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# ESTEE LAUDER PTY. LIMITED (ACN 008 444 719) MODERN SLAVERY STATEMENT FINANCIAL YEAR ENDING 30 JUNE 2023

## Contents

Introduction	1
Respect for Human Rights	
Operations and Structure	2
Business Operations and Structure	2
Employee Population	2
Supply Chain	3
Overview	3
Sourcing Responsibly	4
Supplier Code of Conduct and Other Policies in Relation to Modern Slavery and Human Traffickir	ng 4
Supplier Code of Conduct	4
Human Rights Policy	5
Supplier Sustainability Guidelines	6
Supplier and Modern Slavery Risk Assessment	6
Due Diligence and Remediation Processes	6
nternal Accountability and Training	8
Accountability	8
Remediation	
The Estée Lauder Code of Conduct	8
E-Learning	9
Assessing Effectiveness of Actions Taken	9
Consultation and Future Plans	9
Board Annroval	10

#### Introduction

Every day at The Estée Lauder Companies ("we", "us", "our" or "ELC", including Estee Lauder Pty. Limited)<sup>1</sup> we make choices that we know will have impact far beyond our business, and that is a responsibility we take very seriously. As we approach our operations and our value chain, we aspire to foster respect for people and the environment and to be a positive influence in every community in which we operate and from which we source.

As a global company, we comply with laws and regulations where we conduct business. We also look to those who provide use with services or goods (collectively "suppliers") to operate in compliance with all applicable laws, including, but not limited to, supply chain integrity, employment laws pertaining to forced labor and human trafficking, child labor, minimum wages, overtime compensation, hiring, and occupational safety.

This statement is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) ("Australian Modern Slavery Act") and constitutes the Modern Slavery Statement for Estee Lauder Pty. Limited (ACN 008 444 719) ("Estee Lauder AU") for the financial year ending 30 June 2023 ("FY 2023"). It mainly outlines the actions undertaken in FY 2023 to identify and minimize risks relating to modern slavery in our business and enterprise and sets out our future plan.

This statement also outlines our approach to respect human rights across our global operations and supply chain and recognizes these international protocols:

- United Nations Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights

## Respect for Human Rights

ELC, including Estee Lauder AU, respects human rights across our global operations and value chain.

The UN Guiding Principles on Business and Human Rights provide a framework to help us identify and prioritize our human rights risks and impacts. Proactive human rights due diligence is an ongoing process, and we have policies, processes, training, and systems in place to identify, assess, monitor, and mitigate or eliminate actual or potential human rights impacts.

We are required by a number of legislations, including the Australian Modern Slavery Act, to disclose publicly the steps we are taking to identify and eradicate forced labor and human trafficking in our supply chains. The following describes ELC's (including Estee Lauder AU's) relevant commitments and initiatives.

<sup>&</sup>lt;sup>1</sup> ELC, we, us, and our refer to the Estée Lauder Companies Inc. and its subsidiaries. In the case of recently acquired subsidiaries or businesses, application of this policy will be subject to a transition period, the length of which will depend on the status and capabilities of the acquired businesses and/or entities.

## **Operations and Structure**

#### **Business Operations and Structure**

ELC is one of the world's leading manufacturers, marketers, and sellers of quality skin care, makeup, fragrance, and hair care products. Established in New York in 1946, our products are now sold in approximately 150 countries and territories under brand names including: Estée Lauder, Aramis, Clinique, Lab Series, Origins, M·A·C, La Mer, Bobbi Brown Cosmetics, Aveda, Jo Malone London, Bumble and bumble, Darphin Paris, TOM FORD, Smashbox, AERIN Beauty, Le Labo, Editions de Parfums Frédéric Malle, GLAMGLOW, KILIAN PARIS, Too Faced, Dr.Jart+, and the DECIEM family of brands, including The Ordinary and NIOD.

ELC has three main geographic regions: Asia/Pacific; Europe, the Middle East & Africa (EMEA); and The Americas. Each region is composed of one or more affiliates. Today we have affiliates in more than 50 countries and territories.

