

Particulars

About Your Organisation

1.1 Name of your organization

The Estee Lauder Companies Inc.

1.2 What is/are the primary activity(ies) or product(s) of your organization?

- Grower
 - Processor and/or Trader
 - Consumer Goods Manufacturer
 - Retailer and/or Wholesaler
 - Bank and/or Investor
 - Social and/or Development NGO
 - Environmental and/or Conservation NGO
 - Supply Chain Associate
 - Affiliate
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1.3 Membership number

4-0596-15-000-00

1.4 Membership category

Consumer Goods Manufacturers

1.5 Membership sector

Ordinary

Consumer Goods Manufacturer

1. Operational Profile

1.1 Please state your main activity(ies) within the palm oil supply chain. Please select the option(s) that apply to you

- End-product manufacturer
- Food goods manufacturer
- Ingredient manufacturer
- Home & personal care goods manufacturer
- Own-brand manufacturer
- Manufacturing on behalf of other third-party brands
- Biofuels manufacturer
- Other

Other:

2. Palm Oil and Certified Sustainable Palm Oil Use

2.1 Please include details of all operations using palm oil, owned and/or managed by the member and/or all entities that belong to the group.

Operations using palm oil ingredients are fully-owned.

2.1.1 In which markets do you manufacture goods with palm oil and oil palm products?

Applies globally

2.1.2 In the market(s)/country(ies) where you operate, do you calculate how much palm oil and oil palm product there is in the goods you manufacture?

Yes

2.2 Volumes of palm oil and oil palm products purchased

2.2.1 Total volume of crude and refined palm oil used in the year (tonnes)

0.00

2.2.2 Total volume of crude and refined palm kernel oil used in the year (tonnes)

0.00

2.2.3 Total volume of palm kernel expeller used in the year (tonnes)

0.00

2.2.4 Total volume of other palm-based derivatives and fractions used in the year (tonnes)

4,577.50

2.2.5 Total volume of all palm oil and oil palm products used in the year (tonnes)

4,577.50

2.3 Volume of palm oil and oil palm products used in the year in your own brand products that are RSPO-certified (in tonnes):

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.3.1 Book and Claim from Mill / Crusher	-	-	-	2403
2.3.2 Book and Claim from Independent Smallholder	-	-	-	-
2.3.3 Mass Balance	-	-	-	2172
2.3.4 Segregated	-	-	-	-
2.3.5 Identity Preserved	-	-	-	2.5
2.3.6 Total volume	-	-	-	4577.5

2.4 Volume of RSPO-certified palm oil and oil palm products sold to 3rd party RSPO certified companies (in tonnes)

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.4.1 Book and Claim from Mill / Crusher	-	-	-	-
2.4.2 Book and Claim from Independent Smallholder	-	-	-	-
2.4.3 Mass Balance	-	-	-	-
2.4.4 Segregated	-	-	-	-
2.4.5 Identity Preserved	-	-	-	-
2.4.6 Total volume	-	-	-	-

2.5 According to the information you have provided in this questionnaire, your company has not reached 100% sustainable palm yet by using the four supply chain models (Book and Claim, MB, SG, IP). Do you have plans to immediately cover the gap by using RSPO Credits?

2.5.1 When do you plan to cover the gap by using RSPO Credits?

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2.5.2 Please explain why

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2.6 What is the percentage of RSPO Certified Sustainable Palm Oil in the total palm oil used by your company in the following regions:

2.6.1 Africa

100%

2.6.2 Oceania

100%

2.6.3 Europe

100%

2.6.4 North America

100%

2.6.5 Latin America

100%

2.6.6 Middle East

100%

2.6.7 China

100%

2.6.8 India

100%

2.6.9 Indonesia

100%

2.6.10 Malaysia

100%

2.6.11 Rest of Asia

100%

3. Time-Bound Plan

3.1 Year of first supply chain certification (planned or achieved)

2021

3.2 Year expected to/or started to use any RSPO-certified sustainable palm oil and oil palm products in your own brand products

2015

3.2.1 If target has not been met, please explain why.

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3.3 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from any supply chain option in your own brand products.

2015

3.3.1 If target has not been met, please explain why.

-

3.4 Year expected to be using 100% RSPO-certified sustainable palm oil and oil palm products from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) in your own brand products.

