

# An Essential Part of Business Strategy

**An Interview with Marilu Marshall,  
Senior Vice President, Executive Management, Chief Inclusion & Diversity Officer, The Estée Lauder Companies**

**EDITORS' NOTE** *Marilu Marshall received both her undergraduate degree and her law degree from the University of Miami. Upon graduation from law school, she joined the United States Department of Justice as the first woman to be appointed as a trial attorney with the Organized Crime and Racketeering Section. After several years of litigation experience, she was appointed Deputy Director of the Commission on the Review of the National Policy Toward Gambling, a joint congressional and Presidential Commission. In 1987, Marshall was named Senior Vice President and General Counsel for Cunard Line, Ltd. Her 11 years of service with Cunard led to her recruitment to the senior management team at Estée Lauder.*



Marilu Marshall

**COMPANY BRIEF** *The Estée Lauder Companies (elcompanies.com) 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 over 150 countries and territories under numerous globally renowned brand names.*

**Would you provide an overview of The Estée Lauder Companies' diversity and inclusion strategy?**

It's important to note that at The Estée Lauder Companies, we always lead with inclusion first in "inclusion & diversity," because an inclusive environment is the catalyst to leverage the diversity in our organization.

We recognize that inclusion and diversity are natural extensions of our company values and must be fully embedded in our culture and business strategy. With consumers in more than 150 countries, our strategy must be global and cannot be one-size-fits-all. In a sense, having a global view makes it difficult to articulate a single strategy because, by definition, each strategy must be locally relevant to each area.

Finally, a large component of our strategy is bolstering awareness of what inclusion and diversity means at The Estée Lauder Companies. It's important that our employees understand that diversity is more than just race or nationality – it involves gender, generational, socioeconomic, experiential and many other aspects. We must continue to raise awareness of what both inclusion and diversity mean to us at the company.

**How ingrained is inclusion and diversity in The Estée Lauder Companies' culture and values?**

Inclusion and diversity are embedded in everything we do at The Estée Lauder Companies. We do not just promote inclusion and diversity because it is the right thing to do, but also because it is an essential part of our business strategy. Creativity and innovation are known to thrive in an organization where different perspectives, disciplines and experiences are recognized, respected and cultivated.

Creating this culture of inclusion is paramount to our business success, as it is a differentiator that gives us a competitive edge. We know that diversity of thinking is critical in developing locally relevant products and experiences for the most discerning consumers, regardless of age, ethnicity, culture or geography.

**How do you engage your employees in The Estée Lauder Companies' diversity efforts?**

There are four main areas where we engage our employees through inclusion and diversity. First, we have the Employee Resource Groups (ERGs), which give employees the opportunity to network, exchange ideas, contribute to the business through projects aligned to their mission and enhance their professional development. These groups are formed around a common social identity such as gender, race, ethnicity or sexual orientation, or a life stage. Today, there are 22 ERGs across all geographic regions with over 4,300 employees participating collectively. We also offer educational workshops to employees worldwide to teach about the importance of inclusion and diversity and, to date, over 9,000 employees have completed these workshops. In addition, this past year we hosted the first-ever Global Inclusion & Diversity Summit, with the goal of continuing to raise awareness around the importance of diversity in our workplace, our marketplaces and our communities. Finally, we hold an annual Inclusion & Diversity Week, which engages employees around the world to celebrate the characteristics and qualities that make us an inclusive and diverse company. In 2017, Global Inclusion & Diversity Week was celebrated in 25 countries across five continents with over 4,000 participating employees.

**Is it critical to have metrics in place to track the impact of The Estée Lauder Companies' inclusion and diversity efforts?**

Metrics are critical in highlighting the impact we have had to date, so we can strive for continued

growth and excellence in inclusion and diversity in the future. We are proud of our accomplishments thus far, which include: 84 percent female workforce worldwide, 43 percent of our employees in the U.S. are minorities, 52 percent of our vice presidents and above are women, and nearly half of our board of directors is made up of women.

**How broadly do you define diversity at The Estée Lauder Companies?**

We define diversity at The Estée Lauder Companies very broadly. One analogy we like to use in our training sessions is the "Iceberg Analogy." An iceberg typically only has 10 percent of its mass showing, above the waterline, while the other 90 percent is below the surface. We like to compare this ratio to that of the visible versus non-visible characteristics of an individual. The 10 percent of visible personal characteristics are, generally speaking, race, gender, age and physical abilities; however, 90 percent of personal characteristics are "under the waterline," but still extremely important to a person's identity, such as sexual orientation, gender identity, religion, nationality, family composition, marital status, languages and more. Companies and organizations would never make a business decision with only 10 percent of information, so why would you judge an individual on only the characteristics you can see? Inclusion is understanding the whole 100 percent of personal characteristics of an individual.

**In your role, how valuable has it been to have the commitment of The Estée Lauder Companies' board and senior management in your diversity and inclusion efforts?**

Leadership at The Estée Lauder Companies is committed to our employees' inclusion and diversity efforts through their support of employee-led strategies, which depend heavily on senior management for executive sponsorship and participation. For example, senior leaders are executive sponsors of every Employee Resource Group (ERG). The support of our leadership ensures that inclusion and diversity is woven throughout the fabric of our culture globally, regardless of the business area, and without senior management buy-in, our efforts would not be nearly as successful as they are today.

We also have a Global Diversity Council consisting of 21 members of senior management and co-chaired by our Executive Chairman, William P. Lauder, and our President and CEO, Fabrizio Freda. This council oversees the execution of our strategy and contributes to development of forward thinking initiatives and best practices in the areas of inclusion & diversity. ●