



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

THOMAS ODDO, Derivatively on)
behalf of THE ESTÉE LAUDER)
COMPANIES, INC.,)

Plaintiff,)

v.)

) C.A. No. 2025-1311-BDW

RONALD LAUDER, WILLIAM)
LAUDER, JANE LAUDER, GARY)
LAUDER, ERIC ZINTERHOFER,)
STÉPHANE DE LA FAVERIE, LYNN)
FORESTER DE ROTHSCHILD,)
CHARLENE BARSHEFSKY, BARRY)
STERNLICHT, PAUL FRIBOURG,)
RICHARD ZANNINO, JENNIFER)
HYMAN, JENNIFER TEJADA,)
ARTURO NUÑEZ, ANGELA WEI)
DONG, FABRIZIO FREDA, TRACEY)
TRAVIS, RICHARD PARSONS, WEI)
SUN CHRISTIANSON, ROSE MARIE)
BRAVO, CARL HANEY, JANE)
HERZMARK HUDIS, and MICHAEL)
O'HARE,)

Defendants,)

-and-)

THE ESTÉE LAUDER COMPANIES)
INC., a Delaware Corporation,)

Nominal Defendant.)

**PUBLIC VERSION OF PLAINTIFF'S
VERIFIED STOCKHOLDER DERIVATIVE COMPLAINT**
(FILED NOVEMBER 14, 2025)

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Plaintiff Thomas Oddo, by the undersigned attorneys, brings this stockholder derivative action on behalf of nominal defendant The Estée Lauder Companies, Inc. (“EL” or the “Company”) against current and former members of the Company’s Board of Directors for their breaches of fiduciary duties, and other misconduct that resulted in material damage to the Company and its stockholders. These allegations are made upon personal knowledge with respect to Plaintiff and, as to all other matters, upon information and belief based upon the investigation and analysis by Plaintiff’s counsel, including, among other things, a review of internal documents produced by the Company to Plaintiff in response to a books and records demand made pursuant to 8 Del. C. § 220 (“Section 220”), a review of EL’s press releases and public filings with the United States Securities and Exchange Commission (“SEC”), securities class action lawsuits filed against the Company and its directors and officers, corporate governance documents published on the Company’s website, news reports, financial analyst reports, and other publicly available information about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations after a reasonable opportunity for discovery.

I. NATURE OF THE ACTION

1. This is a stockholder derivative action brought against current and former members of the Board of Directors of EL (“Individual Defendants”) for their

breaches of fiduciary duties and other misconduct, which resulted in substantial damage to the Company and its stockholders.

A. Company Background and Lauder Family Control

2. EL was founded in 1946 by Estée and Joseph Lauder. EL currently describes itself as one of the world’s leading manufacturers, marketers and sellers of quality skin care, makeup, fragrance, and hair care products, including more than 20 luxury and prestige brands globally. EL is, and at all times relevant to this Complaint has been, controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. EL is a “controlled company” under the rules of the New York Stock Exchange (the “NYSE”) because the Lauder family and their related entities hold more than 50% of the voting power of the Company’s outstanding voting stock.

3. The Company has two classes of voting stock. As of July 31, 2025, 234,287,016 shares of Class A Common Stock with one vote per share and 125,542,029 share of Class B Common Stock with ten votes per share were issued and outstanding. Each share of Class B Common Stock is convertible at the option of the holder into one share of Class A Common Stock and is automatically converted into one share of Class A Common Stock upon transfer to a person who is not a Lauder family member.

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4. Despite holding less than a majority equity interest (about 38%) in the Company's combined Class A and Class B common stock, the Lauder family controls a supermajority of voting power because only Lauder family members own Class B Common Stock and Class B shares comprise 84.2% of all voting power. The Lauder family's supermajority control over the voting power of EL, among other things, gave them, and continues to give them, power to influence and control every aspect of EL's management and affairs.

