



Sustainability and Social Impact

STRATEGIC SUMMARY REPORT | 2020-21



MARY KAY



*“Give yourself
something to work
toward—constantly.”*

Mary Kay

MARY KAY



ENRICHING LIVES TODAY
FOR A SUSTAINABLE TOMORROW

Enriching Women’s Lives and Continuing Our Legacy of Sustainability

For nearly 60 years, Mary Kay has empowered women while changing the world of business and supporting local communities. As a family-owned company, our focus has been to operate with the highest of standards for business, the environment, and social impact. We want to share our history, our commitment today, and our vision for the future. **Enriching Lives Today for a Sustainable Tomorrow** is our holistic approach encompassing the three dimensions of sustainability—economic, environmental and social—through five pillars, activated by 15 commitments to deliver a decade of sustainable action. We have established ambitious targets, and we know in order to achieve our goals we need to be creative, innovative and disruptive. Our legacy will guide us, our passion will drive us, and our journey will continue.

Continuing Our Legacy



As a family-owned company, our values are simple:

Live by The Golden Rule; give and expect nothing in return; make everyone you meet feel important; and focus on balancing priorities. These guiding principles are our family's heritage, and for nearly 60 years they have been the moral compass of our Company's corporate culture.

By grounding every decision in our values—since the beginning—we have enhanced the overall mission of Mary Kay: Enriching Women's Lives. The positive impact of Mary Kay over the years is something that inspires us. It's how we thrive. Now, we have another story to share with the world.

We have expansive operations at Mary Kay, from manufacturing and logistics to product development and philanthropy. Because of our global footprint, we know our moral imperative is to continue our legacy of doing the right thing: Today. Tomorrow. Always.

We are excited to introduce our new sustainability strategy Enriching Lives Today for a Sustainable Tomorrow.

Our strategy is anchored in the three dimensions of sustainable development—economic, environmental, and social—covering five sustainability pillars that are activated by 15 commitments to achieve our goals by 2030. We know there are some places where we are already making significant positive impact, and we know where there is room for improvement. We will keep striving to do better, and we are immersing ourselves in identifying the gaps and opportunities on how we can change and improve.

We are conscious of our actions today and are committed to intentional and sustainable initiatives to address the global challenges threatening future generations.

This is far bigger than us, but Mary Kay's mission always has been.

Let's keep changing the world.

RICHARD ROGERS
EXECUTIVE CHAIRMAN

RYAN ROGERS
CHIEF INVESTMENT
OFFICER



ENRICHING LIVES TODAY
FOR A SUSTAINABLE TOMORROW

Executive Summary

It's about more than us. Always.

For nearly 60 years, Mary Kay has strived to enrich women's lives, advance the field of skin health, and create positive community impact around the world.

The cosmetics and personal care industry is in transition as companies evolve to meet the growing demands for environmentally conscious, transparent operations and cleaner, ethically sourced products.

While there have been meaningful initiatives implemented throughout the industry—and within Mary Kay itself—there is still so much work to be done to find long-term solutions to the environmental and socio-economic challenges ahead.

That's why we are excited to announce our new and strengthened approach to sustainability: Enriching Lives Today for a Sustainable Tomorrow.

This executive report summary expands our vision to 2030 and beyond. It builds a picture of what good “looks like” for Mary Kay, Independent Beauty Consultants, customers and—most importantly—the planet. Enriching Lives Today for a Sustainable Tomorrow was developed with our key stakeholders and is aligned with the United Nations' Sustainable Development Goals, making Mary Kay a key part of a global coalition to ensure a better future. Over the next 12 months, you will hear from us more as we dive deeper into each commitment.

To package our solutions wholistically, we divided our approach into five pillars: business excellence, product stewardship, responsible manufacturing, women's empowerment, and social impact. In these pillars, you'll find our 15 commitments to deliver a decade of sustainable action.

NOTABLE HIGHLIGHTS

In 2020 and the first half of 2021, Mary Kay continued to build on its legacy of sustainability and social impact. Below are some of the notable highlights.

BUSINESS EXCELLENCE

- 100% of U.S.-based Directors and above completed mandatory Unconscious Bias training.
- Gender Diversity in the Workplace: 54% of Mary Kay's global executive team is female; 61% of Mary Kay's global workforce is female; and 54% of Global Vice Presidents and above are female (March 2021).
- Conducted a third-party Business Verification and Diversity Data Report to inform our current supply chain involving Women, Minority or Veteran Owned businesses: As of February 2021 (*USA only supply chain data*): 12% of Mary Kay's Indirect Suppliers are Women, Minority or Veteran Owned; 5% of Mary Kay's Direct Suppliers are Women, Minority or Veteran Owned.
- In our global product portfolio, we currently offer more than 80 different foundations—in a broad range of shades and finishes—to best match the beautiful spectrum of diversity for skin tones.
- 77% of the artists contributing to our global marketing campaigns were women-owned businesses (*photographers, directors, designers, makeup artists, hair stylists, producers, etc.*).

