



**Estee Lauder**  
**Environmental Assessment:**  
**Initial Green MOU Annual Report**  
**January 28, 2014**



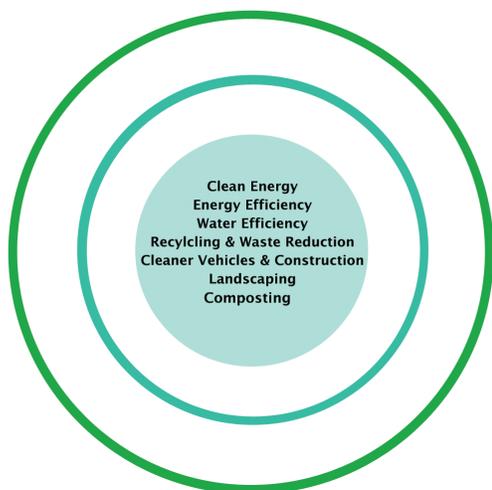
**Environmental Protection Agency**  
**Region 2**

Andrew Bellina, PE  
*Senior Policy Advisor*  
212-637-4126

Jose Pillich  
Michael Wanser  
*Research Analysts*

## Accomplishments

Reductions of 59,144 MTCO<sub>2</sub>e



## Memorandum of Understanding

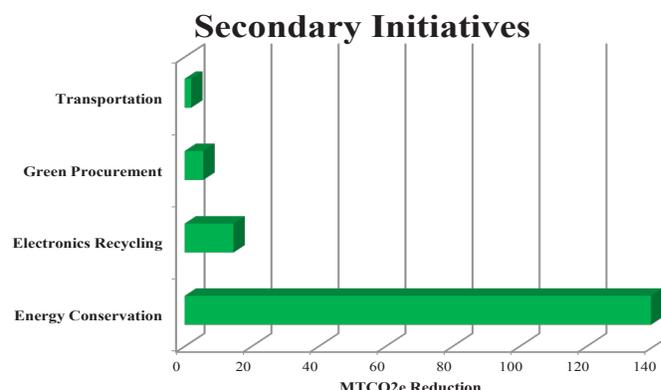
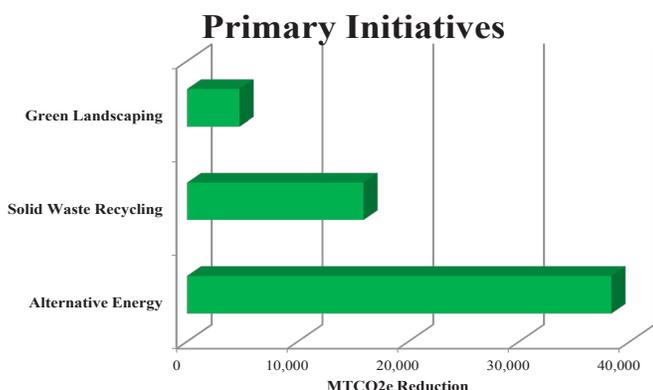
On December 4, 2012, Estee Lauder signed a broad Memorandum of Understanding (MOU) related to environmental stewardship with the company pledging to implement a number of green initiatives to help reduce its carbon footprint and further improve our planet's environment. This partnership between the United States Environmental Protection Agency (EPA) and Estee Lauder already has resulted in reducing energy, water and solid waste production across Estee Lauder's operations.

## Reduction in Environmental Footprint

This is the first Green MOU update documenting Estee Lauder's green initiatives. The EPA has analyzed the submitted information and generated an environmental footprint reduction summary. The initial Green MOU results indicate that Estee Lauder has managed to reduce its carbon footprint by an incredible 59,144 MTCO<sub>2</sub>e\* and saved an estimated \$316,000 in operating expenses. During the year since the Green MOU signing, Estee Lauder has implemented a number of significant sustainable and green projects. These green practices are discussed in the narrative of this report and will provide additional significant carbon footprint reduction during the subsequent periods of the Green MOU.