5. At all relevant times, the EL Board of Directors (the "Board") was led by its Executive Chairman, William Lauder. In addition to his responsibilities as Chairman of the Board, As Executive Chairman, William Lauder worked with CEO Freda to set overall vision, strategy, financial objectives, and investment priorities for the business. William Lauder also provides high-level leadership in areas important to the Company, including marketing, trade relations, global communications, social impact and sustainability, and regulatory affairs.

6. Generations of Lauder family have had significant involvement in the business and management of the Company. For almost 50 years, the business was run as a private family enterprise. Since its initial public offering in 1995, EL has been a publicly traded, family-controlled company. Lauder family members are connected to the Company through their ownership of common stock and their

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historical legacy of long-term family voting and management control that continues today.

7. At all relevant times, both Estée and Joseph Lauder’s sons, Leonard Lauder¹ and Ronald Lauder were Executive Officers and members of the Board. Leonard Lauder as Chairman Emeritus, and Ronald Lauder as Chairman of Clinique Laboratories, LLC (“Clinique”).

8. At all relevant times, Leonard Lauder’s son William Lauder served as Executive Chairman of the Board, and Ronald Lauder’s daughter Jane Lauder served as Executive Vice President, Enterprise Marketing and Chief Data Officer. Ronald Lauder’s daughter Aerin Lauder served as the Style and Image Director for the Estée Lauder brand.

9. Members of the Lauder family, Gary Lauder and Eric Zinterhofer, also serve as non-employee members of the Board.

B. Chinese Gray Market for Luxury Goods Known as Daigou

10. A daigou (pronounced “dye-go”) is a person who facilitates the buying and selling of international products on behalf of a customer in mainland China, like

¹ Leonard Lauder passed away in June 2025 and therefore is not a defendant in this derivative action.

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a personal professional shopper.² The term is literally translated from Chinese which means “buying on behalf of”.

11. The daigou network comprises people usually based outside of China, such as students studying overseas, or people who have migrated from China to another country and businesses that make purchases for people living in mainland China.

12. Because of the multiple scandals, consumers in China have developed a mistrust over the authenticity of products sold in China, choosing to buy and use brands from overseas instead.

13. The daigou market is worldwide. Chinese consumers prefer Australia and New Zealand for good quality food products, milk products, and vitamins, France for fashion and beauty products, Switzerland for milk products, and the United States for fashion brands and beauty products. Beyond just consumer goods, some daigous also make purchases from high-end, luxury brands such as those sold by EL.

14. Daigou activity often takes place over social media. The mainland China resident finds a daigou through a personal network or by reaching out on

² <https://lot.dhl.com/glossary-index/d/>

social media platforms — in particular, WeChat and Weibo — that connect them to the shoppers.

15. Many daigous even hold live chats inside stores to communicate with their customers when making the purchase, eventually sending the products right to their doorsteps.

C. Reliance on Daigou to Prop Up Revenues

16. With revenue growth in the Company's America's region lagging, EL turned to travel retail and the Chinese market for growth. Sales of EL products through daigou and travel retail became increasingly concentrated and material to the Company's financial results and prospects.

17. The Chinese government eventually took actions to stop the daigou trade because the practice, among other things, was used as a device to improperly avoid the payment of taxes on the sales of goods imported to China.

D. Government Crackdown on Daigou Exposes Reliance

18. But to reveal the extent that EL relied on daigou to prop up its revenues would also reveal that EL revenues worldwide had peaked and were headed for declines going forward and would be disastrous to the market price of the Company's stock.

19. To cover up that the Company's true prospects were headed for declines, the Individual Defendants made, or caused the Company to not correct, as

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series of materially false and misleading public statements that denied or downplayed the Company's actual extent of reliance on daigou to maintain its revenues and profitability.

20. Several Individual Defendants then profited from that misconduct by selling EL stock they owned at prices artificially inflated by the materially false public statements reaping proceeds of more than \$295 million.

E. Market Price of EL stock Plummets

21. As the truth about the Company's true financial condition and prospects was revealed through piecemeal disclosures, the market price of EL stock fell from its all-time high of more than \$370 per share to less than \$65 per share.

II. PARTIES

A. Plaintiff

22. Plaintiff Thomas Oddo has been a Class A shareholder of EL since January 31, 2022, and has held EL Class A common stock continuously since that time. As such, Plaintiff was a shareholder at the time of the transactions complained of herein.