PRODUCT STEWARDSHIP

- Became a member of the Sustainable Packaging Initiative for Cosmetics (SPICE). The mission of SPICE is to drive the future of sustainable packaging for cosmetics to make significant progress in three key areas: guide sustainable packaging policy, drive packaging innovation, and provide consumers transparency.
- Joined the Ellen MacArthur Foundation as a member of its Network, as part of its commitment to becoming a more sustainable, circular business.

RESPONSIBLE MANUFACTURING

- The Mary Kay world headquarters, global manufacturing facility, and global distribution and automated storage & retrieval system (ASRS), all located in Texas, U.S.A., are powered by 100 percent renewable energy.
- A detailed baseline analysis was initiated in 2019 and continued in 2020 to determine our carbon footprint. From the first phase of the analysis, a goal of a 30% reduction of total greenhouse gases (GHG) for Scopes 1 & 2 was implemented as a sustainability target. In 2021, phase two consisting of a baseline analysis of GHG for Scope 3, was



ENRICHING LIVES TODAY
FOR A SUSTAINABLE TOMORROW

5 PILLARS. 15 COMMITMENTS. A DECADE OF ACTION.

initiated with a target to develop a goal by first quarter of 2022.

- A founding member of two global initiatives in collaboration with the Arbor Day Foundation: Evergreen Alliance and Time for Trees Initiative; and is a member of the Trillion Tree Initiative.
- Committed to two crucial causes in protecting our world's waterways: the CEO Water Mandate and the United Nations Global Compact's Sustainable Ocean Principles.

