

# A Legacy of Care and Action

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

**EDITORS' NOTE** Nancy Mahon was previously Senior Vice President, M·A·C Cosmetics and Global Executive Director of the M·A·C AIDS Fund. In 2011, she was appointed by President Obama as Chair of the President's Advisory Council on HIV/AIDS, a role she served in for five years. Prior to joining The Estée Lauder Companies, she served as Executive Director of God's Love We Deliver and as Senior Program Executive with George Soros' Open Society Foundation. She also served as Private Delegate to the U.N. Commission on Women and as a Founding Member of the National Institute of Medicine's Forum on Global Private Public Partnerships. Mahon graduated from Yale University and NYU School of Law, where she was Editor of the Law Review and a Root-Tilden Scholar.



Nancy Mahon

**COMPANY BRIEF** The Estée Lauder Companies Inc. ([elcompanies.com](http://elcompanies.com)) is one of the world's leading manufacturers and marketers of prestige beauty skin care, makeup, fragrance and hair care products. More than \$14 billion of 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, TOM FORD BEAUTY, Smashbox, Ermenegildo Zegna, AERIN, RODIN olio lusso, Le Labo, Editions de Parfums Frédéric Malle, GLAMGLOW, KILIAN PARIS, BECCA, Too Faced and Dr. Jart+.

**Will you provide an overview of your role and key areas of focus at The Estée Lauder Companies (ELC)?**

As Senior Vice President, Global Corporate Citizenship & Sustainability at The Estée Lauder Companies, I oversee a cross-functional team that drives best practices for the company's environmental and social impact action strategy, initiatives and goals. Investing in global communities and the future of our planet is at the heart of the company's values. It's my job to operationalize these efforts across the company's brands, regions and functions. This encompasses everything from expanding our renewable energy portfolio to creating policies and processes to

drive the innovation of responsible, luxury packaging to helping to advance progress on the company's racial equity commitments by fostering partnerships with nonprofit organizations fighting for equity and justice.

**How critical is it for the head of sustainability role to be engaged in business strategy?**

It's critical for the long-term success of the business, its people and the environment. At The Estée Lauder Companies, sustainability has long been central to how the company and its brands have operated and is a key part of our corporate strategy for the future, so much so that the company made sustainability a strategic pillar and this work is sponsored by our Executive Chairman, William P. Lauder, and our President and CEO, Fabrizio Freda. In March 2019, the company decided to take its mission to a higher level and accelerate its efforts by publicly announcing new corporate citizenship and sustainability goals for 2020-2025. These goals are integrated into our corporate strategy

and across the business operations. Our citizenship and sustainability goals aim to achieve innovation, efficiency and value creation and are a fundamental part of our business strategy.

**ELC is celebrating its 75th anniversary this year. Will you discuss ELC's citizenship and sustainability commitments since the company's founding?**

The Estée Lauder Companies has always been a different kind of company since its founding 75 years ago. We've long understood the importance of embedding social impact and sustainable practices across our value chain and leveraging the strength of our enterprise and brands to support environmental and social impact causes. These values are in our DNA.

Alongside the company's deep commitment to environmental stewardship, a passion for driving positive social change and supporting the communities in which we live, work and source is a unique part of our DNA. Our flagship citizenship programs remain the bedrock of our social impact work. Since its inception in 1992, the Breast Cancer Campaign has raised more than \$99 million to support global



The Estée Lauder Companies has more than 25 prestige beauty brands



ELC reached Net Zero carbon emission and sourced 100% renewable electricity for its direct operations globally thanks in part to its growing renewable energy portfolio at its facilities around the world. Pictured is the company's new Melville, New York on-site solar array.

research, education and medical services. M·A·C VIVA GLAM's groundbreaking campaign has to-date raised more than \$500 million for the global fight against HIV/AIDS and recently expanded its mission to support health and rights for all, with a focus on women and girls and the LGBTQA community. This is the culture of purpose that's at the heart of everything we do.

As we look to the next 75 years, we will continue building on the bold legacy of our founder, Mrs. Estée Lauder, and the Lauder family, with a greater emphasis on our commitment to standing for causes that are central to our identity and long-held values.

