

Particulars

About Your Organisation

1.1 Member Name

The Estee Lauder Companies Inc.

1.2 Membership Number

4-0596-15-000-00

1.3 Membership Sector

Consumer Goods Manufacturers

1.4 Membership Category

Ordinary

1.5 Country

United States

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select ALL the palm oil-related activity(ies) that describe your company or organisation as multiple selections are allowed. ACOP reporting is NOT limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- ☐ I own and operate oil palm estate(s)
- ☐ I represent a palm oil Independent Smallholder farmer Group
- ☐ I own and operate palm oil mills
- ☐ I own and operate palm kernel crushing plants - Processors and/or Traders
- ☐ I trade or broker palm oil, palm kernel oil or related products - Processors and/or Traders
- ☐ I am a refiner of palm oil or palm kernel oil - Processors and/or Traders
- ☐ I am a processor of intermediate (B2B) palm oil, palm kernel oil or related fractions/derivatives - Processors and/or Traders
- ☐ I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products - Processors and/or Traders
- ☒ I manufacture final consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors - Consumer Goods Manufacturers
- ☐ I retail final consumer (B2C) products containing palm oil, palm kernel oil or related products - Retailers
- ☐ I operate food retail outlets that use palm oil, palm kernel oil or related products - Retailers
- ☐ I am a conservation and environmental NGO supporting the sustainable development of the palm oil industry
- ☐ I am a social and human development NGO supporting the sustainable development of the palm oil industry

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- ☐ Food Good Manufacturer - own brand
- ☐ Food Good Manufacturer - third-party brand
- ☒ Home & Personal Care Good Manufacturer - own brand
- ☐ Home & Personal Care Good Manufacturer - third-party brand
- ☐ Ingredient Manufacturers
- ☐ Biofuels
- ☐ Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

Fully-owned

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe,North America,China,India,Malaysia,Indonesia,Africa,Latin America,Rest of the World

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles)

2.2 Total volume of RSPO-certified (IP, MB, SG and RSPO Credits/Book and Claim) and Non RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	0.20
Total volume of crude palm kernel oil (tonnes)	0.00
Total volume of palm kernel expeller (tonnes)	0.00
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	3295.05
Total	3295.25

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	42
Palm kernel oil-based derivatives and fractions	58

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions.

Countries/Regions	Percentage
Europe	21
North America	29
Malaysia	0
Indonesia	0
China	28
India	1
Latin America	2
Africa	1
Rest of World	18

2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	0.00	0.00	0.00	0.00
RSPO Credits from Independent Smallholder	0.00	0.00	0.00	98.93
Mass Balance (MB)	0.00	0.00	0.00	3195.80
Segregated (SG)	0.00	0.00	0.00	0.32
Identity Preserved (IP)	0.20	0.00	0.00	0.00
Total	0.20	0.00	0.00	3295.05

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	42
Certified Palm kernel oil-based derivatives and fractions	58

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:

100.00%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

ELC endeavors to source our palm-based ingredients responsibly and sustainably with respect for local communities and the environment by procuring ingredients from suppliers that can demonstrate adherence to the principles outlined in our Supplier Code of Conduct and NDPE policy. We assess compliance with these responsible sourcing policies through supplier performance, increased traceability and third-party certification to the Roundtable on Sustainable Palm Oil's (RSPO) Principles and Criteria.

Since 2015, 100% of the palm-based ingredients ELC sources for its products are RSPO certified through a combination of RSPO certified physical supply chains and RSPO credits*. In 2019, ELC committed that at least 90% of its palm-based ingredients will be certified sustainable from RSPO physical** supply chains by 2025. In fiscal year 2022, we achieved our goal three years early, and we revised our goal to 95% to reflect our elevated ambition. This ambitious target was reached in 2023. In 2024, we made further progress and sourced 97% of our palm-based ingredients from RSPO certified physical supply chains.

ELC is committed to supporting smallholder farmers by helping to build their capacity and improve their livelihoods with the goal of increasing their participation in the palm oil markets.

