

# ACCENTURE PODCAST

## NANCY MAHON – ELC

### AUDIO TRANSCRIPT

**Arthur Zaczekiewicz** [00:00:00] Climate change, social justice issues, gender bias, a lack of diversity and inclusivity. These are challenging topics for a challenging time. But there are standout companies who are making a difference on the ESG front. Welcome to voices where we share the latest fashion, apparel and retail industry insights. Welcome to WWE Voices I am Arthur Zaczekiewicz, executive editor of WWE and today, as part of the Retailers Responsible Reset series with Accenture will be featuring Audrey Depraeter-Montacel, who's the Accenture lead as our guest host. Audrey will be interviewing. Nancy Mahon was the ESG lead at the Estee Lauder companies, and we're going to be discussing what it takes to put the SDG and inclusion into practice. Welcome all.

**Audrey Depraeter-Montacel** [00:01:01] Thank you very much, Arthur and Nancy. It's a pleasure to have this conversation with you today. So, Nancy, you know, I'm French. I have this French accent, so I hope it will be good for everyone to to, you know, follow this conversation and I'm super honored to have you today. It's really a pleasure. You have such such a deep expertise in sustainable beauty. Such an understanding of what it means concretely for for beauty, because it's one thing to talk about sustainable beauty, and I will say it's another one to act for it. And I think you have been an incredible leader in integrating that into the company, into reality. And the objective today is really to understand how you make it a business daily. I will say the practice in the company. So the first question I would like to ask and I can't resist because I think it's we share this value around girls and women at Eagleon and Accenture. So the first question I have for you, Nancy's. With all the conversation, we we have these day arounds, our work

changing what is happening from a climate perspective. How do you see that they were impacting girls and women? And what is your perspective on that?

**Nancy Mahon** [00:02:15] That's a great question. And and Audrey, it takes a village in terms of the globe. So no worries about accents. I probably have a New York accent and I talk incredibly quickly so you can slow me down and we can learn from each other. So thanks to women's wear daily and to you, Audrey and Accenture for giving me the opportunity, you know, I would say overall in terms of sustainability and climate and social impact, what we've really focused on at the SD Lauder companies is building from our strengths, which Fabrizio speaks about. Be so afraid. Our CEO speaks about quite a bit and we have a legacy both in social impact and social investments, as well as in green energy. And those are two areas where we really have leaned in. And as it turned out, apropos of your question around women, we have had a long great history and with many, many other companies of investing in breast cancer, breast cancer research, Alzheimer's, Alzheimer's research and also through our Mac AIDS Fund, through HIV aids and in our climate work, we have invested in green energy solutions here in the United States and globally. And we were lucky enough to just win the R100 Entry and Entrepreneurial Leadership Award, which we're proud of. The beauty industry, as you know, is are not generally big emitters. And yet we feel very strongly that we have a role to play in terms of having creative solutions like wind and forestry. So we're very proud of that and really want to also thank WWT for really great coverage across the board, particularly in climate. In terms of women and climate, you know, what COVID has really highlighted is that there's an enormous intersection of, you



know, particularly coming out of COP26 of what is called gender justice and climate justice. And that unfortunately, women and girls are disproportionately impacted by poverty, sadly. And if you look at an overlay of the COVID impacts and the climate impacts, what you see is that in communities and countries where there is low access to health care or poor, poor health care, particularly preventative care, there's also very high emission and very bad climate solutions. Or I'd say formal climate solutions are there in many of those countries, if not most are very good nature based climate solutions. And so what we've really tried to focus on is how can we as a global leading global prestige beauty company with 29 brands, how do we kind of use our corporate muscle and our business prowess and growth prowess to try and solve for and focus on solutions that just that that help women and girls, basically? And we do that really in a 360 degree approach. So on the social investment side, we've invested, we just made a \$50 million grant. And I think we're just we're at the normal corporate donor, but I think we're going to be joined by another luxury donor, which we're excited about. Essentially, Co Impact is a group that does venture philanthropy coming out of London. They are looking at going into countries where programs are working and having women led program led solutions within those countries, and that hopefully they're hoping to deploy a billion dollars over the next 10 years. So that's a really basically a top down, bottom up systemic solution to gender injustice and what's blocking women and girls from advancing what's blocking them in schools with supporting them from graduating from high school? Where is the data? What is the data sets to us? And how do we partner with with government to make that happen? We're very excited. Geeta Rao Gupta, who was one of the big advisors at CO Impact, is now going to be. She's nominated to be President Biden's ambassador at large for women and girls. And so we expect great solutions coming out of that. We've also on the on the climate side. We've also invested in climate solutions and environmental solutions that help women and girls. And so we invested in a program. BSR has a program the her project and the Her Respect project, which looks at palm oil supply chain, make them more make them safer. We also have invested in a program that helps

