



Estee Lauder
Environmental Assessment:
Green MOU Annual Report
September 15, 2015

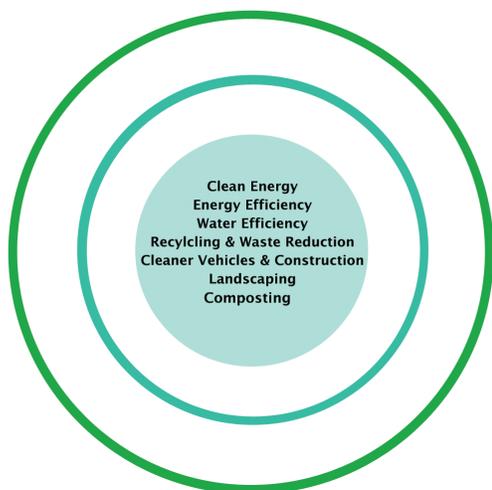


Environmental Protection Agency
Region 2

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Accomplishments

Reductions of 127,748 MTCO₂e



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.

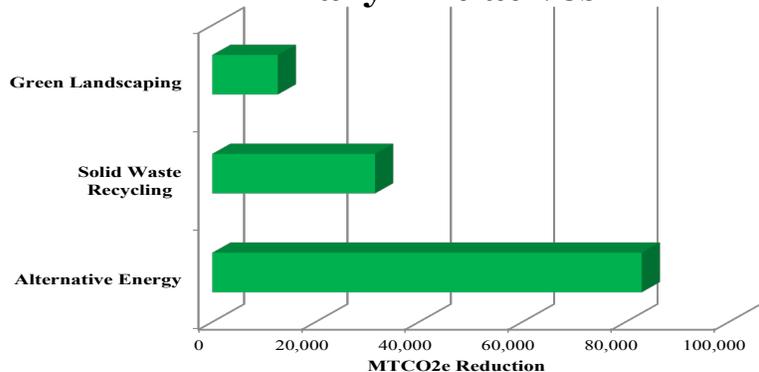
Reduction in Environmental Footprint

This is the second 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 127,748 MTCO₂e* and saved an estimated \$709,527 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.

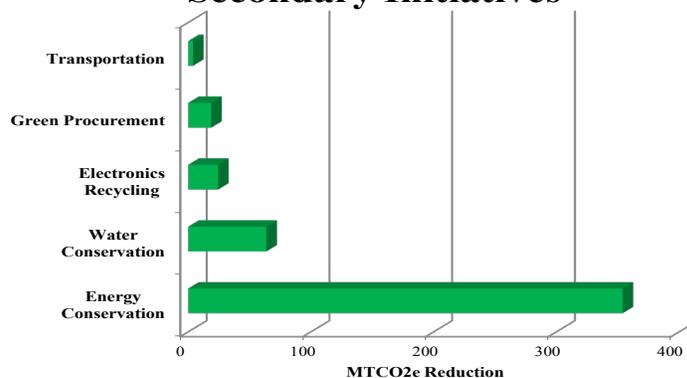
*Metric Ton Carbon Dioxide Equivalent

Environmental Metrics	Total Sector (MTCO ₂ e)
Energy Conservation	353.9
Alternative Energy	83,109.9
Water Conservation	63.7
Solid Waste Recycling	31,500.7
Green Procurement	18.7
Green Landscaping	12,672.5
Electronics Recycling	24.3
Transportation	3.9
Total (MTCO ₂ e)	127,747.5

Primary Initiatives



Secondary Initiatives



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. This report utilized conversion factors developed from prior report(s).

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 MTCO₂e.

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 MTCO₂e 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 127,748 MTCO₂e

Greenhouse Gas Equivalencies

What does the reduction of 127,748 MTCO₂e represent ?
The organization's effort is equivalent to any one of the following:

- Annual greenhouse gas emissions from 26,894 vehicles



- Carbon dioxide emissions from 14,374,648 gallons of gasoline



- Carbon dioxide emissions from 297,087 barrels of oil consumed



- Carbon dioxide emissions from the energy use of 11,656 homes for one year



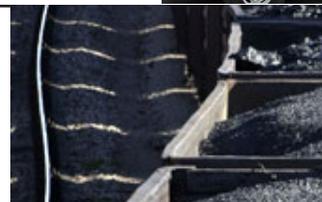
- Carbon dioxide emissions from 5,322,813 propane tanks used for home barbeques



- Carbon dioxide emissions from gasoline carried by 1,691 tanker trucks



- Carbon dioxide emissions from burning 685 railcars' worth of coal (over 10 miles long)





Environmental Metrics	Dec 2012 MOU	Dec 2013 Update	Dec 2014 Update	Total Conversion (MTCO2e)	Cost Savings (est.)
Energy Conservation/Energy Star					
Total Savings (MTCO2e)		146	208	354	\$65,133
Miscellaneous Energy Conservation		3,280 kwh	3,285 kwh	4	\$949
Web Based Energy Competition					
Motors and Transformers					
Lighting Project Fixtures (bulbs and ballast)			73,000 kwh	48	\$10,549
High Temp Hot Water Pipe Replacement					
HVAC, Chiller & Electrical		129,600 kwh	129,600 kwh	170	\$37,454
Bulb Replacement (CFLs)					
Bulb Replacement (LEDs)					
Gas Savings		11,000 therms	13,770 therms	131	\$16,181
Fuel Oil Savings					
Steam Savings					
Alternative Energy					
Total Savings (MTCO2e)		41,457	41,653	83,110	(\$3,303)
On-Site Solar		83,400 kwh	55,583 kwh	91	\$20,083
On-Site Wind					
On-Site Geothermal					
On-Site Combined Heat and Power					
Purchase of Green Energy/Green Power		63,042,133 kwh	63,367,536 kwh	83,019	(\$23,386)
Water Conservation/WaterSense					
Total Savings (MTCO2e)		32	32	64	\$73,839
Miscellaneous Water Conservation		14,688,000 gal	14,688,000 gal	64	\$73,839
Solid Waste Recycling					
Total Savings (MTCO2e)		16,029	15,472	31,501	\$453,556
Mixed Recyclables (includes Wastewise)					
Pallets Waste Avoided / Wood Recycled		1967.209 tons	2223.74 tons	10,310	\$167,638
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	2981.08 tons	18,085	\$231,864
Mixed Metal (construction/non-construction)		110.25 tons	74 tons	807	\$7,370
Paper, Mixed					
Plastic, Mixed (bottles, construction/non-construction, sharp containers)		208.91 tons	228.73 tons	451	\$17,506
Can / Bottle Recycling		1.73 tons	3.49 tons	26	\$209
Mixed Organics					
Food Donation (Waste diversion)					
Biosolids and Food Waste Recycling / Composting		16.92 tons	24.98 tons	6	\$1,676



Environmental Metrics	Dec 2012 MOU	Dec 2013 Update	Dec 2014 Update	Total Conversion (MTCO2e)	Cost Savings (est.)
Newspapers					
Office Paper		46.93 tons	36.35 tons	238	\$3,331
Phonebooks					
Textbooks					
Dimensional Lumber					
Fly Ash					
Aluminum Cans / Pallets					
Glass		13.25 tons	33.23 tons	13	\$1,859
Non-Ferrous Metals					
Fats, Oils, Grease		0.36 MT (99 gal)	1.84 MT (506 gal)	7	\$103
Packaging Material Recycled		550 tons		1,557	\$22,000
Green Procurement					
Total Savings (MTCO2e)		6	13	19	\$0
Re-Use/Purchase of Materials with Recycled Content (Paper)		2004 reams 100%PC	4740 reams 100%PC	19	
Purchase / Use of Compost Socks					
Purchase of EPEAT Products					
Green Landscaping					
Total Savings (MTCO2e)		4,734	7,939	12,672	\$116,694
Green Roofs					
Porous Pavement					
Grass					
Low / No Mow Area		5 acres	5 acres	90	\$116,550
Re-use of Collected Stormwater					
On-Site Use of Compost / Mulch		10 cu yd	10 cu yd	1	\$144
Moisture Sensing Sprinklers					
Number / Acres of Trees		45,027 trees	83,232 trees	10,761	
Reflective Roof		607,000 sq ft	607,000 sq ft	1,821	
Synthetic Turf					
Native Plants		0.75 acres	0.75 acres		
Leaves Composted					
Electronics/EPEAT					
Total Savings (MTCO2e)		15	10	24	\$608
Recycling of Electronics		9.1 tons	6.1 tons	24	\$608
Re-Use/Donation of Used Computers					
Toner/Ink Recycling and Use of Recycled Ink					
Battery Recycling					



Environmental Metrics	Dec 2012 MOU	Dec 2013 Update	Dec 2014 Update	Total Conversion (MTCO2e)	Cost Savings (est.)
Mass Transit					
Total Savings (MTCO2e)				0	\$0
Miles Avoided					
Transportation					
Total Savings (MTCO2e)		2	2	4	\$3,000
Hybrid Vehicles		1	1	4	\$3,000
Electric Vehicles					
Biodiesel Vehicles					
Commuter Gas Savings					
Clean Construction Vehicles					
LNG Vehicles					
Alternate Fuel Vehicles (Zipcar)					
Smartway Transporters		24	24		
Bike Racks					
MTCO2e Savings					
Total (MTCO2e)	0	62,419	65,328	127,748	\$709,527
Energy Conservation	0	146	208	354	\$65,133
Alternative Energy	0	41,457	41,653	83,110	(\$3,303)
Water Conservation	0	32	32	64	\$73,839
Solid Waste Recycling	0	16,029	15,472	31,501	\$453,556
Green Procurement	0	6	13	19	\$0
Green Landscaping	0	4,734	7,939	12,672	\$116,694
Electronics Recycling	0	15	10	24	\$608
Transportation	0	2	2	4	\$3,000

Estee Lauder Additional Green MOU Accomplishments

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.