



MARY KAY<sup>®</sup>


# UNITED NATIONS GLOBAL COMPACT

Communication on Progress

AUGUST 2019 - APRIL 2021



MARY KAY



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# *continued support*

*Mary Kay Inc. reaffirms its steadfast commitment to the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption. As a company built on the principles of women's empowerment, equality and entrepreneurship, we will continue to use these principles to inform our strategy, culture, and the day-to-day operations of our company. We will also continue to implement management frameworks and engage in initiatives and multi-partnerships which advance the United Nations 17 Sustainable Development Goals (SDGs) for peace and prosperity for people and the planet, now and into the future.*

## **DAVID HOLL**

*Chief Executive Officer, Mary Kay Inc.*



# *executive summary*

As we focus on the long term, Mary Kay aims to implement agile, innovative and inclusive strategies for sustainable growth of our business now and in the future, and we are ever-striving to align our business practices with environmental and social responsibility. Our talented employees are central to ensuring this strategic alignment and do so by building partnerships based on our values of trust, ethics and transparency. We collaborate with our many stakeholders to help us reach our strategic goals. And the millions of Mary Kay Independent Beauty Consultants who promote entrepreneurship and women's empowerment around the world inspire us to enrich the lives of future generations in every community we touch.

Sustainability is the natural and obvious path to a secure our long-term future. That is why sustainability is a key contributor to our Company's 2030 strategy. Mary Kay has always led with purpose ensuring performance and social and environmental positive impact. We have achieved many important goals over the years and, indeed, that initial vision holds steadfast today.

There is also a pressing need for good corporate leadership and for monitoring along with specific indicators to measure progress toward each commitment to safeguard the future of people and the planet. Society needs companies that put sustainability at the forefront of their vision and strategy.

Here at Mary Kay, we are proactively part of the global movement to demand change and ensure a more sustainable—economic, environmental & social—path for humanity.

Our platform is anchored in universal principles and values. We understand the gaps and have identified the opportunities. Now we have committed to action. We are ready to do more, and we know corporations must commit to global principles such as the UN Global Compact 10 Principles management framework advancing the UN Sustainability Development Goals in order to achieve a better and more sustainable future for all. We will be part of the solution.

# *our mission*

## *Enrich Women's Lives.*

*We celebrate women and girls all over the world, empowering them, supporting their families, and lifting local communities. We believe in making progress and changing the world for the better.*

MARY KAY

# *about* *Mary Kay*



One of the original glass ceiling breakers, Mary Kay Ash founded her beauty company 57 years ago with three goals: develop rewarding opportunities for women, offer irresistible products, and make the world a better place. That dream has blossomed into a multi-billion dollar company with millions of independent sales force members in nearly 40 countries. Mary Kay is dedicated to investing in the science behind beauty and manufacturing cutting-edge skin care, color cosmetics, nutritional supplements and fragrances. Mary Kay is committed to empowering women and their families by partnering with organizations from around the world, focusing on supporting cancer research, protecting survivors from domestic abuse, beautifying our communities, and encouraging children to follow their dreams. Mary Kay Ash's original vision continues to shine—one lipstick at a time.

## OUR VALUES



### GO-GIVE SPIRIT

Mary Kay Ash coined this term to describe the selfless pursuit of the greater good, a dynamic team spirit of helping others found throughout the halls of our offices around the globe. The rewards of lending a helping hand to others or being the recipient of an act of kindness leads to an atmosphere of trust, caring and relationship building.



### MAKE ME FEEL IMPORTANT

Mary Kay Ash once said, "It's so simple, yet makes such a difference. Pretend that every single person you meet has a sign around his or her neck that says, 'Make me feel important.'" At Mary Kay, this is a reality from being recognized for a job well done to people taking an interest in your life.



### THE GOLDEN RULE

"Do unto others as you would have them do unto you." This tried-and-true principle has stood the test of time. We also believe in an atmosphere of teamwork, respect for others and fostering relationships built upon trust, honesty and caring.



### BALANCED PRIORITIES

We recognize the importance of building a balanced life. In fact, Mary Kay often shared her personal priorities of "God first, family second, career third." Following this tradition, encouraging employees to find the proper balance of priorities in their lives has remained a vital part of our culture around the globe. At Mary Kay, we understand that a successful career is just one part of a balanced life.

THE COMPANY:

1963



“BEAUTY BY MARY KAY” opens on September 13 in a 500-square-foot storefront in Dallas, TX.

In 2020, Mary Kay operates in nearly 40 Countries.



Named to the Purpose Power Index by Reputation Institute in 2020.

Named Among Most Reputable Global Employers in Reputation Institute’s 2019 Workplace Study.



Mary Kay’s global headquarters is in Addison, TX, USA. However, its footprint includes **two state-of-the-art manufacturing facilities, five regional headquarters, five regional distribution centers, 50+ beauty centers, and 28 market satellite offices** around the world.

VALUES

The Golden Rule, Make Me Feel Important, The Go-Give™ Spirit, Balanced Priorities.

MARY KAY ASH:



In 1989, Mary Kay Ash was featured in the “Great American Entrepreneur” Series at the Smithsonian Institute.

In 1996, Mary Kay Ash was profiled in the book **FORBES Greatest Business Stories of All Time**.



In 1978, Mary Kay Ash was awarded the **Horatio Alger Distinguished American Citizen Award** by the Horatio Alger Association.



WOMEN OF THE CENTURY

In 2020, USA TODAY named Mary Kay Ash, as a female icon, legendary business executive and philanthropist on their list of the **Women of the Century USA TODAY 100**.

In 2004, Mary Kay Ash was named as one of the **25 Most Influential Businesspersons of The Past 25 Years** by PBS & Wharton School of Business.



INNOVATIVE PRODUCTS & RESEARCH:

1,600 PATENTS



Investing millions of dollars in scientific and product research and development.



Mary Kay conducts more than half a million tests annually to ensure the highest standards in product quality, safety, and performance.