B. Defendants

1. Nominal Defendant The Estée Lauder Companies Inc.

23. Nominal Defendant EL is incorporated under the laws of the State of Delaware with its principal executive offices at 767 Fifth Avenue, New York, New

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York 10153. The Company's Class A Common Stock trades on the NYSE under the ticker symbol "EL." The Company's Class B Common Stock is not publicly traded. EL operated as a private family enterprise from 1946 until the Company initial public offering of Class A Common Stock on November 17, 1995.

2. Individual Defendants

24. Defendant Ronald Lauder, son of Estée Lauder, served on the EL Board from 2016 until January 2025. Ronald Lauder was a Board member from 1968 to 1986 and again from 1988 to 2009. Ronald Lauder is currently and since 1994 has served as Chairman of Clinique, a wholly owned subsidiary of EL. Ronald Lauder's compensation is not publicly disclosed. On February 10, 2022, Ronald Lauder converted 700,000 EL Class B shares he owned to Class A shares and then sold the 700,000 Class A shares at \$307.08 per share for proceeds of \$214,956,000. Ronald Lauder is a Lauder family stockholder and party to the Lauder family Stockholders' Agreement ("Stockholders' Agreement").

25. Defendant William Lauder, a grandson of the Company's co-founder Estée Lauder, is currently Chairman of the Board and has since been a Board member beginning in 1996. William Lauder served as Executive Chairman of the Company beginning June 2009 through November 8, 2024. William Lauder retired as a Company employee on February 28, 2025. William Lauder is a non-independent member of the Board's Nominating Committee. William Lauder is a

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Lauder family stockholder and a party to the Stockholders' Agreement. Since 2021 William Lauder's EL compensation is as follows:

Year	Salary	Stock Awards	Option Awards	Other	Total
2021	\$1,250,000	\$2,545,632	\$1,272,609	\$4,958,419	\$10,026,660
2022	\$1,575,000	\$2,283,182	\$1,141,841	\$4,601,973	\$9,601,996
2023	\$1,575,000	\$2,416,701	\$1,208,360	\$2,603,931	\$7,803,992
2024	\$1,575,000	\$1,739,996	\$870,047	\$2,751,261	\$6,936,304
2025	\$111,000	\$0	\$0	\$0	\$111,000

26. Defendant Jane Lauder is currently, and since 2009 has served as a member of the EL Board. Jane Lauder is a granddaughter of Estée Lauder and daughter of Ronald Lauder. Jane Lauder is one of Ronald Lauder's two EL director designees under the Stockholders' Agreement. Jane Lauder is a granddaughter of Estée Lauder and daughter of Ronald Lauder. Jane Lauder served from July 2020 to December 31, 2024 as the Company's Executive Vice President, Enterprise Marketing and Chief Data Officer. She began her career with EL in 1996 at Clinique and served in various positions throughout the Company. Jane Lauder is a Lauder family stockholder and party to the Stockholders' Agreement. Jane Lauder's compensation as an EL employee is not publicly disclosed. Jane Lauder's compensation as a non-employee EL director is as follows:

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Year	Cash Fees	Stock Awards	Option Awards	Total
2025	\$50,000	\$0	\$0	\$50,000

27. Defendant Gary Lauder is currently and beginning November 17, 2024 has served as a member of the EL Board. Gary Lauder is a grandson of Estée Lauder and son of former CEO and Chairman Leonard Lauder. Gary Lauder is one of Leonard Lauder's two EL director designees under the Stockholders' Agreement. Gary Lauder is a Lauder family stockholder and party to the Stockholders' Agreement. Gary Lauder's EL compensation is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2024	\$75,000	\$74,999	\$99,971	\$249,970
2025	\$100,000	\$240,636	\$99,992	\$440,628

28. Defendant Eric Zinterhofer is currently, and since January 10, 2025 has been a member of the EL Board. Eric Zinterhofer is husband of Aerin Lauder and son-in-law of Ronald Lauder. Mr. Zinterhofer is one of Ronald Lauder's two EL director designees pursuant to the Stockholder's Agreement among Lauder family members. Mr. Zinterhofer serves as a member of the Board's Compensation Committee. Mr. Zinterhofer is a Lauder family member and designee under the Stockholders' Agreement.