Since 2020, the ELC Charitable Foundation has been supporting the Mosaik Initiative through the Action for Sustainable Derivatives. It has thereby contributed to expanding the Mosaik Initiative, a proven jurisdictional certification approach to sustainable palm production and landscape management and restoration in Central Kalimantan led by NGO partner Kaleka. Project implementation continued through 2024 with financial support from the ELC Charitable Foundation.

Purchasing Independent Smallholder RSPO Credits

In addition to our portfolio of palm related positive impact projects, we procured Independent Smallholder RSPO credits covering volumes equivalent to 3% of our 2024 palm ingredient volume, supporting direct market access for certified smallholders.

ELC remains committed to identifying opportunities to extend and scale our impact to create an inclusive and sustainable palm supply chain by continuing to invest in relevant partnerships and projects (including purchases of smallholder credits) that improve smallholder livelihoods and protect and restore the environment.

* Excludes palm-based ingredients not directly procured by ELC, such as those procured by Third-Party Manufacturers (TPMs) and certain acquired brands not yet fully integrated into the relevant ELC systems.

** Physical supply chain refers to a palm oil supply that is sourced from certified plantations under the Mass Balance, identity Preserved or Segregated certifications. More information on RSPO certified supply chains can be found here (<https://rspo.org/certification/supply-chains>)

2.6 Please estimate the regional sales volume distribution of your company's RSPO certified palm oil, palm kernel oil and related products (as declared in Question 2.4) in the following countries/regions:

Countries/Regions	Percentage
Europe	21
North America	29
Malaysia	0
Indonesia	0
China	28
India	1
Latin America	2
Africa	1
Rest of World	18

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2030

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2015

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

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3.3 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2015

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

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3.4 Which year did your company begin (or expects to begin) using only RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2030

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

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4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

Yes

4.2 Please select the countries where your company uses or intends to use the Trademark

Applies globally

4.2.1 Which year did your company begin (or expects to begin) using the RSPO Trademark

2024

5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

- ☒ Participation in RSPO Working Group or Task Forces
- ☒ Support Independent Smallholders (ISH)
- ☐ Contribute to the RSPO Smallholder Trainer Academy
- ☐ Financial contribution to the RSPO Smallholder Support Fund
- ☐ Direct investments in Smallholder Certification projects
- ☒ Involvement/direct investments in Jurisdictional/Landscape approach
- ☒ Direct/collective investments in conservation and restoration initiatives
- ☐ Financial contribution to support members with Remediation and Compensation (RaCP) process, direct/collective investments in conservation and restoration initiatives
- ☒ Allocating FTE to promote the production or consumption of certified sustainable oil palm products
- ☒ Specific policies and action plans by the member to promote CSPO production or consumption in the upstream or downstream supply chain, including target dates or broader policies that include such efforts
- ☐ No activities planned
- ☐ Others

Other

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Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- ☐ 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
- ☐ No challenges faced
- ☒ Others

Others

Other

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 traceability to source.

We are working to increase procurement of certified sustainable palm derived ingredients through physical supply chains. We continue to monitor other potential risks which can include but are not limited to market shortness of Mass Balance certified palm oil, and vendor compliance & certification related issues. We adjust purchasing as appropriate to help mitigate these challenges and maintain a consistent supply of mass balance palm oil.

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 CSPKO ingredients and collectively engage key actors along the supply chain. Through our membership in the Action for Sustainable Derivatives (ASD) collaborative initiative, we are working to establish traceability to the point in the supply chain where suppliers can demonstrate that the palm ingredients meet our sourcing principles. In 2024, ELC gained traceability to the mill for over 87% of our palm volume purchased* in 2023. We will further our commitment to transparency by continuing to invest in increasing traceability to mills and beyond. In addition, we will continue to drive industry alignment through our partnership with ASD by contributing to shared monitoring of risks, grievances, and continuous improvement plans, as needed.

We are a founding member of Action for Sustainable Derivatives (ASD). This alliance of brands and suppliers aims to address responsible sourcing in the complex palm derivatives supply chain by collaborating to harmonize approaches on transparency, risk monitoring, and evaluation. Through our membership in ASD, we are committed to establishing traceability to the point in the supply chain where suppliers can demonstrate that the palm ingredients meet our sourcing principles and collectively monitor and address grievances.