# SUSTAINABILITY & SOCIAL IMPACT

The Richard R. Rogers Manufacturing and R&D Center (R3) received the **Leadership in Energy and Environmental Design (LEED) silver certification**. Mary Kay's Global Headquarters and R3 facilities are powered by 100% renewable energy.



R3 has achieved **zero waste** to landfill status.



Mary Kay contributes to **15** of the **17 Sustainable Development Goals** established by the United Nations.



Mary Kay is a founding member of **The Evergreen Alliance** with the **Arbor Day Foundation**. Mary Kay has planted more than 1.1 million trees around the world with the Arbor Day Foundation.



Mary Kay signed the **Women's Empowerment Principles** in 2019.

Mary Kay has sponsored **five global projects** with The Nature Conservancy to support women in indigenous communities to lead environmental conservation efforts.



(Source: Permanent Forum on Indigenous Issues, United Nations Economic and Social Council.)

## WOMEN'S ENTREPRENEURSHIP ACCELERATOR

In **September 2019**, Mary Kay announced the **Women's Entrepreneurship Accelerator**, a multi-partner initiative designed to *inspire, educate, and empower women entrepreneurs around the world* with six UN agencies.



Since **1963**, \$88+ million donated by Mary Kay Inc. and The Mary Kay Foundation<sup>SM</sup> to help end gender-based violence and cancers affecting women, beautifying, and safeguarding our planet and communities and encouraging girls to follow their dreams.



Since its establishment in **1996**, The Mary Kay Foundation<sup>SM</sup> has awarded nearly **\$23 million** to support the work of more than **246** top cancer researchers and find a cure for cancers affecting women.



Since **1999**, The Mary Kay Foundation<sup>SM</sup> has awarded grants to **2,600+** shelters advocating for eradicating gender-based violence, totaling over **\$58 million**. The Mary Kay Foundation<sup>SM</sup> has supported over **six million** women and girls seeking shelter and services free from abuse.



# 2020 sustainability highlights



**85 TONS**  
*of mussels deployed in  
the Gulf of Mexico*

**100%**  
**RENEWABLE ENERGY**  
consumed at Global Headquarters  
Manufacturing Facilities

**100,000**  
**TREES PLANTED IN 2020**



**21**  
Sustainability  
Impact Projects

**9**  
**RESEARCH  
PROJECTS**



**35**  
Indigenous  
communities  
supported



**608M**  
People have access  
to clean drinking  
water in rural/  
small areas through  
supported water  
development projects

**AT THE 2019 REYKJAVIK  
GLOBAL FORUM, MARY KAY  
PLEGGED TO DEVELOP A  
10-YEAR ACTION PLAN  
IN ACHIEVING  
GENDER EQUALITY IN  
ENTREPRENEURSHIP  
(2020-2030)**

# *corporate culture*

Our Founder's belief in treating everyone with respect is the foundation of our culture, and today you'll experience that respect throughout Mary Kay. We believe an inclusive workplace, built on values that recognize the equal importance of every team member, isn't just more enjoyable, it's also a more successful work environment.

Behind our welcoming doors are the people who bring Mary Kay to life across the world. We invest a lot in our people because that's where our future is. New ideas, new products, and the energy and imagination behind them all come from our team of 5,000 ambitious professionals. Enriched by a range of backgrounds, we are united by our mission. And we make sure everyone has the opportunity to make a positive impact at Mary Kay and in our communities around the world.

# *corporate culture*

## EMPOWERING PEOPLE

We face new business challenges and opportunities every day, such as: our company's growing diversity and global reach; the dynamic nature of the multiple markets we serve; technological advances requiring new skill sets; and employee desires for a wide range of experiences and growth opportunities. These realities are shaping our approach to talent acquisition, retention, and development.

Mary Kay's Human Capital Strategy helps us take the necessary steps to meet these new demands. The strategy features three initiatives that focus on high-value people priorities:

1. Global Leadership & Talent
2. Global Total Rewards
3. Employee Engagement

Global Leadership & Talent defines how we will acquire and maintain the desired talent, leadership, culture, and environment to fulfill our business strategy. Given our maturing workforce, we have identified strategic positions across Mary Kay to focus succession planning efforts. With those positions in mind, we work diligently to ensure that we have the right future leaders to fulfill critical talent needs. These efforts include identifying competency gaps

in potential candidates that allow us to accelerate their development; placing greater emphasis on exposure and experiences to help advance employee growth; and redefining high potential employees with new criteria.

Global Total Rewards focuses on better aligning our overall compensation components—pay, incentives, healthcare, relocation, retirement, and more—to drive employee engagement and support business outcomes. We monitor our business performance and personal financial rewards to ensure they align with our business needs as talent markets change.

Delivering a compelling Employee Value Proposition (EVP) is integral to our Employee Engagement initiatives. A strong EVP helps us attract, retain, and engage our people so that they can execute our business strategy. We are enhancing our EVP across the entire employee experience, from the first contact with a prospective hire, to growth opportunities during their Mary Kay career, to when they become a Mary Kay alumnus. Our research concludes that employees are drawn to Mary Kay's family-oriented culture and global presence. We focus on these qualities throughout the hiring process as we encourage new recruits to explore a career at Mary Kay.

# *corporate culture*

## **EMPLOYEE ENGAGEMENT AND RETENTION**

Listening to our employees about what they want and need from their workplace helps teams and leaders foster a positive work environment. More than 90% of employees responded to the 2019 Employee Engagement Survey, sharing thoughts on areas where Mary Kay is excelling and noting areas for improvement. Mary Kay was benchmarked in the top third globally for its level of employee engagement by Kincentric consulting firm.

- Almost 9 of 10 participating employees responded “yes” when asked: “Mary Kay inspires me to do my best work every day.”
- A total of 90% responded positively to the statement: “Given the opportunity, I tell others great things about working at Mary Kay.”
- And 80% responded affirmatively to the statement: “If I have an issue with being treated fairly in the workplace, I am confident that the organization will take appropriate action.”