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Year	Cash Fees	Stock Awards	Option Awards	Total
2025	\$54,000	\$0	\$0	\$54,000

29. Defendant Stéphane de la Faverie is currently, and has since January 1, 2025 served as a member of the EL Board when he was promoted to President and Chief Executive Officer, succeeding Fabrizio Freda, who retired from both roles on December 31, 2024. From September 2022 through December 31, 2024, Mr. de la Faverie was Executive Group President, overseeing many of the Company’s brands, including Estée Lauder, Jo Malone London, DECIEM, and Le Labo. Mr. de la Faverie also led global strategy for the makeup and fragrance categories. From July 2020 through August 2022, as Group President and Global Brand President, Estée Lauder and AERIN Beauty, Mr. de La Faverie oversaw a portfolio of skin care and luxury fragrance brands. Mr. de La Faverie’s EL compensation since fiscal 2024 is as follows:

Year	Salary	Stock Awards	Option Awards	Other	Total
2024	\$1,250,000	\$2,281,418	\$1,152,250	\$1,253,254	\$5,936,922
2025	\$1,375,000	\$5,392,422	\$1,348,109	\$1,497,977	\$9,613,508

30. Defendant Lynn Forester de Rothschild (“Ms. Forester”) is currently, and for 25+ years since 2000 has served as a member of the EL Board. Ms. Forester

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is a member of the Nominating and ESG Committee of the Board. Ms. Forester’s

EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2021	\$54,000	\$74,998	\$99,935	\$228,933
2022	\$108,000	\$75,000	\$99,911	\$282,911
2023	\$108,000	\$74,999	\$99,927	\$282,926
2024	\$108,000	\$74,999	\$99,971	\$282,970
2025	\$108,000	\$75,000	\$99,992	\$282,992

31. Defendant Charlene Barshefsky is currently, and for 24+ years since 2001 has served as a member of the EL Board. Ms. Barshefsky is a member of the Board’s Compensation Committee and Stock Plan Subcommittee. Ms. Barshefsky’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	All Other	Total
2021	\$61,500	\$74,998	\$99,935	\$29,866	\$266,299
2022	\$134,250	\$75,000	\$99,911	\$21,133	\$330,294
2023	\$138,000	\$74,999	\$99,927	\$69,088	\$382,014
2024	\$138,000	\$74,999	\$99,971	\$89,565	\$402,535
2025	\$115,500	\$75,000	\$99,992	\$70,550	\$361,042

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32. Defendant Barry Sternlicht is currently, and for 21+ years since 2004 has served as a member of the EL Board. Mr. Sternlicht is a member of the Board’s Nominating and ESG Committee. Mr. Sternlicht’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2021	\$54,000	\$74,998	\$99,935	\$228,933
2022	\$108,000	\$75,000	\$99,911	\$282,911
2023	\$108,000	\$74,999	\$99,927	\$282,926
2024	\$108,000	\$74,999	\$99,971	\$282,970
2025	\$108,000	\$75,000	\$99,992	\$282,992

33. Defendant Paul Fribourg is currently, and for 19+ years since 2006 has served as a member of the EL Board. Mr. Fribourg is a member of the Board’s Audit Committee and is Chair of the Compensation Committee and Stock Plan Subcommittee. Mr. Fribourg’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Other	Total
2021	\$60,000	\$74,998	\$99,935	\$0	\$234,933
2022	\$131,250	\$75,000	\$99,911	\$0	\$306,161
2023	\$135,000	\$74,999	\$99,927	\$0	\$309,926
2024	\$135,000	\$74,999	\$99,971	\$0	\$309,970
2025	\$135,000	\$75,000	\$99,992	\$51,050	\$361,042

