

Mindful Luxury

An Interview with Nancy Mahon,
Senior Vice President, Global Philanthropy and Corporate Citizenship, The Estée Lauder Companies Inc.

EDITORS' NOTE Nancy Mahon was appointed to her current post in 2014. Mahon is also Global Director of the M·A·C AIDS Fund. Mahon joined The Estée Lauder Companies as Vice President, M·A·C Cosmetics and Executive Director of M·A·C AIDS Fund in 2006. She also launched M·A·C's first global employee volunteer day. In recognition of M·A·C's proven leadership for this cause, Mahon was appointed by President Obama as Chair of the President's Advisory Council on HIV/AIDS in 2011. Mahon was promoted to Senior Vice President, M·A·C Cosmetics in 2009. In 2011, she was named Senior Vice President for Philanthropy and Social Initiatives and given responsibility for cause-marketing programs for Bobbi Brown, Jo Malone London and La Mer, in addition to M·A·C. Prior to joining The Estée Lauder Companies, Mahon served as Executive Director of God's Love We Deliver and as Senior Program Executive with George Soros's Open Society Foundation. She also served as Private Delegate to the UN Commission on Women, Founding Member of the National Institute of Medicine's Forum on Global Private Public Partnerships and is a member of the Board of Directors of the Parsons School of Design, The Museum of the City of New York and Broadway Cares/Equity Fights AIDS. Mahon graduated magna cum laude from Yale University and NYU School of Law.



Nancy Mahon

COMPANY BRIEF The Estée Lauder Companies Inc. (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 brand names including: Estée Lauder, Aramis, Clinique, Prescriptives, Lab Series, Origins, Tommy Hilfiger, M·A·C, Kiton, La Mer, Bobbi Brown, Donna Karan New York, DKNY, Aveda, Jo Malone London, Bumble and bumble, Michael Kors, Darphin, Tom Ford, Smashbox, Ermenegildo Zegna, AERIN, Tory Burch, RODIN olio lusso, Le Labo, Editions de Parfums Frédéric Malle, GLAMGLOW, By Kilian, BECCA and Too Faced.

How engrained is corporate responsibility and giving within The Estée Lauder Companies' culture?

Collectively, in terms of giving, we have given upwards of \$600 million across health,

primarily to AIDS and breast cancer awareness. We have also given \$70 million in funding to breast cancer research and services throughout the world. In addition, we have given millions of dollars to Alzheimer's.

We have given a substantial amount to education and Ronald and Leonard Lauder have both given money to the arts and for performances throughout the world.

In terms of the great purpose-driven companies, we're certainly one of them. Like many purpose-driven companies, ours is a family-owned company and a strong component of the DNA of the Lauder family has always been around giving.

Over the years, as the family and the larger public corporation have acquired brands, they've looked to acquire ones that are also purpose-driven such as M·A·C and Aveda, which is focused on the environment. They have also built brands like Origins.

Over the past 10 years, it has been exciting to see an increasing focus on environmental sustainability. We have emphasized this not only through our giving, but also through creating a sustainability function within the broader enterprise brand.

We are the ultimate purpose-driven citizens and we look forward to continuing our work individually, and also through partnering with others in our sector on this front. We are also partnering with government to enhance the positive impact we have in the world.

Are the philanthropic areas Estée Lauder supports aligned with the business?

There has always been an alignment with the business. In the New York City headquarter office, we have traditionally given around \$5 million to local communities. We recently expanded on that and added a million-dollar matching gift program for U.S. employees. We have over 33 percent of our employees giving, which is three times the industry average. We expanded the program to the U.K. and immediately saw a 21 percent engagement in the first three weeks following its launch.

We also added a program that will match not only dollar for dollar of money given up to \$5,000 by employees, but also for every hour an employee volunteers, we will donate \$20 to that particular charity.

We have built on CSR and continued to expand and leverage it in keeping with some of the newer developments in the field.

It's exciting to me to see corporations stepping forward in a way that they haven't in the past.

How critical is a philanthropic focus in attracting the next group of leaders for the company?

It's critical, but we have to do it in a way that is true to who we are. What young people really want to see is CSR programs that are integrated into the business model, which we have always done.

Across sectors today, we're all competing for the same incredibly talented people, so we want to make sure that we're engaging employees while also ensuring they have a role in defining the benefits. This is where matching gifts make a difference. Employees give a great deal to health and education, so that is affirming.

Will you discuss the Girls Education Initiative and your outlook on what kind of impact it can have?

We established The Estée Lauder Companies Foundation so the enterprise brand could have a vehicle for doing its own giving programmatically and also to add value to brand giving.

We developed the Girls Education Program because we saw that the gap between the haves and the have-nots is widening across the world, particularly in the developing markets where we are growing as a company. We believe that we can help address this by supporting girls' education. We focus on girls in middle and high schools and work to provide after-school programs and academic support. We have seen that the likelihood of a girl dropping out of school is much greater than it is for a boy. This is often because of a lack of family or academic support or because the economics of the family prohibit the girl from attending school.

We partner with groups, both on a local level and more broadly, to further these efforts. This program resonates with our consumers and our employees. We run double matching programs for our employees in this area and they can also volunteer to get personally involved.

We are living in a world of mindful luxury where people not only want to buy quality products, but also want to be mindful and give back. Consumers care that we care and, if we don't care, consumers won't buy our products. ●