### **EMPLOYEE RETENTION**

While other brands struggle to retain top talent, 60% of Mary Kay employees have been with the company for over ten years. They attribute it to the family culture of the privately-held company by the family of its iconic late founder, Mary Kay Ash.

# *corporate culture*

## **BENEFITS THAT MATTER**

Mary Kay offers employees a robust menu of affordable medical, dental and vision benefits, life insurance, savings accounts for healthcare and dependent care, accidental death and dismemberment coverage, and a retirement savings plan that includes both a 401k and a generous profit-sharing program. This commitment to sharing our success is a cornerstone of Mary Kay's commitment to the people who enable our success.

Mary Kay Cares, our Employee Assistance Program (EAP), can help with things like job or work stress, alcohol and drugs, marital problems, anxiety, depression, legal issues, financial concerns, and dependent care issues. We also provide mental health and chemical dependency treatment coverage.

If an employee becomes sick or injured and can't work for an extended time, Mary Kay provides both short and long-term disability coverage. Family has always been a priority to Mary Kay Ash and our company culture. To support families who choose to adopt, Mary Kay will reimburse up to \$2,000 to cover legal and adoption agency fees, and travel expenses to pick up the child.

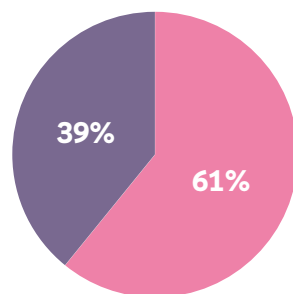
Mary Kay also keeps mothers in mind. We provide a Mother's Room and other privacy considerations in our facilities for nursing mothers.

# *diversity, equity & inclusion in the workplace*

Here at Mary Kay, these are the goals we work toward every day as a global organization and are at the core of our values and culture. This is a brand built on gender equality—and on diversity of thought, experience, and background. Having diverse, inclusive teams is not only an inner strength, it is a competitive advantage.

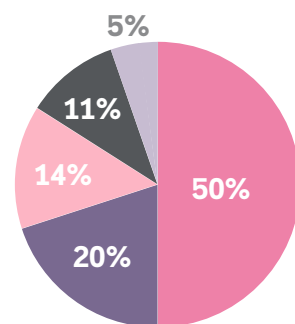
## WORKFORCE DIVERSITY: EMPLOYEE REPRESENTATION

Breakdown of Global Employee Counts by Gender



■ Female ■ Male

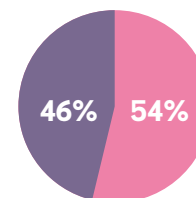
Breakdown of U.S. Employee Counts by Race



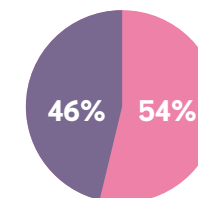
■ Caucasian  
■ Hispanic/Latino  
■ Black/African American  
■ Asian  
■ Other/Did not self-identify

Breakdown of Global Employee Counts by Gender Across Job Categories in Management

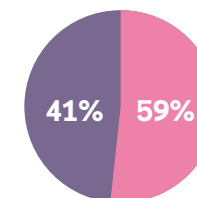
C-SUITE



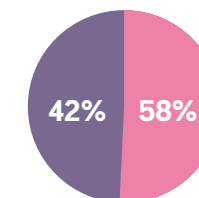
VICE PRESIDENTS



DIRECTORS



MANAGERS



■ Female ■ Male

*\*as of February 2021*

# gender responsive procurement and supplier diversity

## SUPPLIER DIVERSITY PROGRAM & INCLUSIVE PROCUREMENT

In Feb. 2021, Mary Kay enlisted a third-party Business Verification and Diversity Data vendor to develop a report informing its current supply chain involving Women, Minority or Veteran Owned businesses.

- 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.

## 2020 CREATIVE ARTISTS

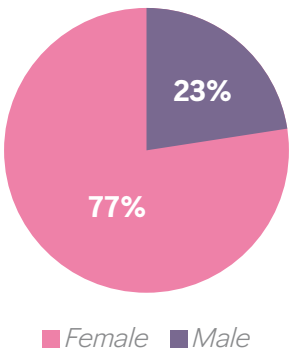
### Based on 9 Artist Contributing Functions...

1. Photographers
2. DPs/Directors/Videographers
3. Makeup Artist
4. Illustrators
5. Hair Stylists
6. Stylists (Set, Wardrobe, Prop)
7. Photo Retouch & Video Post
8. Producers
9. Agents

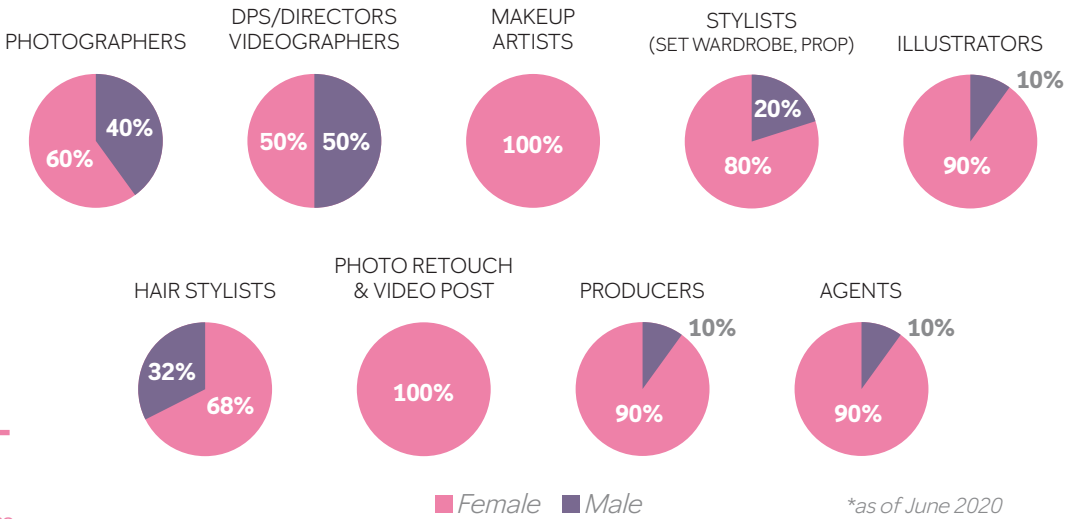
### Investment:

Represents roughly 50% of Total Hard Dollar spend for Toolkits

Breakdown of Creative Support Counts by Gender



Breakdown of Creative Support Counts by Gender per Function



As a company we are committed to women entrepreneurs. It is important for our creative support services to demonstrate our commitment. In 2020, 77% of our procured creative support function for our global marketing efforts (i.e. photographers, makeup artists, producers, videographers, etc.) was a woman-owned business.