2030

3.4.1 If target has not been met, please explain why.

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3.4.2 Which markets do these commitments cover?

Applies globally

3.5 Does your company use RSPO-certified sustainable palm oil and oil palm products in goods you manufacture on behalf of other companies?

Yes

3.6 Does your company have a Time-Bound Plan to only use RSPO-certified sustainable palm oil and oil palm products in the goods you manufacture on behalf of other companies?

Yes

3.7 When do you expect all products you manufacture to only contain RSPO-certified sustainable palm oil and oil palm products?

2030

4. Trademark Use

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

No

4.2 Please select the countries where you use or intend to apply the Trademark.

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4.2.1 Please state the year that you started using the RSPO Trademark or the year you plan to start using the RSPO Trademark.

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4.3 Please explain why

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Other:

Trademark usage on our products is calculated on a case by case basis. At this time, we do not have plans to use the RSPO trademark on our product packaging.

4.4 Have you uploaded information and images of products using the RSPO Trademark to the RSPO mobile app?**5. Actions for Next Reporting Period****5.1 Outline actions that you will take in the coming year to promote the use of RSPO-certified sustainable palm oil and oil palm products along the supply chain.**

The Estée Lauder Companies has committed that by 2025, at least 90% of our palm-based ingredients (palm oil and its derivatives) will be certified from RSPO physical supply chains. To meet this commitment, we will continue to support substitution of existing palm kernel oil derivative ingredients with RSPO-certified Mass Balance alternatives by partnering with strategic suppliers on our palm oil sourcing policy.

6. Non-Disclosure of Information

6.1 Information in the sections above are mandatory declarations in your ACOP. For confidentiality purposes, members may choose not to display volume data in Section 2 publicly; however, RSPO reserves the right to utilise the member's data on an aggregate basis for sectoral and total analysis. Please check this box if the member chooses to have the data in Section 2 displayed publicly.

Yes - Display Publicly

7. Application of Principles & Criteria for all member sectors

7.1 Related to company's procurement or operations, do you have organisational policies that are in line with the RSPO P&C? Select all relevant options.

7.1.A Water, land, energy and carbon footprints

File: [ELC supplier-code-of-conduct.pdf](#)

Link: https://www.cdp.net/en/responses/5885?back_to=https%3A%2F%2Fwww.cdp.net%2Fen%2Fresponses%3Fpage%3D3200%26per_page%3D20

7.1.B Land use rights

File: --
Link: --

7.1.C Ethical conduct and human rights

File: [ELC supplier-code-of-conduct.pdf](#)
Link: --

7.1.D Labour rights

File: [ELC supplier-code-of-conduct.pdf](#)
Link: --

7.1.E Stakeholder engagement

File: --
Link: --

7.1.F None of the above. Please explain why.

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7.2 What best practice guidelines or information has your organisation provided in the past year to facilitate the uptake of RSPO-certified sustainable palm oil and oil palm products? What languages are these guidelines available in?

All new materials are reviewed for PO/PKO content, and verification that such content is sourced sustainably, before they can be approved for use. Existing raw materials that contain PO/PKO have been reviewed for PO/PKO sourcing information and are prioritized for movement to sustainable sources (if they are not already sustainably sourced) by volume and corporate impact, in line with our long-term goals on sustainable palm oil sourcing. These guidelines are not available in print.

8. Greenhouse Gas (GHG) Footprint

8.1 Are you currently reporting any GHG footprint?

Yes

8.1.1 Please upload your publicly available GHG report

File: [ELC CDP Climate Change 2018 Submission.pdf](#)

8.1.1.1 OR please insert the URL to the GHG section of your corporate website.

Link:

8.2 Please explain and justify why you are not calculating your GHG footprint. Please include any future plans you may have to calculate your GHG footprint.

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8.3 What methodology are you using to calculate your GHG footprint?

We use the Greenhouse Gas Protocol to collect activity data and calculate Scope 1 and Scope 2 emissions.

9. Support for Oil Palm Smallholders

9.1 Are you currently supporting any oil palm Independent Smallholder groups?

Yes

9.2 How are you supporting them?

The Estée Lauder Companies, BASF and the Roundtable on Sustainable Palm Oil (RSPO) are partnering with the civil society organization Solidaridad to promote sustainable palm oil and palm derivatives production in the district of Waykanan, Lampung, Indonesia.