Our products are sold on our own and authorized retailer websites, on third-party online malls, in stores in airports, in duty-free locations and in our own and authorized freestanding stores. In addition, our products are sold in brick-and-mortar retail stores, including department stores, specialty-multi retailers, upscale perfumeries and pharmacies and prestige salons and spas.

Estee Lauder AU is a wholly owned Australian subsidiary of Estee Lauder Cosmetics Limited (an indirectly owned subsidiary of The Estée Lauder Companies Inc.), with its principal business address at Level 24, 201 Elizabeth Street, Sydney NSW 2000, Australia.

Estee Lauder AU is a retailer, wholesaler and distributor of makeup, skincare, fragrance and haircare products. Brands marketed by Estee Lauder AU include Estée Lauder, Clinique, M·A·C, Jo Malone London, Bobbi Brown Cosmetics, La Mer, Aveda, TOM FORD, Aramis, KILIAN PARIS, Lab Series, AERIN Beauty and Le Labo. Products are sold to consumers through retailers including department stores, specialty stores, pharmacies, salons, spas and through our own direct to consumer online platforms and freestanding stores. Partnering with retailers is key to Estee Lauder AU's business model and the distribution of ELC products throughout Australia is managed from Estee Lauder AU's principal business office above and the warehousing facilities in 6 Millner Avenue, Horsley Park, Kemps Creek NSW 2178, Australia.

#### **Employee Population**

ELC is led by William P. Lauder, Executive Chairman and Fabrizio Freda is President and Chief Executive Officer. With over 60,000 employees worldwide, we recognize that in order to properly serve the communities in which we live and work, our workforce and products must reflect and represent this global diversity.

We strive to promote a safe, inclusive, and diverse work environment where all employees feel welcome and valued. It is the policy and practice of ELC (including Estee Lauder AU) to provide all employees and applicants for employment with equal employment opportunities without regard to race, creed, color, religion, sex, gender, age, national origin, alienage or citizenship status, sexual orientation, gender identity or expression, marital, partnership or familial status, disability, genetic information, veteran/military status, domestic violence victim status, or any other characteristic protected by law. This policy applies to all ELC's (including Estee Lauder AU's) activities, including, but

not limited to recruitment, hiring, compensation, assignment, training, promotion, discipline and discharge.

At the date of this statement, Estee Lauder AU employs more than 700 employees in Australia. These employees are based in department stores including Myer and David Jones, Jo Malone London/M·A·C/Aveda freestanding stores, Estée Lauder corporate and outlet stores, office and interstate field teams and warehouse premises. There are more than 30 freestanding Estée Lauder stores in Australia and over 500 points of sale catering to consumers at Australian retail outlets and online.

## Supply Chain

#### Overview

Our Global Supply Chain includes a vast network of direct and indirect suppliers (collectively, "ELC Suppliers") through which we purchase materials and services that are an integral part of our operations. Our direct supply chain is comprised of suppliers that directly contribute to ELC's products, packaging, and/or production, such as those that provide the raw ingredients for our product formulations, the materials that contribute to our packaging solutions, and third-party manufacturers. Our indirect supply chain is composed of suppliers who sell us goods and services not directly used in the manufacturing of our products, such as creative partners, stores/visual merchandise, IT services and more. ELC (including Estee Lauder AU) aims to develop long-lasting, trusting, and mutually beneficial relationships with a common basis of shared values and commitment to operating responsibly and ethically.

Our Global Supply Chain includes our world-class Manufacturing and Fulfillment, Distribution and Logistics, and Procurement and Planning operations. The collective team plans, crafts, and delivers the highest quality products and packaging for our consumers around the world. The Global Supply Chain partners closely with Global Research and Development (R&D)/Innovation as an end-to-end Value Chain, which encompasses the lifecycle of ELC's products – from inception to delivery to our consumers' hands. Underpinning the Value Chain are shared teams that ensure the quality, sustainability, safety, and innovation that spans across all that we do.

We manufacture our products primarily in our own facilities in the United States, Belgium, Switzerland, Japan, the United Kingdom, and Canada, while also leveraging global third-party manufacturing networks. We continue to evaluate our manufacturing facilities and processes and identify sourcing opportunities to improve innovation, increase efficiencies, minimize our impact on the environment, ensure supply sufficiency, and reduce costs.