# *human rights*

## PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights

## PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses

**Mary Kay supports fundamental corporate governance principles:**



### The UN Universal Declaration of Human Rights

The Universal Declaration of Human Rights (UDHR) is a milestone document in the history of human rights. Drafted by representatives with different legal and cultural backgrounds from all regions of the world, the Declaration was proclaimed by the United Nations General Assembly in Paris on December 10, 1948, as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected.



### UN Guiding Principles on Business and Human Rights

The Guiding Principles for Business and Human Rights Protect, Respect and Remedy Framework, are the Guiding Principles seeking to provide an authoritative global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity.

## RESPONSIBLE SOURCING

We are committed to sourcing raw materials in a way that respects people and the environment. But our strategy is also designed to bring stability to our supply chains and the local communities in which we operate; we do this by creating value to be shared by all who are involved in sourcing our raw materials. We support our suppliers to achieve greater transparency in line with our Mary Kay Ingredient and Formulation Guidelines.

Mary Kay's approach to sourcing springs from a principled commitment to deal ethically and respect human rights wherever we have influence and do business. We naturally expect the same of our suppliers and seek to work with those who have strong business ethics and demonstrate respect for people and the environment.

## HEALTH & SAFETY

The values on which the company was founded include a commitment to take care of our people and are reflected in our safety culture. The safety of our employees is a top priority, a business imperative, and a critical aspect of our approach to sustainability.

We seek to embed advanced Environmental Health & Safety (EHS) protocols and practices and improve safety across all aspects of our business. Creating an injury-free workplace requires the right training, technology, and data, all working in tandem to reduce the likelihood of injuries and environmental occurrences.

We are committed to drive continuous improvement and achieve excellence in EHS performance. That commitment is formalized in our Corporate EHS policy, a set of principles embraced by the highest level of our leadership. We also have a strong history of managing compliance obligations such as a Star Program with the Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP). These qualities applied to a sustainability management and reporting system all helps to create a world-class program.

As one of the first cosmetic companies to participate, our commitment to participate to OSHA's VPP in the US includes:

- Star Certified since 1995
- Manager Commitment and Employee Involvement, Monthly Safety Floor Meetings, Team Huddle, and aggressive internal EHS KPIs
- Participation in SGE auditor program
- 2 paramedics on staff
- 3 EMIs on staff
- ECA certified
- 24/7 Emergency Operations Center
- National and Regional Conference support and speaker participant.
- Human Performance Evaluations (HPE) for Pre-Employment and return to work.



## GENDER RESEARCH

In 2020, Mary Kay supported Women's Entrepreneurship Development Assessments (WEDS) led by International Labour Organization jointly with UN Women in Brazil and Mexico to examine the root causes of gender inequality and make recommendations of policies to close legal, social, and economic gaps. Findings will be unveiled in 2021.

In response to the global pandemic, Mary Kay helped fund CARE International's global Rapid Gender Analysis (RGA) on COVID-19, in consultation with the International Rescue Committee (IRC), to highlight gender and intersectional impacts of the crisis. This analysis explores the current and potential gendered dimensions of COVID-19 and the ways in which women, girls, and other marginalized people are likely to be impacted from the pandemic. As of June 2020, the RGA has been deployed in 67 countries reaching 12 million people.

Through its partnership with the UN Trust Fund to End Violence against Women, Mary Kay helps fund projects to protect women and girls in 70 countries and territories. The UN Trust Fund, as the only demand-driven, competitive grant-making mechanism specialized in ending violence against women and girls, is uniquely positioned to contribute to realizing this goal through funding contextually relevant initiatives and providing support to grantees, many of which are small, women-led and women's rights organizations. In 2020, Mary Kay also supported two gender assessments led by UN Trust Fund (March Baseline + After 6 months) among 144 CSOs.



# DIVERSITY, EQUITY & INCLUSION

## DIVERSITY, EQUITY & INCLUSION ARE IN OUR DNA

Mary Kay was born out of inequality. Gender equality has been our fight since our inception. We have never backed down to deliver our mission: *Enriching Women's Lives. We stand against hate, rise to advocate and commit to act to accelerate systemic change.*

When Mary Kay Ash started her company in 1963, her goal was clear: create a company that offers opportunity for women who had been denied it in corporate America. She envisioned a company that treated people fairly and valued different perspectives. A place where “thinking like a woman” would be considered an asset—not a liability. While the mission started with women in mind, its ripple effect resulted in a company culture inclusive of anyone who had been overlooked, underestimated, or ignored. At her company, everyone would be given the opportunity to rise while demonstrating their unique talents and desire for personal and professional growth.

**At Mary Kay we celebrate DIVERSITY.**  
**At Mary Kay we pursue EQUITY.**  
**At Mary Kay we embrace INCLUSION.**

Additionally, to our internal DE&I journey, we have focused on external efforts on driving change:

**DIVERSITY:** The unique, individual differences and group/social differences that can be engaged to achieve objective and subjective insights and better understanding. Diversity includes things like life experiences, education, learning and working styles, personality types, race, gender, sexual identity and orientation, country of origin, socio-economic status, as well as cultural, political, religious, and other affiliations. Any of these things can make us diverse.

*June 2021: At the UN Women Generation Equality Forum in Paris, Mary Kay and The Mary Kay Foundation will be joining four coalitions to accelerate progress for gender equality: Gender-based Violence, Economic Justice and Rights, Feminist Action for Climate Justice and Technology and Innovation.*



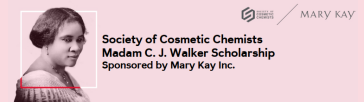
**EQUITY:** Equity means “justice according to natural law or right” or “the quality of being fair and impartial.”

*Mary Kay has been a supporter of the Congressional Black Caucus Foundation for over ten years, a nonprofit, nonpartisan public policy, research and educational institute that seeks to advance the global black community. In June 2020, Mary Kay announced its support as the founding member of the Congressional Black Caucus Foundation (CBCF) new initiative: National Racial Equity Initiative for Social Justice (NREI). This initiative aims to advance a racial equity and human rights lens in research, data, analysis, and public policy related to criminal justice reform.*



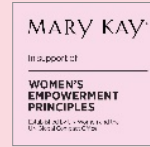
**INCLUSION:** Inclusion is used to describe the active, intentional, and ongoing engagement with and appreciation of diversity—in people, work environment, and community involvement.

*In July 2020, The Society of Cosmetic Chemists (SCC) announced the creation of the Madam C. J. Walker Scholarship in support of under-represented minority students pursuing an undergraduate or graduate degree in chemical, physical, medical, pharmaceutical, biological or related sciences and technology. This scholarship is funded by Mary Kay Inc.*



## WOMEN'S EQUALITY

February 2019: Mary Kay becomes a proud signatory of Women's Empowerment Principles



November 2019: Mary Kay made a pledge at the Reykjavik Global Forum to develop a 10-year action plan in achieving gender equality in entrepreneurship (2020-2030)



Summer 2020, Mary Kay and The Mary Kay Foundation committed to eradicate gender-based violence in over 100 countries through partnering with CARE and the UN Trust Fund to Eliminate Violence against Women and Girls.



June 2021: At the UN Women Generation Equality Forum in Paris, Mary Kay and The Mary Kay Foundation will be joining four coalitions to accelerate progress for gender equality: Gender-based Violence, Economic Justice and Rights, Feminist Action for Climate Justice and Technology and Innovation.



Supply chain: We want to continue to implement and champion Gender-Responsive Procurement to increase women-owned businesses participation.

## WOMEN & GIRLS EDUCATION

In 2020, our partnership with The National Foundation for Teaching Entrepreneurship allowed us to reach almost 75,000 students in over 1,000 schools in 8 countries.



The Lewisville INCubatoredu offers entrepreneurship curriculum to 100+ students annually.



Mary Kay China supports Girl Accomplishment providing special public welfare fund's literacy education curriculum for 1,500+ junior high school students in the country.

In support of the Women's Entrepreneurship Accelerator and in collaboration with ITC SheTrades, Mary Kay will launch by December 2021 an entrepreneurship 27-module digital curriculum available in six languages: Arabic, English, French, Spanish, Mandarin and Russian. The guided online curriculum will be supplemented by in person training in several countries.



## WOMEN'S LEADERSHIP



In 2019 and 2020, Mary Kay supported advocacy work for the global network of Women Political Leaders including 9,000 women politicians in 120 countries.



Through our partnership with International Women's Forum, Mary Kay has been contributing to empower 7,000 women leaders from 33 countries in science, medicine, academia, business, arts, sports, politics...



Since 2020, Mary Kay has been indirectly supporting 18,000+ female entrepreneurs through our partnership with Vital Voices and the WE Empower UN SDG Challenge.



Mary Kay has been empowering women leaders through our partnership with The Nature Conservancy:



- supporting indigenous women's leadership to improve land conservation in Northern Australia
- enhancing watersheds and supporting women in Monterrey, Mexico
- saving species and empowering women in Solomon Islands
- strengthening indigenous women stewards in Canada.

## *labour*

### PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

### PRINCIPLE 4

The elimination of all forms of forced and compulsory labour

### PRINCIPLE 5

The effective abolition of child labour

### PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation

**Mary Kay supports fundamental corporate governance principles:**



#### **Ethical Trade Initiative (ETI) Base Code**

The ETI Base Code is founded on the conventions of the International Labour Organization (ILO) and is an intentionally recognized code of labor practice.



#### **International Labour Organization (ILO) Fundamental Conventions**

The ILO Governing Body has identified eight fundamental Conventions, covering subjects that are considered to be fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation. These principles are also covered by the ILO Declaration of Fundamental Principles and Rights at Work (1998).

## LABOUR STANDARDS

The UNGC principles include the “elimination of all forms of forced and compulsory labour” and the “effective abolition of child labour.” Under principles 1–6, we expect our suppliers to respect human rights standards and in particular we ask them to abide by all laws relating to the abolition of child labor and human trafficking. In addition, under our own Code of Ethics, Mary Kay will not employ children or do business with any suppliers that uses child labor.

We are also committed to the [Ethical Trade Initiative \(ETI\) Base Code](#) and have audited supplier practices regarding child labor. These state that there shall be no recruitment of child labor; companies shall develop or participate in and contribute to policies and programs that provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child; children and young persons under 18 shall not be employed at night or in hazardous conditions; these policies and procedures shall conform to the provisions of the relevant [International Labour Organization \(ILO\) standards](#).



## RESPONSIBLE PROCUREMENT PROGRAM

Innovation. Sustainability. Partnership. These three words are part of our everyday language for success. Mary Kay’s procurement team is committed to nurturing a relationship with our supply chain to encourage knowledge sharing, collaboration, and networking. That’s why we outline our Responsible Procurement Program within Mary Kay’s Ingredient and Formulation Guidelines. In addition, the strategy behind this relationship-building effort adds value to the business through process, technology, and innovation.

Our suppliers and contractors are critical to our ability to run our business. They are involved in almost every step of our operations—and are often key to achieving successful outcomes and having a positive impact on the community. Ensuring we have robust and healthy supply chains is essential to our financial strength and resilience.

We strive to simplify and clarify what we expect from our suppliers and contractors. We work hard to help them comply with our requirements, improve their practices, and together, raise industry standards.

# *environment*

## PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges

## PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility

## PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies

Environmental stewardship is an important component of Mary Kay's leadership in corporate social responsibility, as our efforts to limit the company's carbon footprint impact Mary Kay's reputation and, in turn, corporate success.

Now more than ever, businesses look to work with other companies that reflect their values, and consumers come to expect preventative and proactive methods that leave the world better than we found it. We will adapt and evolve over time the range of products we offer in line with our Independent Beauty Consultants

expectations and their customers' needs. Only by making relevant products responsibly can we practice business sustainably.

We are challenging ourselves to further embed sustainable practices in our business through product development and design, responsible sourcing, and mitigation of plastic pollution. Beyond a continuously more sustainable manufacturing operation, we continue to improve the profile of our products, so consumers have better choices. We strive to innovate with sustainable design capabilities across all of Mary Kay.

## WASTE & RECYCLING

### Zero Waste-to-Landfill

Mary Kay's global manufacturing facilities in China achieved zero waste-to-landfill status in 2014, diverting all solid waste from landfills. The manufacturing center located in Texas, U.S.A., achieved this status in 2011.

### Waste-to-Energy (WTE)

The Waste-To-Energy (WTE) process takes non-hazardous waste and turns it into energy. The waste is transferred, prepared for combustion, and sent to a local WTE facility. During combustion at a high temperature, the waste is reduced to 10% of its original volume. The generated energy creates steam that turns turbines to generate electricity. The trash from Mary Kay's global manufacturing facilities is turned into renewable energy and is used to power homes in the local area.

### Recycling

We aim to reduce the amount of waste we generate and to reuse or recycle materials. Recycling is part of our waste reduction strategy that diverts waste from the landfill annually. In addition to paper, our employees are encouraged to collect the following materials for recycling: newspaper, cardboard, fluorescent lamps, toner and inkjet cartridges, computer equipment, pallets, plastic bottles, aluminum, copper, steel, iron, batteries, carpet, Styrofoam, and other items.

## CARBON FOOTPRINT

Climate change is a pressing global issue, and its repercussions require urgent action. With a commitment to making a profound transformation toward a low-carbon business model, we aim to play a catalyzing role in order to contribute actively to addressing this challenge in our manufacturing operation.

We are committed to an ambitious climate action agenda and The Paris Agreement; we are determined to play our part in the global effort to limit the average rise in temperature to less than 2°C compared to the preindustrial level.

We are taking a two-pronged approach at its two manufacturing sites: improving energy efficiency and using renewable energy, thus reducing CO2 emissions, and constantly evaluating distribution.

## PLASTICS REDUCTION



We share public concern about plastic waste and want to play an active role in finding lasting solutions to this challenge. Concern about plastic waste has risen sharply as waste collection and recycling infrastructure have not kept pace with plastic manufacturing, causing an increase in plastic waste in the environment. Issues such as changes in local regulations to discourage the use of plastic and the cost of material inefficiencies of linear production models all constitute opportunities for innovation. There are hotspots in regions where recycling infrastructure is weakest and/or where ecosystem damage from pollution is most acute, including oceans and coastal areas.

Innovations in packaging materials, such as plant-based raw materials, as well as circular models that turn post-consumer plastics into new, economically viable value streams, present multiple opportunities. These new plastic production models offer improved ecosystem impacts and carbon footprint reductions and accelerate the shift away from single-use plastic.

## SUSTAINABLE INGREDIENTS

Ingredients are at the heart of our products. We have made a lot of progress on driving and demonstrating sustainable ingredient practices in our supply chain. But we still have a long way to go to achieve our goal. We will continue to build on what we've learned and develop a variety of ways to achieve sustainable ingredients sourcing, engaging all suppliers in our supply chain on this journey.

Mary Kay's Ingredient and Formulation Guidelines state the commitment the company has taken towards human health risks and towards the environment. But, with an average of 100+ products containing around 20+ ingredients each, there is a lot of required oversight in making sure ingredients do not react with one another in a concerning or dangerous way. Ingredients are chosen based upon efficacy and safety, respectively.

The Research and Development team at Mary Kay also operates in line with the [Nagoya Protocol](#) in the identification and sourcing of ingredients.

Mary Kay does not use ingredients derived from species listed on the [International Union for Conservation of Nature \(IUNC\) Red List](#), which reports on species conservation status.



## WATER



Water stewardship will be a key driver in the future as climate change drives more extreme drought conditions and increases the frequency of water scarcity events. Taking proper steps now will help our manufacturing locations be better partners in the communities in which they operate.

Water is complex because it is linked to almost everything in the world. But complexity should not hinder understanding: Water is a precondition for human existence and for the sustainability of the planet.

### Freshwater Ecosystems

These ecosystems supply food, water and energy to billions of people, protect from droughts and floods, and provide unique habitat for many plants and animals, including one third of all vertebrate species, and Mary Kay will partner to drive sustainable impact in rural communities in dire need around the world.

### Oceans & Coasts Ecosystems

Collaborating with partners to restore oceans and coasts ecosystems to reduce the pressure so they can recover, both naturally and by re-seeding or transplanting key species.

### Aquatic Biodiversity

Mary Kay supports impact programs focusing on variety of life and the aquatic ecosystems such as freshwater, tidal, and/or marine, all unique species, their habitats and interaction between them within these ecosystems.

# *anti-corruption*

## PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery

Mary Kay Ash laid down a virtuous foundation when she started offering opportunities to women, which built and solidified our reputation as a business governed by ethics, integrity, and service to others. We recognize ethics as the cornerstone of any good business, and maintaining ethical practices is a top priority.

Since the company's founding, we aim to consider not only profits, but doing business the right way. The way in which this company has thrived is proof-positive that values can be used as a roadmap to success and that an ethical environment can exist at all levels of our business structure. Our future success hinges on our ability to do the right thing by never compromising our values. Our hard-earned reputation has propelled Mary Kay as an industry leader in doing what is right.

All around the world, governments are passing and enacting laws against corruption. Each day, more and more companies are in the news for violating these anti-corruption laws and for their unethical behavior.

Mary Kay's anti-corruption policies help protect the Mary Kay dream by upholding the high standards that Mary Kay Ash established for her company. As she said: "We must carefully guard the image that we have established, and that calls for dealing with honesty and integrity in everything we do."

## PINK DONE RIGHT

Around the world, governments are passing and enacting laws against corruption. Each day, more and more companies are in the news for violating these anti-corruption laws and for their unethical behavior.

At Mary Kay, we are firmly committed to always doing the right thing. To reinforce this guiding principle, the Mary Kay PINK Done Right Program was established to demonstrate and highlight the core ethical values that Mary Kay's operations worldwide are built upon.

When an employee isn't sure what the right thing is to do, he or she is instructed to talk to his or her supervisor, department or division leadership, Human Resources, or the Legal Department. Employees can report suspected violations of our policies and guidelines anonymously 24 hours a day, 7 days a week via a global platform maintained by a third party.

## GLOBAL ANTI-CORRUPTION COMPLIANCE POLICY

Simply put, anti-corruption compliance at Mary Kay means holding ourselves and those we do business with to the same standards of ethical conduct. Compliance is an integral part of who we are as a company.

Through the Global Anti-Corruption Compliance Policy, Mary Kay employees, officers, directors, vendors, and other third parties that do business with Mary Kay around the world agree to comply with our standards and anti-corruption laws around the world. In essence, the Policy strictly prohibits bribery of any kind, regardless of local custom and practice.

## CODE OF ETHICS

Our Code of Ethics shows employees how to apply the company's founding values to everyday business conduct. By choosing to work at Mary Kay, employees have made a commitment to ethical and lawful business conduct, and all are expected to understand and follow the policies set forth in the Code of Business Conduct and Ethics. Every Mary Kay employee is required to complete annual web-based training, confirming their understanding of these important policies.

Mary Kay's investment in excellence and its ability to reinvent and innovate are part of the company's history and characterize its sustainable operations. A central role in its excellence is played by the Code of Ethics, which sets out the principles and fundamental values that inspire its conduct, and the ethical and responsible culture of Mary Kay. The Code of Ethics is available in the major languages spoken by our employees and applies to all companies, geographies, and functions at Mary Kay.

Compliance with the Code of Ethics is the fundamental prerequisite for the long-term reputation, reliability, and success of Mary Kay and is promoted at all levels and in all countries through communication, training, prevention, and control.

# GLOBAL MANDATE ALIGNMENT

Mary Kay supports global mandates that reflect the view that development needs to be economically, socially, and environmentally sustainable and aligns to the following:

## Economic Action

- United Nations Global Compact (UNGC) 10 Principles (signatory: August 2019)
- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) Fundamental Conventions

## Environmental Action

- CEO Water Mandate Signatory (signatory: February 2020)
- Ocean Principles signatory (signatory: February 2020)
- The Sustainable Packaging Initiative for CosmEtics (SPICE) (member: 2020)
- World Economic Forum/Future Consumption (member: 2020)
- Ellen MacArthur Foundation/New Plastics Economy Global Commitment (member 2021)
- Paris Agreement/Target (commitment) alignment to limit global warming to well below 2°C above pre-industrial levels

## Social Action

- Women's Empowerment Principles (signatory: February 2019)
- Reykjavik Global Forum/Achieving Gender Equality in Entrepreneurship (commitment: November 2019)
- UN Global Compact/Target Gender Equality (commitment: in progress 2021)

MARY KAY®

In support of

**WOMEN'S  
EMPOWERMENT  
PRINCIPLES**

Established by UN Women and the  
UN Global Compact Office

## women's empowerment principles

Since the onset, Mary Kay has stood out for being a socially responsible company. Our company culture is curious, empowered, and inclusive—believing in making progress rather than worrying about perfection. Striving to have a positive impact on women extends to their families and their communities, and supporting girls through creating opportunities like education, mentoring, and involvement in their local community.

The Women's Empowerment Principles (WEPs) are a set of Principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. Established by UN Global Compact and UN Women, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.

*Source: WEPs*

Since February 2019, Mary Kay has been a proud signatory and advocate for the **Women's Empowerment Principles**.

### GENDER DIVERSITY FOR GLOBAL WORKFORCE AND LEADERSHIP AT MARY KAY

*\*AS OF FEBRUARY 2021*

**EMPLOYEES: 61% FEMALE**

**EXEC TEAM: 54% FEMALE**

**VPS: 54% FEMALE**

**DIRECTORS: 59% FEMALE**

**MANAGERS: 58% FEMALE**

**MARKET LEADERS: 64% FEMALE**

**TOP 10 MARKETS: 60% FEMALE**



“Mary Kay has empowered women through entrepreneurship and supported their aspirations for financial security and independence for more than 57 years. Private and public-sector organizations must work together to ensure all women entrepreneurs have access to the tools and education they need to make their dreams of financial independence a reality, lifting up their families and communities.”