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34. Defendant Richard Zannino is currently, and for 15+ years since 2010 has served as a member of the EL Board. Mr. Zannino is Chair of the Audit Committee of the Board. Mr. Zannino’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2021	\$68,500	\$74,998	\$99,935	\$243,433
2022	\$143,000	\$75,000	\$99,911	\$317,911
2023	\$139,000	\$74,999	\$99,927	\$313,926
2024	\$137,000	\$74,999	\$99,971	\$311,970
2025	\$159,500	\$75,000	\$99,992	\$334,492

35. Defendant Jennifer Hyman is currently, and since 2018 has served as a member of the EL Board. Ms. Hyman is a member of the Audit Committee and the Nominating and ESG Committee of the Board. Ms. Hyman’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Other	Total
2021	\$56,000	\$74,998	\$99,935	\$0	\$230,933
2022	\$112,000	\$75,000	\$99,911	\$0	\$286,911
2023	\$112,000	\$74,999	\$99,927	\$0	\$286,926
2024	\$118,000	\$74,999	\$99,971	\$0	\$292,970

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2025	\$120,000	\$75,000	\$99,992	\$39,500	\$334,492
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36. Defendant Jennifer Tejada is currently, and since 2018 has served as a member of the EL Board. Ms. Tejada is Chair of the Nominating and ESG Committee of the Board. Ms. Tejada’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2021	\$56,000	\$74,998	\$99,935	\$230,933
2022	\$112,000	\$75,000	\$99,911	\$286,911
2023	\$109,000	\$74,999	\$99,927	\$283,926
2024	\$119,250	\$74,999	\$99,971	\$294,220
2025	\$123,000	\$75,000	\$99,992	\$297,992

37. Defendant Arturo Nuñez is currently, and since April 25, 2022 has served as a member of the EL Board . Mr. Nuñez is member of the Audit Committee and Compensation Committee and Stock Plan Subcommittee of the Board. Mr. Nuñez’s EL compensation since fiscal 2022 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2022	\$28,000	\$0	\$0	\$28,000
2023	\$112,000	\$374,999	\$99,927	\$586,926

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2024	\$118,000	\$74,999	\$99,971	\$292,970
2025	\$120,000	\$75,000	\$99,992	\$294,992

38. Defendant Angela Wei Dong is currently, and since July 11, 2022 has served as a member of the EL Board. Ms. Dong is a member of the Audit Committee of the Board. Ms. Dong’s EL compensation since fiscal 2023 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2023	\$112,000	\$74,999	\$99,927	\$286,926
2024	\$112,000	\$320,239	\$99,971	\$532,210
2025	\$112,000	\$75,000	\$99,992	\$286,992

39. The fourteen EL directors serving on the Board as of the filing of this derivative action, William Lauder, Gary Lauder, Jane Lauder, Eric Zinterhofer, Stéphane de la Faverie, Lynn Forester de Rothschild, Charlene Barshefsky, Barry Sternlicht, Paul Fribourg, Richard Zannino, Jennifer Hyman, Jennifer Tejada, Arturo Nuñez, and Angela Wei Dong are referred to as the “Demand Board.”

40. Defendant Fabrizio Freda served as a member of the EL Board from 2009 until June 30, 2024. Mr. Freda served as the Company’s President and Chief Executive Officer for 16 years from July 2009 until June 30, 2024. From March 2008 through June 2009, Mr. Freda was President and Chief Operating Officer

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where he oversaw a number of brands in the Company’s portfolio. He also was responsible for the Company’s International Division, as well as Global Operations, Research and Development, Packaging, Quality Assurance, Merchandise Design, Corporate Store Design, and Retail Store Operations. Mr. Freda’s EL compensation since fiscal 2021 is as follows:

Year	Salary	Stock Awards	Option Awards	Other	Total
2021	\$1,666,667	\$50,429,620	\$5,215,140	\$8,685,557	\$65,996,984
2022	\$2,100,000	\$9,883,468	\$4,941,572	\$8,555,016	\$25,480,056
2023	\$2,100,000	\$10,416,576	\$5,208,432	\$4,086,236	\$21,811,244
2024	\$2,100,000	\$7,499,838	\$3,750,184	\$4,501,551	\$17,851,573
2025	\$2,100,000	\$9,000,032	\$2,249,994	\$4,443,376	\$17,793,402

41. Defendant Tracey Travis served as the Company’s Executive Vice President and Chief Financial Officer. Ms. Travis retired from the Company effective June 30, 2025.