**How has the COVID-19 pandemic impacted the work of ELC's sustainability team and how proud are you to see the resilience that your team has displayed during this unprecedented time?**

2020 was transformative in many ways and the ripple effects will be felt around the world for years to come. Our company and employees have shown resilience, tenacity and compassion throughout these tumultuous times, and it's thanks to their dedicated efforts that we remain steadfast in delivering progress against our citizenship and sustainability strategy, goals and targets – despite the significant and ongoing challenges ahead.

During this unprecedented moment, I'm incredibly proud of the way the company, its brands and its charitable foundation prioritized the well-being of its employees and global communities as well as supported the broader COVID-19 relief efforts through the production of hand sanitizer, in-kind product donations and more than \$15 million in grant support for relief and response efforts around the world.

Our actions continue to be guided by our family values and, when COVID-19 hit, we quickly established an employee relief fund dedicated to providing immediate and critical financial relief to eligible employees who have been impacted by the pandemic.

And while today, the strengths of our businesses are behind COVID-19 relief efforts and global recovery, we also know that we can't lose sight of the long term. The pandemic has not only highlighted the need to protect the planet and its resources, but it has raised the collective consciousness of the great intersectionality between the climate crisis and many of the social issues we are facing. Now, the priority for our teams is to build a holistic approach to addressing these critical global problems. As The Estée Lauder Companies and the larger business community invest in the technology and infrastructure needed to effectively tackle environmental issues, we must also continue to build a better society, one that serves the many, not the few. Now more than ever, the importance of this work is clear, for our business, our planet and our communities.

**Will you discuss ELC's recent citizenship and sustainability achievements?**

In 2020, the company achieved Net Zero carbon emissions and sourced 100 percent renewable electricity for its direct operations globally. In addition, the company also met its goal to set science-based targets for its direct operations and value chain. These new targets will enable The Estée Lauder Companies to take even more decisive action on climate change in a critical decade for our planet and global communities.

We also surpassed our goal to impact 10 million individuals in 2020 – positively

impacting the lives of more than 20 million individuals worldwide over the past two years with programs and grants focused on health, education and the environment. We are humbled and honored to help play a role in driving social change and remain committed to positively impacting current and future generations.

**How valuable is it in your role leading sustainability for ELC to have such deep engagement and commitment from ELC's management team and board of directors?**

This is incredibly valuable and critical to the success of our strategy. In working to achieve the company's citizenship and sustainability goals, the executive leadership team drives citizenship and sustainability across our organization and reports progress up to our Board of Directors. Together, our executives and Board of Directors guide our actions with a focus on patient capital, making investments and setting priorities to strengthen the business for the long term.

**Will you discuss your focus on employee engagement for ELC's sustainability work?**

At The Estée Lauder Companies, we see our employees as the ambassadors and agents of change within our organization. They are key to bringing our values to life. We have a "Leadership from Every Chair" philosophy which fosters a sense of ownership and accountability at all levels, and that's what really drives sustainable practices enterprise-wide. In our efforts to embed sustainability throughout our organization, we committed to providing 100 percent of employees worldwide with access to training on sustainability and corporate social impact programs by the end of 2020. To support the achievement of this goal, we launched a virtual, interactive learning guide to help ensure every employee, no matter what part of the business they touched, or what language they spoke, had access to information on the company's citizenship and sustainability programs and could find meaningful ways to get involved. A workforce engaged and mobilized on these important issues will help us drive our efforts forward.

**What are your key priorities for ELC's sustainability work as you look to the future?**

This is a decisive moment for action on climate as well as a pivotal moment facing our environment and communities around the world. As a global business in an ever-changing world, we understand the intersectionality between the climate crisis and many of the social issues we are facing. We firmly believe that the benefits of a healthy climate and beautiful world should be shared by everyone, and that the social and environmental sustainability agendas are inextricably connected. The urgency and imperative to act is clear and we're committed to doing our part, bringing our legacy of care and action into the future.

As a family-founded company, we feel a deep sense of responsibility to the next generation and we will continue to work with our partners to help protect the next generation from the worst impacts of climate change, be of service to our communities, and contribute to a healthy, beautiful planet for all. ●