Estee Lauder AU imports finished products that are manufactured either by ELC's owned facilities above or approved third party manufacturers using suppliers that should comply with our Supplier Code of Conduct (as more detailed below). Estee Lauder AU does not manufacture any products in Australia; the facility in Australia is an office for retail and distribution processes only. Most products are imported from a distribution hub in Singapore which also does not manufacture but receives products from the same facilities around the world. In some instances, Estee Lauder AU receives products from ELC's facilities directly (launch products and Aveda brand) and in some cases for promotional activities directly from approved third party facilities to avoid unnecessary extra handling.

Estee Lauder AU also purchases some materials for online services, promotional (collateral) activities, shop fitting and other services from various Australian domiciled companies which must also comply with the laws of Australia, including the Australian Modern Slavery Act. Companies used or engaged vary in size from small local organizations to larger publicly listed companies, and in all cases, Estee Lauder AU expects all companies to comply with the laws of the land.

#### Sourcing Responsibly

From the growers who cultivate raw ingredients to the logistics providers that help deliver our prestige beauty products to stores, our suppliers are integral to the success of our company. We are committed to helping our suppliers uphold the same ethical standards to which we hold ourselves accountable, within the context of local jurisdiction.

ELC sources ingredients and materials from around the world to manufacture our beauty products. Our teams work diligently to source ingredients responsibly and with attention to potential impacts on people and the environment. We aim to continuously strengthen our sourcing practices while remaining sensitive to the local communities in which we operate.

Our Responsible Sourcing team is part of our Global Procurement organization and broader Global Supply Chain function. The team works closely with the Global R&D, Global Corporate Citizenship and Sustainability, Packaging, and Legal functions. The team establishes, implements, and monitors environmentally and socially responsible and ethical sourcing practices to ensure that performance is aligned with our goals and objectives. ELC (including Estee Lauder AU) collaborates with our brands, suppliers, industry groups, and peers to continuously advance our practices.

As a condition of doing business with ELC (including Estee Lauder AU), we expect our suppliers to honor our company values and our commitment to operating as a responsible and sustainable corporate citizen. In partnership with our suppliers and everyone we touch, we are committed to compliance with the law, ethical business practices, and fostering our heritage of respect for people and the environment and serving as a positive influence in the communities we serve and from which we source.

ELC (including Estee Lauder AU) aims to support businesses owned by a wide cross section of individuals, including ethnic minorities, women, the LGBTQIA+ community, veterans, and people with disabilities through our procurement practices. Our objective is to help drive inclusive economic development and growth of diverse and small businesses in the supplier base.

## Supplier Code of Conduct and Other Policies in Relation to Modern Slavery and Human Trafficking

#### Supplier Code of Conduct

Our <u>Supplier Code of Conduct</u> (the "Supplier Code"), along with ELC's Human Rights Policy, outlines our expectations for suppliers with respect to human rights, and local communities, as well as the workplace. It is the foundation of our program to source responsibly. The Supplier Code, which is

based on internationally recognized standards, including the Universal Declaration of Human Rights and International Labor Organization's Conventions, is organized into three sections:

- Engage in lawful and ethical business practices
- Promote a respectful, fair, and inclusive workplace
- Provide a safe, healthy workplace and protect the environment and community

It covers areas including Confidentiality and Privacy, Fair Competition, Child Labor, and Forced Labor, among others. To meet the needs of our diverse and global network of suppliers, the Supplier Code is available in several languages.

In conjunction with our standard purchasing contracts, the Supplier Code requires that suppliers be in full compliance with all applicable governmental, legal, regulatory, and professional rules and regulations governing minimum wages, work hours, overtime compensation, hiring, occupational safety, forced and/or child labor. This policy sets forth the basic requirements ELC (including Estee Lauder AU) expects of suppliers, including vendors, service providers, independent contractors and consultants, as a condition of doing business with ELC (including Estee Lauder AU).