\*Metric Ton Carbon Dioxide Equivalent

Environmental Metrics	Total Sector (MTCO <sub>2</sub> e)
Energy Conservation	139.2
Alternative Energy	38,320.5
Solid Waste Recycling	15,928.6
Green Procurement	5.6
Green Landscaping	4,733.6
Electronics Recycling	14.6
Transportation	1.9
Total (MTCO <sub>2</sub> e)	59,144.0



## Measurement and Continuous Improvements

EPA uses these environmental conversion models to calculate metric tons of carbon dioxide equivalents:

Greenhouse Gas Equivalencies (GHG) Calculator converts GHG reductions into scenarios that can be easily communicated to the public.

eGRID Version 1.1 (2007) and the EPA Pollution Prevention (P2) GHG Conversion Tool which convert standard metrics for electricity, green energy, fuel use, chemical use, water use, and sustainable materials management into MTCO<sub>2</sub>e.

The EPA WARM Model which helps calculate GHG emission reductions from several different waste management practices, including source reduction, recycling, combustion, composting and landfilling.

The EPA Pollution Prevention (P2) Cost Calculator estimates cost savings associated with GHG reductions.

Certain environmental data points cannot be converted to MTCO<sub>2</sub>e because scientific models do not currently exist.

As methodologies improve, environmental assessments will be updated to include any new GHG reduction estimates.

## Accomplishments

Reductions of 59,144 MTCO<sub>2</sub>e

### Greenhouse Gas Equivalencies

What does the reduction of 59,144 MTCO<sub>2</sub>e represent ?  
The organization's effort is equivalent to any one of the following:

- Annual greenhouse gas emissions from 12,322 vehicles



- Carbon dioxide emissions from 6,630,493 gallons of gasoline



- Carbon dioxide emissions from 137,544 barrels of oil consumed



- Carbon dioxide emissions from the energy use of 2,954 homes for one year



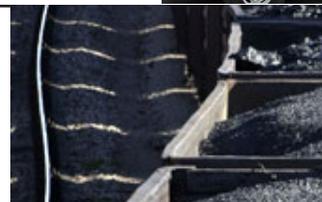
- Carbon dioxide emissions from 2,464,333 propane tanks used for home barbeques



- Carbon dioxide emissions from gasoline carried by 780 tanker trucks



- Carbon dioxide emissions from burning 254 railcars' worth of coal (nearly 4 miles long)





Environmental Metrics	Dec 2012 MOU	Dec 2013 Update	Total Conversion (MTCO2e)	Cost Savings (est.)
<b>Energy Conservation/Energy Star</b>				
<b>Total Savings (MTCO2e)</b>		<b>139.2</b>	<b>139.2</b>	<b>\$26,387</b>
Miscellaneous Energy Conservation		3,280 kwh	2.0	\$474
Web Based Energy Competition				
Motors and Transformers				
Lighting Project Fixtures (bulbs and ballast)				
High Temp Hot Water Pipe Replacement				
HVAC, Chiller & Electrical		129,600 kwh	78.7	\$18,727
Bulb Replacement (CFLs)				
Bulb Replacement (LEDs)				
Gas Savings		11,000 therms	58.5	\$7,186
Fuel Oil Savings				
Steam Savings				
<b>Alternative Energy</b>				
<b>Total Savings (MTCO2e)</b>		<b>38,320.5</b>	<b>38,320.5</b>	<b>\$388</b>
On-Site Solar		83,400 kwh	50.6	\$12,051
On-Site Wind				
On-Site Geothermal				
On-Site Combined Heat and Power				
Purchase of Green Energy/Green Power		63,042,133 kwh	38,269.8	(\$11,663)
<b>Water Conservation/WaterSense</b>				
<b>Total Savings (MTCO2e)</b>			<b>0.0</b>	<b>\$0</b>
Miscellaneous Water Conservation				
Low Flow/Hands Free Faucets				
Low Flow Toilets				
Low Flow Shower Heads				
Low Flow Urinals				
Waterless Urinals				
<b>Solid Waste Recycling</b>				
<b>Total Savings (MTCO2e)</b>		<b>15,928.6</b>	<b>15,928.6</b>	<b>\$229,246</b>
Mixed Recyclables (includes Wastewise)				
Pallets Waste Avoided / Wood Recycled		1967.209 tons	4,839.3	\$78,688
Steel Recycled Offsite during Deconstruction				
Concrete / Asphalt Recycled during Deconstruction				
Recycled C&D Waste (construction waste)				
Cardboard (construction/non-construction/sharp containers)		2815.53 tons	8,756.3	\$112,621
Mixed Metal (construction/non-construction)		110.25 tons	437.7	\$4,410
Paper, Mixed				
Plastic, Mixed (bottles, construction/non-construction, sharp containers)		208.91 tons	204.7	\$8,357
Can / Bottle Recycling		1.73 tons	8.5	\$69
Mixed Organics				
Food Donation (Waste diversion)				
Biosolids and Food Waste Recycling / Composting		16.92 tons	3.4	\$677
Fluorescent Bulbs				