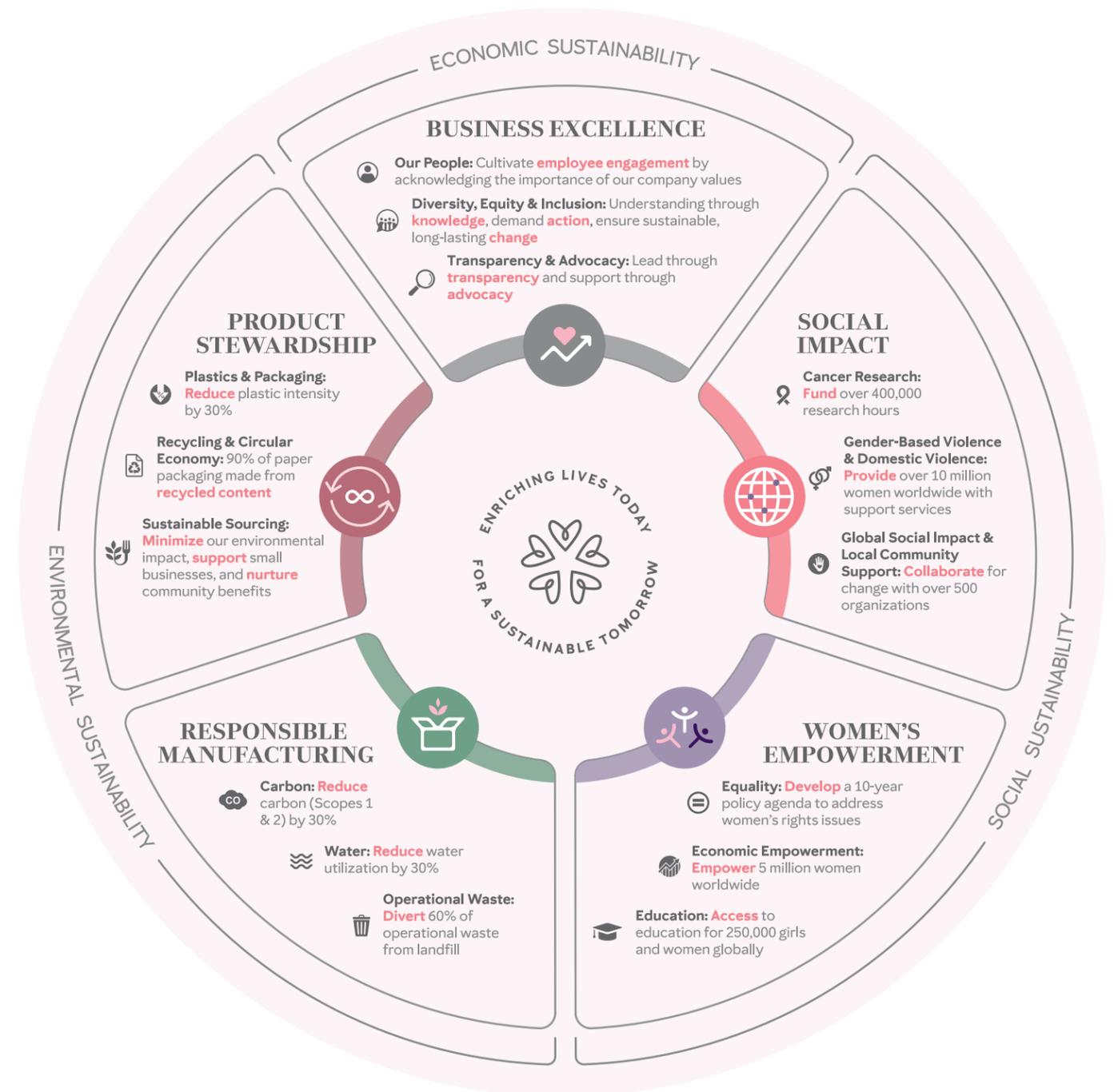
WOMEN'S EMPOWERMENT

- Became an Action Coalition Commitment Maker on four Generation Equality Action Coalitions: Gender-Based Violence; Economic Justice and Rights; Feminist Action for Climate Justice; and Technology and Innovation for Gender Equality (2021-2026)
- Launched the Women's Entrepreneurship Accelerator in 2019, a global initiative to bring entrepreneurship through education and empower women entrepreneurs through four Pathways of Empowerment: Education, Funding, Advocacy, and Participation, serving as an entrepreneurship accelerator for all women, everywhere.
- Supported the UN Global Compact to

develop a SMEs toolkit for the Women's Empowerment Principles from UN Women to its 6,000 SMEs membership and general use for companies around the world to support women's equality.

GLOBAL SOCIAL IMPACT & LOCAL COMMUNITY

- The Mary Kay Ash Foundation had nearly 40 innovative cancer research and clinical trials projects and researchers in its pipeline; 42% of the innovative cancer research projects are led by women, while 100 percent of the clinical trials are women-led.
- Mary Kay Inc. and the Mary Kay Ash Foundation supported 667 organizations committed to the life-saving work of those organizations advocating for eradicating gender-based violence and funding women's shelters providing critical support services, reaching over 2 million women and girls through 786 unique projects in over 138 different countries.
- Since 2008, Mary Kay's global Pink Changing Lives cause empowerment program has impacted more than six million women and their families by partnering with over 3,000 organizations around the world, donating over \$16 million. In 2020 alone, over \$775,000 was donated to organizations around the world.



We hope you'll take this journey with us. It's time to change the world together—again.

SHARING OUR JOURNEY

We Will



Here at Mary Kay, we have always believed that it is our responsibility to be good stewards of business practices, protecting our environment, and giving to local communities. Enriching Lives Today for a Sustainable Tomorrow is our commitment to conduct our business in a way that will continue to earn trust, becoming even more accountable to our economic, environmental, and social decision-making.

DEBORAH GIBBINS

CHIEF OPERATING OFFICER



Business Excellence



OVERVIEW

In today's dynamic and continuously changing business world, it is the human assets, not the fixed or tangible assets that differentiate an organization from its competitors. Our employees are the backbone of our organization. We empower employees by nurturing creativity and innovation in the workplace, which is necessary to succeed in today's volatile marketplace.

We will focus on three commitments toward achieving our sustainability targets for business excellence:

OUR PEOPLE

We are committed to our people through employee engagement by developing effective benefits and well-being programs to health and safety processes by demonstrating our company values and nurturing our corporate culture.



DIVERSITY, EQUITY & INCLUSION

We are committed to investing in a deeper understanding through knowledge, demand action, and ensure sustainable, long-lasting change.

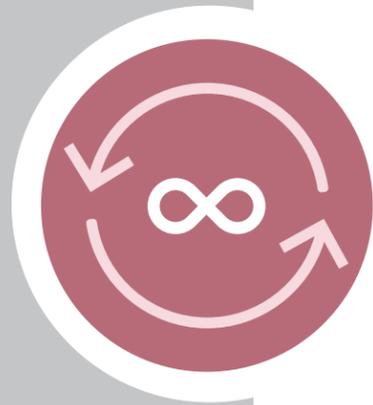


TRANSPARENCY & ADVOCACY

We are committed to transparency & advocacy through sustainable practices, and to be open, honest and transparent by making information available on our owned media channels, independent audits, and meeting guidelines set forth by organizations as agreed in our sustainability commitments.