The Supplier Code specifies that ELC Suppliers must not employ child labor. The term "child" means any person employed under the age of 15 (or 14 where the law of the country permits) or under the minimum age for employment in the country, whichever is greater. ELC Suppliers employing young workers (workers above the minimum age of employment but under the age of 18) must comply with applicable laws and regulations regarding hours, compensation and must avoid conditions or restrictions that could be harmful to their morals, health, safety, and development. These same expectations are upheld at all ELC owned and operated sites.

The Supplier Code also specifies that ELC Suppliers must not use or benefit from any form of human trafficking, or forced or compulsory labor of any kind, be it prison, bonded, indentured or otherwise. Furthermore, mandatory overtime is not permitted, and workers must be allowed to leave their employment after giving reasonable notice. Imposing monetary fines, withholding identity papers (such as passports), work permits, remuneration or requiring recruitment deposits or other constraints as a condition of employment, is not allowed.

#### Human Rights Policy

We have conducted a corporate-level Human Rights Assessment (HRA) based on the methodology outlined by the UN Guiding Principles on Business and Human Rights, the global standard for HRAs. Through the HRA process, we assessed human rights risks and impacts across our operations, including our corporate policies and procedures, as well as our supply chain, manufacturing, and retail operations. The HRA has provided us with a framework to help identify and prioritize our salient human rights risks and impacts, and to identify key actions for improvement. Our Human Rights policy is available here: <a href="https://www.elcompanies.com/en/our-commitments/viewpoints/human-rights-policy">https://www.elcompanies.com/en/our-commitments/viewpoints/human-rights-policy</a>

This policy applies to all ELC (including Estee Lauder AU) employees, locations, operating companies and employees of subsidiaries and joint ventures in which we hold a majority interest. We also expect our suppliers to respect human rights in their own operations and supply chains. We promote a culture of uncompromising ethics and integrity and put forth standards to uphold the principles and ideals

that make us a global leader in prestige beauty. We have tailored approaches for various stakeholder groups that focus on key risks and opportunities.

#### Supplier Sustainability Guidelines

In addition to the Supplier Code, our Supplier Sustainability Guidelines provide ELC suppliers with practical actions they can take to manage the environmental and social impacts of their own operations. These Guidelines help ELC suppliers to build on the foundation and standards of the Supplier Code requirements and apply to its business sustainability and human rights best practices and continuously improve.

Supplier Sustainability Guidelines can be found here: <a href="https://media.elcompanies.com/files/e/estee-lauder-companies/universal/our-commitments/supplier-code-of-conduct/elc supplier%20sustainability%20guidelines.pdf">https://media.elcompanies.com/files/e/estee-lauder-companies/universal/our-commitments/supplier-code-of-conduct/elc supplier%20sustainability%20guidelines.pdf</a>

For further information about our wider sustainability efforts, please see our latest Social Impact and Sustainability Report found here: <a href="https://www.elcompanies.com/en/our-commitments/social-impact-and-sustainability-report">https://www.elcompanies.com/en/our-commitments/social-impact-and-sustainability-report</a>.

## Supplier and Modern Slavery Risk Assessment

As a world leading manufacturer, marketer, and seller of quality skincare, makeup, fragrance and hair care products, ELC (including Estee Lauder AU) recognizes the importance of considering how the skincare, cosmetics and retail industries and our company's global network of supply chains can be linked to modern slavery.

Some possible risks identified in ELC's (including Estee Lauder AU's) operations and supply chains are:

- Working directly or indirectly with suppliers in farming, remote and/or rural regions, that employ temporary, seasonal and/or immigrant workers; and
- <u>High demand for our products and delivery timeframes</u> which may require ELC suppliers to engage in practices including imposing excessive working hours.

ELC (including Estee Lauder AU) aims to mitigate the risk of modern slavery occurring in our operations and supply chains by promoting and enforcing our policies, including but not limited to the Supplier Code, performing due diligence and assessment, and maintaining internal accountability and training as more detailed below. These policies, controls and processes have been widely communicated within ELC's businesses, including Estee Lauder AU, and guidance has been provided to management across all group companies including Estee Lauder AU.