Additionally, through our ASD membership, we can leverage the dynamic monitoring of our traced supply chain through a shared grievance dashboard. Once a grievance is filed, the reports are reviewed and investigated. If substantiating evidence in support of a grievance is found, the grievance will be addressed through industry collaboration or through individual company action.

We are also members of 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. This effort is aligned with our corporate commitment to sustainable sourcing practices.

*Excludes palm-based ingredients not directly procured by ELC, such as those procured by Third-Party Manufacturers (TPMs) and certain acquired brands not yet fully integrated into the relevant ELC systems."

markets to make sustainable palm oil the norm?

- ☐ Communication and/or engagement to transform the negative perception of palm oil
- ☒ Engagement with business partners or consumers on the use of CSPO
- ☐ Engagement with government agencies
- ☒ Engagement with peers and clients
- ☐ Promotion of CSPO through off product claims
- ☐ Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- ☐ Promotion of physical CSPO
- ☐ Providing funding or support for CSPO development efforts
- ☐ Research & Development support
- ☒ Stakeholder engagement
- ☐ No actions taken
- ☒ Others

Others**Others:**

The Estée Lauder Companies is one of the founding members of the Action for Sustainable Derivatives (ASD), a collaborative initiative co-managed and co-facilitated by BSR and Transitions, to promote responsible sourcing and collective action to increase sustainable production of palm oil and palm oil derivatives. ASD participants aim to scale up efforts towards compliance with No Deforestation, No Peat, No Exploitation (NDPE) principles and to positively transform the palm oil industry. By harmonizing requirements, standardizing tools and methodologies, and mutualizing efforts, ASD intends to increase the transparency of the global derivatives supply chain, collectively monitor risks and activities along the supply chain, and implement collective action projects to address social and environmental issues on the ground.

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.

While we have direct control over our own purchase of palm-based ingredients, we are also able to influence our larger network of suppliers and partners through continued communication and by outlining our expectations. Products manufactured by Third-Party Manufacturers (TPMs) that contain palm-based ingredients not directly procured by The Estée Lauder Companies are currently excluded from our palm oil goal. We continue to communicate to our third-party manufacturers our expectation that they use palm-based ingredients that are from an RSPO physically certified sustainable source (Mass Balanced, Segregated or Identity Preserved) to further advance our commitment to ensuring sustainable palm oil supply chains. We will be working with our TPMs to support the increase of RSPO-certified palm-based ingredients in products made on our behalf.

We also promoted RSPO-certified sustainable palm oil through the continued support by the Estée Lauder Companies Charitable Foundation to the Mozaik initiative supporting smallholders in reaching RSPO certification. "

here

The Estée Lauder Companies (ELC) Palm Oil Viewpoint: <https://www.elcompanies.com/en/our-commitments/viewpoints#palm-oil>

ELC FY24 Social Impact & Sustainability Report

<https://media.elcompanies.com/files/e/estee-lauder-companies/universal/our-impact/si-s24/sis-2024.pdf>

NDPE Policy

<https://www.elcompanies.com/en/our-impact/viewpoints/ndpe>

ELC Human Rights Policy

<https://www.elcompanies.com/en/our-impact/viewpoints/human-rights-policy>

ELC Supplier Code of Conduct

<https://www.elcompanies.com/en/our-impact/sustainability/working-with-our-suppliers/supplier-code-of-conduct>

ELC Climate Transition Plan

[https://media.elcompanies.com/files/e/Estée-lauder-companies/universal/our-commitments/2023-si-s-report/elc-climate-transition-plan-23.pdf?](https://media.elcompanies.com/files/e/Estée-lauder-companies/universal/our-commitments/2023-si-s-report/elc-climate-transition-plan-23.pdf?_ga=2.263031108.976923631.1710770256-1150715096.1710770256&_gl=1*5f2k2i*_ga*MTE1MDcxNTA5Ni4xNzEwNzcwMjU2*_ga_V9QZ4PSDRY*MTcxMDc4Mjl5Ny4yLjEuMTcxMDc4Mjc3OS41OC4wLjA)

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2024 CDP Disclosure

<https://media.elcompanies.com/files/e/estee-lauder-companies/universal/our-impact/si-s24/cdp-2024.pdf>