basically work with our suppliers and educate women in their factories in terms of literacy. And then on the environmental front, we invite we've invested in groups like Plastics for Change. There's an entire industry, as you may know in Southeast Asia, of waste pickers. And so rather than saying, Oh, that's that's that's a bad thing, I mean, they honestly have created this amazing industry. And so we've invested. One hundred and fifty thousand dollars in their work, we just renew that grants over three hundred thousand dollars. And we've also invested in Conservation International, some of the work they're doing in Bolivia, Peru and Ecuador, again focusing on women's empowerment and allowing indigenous women to basically focus on and conserve forests. So we really feel there is a huge role for beauty to play and allow corporations to play in supporting some of these grassroots women's efforts and scaling them. I mean, if there's one thing beauty companies know how to do, we know how to buy brands. So we do have to scale them. And we need also from a marketing perspective, candidly, we know how to sell things. And so part of what we're trying to do is use our Estee Lauder moniker or our brand monikers for Mac, Viva Glam and some of the great work that they're doing with all women, particularly trans women and really allowing, ah, basically, ah, I guess, endorsement to help scale those solutions. We refer to this as supporting the communities where we live, work and source. And then lastly, I would say, as we have always had, but are now much more intentional about equity. So what does that mean? We look at all of our work through the lens of equity, which is through this grant, through this business action. Are we being fair to every community? And in fact, are we giving a leg up to some of the communities that have been disproportionately impacted? And we focus on that both in our business actions through things like gender pay equity commitments and also in the grant making that we're doing so. It's a it's a collaborative effort across many of our departments and we're very excited about it.

**Arthur Zaczkwicz** [00:08:50] Nancy. Nancy, you know, I have a six year old daughter and you know, this whole pandemic has been transformative for her. And now she wants to study pre-med and I'm, you know, totally supporting her and, you know, kind of

helping her. And she's actually going to graduate early from high school to do that, and she's because she wants to make a difference. But you said something interesting. You said, you know, it takes a lot more than it takes many, right? It's not. It's it's, you know, your company and there's other companies that have to do that. It has to be across the board, correct?

**Nancy Mahon [00:09:25]** Oh, it does have to be across the board. I mean, I think that to me, the most striking piece coming out of Cop Twenty and I'm lucky enough to have a 16 year old daughter, too, and an 18 year old son is, I would say, the level of youth activism and youth leadership on climate and on gender. And I think that that for those of us who have been part of the civil rights movement have been part of the women's rights movement, the HIV AIDS movement is there is a movement here that is very informed, very active, very global. Andries, earlier point about France and very moving calmly and it for for for all of us, I think there is a profound role to play in terms of listening.

**Arthur Zaczkiwicz [00:10:14]** So, so what can men do? Right? So if we, you know, should we step aside and support women and let them they how do we facilitate their success as a man and globally?

**Nancy Mahon [00:10:26]** That's a totally lovely question. Well, I guess a couple of things. I was struck recently. There was a report that came out from Schwab and Ariel Investments, Melody Hobson and Schwab, the investment discussion about women and girls and how basically women we don't speak to our girls the same way about money as we speak to our son. So I would say change starts at home. I would think about how you treat your girls and make sure that they are equally well equipped to be businesspeople, to be change change makers as they go forward in their lives. And then globally, men have a huge role to play. You know, we're lucky enough to have so many great men in our company, whether it be Fabrizio, who's our CEO for beauty, afraid, our William Water, who is our chairman. They have played a huge role in making sure that we've got great representation of women on our board. And so I would say, look at your home, look at your institutions and then globally, I would say, speak with your children