## **Due Diligence and Remediation Processes**

ELC (including Estee Lauder AU) takes a risk-based approach to supplier due diligence. ELC (including Estee Lauder AU) conducts due diligence as part of new supplier qualifications and assess risk of existing direct and indirect suppliers annually. We risk-rank direct and indirect suppliers globally based

on pre-established criteria, such as location of operations, type of goods or services being sourced, and potential impact to our business. Based on the risk ranking of the supplier, we conduct additional due diligence using third-party on-site audits or assessments, as appropriate. To help us determine country risk, we use a third-party provider that assesses each country based on its approaches to social impact and sustainability topics including environment, health and safety, social issues, corruption, and human rights risks.

Effectively addressing the challenges related to sustainable sourcing requires collaboration between governments, civil society, local communities, and private enterprise. As part of this process, ELC (including Estee Lauder AU) is committed to partnering with organizations that help us build and strengthen our sourcing strategies and participating in multi-stakeholder collaborative initiatives to ensure continuous improvements in our sourcing practices.

ELC (including Estee Lauder AU) monitors our ELC Suppliers to ensure adherence to the Supplier Code and pay careful attention to potential risks. ELC (including Estee Lauder AU) conducts risk assessments and perform due diligence on select direct and indirect suppliers. We also monitor supplier performance and implement corrective action plans as needed for remediation purpose.

Notably, ELC (including Estee Lauder AU) works with ELC Suppliers, as appropriate, to ensure they fully understand the intent and requirements of the Supplier Code. ELC Suppliers are expected to make all reasonable efforts to communicate the Supplier Code, to their workers, as appropriate, and provide workers with the opportunity to ask questions and raise concerns.

ELC (including Estee Lauder AU) approves new suppliers or new manufacturing plants after suppliers meet the requirements set forth in the Supplier Code evaluation process, which requires all ELC Suppliers to sign the Supplier Code and applicable ELC Suppliers to complete an assessment or on-site audit. ELC (including Estee Lauder AU) then contracts with third parties to conduct on-site audits for ELC Suppliers that are selected based on criteria such as geography, type of material, and impact to the business.

We also use EcoVadis, an online ratings service, to help us assess direct and indirect suppliers on their environmental, labor, and human rights, ethics and procurement policies, practices, and reported results. The EcoVadis tool ranks suppliers with numerical scores that reflect the maturity level of their sustainability programs, practices, and initiatives. ELC (including Estee Lauder AU) expects our direct strategic suppliers – those with the highest level of collaborative partnership – to achieve an "advanced" EcoVadis score and other direct suppliers to achieve at least a "satisfactory" score. We engage with direct suppliers to help them improve.

If ELC determines that the supplier is not in compliance, then remedies may include, among other things, termination of relevant business or development and implementation of a corrective action plan that would need to be implemented within a certain fixed time period. ELC (including Estee Lauder AU) may follow such implementation with an audit, where deemed appropriate.

ELC (including Estee Lauder AU) senior management continue to recognize that modern slavery and human trafficking are issues of global importance and scale. Where the processes and controls we have implemented identify an unacceptable level of risk of modern slavery or human trafficking we are committed to taking action, including ending relationships with suppliers.

## Internal Accountability and Training

ELC (including Estee Lauder AU) promotes a culture of uncompromising ethics and integrity with standards to help us uphold the principles and ideals that make us a global leader in prestige beauty.

#### Accountability

ELC (including Estee Lauder AU) expects our employees and business partners to conduct business in compliance with applicable laws and regulations and with the high ethical standards and policies set forth in our ELC Code of Conduct (the "Code") and Supplier Code.

Our Code helps to protect our reputation as an ethical corporate citizen. Newly hired employees of Estee Lauder AU are required to sign an acknowledgement that they have received, read, and will comply with the Code. In addition, annually, employees above certain levels are required to complete Code training and acknowledge the Code. From time to time, we conduct additional trainings on the Code for groups of our employees.