Environmental Metrics	Dec 2012 MOU	Dec 2013 Update	Total Conversion (MTCO <sub>2</sub> e)	Cost Savings (est.)
<b>Electronics/EPEAT</b>				
<b>Total Savings (MTCO<sub>2</sub>e)</b>		14.6	14.6	\$364
Recycling of Electronics		9.1 tons	14.6	\$364
Re-Use/Donation of Used Computers				
Toner/Ink Recycling and Use of Recycled Ink				
Battery Recycling				
<b>Mass Transit</b>				
<b>Total Savings (MTCO<sub>2</sub>e)</b>			0.0	\$0
Miles Avoided				
<b>Transportation</b>				
<b>Total Savings (MTCO<sub>2</sub>e)</b>		1.9	1.9	\$1,500
Hybrid Vehicles		1	1.9	\$1,500
Electric Vehicles				
Biodiesel Vehicles				
Commuter Gas Savings				
Clean Construction Vehicles				
LNG Vehicles				
Alternate Fuel Vehicles (Zipcar)				
Smartway Transporters		24		
Bike Racks				
<b>LEED Projects</b>				
<b>Total Savings (MTCO<sub>2</sub>e)</b>			0.0	\$0
Silver - 30%				
Gold - 40%				
Platinum - 45%				
<b>Misc. - Further Clarification</b>				
<b>Total Savings (MTCO<sub>2</sub>e)</b>				
NOX (equipment only)				
NOX (includes vehicles)				
<b>MTCO<sub>2</sub>e Savings</b>				
<b>Total (MTCO<sub>2</sub>e)</b>	0.0	59,144.0	59,144.0	\$316,232
Energy Conservation	0.0	139.2	139.2	\$26,387
Alternative Energy	0.0	38,320.5	38,320.5	\$388
Water Conservation	0.0	0.0	0.0	\$0
Solid Waste Recycling	0.0	15,928.6	15,928.6	\$229,246
Green Procurement	0.0	5.6	5.6	\$0
Green Landscaping	0.0	4,733.6	4,733.6	\$58,347
Electronics Recycling	0.0	14.6	14.6	\$364
Transportation	0.0	1.9	1.9	\$1,500

## Estee Lauder Additional Green MOU Accomplishments

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### *Sustainable Packaging*

Estee Lauder's Aveda currently has several products with Gold Level C2C certification, which meet defined requirements for sustainability in manufacturing, formulation and recyclable packaging.

Estee Lauder's Origins products come in bottles and jars made from 100% post-consumer recycled materials. Cartons are made with renewable energy.

Estee Lauder's pureDKNY fragrance showcases sustainability in and outside the bottle. The glass is 100% recyclable and a key ingredient, vanilla, is sustainably grown by small farmers.

### *Recycling*

Employees at Estee Lauder's Melville, New York facility have come up with ingenious ways to recycle packaging and reduce waste that are cost-conscious and eco-friendly.

Most recycling programs don't accept plastic bottle caps, but Estee Lauder's Aveda brand does. In three years, the cap collection program has collected 150 tons of caps for reuse in Aveda packaging.

Estee Lauder's Origins counters and retail stores accept empty cosmetic packages, regardless of brand, through the Return To Origins Recycling Program. The packaging is either recycled or responsibly converted to energy.

### *Energy Conservation*

More than 90% of the energy used in the automated storage warehouse at their Melville manufacturing complex comes from the 1,850 new solar panels that Estee Lauder added in 2011.

Aveda's funding of new wind energy sources generates enough wind energy to offset 100% of the electricity used by its manufacturing, distribution and headquarters facilities.

### *Biodiversity*

Estee Lauder is committed to the sustainable harvesting and use of natural ingredients.

Sea kelp is an essential ingredient in La Mer's signature Miracle Broth™. Through its partnership with Oceana, La Mer is committed to conserving undersea kelp forests by harvesting only the top fronds.

Ojon is committed to environmental preservation in Honduras and works with local producers to ensure sustainable forest management, enhancing social, ecological and economic conditions in the Mosquitia region.