Gema Aznar (L), Mary Kay Spain General Manager, presents a donation to Lola Sato (R), Head of Fundacion Integra, an organization supporting women survivors of domestic violence.



Product Stewardship



OVERVIEW

We are challenging ourselves to further embed sustainable practices in our business through product development, design, responsible sourcing, and mitigation of plastic pollution. We strive to continuously improve the profile of our products. Consumers have better choices because we made better decisions.

We will focus on three commitments toward achieving our 2030 sustainability targets for product stewardship:

PLASTICS & PACKAGING

We are committed to decreasing plastic intensity by 30% and driving toward more sustainable packaging for our product portfolio by making over 50% of our regular line packaging sustainable.

RECYCLING & CIRCULAR ECONOMY

We are committed to making over 90% of our paper packaging from recycled content or certified sustainable sources.

SUSTAINABLE SOURCING

We are committed to ensuring our sourced products are obtained in a responsible and sustainable way by addressing environmental and ethical factors in our supply chain.





Responsible Manufacturing



OVERVIEW

Our global footprint is vast and drives our holistic sustainability approach especially within our operations. We are focused on efficient manufacturing operations by reducing our environmental impact and identifying opportunities for resource improvement.



We will focus on three commitments toward achieving our 2030 sustainability targets for responsible manufacturing:



CARBON

We are committed to reduce carbon (scopes 1 and 2) by 30%.



WATER

We are committed to reduce water utilization by 30%.



OPERATIONAL WASTE

We are committed to divert over 60% of operational waste from landfills.



Women's Empowerment



OVERVIEW

Women and girls face significant barriers to realizing their own potential. Shattering glass ceilings is no longer enough. Every barrier must be torn down and stay down, ensuring equality and sustainable change. We celebrate women and girls all over the world: empowering them, lifting their communities, and eliminating inequalities. Empowered women and girls are the key to the future.

We will focus on three commitments toward achieving our 2030 sustainability targets for women's empowerment:



EQUALITY

We are committed to a proactive policy agenda to address women's rights issues and advocate for equality.



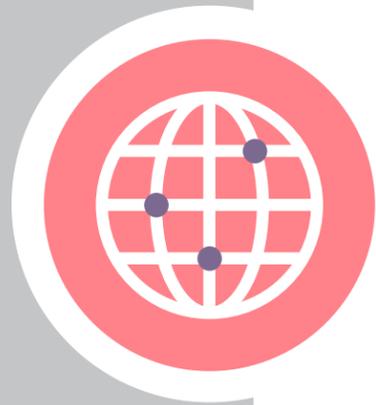
ECONOMIC EMPOWERMENT

We are committed to empowering over five million women worldwide.



EDUCATION

We are committed to ensuring access to education for 250,000 girls and women globally.



Social Impact



OVERVIEW

It's simple: lead with purpose. At the center of our moral compass is purpose. We are dedicated to collaborating with organizations from all over the world to find meaningful solutions to global issues.

We will focus on three commitments toward achieving our 2030 sustainability targets for social impact:



CANCER RESEARCH

We are committed to funding 400,000 hours of cancer research.



GENDER-BASED VIOLENCE & DOMESTIC VIOLENCE

We are committed to support 10 million women globally in need of support services.



GLOBAL SOCIAL IMPACT & LOCAL COMMUNITY SUPPORT

We are committed to collaborating with over 1,000 organizations and supporting positive change all over the world.

Today. Tomorrow. Always.



Sustainability in its wider meaning—environmental, social, economic—is indeed a principle that has deep roots in the Mary Kay story, becoming part of our Company culture over the years. I am proud to say that being a positive influence on society has been Mary Kay’s promise for more than 58 years. My hope is you will find our promise has not dimmed over time; in fact, it has only become brighter.

Our approach to sustainability provides the deep foundations we need to support our business strategy: to be a world-class organization. We understand growth and sustainability are not in conflict.

Society evolves with time, but what hasn’t changed—and never will—is our core values that embody our promise to enrich women’s lives while serving the community. We are committed to doing business the right way, which, in large part, is why we continue to lead our industry today.

In a time of constant change, keeping sustainability as the consistent bedrock of our approach to doing business is not only right for society, it will be critically important to our success, which will help us navigate through all the change to come.

There is no finish line, just an aspiration to conduct our business in ways that will continue to earn trust and redefine the role and responsibility of empowering women.

***I invite you to join us on this journey.
Today. Tomorrow. Always.***

DAVID HOLL

CHAIRMAN & CHIEF EXECUTIVE OFFICER



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