#### Remediation

ELC (including Estee Lauder AU) promotes a speak-up culture and provide a mechanism for reporting suspected misconduct. The ELC Integrity Helpline (<a href="https://integrity.elcompanies.com">https://integrity.elcompanies.com</a>) is a resource available for employees, suppliers, customers, and other stakeholders to report conduct that may be illegal, unethical or a violation of our Code, Human Rights Policy, or Supplier Code. Concerns may be reported to the ELC Integrity Helpline via telephone or web, 24 hours a day, 7 days a week and in many languages.

ELC (including Estee Lauder AU) has standard operating procedures to manage reports to ensure consistent investigation and response procedures across incident types and reporting channels. Serious violations are reviewed by ELC's Ethics and Compliance Committee, which oversees implementation of the Code.

ELC (including Estee Lauder AU) will not tolerate retaliation against anyone who in good faith raises questions or concerns about a potential violation of the law, our Code, or company policies, or who assists in an investigation of a reported violation. Retaliation in any form is itself a serious violation of our Code and is strictly prohibited. Acts of retaliation or potential retaliation should be reported immediately. Anyone found to have retaliated against an individual will be subject to disciplinary action, up to and including termination of employment.

#### The Estée Lauder Code of Conduct

The Code outlines our expectations for promoting a respectful workplace, engaging in ethical business practices, and operating in a socially responsible and fair manner.

ELC (including Estee Lauder AU) employees are expected to conduct themselves at all times within the letter and the spirit of the Code. Employees are required to sign off on the Code upon hire and certain employees receive Code refresher training. ELC (including Estee Lauder AU) conducts training for managers, supervisors and other appropriate employees on topics related to our Code, inclusive of unconscious bias and inclusion and diversity training. We have policies, processes, training, and systems in place to identify, assess, monitor, and mitigate or eliminate actual or potential human rights impacts.

#### E-Learning

We lean on the tools of collaboration and partnerships to advance our responsible sourcing practices, and that includes bringing our employees along on our journey. ELC launched "Sourcing Responsibly at ELC", an e-learning program available on our internal ELC Learning Hub.

The primary objective of this course is to equip our employees with a comprehensive understanding of Sourcing Responsibly at ELC (including Estee Lauder AU). Through this learning journey, participants are introduced to the internal and external initiatives undertaken by the Responsible Sourcing team, all of which are aligned with the core principles of ELC's Sourcing Responsibly Strategy.

## Assessing Effectiveness of Actions Taken

We strongly believe that our policies and processes effectively prevent and minimize modern slavery and human trafficking risks internally and throughout our supply chain.

Appropriate reporting is key for efficient policies. We achieve this objective by enforcing a strict noretaliation rule. As mentioned above, ELC (including Estee Lauder AU) will not retaliate against any person for raising a genuine complaint in good faith or participating in any investigation in good faith, and will not tolerate retaliation by others against complainants in such circumstances. We are committed to having a workplace in which employees can report an ethical concern free of any harassment, discrimination, or retaliation in violation of our policies. With the inclusion of the Supplier Code in our agreements with suppliers, we have extended this commitment to all persons involved in our supply chains.

### **Consultation and Future Plans**

Estee Lauder AU closely communicates with its headquarters in the United States and with all overseas affiliates and branches. Appropriate divisions of ELC (covering all relevant regions) also work to enhance the communication between related overseas affiliates/branches on issues including in relation to modern slavery and human trafficking.

Looking to the future, ELC (including Estee Lauder AU) will continue to:

- source our suppliers responsibly;
- expect and require our suppliers to operate in full compliance with all applicable laws and the Supplier Code; and
- review our policies, including those mentioned in this statement, to ensure they adequately address identified modern slavery risks and reflect international best practice.

The long-term objective of ELC (including Estee Lauder AU) is to continue to examine all links in our supply chains and work collaboratively with external stakeholders to ensure that the risks of modern slavery are minimized as much as possible. We will continue to work to increase awareness of these risks together with our staff, business partners and suppliers to ensure there is a strong commitment to the eradication of modern slavery.

## **Board Approval**

For the purposes of the Australian Modern Slavery Act, this statement was approved by the Board of Directors of Estee Lauder AU on 19 December 2023.

Emmerentia Wilding

Director - Estee Lauder Pty. Limited (ACN 008 444 719)

19 December 2023