### DEBORAH GIBBINS

*Chief Operating Officer of Mary Kay*

**July 2020: Deb Gibbins made a call to the private sector to support or become a signatory of WEPs**

# *women's empowerment principles*

### PRINCIPLE 1

Establish high-level corporate leadership for gender equality

### PRINCIPLE 2

Treat all women and men fairly at work respect and support human rights and nondiscrimination

### PRINCIPLE 3

Ensure the health, safety and well-being of all women and men workers

### PRINCIPLE 4

Promote education, training and professional development for women

### PRINCIPLE 5

Implement enterprise development, supply chain and marketing practices that empower women

### PRINCIPLE 6

Promote equality through community initiatives and advocacy

### PRINCIPLE 7

Measure and publicly report on progress to achieve gender equality

# WOMEN'S ECONOMIC EMPOWERMENT THROUGH ENTREPRENEURSHIP

## MARY KAY

Mary Kay is an entrepreneurship development company for empowering women through its core business model to ensure women have a pathway to economic independence through entrepreneurship.

Since its founding in 1963, Mary Kay has focused on education, mentoring, training, and networking as pathways to entrepreneurship economic empowerment.

Mary Kay collaborates with partners to promote women's entrepreneurship and support women entrepreneurs to create decent employment, achieve women's empowerment and gender equality, and work toward poverty reduction. Across diverse geographies, we have supported the success of individual women and shown how gender-balanced entrepreneurship can increase economic resilience.

Supply chain: we want to continue to implement and champion Gender-Responsive Procurement to increase women-owned businesses participation.

At the 2019 Reykjavik Global Forum, Mary Kay made a pledge to develop a 10-year action plan in achieving gender equality in entrepreneurship (2020-2030).



In June 2021, Mary Kay will be joining the UN Women Generation Equality Coalition for Economic Justice and Rights as well as the Coalition for Technology & Innovation as a commitment maker.



# HIGHLIGHT: WOMEN'S ENTREPRENEURSHIP ACCELERATOR



## WOMEN'S ENTREPRENEURSHIP ACCELERATOR

IN SUPPORT OF



In 2019, Mary Kay announced the Women's Entrepreneurship Accelerator, a multi-partner initiative designed to inspire, educate, and empower women entrepreneurs around the world. With no qualifying barriers to participate, the ground-breaking initiative is a strategic collaboration launched in consultation with six United Nations agencies: UN Women, United Nations Office for Partnerships (UNOP), International Labour Organization (ILO), International Trade Centre (ITC), UN Global Compact (UNGC), and the United Nations Development Programme (UNDP).

The global initiative aims to create an enabling ecosystem for women entrepreneurs through four Pathways of Empowerment: Education, Funding, Advocacy, and Participation.

In addition, the Accelerator serves as an advocacy platform to eliminate entrepreneurial roadblocks for women, ranging from digital literacy to legal reform—enabling women to fully participate in the growth of their local and national economies. The Accelerator supports global efforts to encourage businesses to establish and expand relationships with women-owned businesses, including corporate procurement.

In September 2020, Mary Kay issued a statement with the United Nations Partners of the Women's Entrepreneurship Accelerator advocating for women's entrepreneurs hardly hit by the COVID-19 pandemic.

In collaboration with ITC SheTrades, the Accelerator will launch by December 2021 an entrepreneurship 27-module digital curriculum available in six languages: Arabic, English, French, Spanish, Mandarin and Russian. The guided online curriculum will be supplemented by in person training in several countries. Women's Entrepreneurship Development (WED) Assessments conducted by ILO in Mexico and Brazil will also be released in 2021.

# WOMEN'S ECONOMIC EMPOWERMENT THROUGH ENTREPRENEURSHIP

## MARY KAY®



中国妇女发展基金会  
China Women's Development Foundation



### UNDP SDG PILOT VILLAGE IN WAIPULA, YUNNAN PROVINCE, CHINA

Women around the world often face significant barriers to realizing their own economic empowerment. Studies show that the economic empowerment of women has positive multiplier effects on the nutrition, health, and education of families, and that better inclusion of women in the world economy propels growth and prosperity.

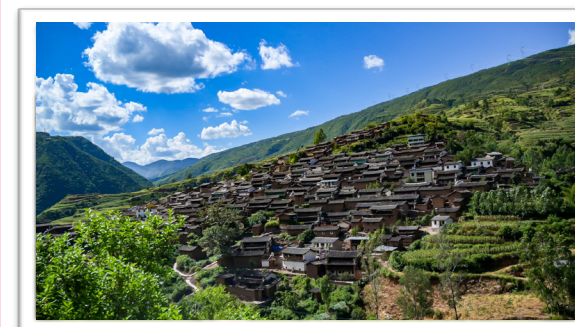
Harnessing the potential of women entrepreneurs will be crucial for the sustainable and inclusive recovery of economies and societies from the pandemic; Multi-dimensional strategies and multi-sector partnerships that are designed to facilitate women entrepreneurs will catalyze the transformation the lives of women and communities at the local level.

- In July 2017, the United Nations Development Program (UNDP) launched its first Sustainable Development Goals (SDGs) Pilot Village targeting women's poverty and sustainable development in Yunnan Province, China with support from Mary Kay; the first-of-its-kind pilot program focused on entrepreneurship as a pathway to empowerment.
- The site selected was Waipula, in Yongren County, Chuxiong Prefecture, Yunnan Province: Waipula is an impoverished village which was listed as a national traditional village protection project in 2016.
- The funds provided by Mary Kay for were invested in improvements to the village's health-care system, cultural preservation efforts and overall business development in the village. Women were encouraged to engage in ecotourism that showcases their unique cultural heritage, such as ethnic Yi embroidery.
- The SDG Pilot Village Project is the first village-level initiative to demonstrate how the SDGs can be successfully implemented locally in rural China. From 2017 to 2020, the initiative directly contributed to 12 of the 17 Sustainable Development Goals.



*"The SDG Pilot Village Project established in China in partnership with Mary Kay is the first village-level SDG localization-oriented initiative to demonstrate the powerful impact women entrepreneurs can have in rural areas. The project directly contributed to at least 12 of the 17 Sustainable Development Goals, resulting in a poverty rate dropping from 28% in 2017 to 0% in 2020!"*

Dr Weidong Zhang | UNDP China People and Prosperity Pillar Programme Director



A world map composed of pink dots of varying density, set against a background of light pink concentric circles.

# MARY KAY®

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