The project supports independent Indonesian smallholder farmers to improve their livelihoods and their sustainable production of palm oil and palm kernel oil. The program achieves these goals by offering continuous education and technical support on implementing and maintaining sustainable palm oil practices. The project’s target is that a minimum of one-third of the supported smallholder farmers become certified according to the Smallholder Standard of RSPO at the end of three years.

The project partners are collaborating with the Indonesian government to foster a sustainable palm oil production supply chain in Lampung that is free from deforestation and competitive in the global market, while increasing the social and economic benefits for farmers.

9.2.1 Do you have any future plans to support oil palm Independent Smallholders?

9.2.2 When do you plan to start your support for oil palm Independent Smallholders?

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10. Challenges

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

- Awareness of RSPO in the market
 - Difficulties in the certification process
 - Certification of smallholders
 - Competition with non-RSPO members
 - High costs in achieving or adhering to certification
 - Human rights issues
 - Insufficient demand for RSPO-certified palm oil
 - Low usage of palm oil
 - Reputation of palm oil in the market
 - Reputation of RSPO in the market
 - Supply issues
 - Traceability issues
 - Others
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Other:

The Estée Lauder Companies is a comparatively low-volume user of palm oil, palm fruit oil, palm kernel oil (PKO) and PKO derivatives, and consequently, we possess limited leverage to impact the global palm oil market through individual action. With this in mind, we are sensitive to the social and environmental issues and complexities around the production and traceability of palm/palm derived ingredients and we are making efforts to contribute to their resolution.

The Estée Lauder Companies predominantly sources PKO-derived materials, similar to most other personal care products companies. The complexity of the PKO derivative ingredient supply chain continues to pose significant challenges to establishing source traceability for the Company, as well as to our tier 1 direct suppliers.

Additionally, we are working to increase procurement of certified sustainable PKO-derived ingredients through physical supply chains in a market environment that offers limited availability of RSPO-certified PKO and PKO-derived ingredients.

Resolution/Mitigation Efforts: The Estée Lauder Companies is collaborating with stakeholder groups and other companies to identify mechanisms to improve traceability in the PKO and PKO derivatives supply chain with a goal to increase our procurement of CSPO ingredients and collectively engage key actors along the supply chain. For example, the Company has joined the North American Sustainable Palm Oil Network (NASPON) to support the goal of reaching 100% CSPO in the market. The Estée Lauder Companies is also continuing to search for greater volumes of Mass Balance products as the oleo-chemical industry evolves to meet growing demand for CSPO/PKO materials. Additionally, in 2018 we continued to develop a responsible sourcing framework that will help ensure the sustainable use of materials from biodiversity. This effort is planned to further strengthen our corporate commitment to sustainable sourcing practices.

10.2 In addition to the actions already reported in this ACOP, how has your organisation supported the vision of RSPO to transform the market for sustainable palm oil in other ways?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues eg trade workshops industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- Others

Other:

We believe that through partnership and continuous improvement we can make strides in improving our palm oil sourcing activities. Our approach also includes partnership and collaboration with our high-volume suppliers to enhance the traceability of PKO derivative ingredients we use, addressing the social and environmental issues present in the supply chain, and encouraging the development of sustainably sourced alternatives for our Company.

In 2018, The Estée Lauder Companies' procurement of PKO derivative ingredients through RSPO certified physical supply chains (Mass Balance) increased from 33% to 47% in 2018. We procured 0.05% Identity Preserved palm-based ingredients in 2018. Our remaining volume of PKO derivative ingredients is covered annually through the purchase of PalmTrace RSPO Credits to ensure that every ton of PKO purchased supports the production of sustainable palm oil. The Estée Lauder Companies intends to continue purchasing RSPO Credits to cover any volumes of conventional palm kernel oil and/or palm oil procured directly.

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 2025.

Lastly, we have continued to ask our suppliers to provide information about their processes and their own suppliers, with the goal of engaging with first refiners to determine that their practices are consistent with our palm oil sourcing policy.

10.3 Please attach or add links to any other information from your organisation on your palm oil policies and activities (e.g.: sustainability reports, policies, other public information)

ELC FY2017 Corporate Responsibility Report
<https://www.elcompanies.com/en/our-commitments/sustainability>

ELC Palm Oil Viewpoint
<https://www.elcompanies.com/en/our-commitments/viewpoints/palm-oil>