about what solutions they would like to be part of, whether that be a Peace Corps, whether that be, you know, donations. I know there's a there's a book on donation saying that every we've been working on that with our kids is you should do a third, save a third, give and a third spend. So I think that at home the question is how do we create informed changemakers, things like Are you using solar panels on your roof? Are you really listening to them and making changes in the way your your your family lives with regard to plastics, with regard to recycling, with regard to stuff? I mean, I think one of the biggest challenges we have in the beauty industry is what do you do with that stuff? Because we have a lot of stuff. And then I think, you know, for me and Norway, we've supported CO Impact, but I do think that there is clearly a widening divide between the wealthy and low income communities. And I think again, as the beauty industry and as families, we need to think about what is our solution to that? How do we think that through how do we become a part of whatever effort is happening locally and globally to make it? But I would say absolutely. And again, I'm lucky enough to have a son. Great great great male bosses and a great dad. And I would say that men are, you know, you're half the world. You know, we haven't really had a fair crack at it, honestly. We're trying. So any leg up you can give, and if you look at, you know, some of the great women leaders they all speak about, like Melody Hobson speaks about Bill Bradley and how important he was to her career. So I'd say mentor a woman, sponsor a woman at work, you know, equip your daughters well and listen and treat them equally and then become part of quality solutions in the world.

**Audrey Depraeter-Montacel [00:13:08]** Nancy, one question on my side you mentioned before I move forward. Thank you for the tip on the money pocket because I have two girls, one five years old. So it's maybe a little bit early for me. But I will keep in mind what you just said about one third say one to give one so spent. I think it's a fantastic, you know, kind of guideline. So I will use it for sure later. But we have to see one question. So you mentioned about the twenty nine brands that compose the fantastic DLC portfolio and equation I have working with those brands is how do you?



HUD Hall does Elsie ensure that each brand with its own DNA and they have very different DNA irritations story? Or do you ensure that each one carries its own identity for those topics of inclusion, diversity, sustainability? I think it's it's I can imagine it's a challenge, but it's also very exciting to think about this discernable lens with the different again editors and story of each Brian. Can you tell us a little bit more about that?

**Nancy Mahon** [00:14:12] That's a wonderful question. It is. I would say it's not. It's not a challenge as much as it is an opportunity and we find it to be a very exciting opportunity. I was lucky enough to work for 10 years and I'm still involved in the Mac through the glam campaign. And what we saw and what I learned firsthand. First of all, is celebrity is a currency, as minuses says use it. So we really focus on who are spokespeople who are and also kind of the currency of the brand. And what we do is we are, as you likely know, a brand led house. So every brand has a president and it is within the decision making rights of that brand, that brand president, as to what purpose they will focus on or cause and how they will integrate that into sustainability, into their equity, into their business. And so we have a very large strategy process at our company, and that is, I would say organizationally, one of the most important levers. So in strategy. Every president presents with their team their commitment around social impact, sustainability and equity, and they work to make sure that it's on brand. And I say work, it really is, I would say, a passion. We have so many talented marketing team sales teams to think through, similar to your children or for us. How do we have purpose show up in our brands? How do we basically use our business prowess and our brands loyalty and love to drive the ability not only to grow the brand, but also to grow the purpose? And that is what I see as really one of the most exciting opportunities now in in consumer goods and just generally. And we really focus on, you know, we have Bobby Brown has the pretty powerful fund origins, has a plant, the tree fund, Lemaire has a blue oceans fund and we have a team of people that work with the brands and essentially create their giving programs so that we make sure that we bring best in class social impact, due diligence, co-branding with non-profits. And that also at the same time, we make

