badass women shaking up the climate movement in 2020 _ Greenbiz.pdf

Page/Section reference

1-final

Content elements

Strategy

Comment

ELC amplified a Greenbiz article on Nancy Mahon, ELC's SVP, Global Corporate Citizenship and Sustainability, featured as one of GreenBiz's 25 women addressing and inspiring climate action in 2020. (Source: <https://www.greenbiz.com/article/25-badass-women-shaking-climate-movement-2020>)

Publication

In voluntary communications

Status

Complete

Attach the document

Earth Day 2020_ ELC Remains Committed to Climate Action – The Estée Lauder Companies Inc_.pdf

Page/Section reference

1-final

Content elements

Strategy

Risks & opportunities

Comment

On Earth Day FY20, ELC is committed to doing its part by taking the urgent and necessary actions to both curb the effects of the pandemic, and safeguard the health and beauty of the planet. The company discusses its climate goals and has its sights set on progressing its climate mitigation strategy through 2030. (Source: <https://www.elcompanies.com/en/news-and-media/newsroom/company-features/2020/earth-day>)

Publication

In voluntary communications

Status

Complete

Attach the document

New Solar Arrays Further ELC's Commitment to Renewable Energy – The Estée Lauder Companies Inc_.pdf

Page/Section reference

1-final

Content elements

Strategy

Emission targets

Comment

ELC's renewable energy portfolio recently took a huge step forward with the completion of two solar array projects in North America. Both the Melville and Blaine campus operational solar arrays went live in FY20 and are critical contributors to ELC's global commitments to reach Net Zero carbon emissions and 100% renewable electricity (RE100) by the end of 2020. (Source: <https://www.elcompanies.com/en/news-and-media/newsroom/company-features/2020/melville-blaine>)

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Executive Chairman	Board chair

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

N/A

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	14294000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	5184391044

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Nordstrom, Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

435.96

Uncertainty (±%)

0

Major sources of emissions

Gas and Fuel use through our direct operations

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken from our verified Scope 1 figures. The breakdown can be found in section 7 and 8 of our 2021 public CDP response. Allocating scope 1 emissions in proportion of revenue that Nordstrom represents. (1.6%) Our emissions are generated creating the products we sell downstream.

Requesting member

Nordstrom, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

895.122

Uncertainty (±%)

0

Major sources of emissions

Electricity use through our direct operations (location based).

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken from our verified Scope 2 (location-based) figures. The breakdown can be found in section 7 and 8 of our 2021 public CDP response. Allocating scope 2 Location Based emissions in proportion of revenue that Nordstrom represents. (1.6%) Our emissions are generated creating the products we sell downstream.

Requesting member

Nordstrom, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

0

Uncertainty (±%)

0

Major sources of emissions

Electricity (market based) use through our direct operations.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken from our verified Scope 2 (market based) figures. The breakdown can be found in section 7 and 8 of our 2021 public CDP response. Allocating scope 2 Market Based emissions in proportion of revenue that Nordstrom represents. (1.6%) Our emissions are generated creating the products we sell downstream. As of FY2020 we have achieved 100% renewable electricity and therefore do not have any Scope 2 market-based emissions.

Requesting member

Nordstrom, Inc.

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

34186

Uncertainty (±%)

5

Major sources of emissions

Following scope 3 emission categories: -Purchased Goods and Services -Capital Goods - Fuel-and-energy-related activities (not included in Scope 1 or 2) - Upstream transportation and distribution - Waste generated in operations - Business travel - Employee commuting

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken from our Scope 3 figures in section 6.5. The methodology for each category calculation is included there.

Requesting member

Compagnie Financière Richemont SA

Scope of emissions

Scope 1

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

4.9

Uncertainty (±%)

0

Major sources of emissions

Gas and Fuel use through our direct operations

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken from our verified Scope 1 figures. The breakdown can be found in section 7 and 8 of our 2021 public CDP response. Allocating scope 1 emissions in proportion of revenue that Richemont represents. (0.02%) Our emissions are generated creating the products we sell downstream.

Requesting member

Compagnie Financière Richemont SA

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO₂e

10.06

Uncertainty (±%)

0

Major sources of emissions

Electricity use through our direct operations (location based).

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken from our verified Scope 2 (location-based) figures. The breakdown can be found in section 7 and 8 of our 2021 public CDP response. Allocating scope 2 Location Based emissions in proportion of revenue that Richemont represents. (0.02%) Our emissions are generated creating the products we sell downstream.

Requesting member

Compagnie Financière Richemont SA

Scope of emissions

Scope 2

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

0

Uncertainty (±%)

0

Major sources of emissions

Electricity (market based) use through our direct operations.

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken from our verified Scope 2 (market based) figures. The breakdown can be found in section 7 and 8 of our 2021 public CDP response. Allocating scope 2 Market Based emissions in proportion of revenue that Richemont represents. (0.02%) As of FY2020 we have achieved 100% renewable electricity and therefore do not have any Scope 2 market-based emissions.

Requesting member

Compagnie Financière Richemont SA

Scope of emissions

Scope 3

Allocation level

Company wide

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

384

Uncertainty (±%)

5

Major sources of emissions

Following scope 3 emission categories: -Purchased Goods and Services -Capital Goods - Fuel-and-energy-related activities (not included in Scope 1 or 2) - Upstream transportation and distribution - Waste generated in operations - Business travel - Employee commuting

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Taken our Scope 3 figures in section 6.5. The methodology for each category calculation is included there.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

We utilized the Net Sales figure disclosed in our company's FY20 Annual Report to allocate emissions. You can access the annual report here:

https://media.elcompanies.com/files/e/estee-lauder-companies/universal/investor-resources/toolkit/form-10k-200820-a.pdf?_gl=1*1606qin*_ga*MTgzMjMyNDU2NS4xNTU3ODUyNzYw*_ga_V9QZ4PSDRY*MTYyMjY1ODk1Ni4xNDUuMS4xNjlyNjU4OTg4LjI4

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
We face no challenges	N/A

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

ELC currently has the capabilities to allocate emissions to our customers. In addition, based on the structure of our business, most of our impact is upstream, so we are not planning to further develop our capabilities to allocate emissions to our customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms