

NAME OF REGISTRANT: The Estee Lauder Companies

NAME OF PERSON RELYING ON EXEMPTION: Green Century Capital Management

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Written materials are submitted pursuant to Rule 14a-6(g)(1) promulgated under the Securities Exchange Act of 1934. Green Century Equity Fund does not beneficially own more than \$5 million of securities in the Registrant company. Submission is not required of this filer under the terms of the Rule but is made voluntarily in the interest of public disclosure and consideration of these important issues.

Shareholder Proposal No. 4 on The Estee Lauder Companies 2026 Proxy Statement: Additional Reporting on Plastic Packaging The Estee Lauder Companies Symbol: EL Filed by: The Green Century Equity Fund
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Green Century Capital Management seeks your support for the plastic-related proposal filed at The Estee Lauder Companies (hereby referred to as “Estee Lauder” or “the Company”) in the 2026 proxy statement asking the Company to issue a report assessing if and how it could disclose its total plastic usage and increase its efforts to reduce harm to human health and the environment from plastic packaging. The Proponent believes that taking such action would serve the long-term interests of the Company by mitigating legal, regulatory, and market access loss risks.

Resolved: Shareholders request that Estée Lauder issue a report beyond existing disclosure within one year, at reasonable cost and omitting proprietary and privileged information, assessing if and how the Company can increase the scale, pace, and rigor of its efforts to reduce harm to health and the environment from plastic packaging, and quantifying and tracking its total plastic usage.

SUPPORTING STATEMENT: Proponents defer to management on the content of the report but suggest that indicators meaningful to shareholders may include a time-bound goal to reduce its total plastic use.

RATIONALE FOR A “YES” VOTE

- 1. Legal and Regulatory risk:** The European Union, the UK and seven U.S. states have adopted extended producer responsibility laws that make producers responsible for post-consumer packaging waste management, and similar bills have been introduced in eight additional states.^{1,2} These laws include higher fees for packaging that is hard to recycle.

¹ https://environment.ec.europa.eu/topics/waste-and-recycling/packaging-waste/packaging-packaging-waste-regulation_en

² <https://www.proskauer.com/alert/the-2025-guide-to-epr-packaging-compliance>

2. **Market Access Loss risk:** 90% of beauty consumers in a 2025 survey said that they are more likely to purchase from a brand with eco-friendly packaging.³ Failure to meet this demand may result in market access loss.
3. **Reputational Risk:** Estee Lauder relies on a strong brand image which could be harmed if the company does not demonstrate that it is taking effective measures to manage impacts of its plastic use
4. **Falling Behind Peers:** Estee Lauder is falling behind its peers who provide more comprehensive disclosure on their plastic use and how they are managing risks related to their plastic footprints.

This is not a solicitation of authority to vote your proxy. Please DO NOT send us your proxy card; Green Century is not able to vote your proxies, nor does this communication contemplate such an event. Green Century urges shareholders to vote for Item number 6 following the instruction provided on the management's proxy mailing.

BACKGROUND

Growing plastic use is a global systemic risk. Only 9% of plastic waste globally is recycled while an estimated 11 million tons of plastic pollution is released into the ocean annually According to the Breaking the Plastic Wave 2025 report published by the Pew Charitable Trusts, 130 million metric tons of plastic polluted the environment in 2025.⁴ Under a business as usual scenario, the annual cost to dispose of plastic waste will increase to \$140 billion by 2040, plastic pollution will double, and greenhouse gas emissions from plastic production will undermine global efforts to limit global warming.⁵

The costs of impacts on human health are also staggering. Plastic pollution and chemicals used in plastic products are linked to multiple health impacts, including cancer, asthma, and infertility. Plastic chemicals alone are estimated to cause an estimated \$1.5 trillion in health costs globally.⁶ Consumers and regulators are also increasingly concerned about microplastics and nanoplastics, which have been found throughout the human body. Animal and cellular studies have linked microplastics to inflammation, an impaired immune system and abnormal organ development.⁷

³ <https://www.shorr.com/resources/blog/sustainable-packaging-consumer-report/#:~:text=Sustainable%20Packaging%20&%20Brand%20Loyalty,between%20sustainability%20and%20consumer%20advocacy.>

⁴ <https://www.pew.org/en/research-and-analysis/reports/2025/12/breaking-the-plastic-wave-2025>

⁵ <https://www.pew.org/en/research-and-analysis/reports/2025/12/breaking-the-plastic-wave-2025>

⁶ <https://www.pnas.org/doi/10.1073/pnas.2412714121>

⁷ <https://med.stanford.edu/news/insights/2025/01/microplastics-in-body-polluted-tiny-plastic-fragments.html>

The Estée Lauder Companies Inc. (Estée Lauder) sells cosmetics in plastic packaging, contributing to the 120 billion units of packaging waste generated by the beauty industry every year, much of which cannot be recycled.⁸

Estee Lauder discloses a goal for 50% of its plastic packaging to be non-virgin petroleum content by 2030.⁹ The company plans to achieve this goal by increasing its use of mechanically recycled and so-called “advanced recycled” plastic, bio-based resins, and paper packaging. Unfortunately, the company has never disclosed its virgin plastic footprint or total plastic use, so investors do not know how the company’s plastic use has changed since it set this goal.

Additionally, the strategies for achieving this goal are not equal in addressing plastic’s consequences on the environment and human health. “Advanced recycling”, otherwise known as chemical recycling, often has a higher carbon footprint than using virgin plastic from fossil fuels. It also emits toxic pollutants that have been linked to health impacts, including cancer and reproductive and developmental damage.¹⁰ Because of this, some advocates argue that chemically recycling plastic is worse for the environment than landfilling it.¹¹

Estee Lauder does not provide any disclosure indicating whether it ensures that the plastic it sources from chemical recycling does in fact have a lower impact on the environment and human health than plastic from virgin fossil fuels.

Estee Lauder’s plastic use exposes it to material financial risks. Its lack of transparency on how much plastic it uses; its lack of a goal to reduce use of plastic packaging; and that it does not disclose whether it assesses the impacts of the plastic from its chemical recycling practices obscures investors’ understanding of the extent of its exposure to material financial risks and how effectively these risks are being managed.

In addition to the importance of this disclosure to estimate the company-specific financial risks for Estee Lauder, this disclosure can be particularly important for so-called “Universal Owners” whose portfolios are long-term and so diversified that they essentially own a stake in the whole economy. For these investors in particular, the negative externalities of one portfolio company will be borne by the other portfolio companies. This makes it important for these investors to have comprehensive information on the sustainability impacts of their portfolio companies and how the companies are managing these impacts.¹²

⁸ <https://www.forbes.com/sites/oliviaobryon/2022/10/27/why-is-eliminating-plastics-from-beauty-products-so-critical-superzero-founder-explains/>

⁹ <https://media.elcompanies.com/files/e/estee-lauder-companies/global/our-impact/si-s25/sis-2025.pdf>

¹⁰ <https://www.ehn.org/what-is-chemical-recycling>

¹¹ <https://www.ehn.org/what-is-chemical-recycling>

¹² <https://www.unepfi.org/industries/investment/universal-ownership-why-environmental-externalities-matter-to-institutional-investors-2/>

1. LEGAL AND REGULATORY RISK

Estee Lauder is exposed to legal and regulatory risk.

The European Union, the UK, and seven U.S. states have adopted extended producer responsibility (EPR) laws. These laws make companies financially responsible for the disposal of their packaging and could cost companies up to \$100 billion annually.¹³ Similar bills have been introduced in eight additional states.¹⁴ The laws include higher fees for packaging that is hard to recycle. Plastic cosmetic packaging faces recyclability challenges because of size, mixed materials, and product residue.

In addition to fees, California's EPR law, SB 54 also requires producers to reduce single use plastic packaging by 25% by 2032.¹⁵ It is not clear from Estee Lauder's disclosure how the company plans to meet its obligations under this requirement.

Some jurisdictions, including the EU, Colorado and the UK have also set requirements that restrict what kind of recycled content claims companies can make for recycled content from chemical recycling.^{16,17,18,19}

The company is also exposed to regulatory risk related to microplastics. The EU's Packaging and Packaging Waste Regulation requires that packaging placed on the EU market reduces substances of concern, including microplastics. The EU has not disclosed whether or how this will impact plastic packaging for cosmetics.²⁰

2. Market Access Loss

Estee Lauder's sustainable packaging strategy exposes the company to reputational risk and potential market access loss.

¹³ https://www.pewtrusts.org/-/media/assets/2020/10/breakingtheplasticwave_mainreport.pdf

¹⁴ <https://www.proskauer.com/alert/the-2025-guide-to-epr-packaging-compliance>

¹⁵ <https://calrecycle.ca.gov/packaging/packaging-epr/>

¹⁶ The EU has announced that it plans to require a fuel-use exempt mass balance accounting approach to be used for calculating recycled content for its EU Packaging and Packaging Waste regulation. The UK already requires this approach for companies that want to access a tax break from its Plastic Packaging Tax for using recycled content. Colorado law also requires that chemical recycled content claims are fuel-use exempt.

¹⁷ <https://www.packagingdive.com/news/colorado-mass-balance-lawsuit-epr-plans/817477/>

¹⁸ <https://www.gov.uk/guidance/preparing-to-use-a-mass-balance-approach-for-plastic-packaging-tax>

¹⁹ <https://eunomia.eco/insights/mass-balance-explained-why-it-matters/>

²⁰ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500040&pk_content=Environment&pk_keyword=Regulation

90% of beauty consumers in a 2025 survey said that they are more likely to purchase from a brand with eco-friendly packaging.²¹ Failure to meet this demand may result in market access loss for Estee Lauder. Estee Lauder discloses sustainable packaging goals. However, its failure to disclose its plastic footprint or a goal to reduce its plastic footprint puts the company out of step with consumer expectations for sustainability. A 2025 McKinsey survey found that consumers view plastic as the least sustainable packaging material.²²

The health risks of microplastics and chemical migration from plastic packaging pose additional consumer concerns.²³ Consumers are increasingly trying to avoid plastic packaging due to concerns over microplastics, making non-plastic packaging an important selling point, especially for Gen Z and wealthier consumers.²⁴

3. Reputational Risk

As a multinational retail corporation, Estee Lauder is highly dependent on goodwill towards its brand. Research from Harvard Business School published in 2023 indicates that consumer demand for sustainability and trustworthiness is increasing.^{25,26}

While recycled content is an important component of packaging sustainability for consumers, using recycled plastic content from chemical recycling can expose companies to greenwashing risk if the packaging does not have the environmental benefits that consumers expect from recycled content.²⁷ There is a wide variety of environmental impacts between different chemical recycling processes. Estee Lauder could better mitigate this risk by adopting standards for the recycled content it buys from chemical recycling, for example that it only uses recycled content with a lower carbon footprint than plastic from virgin fossil fuels and that does not negatively impact local communities.²⁸

Another step the company could take to mitigate reputational risk is to standardize any recycled content claims globally. Recycled content claims from chemical recycling use mass balance accounting methods to estimate the share of recycled content because it is not possible to calculate the actual physical recycled content. However, there are several mass balance methodologies. Different jurisdictions have different requirements on which

²¹ <https://www.shorr.com/resources/blog/sustainable-packaging-consumer-report/#:~:text=Sustainable%20Packaging%20&%20Brand%20Loyalty,between%20sustainability%20and%20consumer%20advocacy.>

²² [Sustainable packaging: 2025 US consumer views | McKinsey](https://www.mckinsey.com/sustainable-packaging-2025-us-consumer-views)

²³ <https://www.minderoo.org/stories/plastics-and-dermatology/>

²⁴ <https://www.smartlifeco.com/blogs/blog/how-americans-are-driving-the-move-from-plastic-to-plant-based-packaging-and-products>

²⁵ <https://hbr.org/2023/09/research-consumers-sustainability-demands-are-rising>

²⁶ <https://maristpoll.marist.edu/search-survey-questions/?keyword=plastic>

²⁷ <https://eunomia.eco/insights/mass-balance-explained-why-it-matters/>

²⁸ [Microsoft Word - WORKING COPY WWF Position - Chemical Recycling Implementation Principles 12.21.21.docx](#)

methodology companies can use. Thus, in practice, if a company does not go beyond regulatory requirements, it would represent the same packaging as having different amounts of recycled content in different countries, exposing the company to reputational risk.²⁹

4. Lags Peers:

Estee Lauder is falling behind its peers who provide more comprehensive disclosure on their plastic use and how they are managing risks related to their plastic footprints.

Ulta Beauty, LVMH, Natura Cosméticos, and L'Oreal disclose their plastic footprints.^{30,31,32,33} L'Oreal, Coty, Natura Cosméticos and L'Occitane-En-Provence disclose plastic reduction goals.³⁴ These disclosures help investors understand the outcomes of the actions companies are taking to manage their plastic footprints as well as the company's plans to manage risks related to plastics.

Many companies are also starting to provide information on their use of plastic packaging in their annual responses to the Carbon Disclosure Project (CDP) questionnaire. 4,262 companies responded to CDP plastic questions in 2025.³⁵ The framework is based on a collaboration between CDP, the Pew Charitable Trusts, Minderoo Foundation, the Ellen MacArthur Foundation, and the World Wildlife Fund to provide a harmonized, best-practice framework for companies to disclose to. Disclosure to a standardized framework provides investors with clear, consistent, and comparable data.

CONCLUSION

Plastic pollution is a rising concern among consumers, legislators, and investors. Reliance on plastic packaging exposes companies to material financial risks. Estee Lauder's existing disclosures lack transparency on how much plastic the company uses and does not explain how the company intends to manage the risks related to its use of recycled plastic from chemical recycling. Investors seek more information on how the company is managing its plastic footprint and the outcome of those measures.

²⁹ <https://eunomia.eco/insights/mass-balance-explained-why-it-matters/>

³⁰ <https://www.lvmh.com/en/commitment-in-action/for-the-environment>

³¹ <https://content.ellenmacarthurfoundation.org/m/21c4a4ffd7e2e9b4/original/Global-Commitment-2025-Report-M-10-25.pdf>

³²

https://d1io3yog0oux5.cloudfront.net/_d051642c4375c5c91572b2ff43015cb3/ulta/db/1975/17667/description/ULTA-008_2025_CRR_Report_PDF_6_ADA_04.22.26.pdf

³³ <https://gc-data.emf.org/2025/detail-25?cid=natura-cosmeticos>

³⁴ <https://www.ellenmacarthurfoundation.org/global-commitment/overview>

³⁵ [A Data Driven Call to Action on Plastics Pollution - CDP](#)

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