sure that it's business viable because at the end of the day, you know, the trail, unfortunately, is littered with companies that had great intentions around purpose but didn't have solid business models. And so it's exciting for us is we're in a growth mode, thankfully, and we feel blessed to be in a growth mode. And so we've tried to focus on how do we have those kind of dual engines going. And it's very, very interesting field. I read in the New York Times last week that, for instance, Wharton that used to have no courses on social impact now has 50. And so what's what's so wonderful is we're making this up together. And what's so wonderful is we have a big reserve of knowledge, I'd say, particularly in beauty. You know, if you look at the history of beauty industry, we've been very bold, I think, in terms of taking on big issues. We took on breast cancer and HIV and AIDS and Alzheimer's when it was honestly not considered either sexy or glamorous. Philosophy took on mental health very early. Revlon Avon took on very early on, took on domestic violence like, we've had some really great stuff in this industry. And I think that's in large part because of the leadership within the companies and with with large part also because, you know, ninety five percent of our consumers are women now actually increasingly number of men, which is great. But basically, women have been sort of guardians of the world and we generally are in a category where no one has to buy a beauty product. So when they buy it, they want to buy it. Now both, you know, have a great product, makes them look and feel better. And also investing in a company in a brand that the values that they share. So I can say we have been as as a sector, I think a leader, and I think I'm hoping that we will continue to be ultra.

**Audrey Depraeter-Montacel** [00:18:16] I don't know if we have time, but I would like to has maybe a little side question to Nancy and Nancy, of course. Share what you said. But I was I was curious to know what was it like to be like a presidential appointee, can you? And being a French person, I would love to understand more what it means and how it was to work with the Obama administration.

**Nancy Mahon** [00:18:38] Well, I. What was lovely for me about working with the Obama administration, first of all, it's it's an honor to be asked in any administration to lead one of

the committees. I was the the chair of the Presidential Advisory Committee on HIV and AIDS. And so it was an area that I was then the head of the Mac AIDS Fund that I care deeply about. And at the end of the day, particularly in health and health care. Governments have to support solutions to get scale. And that's true actually in education work, which we're doing now. So what was so exciting about it was it was a bipartisan committee. It was a group of cross-functional trained doctors and social workers with the former chief of staff for Laura Bush. And we had several actors and the position itself reported to Kathleen Sebelius, who was then the health secretary of Health Human Services. So it was a time when Affordable Health Care was being introduced, and it was a time when you had all players on the field that were really trying to make a difference. And so the pleasure for me was a just being able to do such a great night job while keeping my great job at magnet water. But also, you know, change is hard and these government jobs, this is these are big tankers, you know, to make differences. And so we spent a lot of time making sure that there were no unintended consequences for people living with HIV. And we actually partnered as people living with cancer so that there was more accessible medication, that there are more accessible treatments. And it was just an honor. Honestly, I did it for a couple of years, and being the chair in particular was was really an honor. And those committees are very hard working committees. So I would say anybody who has an opportunity to do that, they should do it. Plus, as I said, it really gave me a bird's eye view of how as a donor, we can work better with government government. One of the things I think that's always a little difficult in terms of private public partnerships is the cultures are very different in companies. You know, we want it done tomorrow and they expect it to be done tomorrow, whereas in governments they have a much longer change horizon. So it really did give me a lot of experience there. And Kathleen Sebelius is actually now on the board of our ELC foundation. So she's also been a big help there and hopefully will equip us as a company to be a better partner moving forward. The other thing that I really would say is that it's very clear whether we talked to her 16 year olds or whether we talked to our investors, which I do a great deal of is that we

don't have all the solutions we need now and that innovation really needs to happen. And so for us, I would say the beauty industry, we need to focus on what can we do collaboratively together, maybe around things like ingredient transparency, right? Where do we need to really throw our arms open and work across sectors? So palm oil is an area where we have to work across sectors, and we've been doing that with RPO and some other folks. Climate is an area where we really need to open our arms wide. So the big call to action I would give is around innovation. We have incredible intelligence, incredible marketing ability, incredible finance capability, branding ability within the beauty industry. Also, procurement ability. And so we've seen through procurement, windmills and other things that the green energy, the green solutions, education, all these areas need the brain power of our industry. And I think the future is very bright. We've been brave and bold in the past. We need to be even braver and even bolder, and we really do need to focus on how do we partner with other industries in partnership with government?

**Arthur Zaczkiewicz** [00:22:25] So, so Nancy, I have kind of a follow up question, you know, are you optimistic? I mean, when I look at the future and I'm concerned about my daughter and her future, are you optimistic? Do you have a brighter outlook?

**Nancy Mahon** [00:22:39] Well, that's a great question. Coming off cop 26, I have to say I have a memory. My grandmother came from Ireland and her mother died. Soon thereafter, she was a kid. She ended up running a boarding house and then putting pencils, erasers and pencils. And I remember her saying to me towards the end of her life that she wasn't very optimistic, that she had worked very hard, that, you know, obviously she'd made my life possible and that she was very concerned about my future and that she didn't know if the world was going to be a better place. But it was up to me. And so I feel coming off COP26, a very similar sort of feeling where it's kind of a toss up. Honestly, there's so much going on. I mean, at that point there were, you know, nuclear weapons, nuclear power plants. There were a lot of very scary things. What's really clear? Similar to nuclear weapons or nuclear power plants, is that we need to radically change



our game. And that is where I think we need to understand that this is a if if the youth movement, I think, can do us. One huge favor is that this is very serious and the stakes are very high. And that's where I am hopeful because if we really do. And Arthur, I'm so touched by your thinking about your daughter and Audrey, your daughters as well. We need to listen. And we need to, you know, for for beauty companies, it's not enough just to grow. We have to grow. We have to sell great products. And we really do need to make the communities where we live, work and source better. And we need to dig deep and make sure better is not even better, maybe best. And that's where I think. We have a lot of it's very it's a very sobering moment, I'd say, Arthur, that's how I mean, I said I'm ultimately optimistic, which is why I do this work, but I do think that we have more of a listening than we've ever had before in terms of investors. I see big investment houses actually doing the math on their portfolio to figure out how to get to negative one and a half degrees. I know many of us are digging deep to try and figure out negative one and a half degrees. I think the area that I would say again is that I think we need to lean in more on innovation together. Because it's striking to me when we look for green energy solutions or recycling solutions that there's some, but they're not great and they're not scaled or they're great and they're small. So I think that's where we need to. We do need to to dig in. And hopefully, you know, through podcasts like this, we have to really listen and we have to, you know, have to work at it. I do think Audrey and her team at Accenture, we have a lot of people, really smart people rolling up their sleeves trying to get this stuff done. We have more jobs than I've ever been before. I think we also have a moment, though, where we don't have a lot of people who have training in consumer goods companies, and we need to make sure that if we're layering all these jobs in that we really are layering in benefit to the world as well as to our companies. But it's an exciting and humbling time and sobering time, and I really appreciate being part of the series and look forward to whatever people should reach out. I'm on LinkedIn. I can get my email, but let's let's keep talking.

**Arthur Zaczkiwicz** [00:25:50] OK, let's keep the conversation going.

**Audrey Depraeter-Montacel** [00:25:51] Yeah, and until last point, I would like to jump on what you just said. I can tell you also from a consulting company lens that it's also a lot of new roles. You scared us. We are educating our team so that now this topic is systematically think about in every conversation. And have I have seen the change in the past year? That's incredible. Our team are really eager and willing to learn more to be educated. So we have amazing training internally, externally with partner to make sure that all this new generation, whatever is the role they have in the in the society, whatever their their job and so that they can really, you know, be educated, know what they are talking about, think about innovation, as you mentioned and I agree with you, we don't have all the solution, but let's build this solution together as partner. And I truly believe we have seen incredible change in the past in the past year or so.

**Nancy Mahon** [00:26:51] And the good news again, is if we listen to them, they'll let us know whether. I mean, I think that conscience is so important and is really a very different approach, maybe that we've taken to employees in the past. But at our at the school, our companies, honestly, all that we have a lot of we always say we have a lot of juice in our employees and they are really powering this work. And people who have incredible procurement expertise are the people who allowed us to invest in virtual power purchase agreement at scale. And these were people when they started who didn't understand virtual power purchase agreements in the climate team, worked with the procurement team and we all figured it out together. So it is indeed an exciting time where we have to, I think, keep our eye on our north star of making the communities where we live, work and source better in the world, better listen to our young people. Actually, all people, I think many of us who are over 40 believe all of this as well and understand what's at stake. And again, I'm super optimistic, soberly optimistic. I would say,

**Arthur Zaczkiwicz** [00:27:50] Well, we're at a time. Thank you so much for attending. Thanks. Thank you, listeners for listening in and Accenture for kind of the series that we've been working on. It's been terrific and stay tuned. Stay tuned for the next one.



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