Year	Salary	Stock Awards	Option Awards	Other	Total
2021	\$990,000	\$3,956,044	\$1,978,065	\$2,208,389	\$9,132,498
2022	\$1,150,000	\$14,883,692	\$1,920,773	\$2,182,165	\$20,136,630
2023	\$1,195,000	\$4,050,644	\$2,025,632	\$1,060,033	\$8,331,309
2024	\$1,195,000	\$3,820,294	\$1,910,118	\$1,025,899	\$7,951,311

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2025	\$1,195,000	\$4,189,180	\$1,047,232	\$1,038,679	\$7,470,091
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42. Defendant Richard Parsons served as a member of the EL Board for 25+ years from 1999 until December 3, 2024. Mr. Parsons was a member of Board’s Compensation Committee and Nominating and ESG Committee. Mr. Parson’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2021	\$58,000	\$74,998	\$99,935	\$232,933
2022	\$116,000	\$75,000	\$99,911	\$290,911
2023	\$116,000	\$74,999	\$99,927	\$290,926
2024	\$116,000	\$74,999	\$99,971	\$290,970
2025	\$58,000	\$75,000	\$99,992	\$232,992

43. Defendant Wei Sun Christianson served as a member of the EL Board from March 1, 2011 until November 17, 2023. Ms. Christianson served as Chair of the Nominating and ESG Committee of the Board. Ms. Christianson’s EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2021	\$54,000	\$74,998	\$99,935	\$228,933
2022	\$119,250	\$75,000	\$99,911	\$294,161

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2023	\$123,000	\$74,999	\$99,927	\$297,926
2024	\$30,750	\$0	\$0	\$30,750

44. Defendant Rose Marie Bravo served for 20 years as a member of the EL Board from July 18, 2003 until November 17, 2022. Ms. Bravo served as a member of the Compensation Committee and Stock Plan Subcommittee of the Board. Ms. Bravo's EL compensation since fiscal 2021 is as follows:

Year	Cash Fees	Stock Awards	Option Awards	Total
2021	\$54,000	\$74,998	\$99,935	\$228,933
2022	\$102,000	\$75,000	\$99,911	\$276,911
2023	\$25,000	\$0	\$0	\$25,000

45. Defendant Carl Haney joined EL in 2012 and served as Executive Vice President, Global Innovation and Research and Development until June 30, 2025. Mr. Haney focused on driving transformative product innovation across every facet of the company's R&D network.

46. Defendant Jane Hertzmark Hudis is Executive Vice President, Chief Brand Officer. Ms. Hertzmark Hudis has been employed at EL for 39 years and is responsible for shaping the Company's portfolio of brands including Skin Care,

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Makeup, Fragrance, Hair Care and Couture and leading its enterprise-wide brand strategy.

47. Defendant Michael O'Hare joined EL in 2013 and served as Executive Vice President, Chief Human Resources Officer until April 1, 2025. Mr. O'Hare was an advisor to the Company's leadership, Board, and the Lauder family on the Profit Recovery and Growth Plan and led EL's CEO Succession process. Mr. O'Hare continues to partner closely with Company leadership on the execution and delivery of the Profit Recovery and Growth Plan.

III. INDIVIDUAL DEFENDANTS' DUTIES

48. By reason of their positions as officers and/or directors of the Company, and because of their ability to control the business and corporate affairs of the Company, the Individual Defendants owed and owe the Company and its shareholders fiduciary obligations of loyalty, good faith, due care, and candor, and were and are required to use their utmost ability to control, manage, and oversee the Company in a fair, just, honest, and equitable manner. The Individual Defendants were and are required to act in furtherance of the best interests of the Company and its shareholders to benefit all shareholders equally and not in furtherance of their own personal interests or benefit.

49. The Individual Defendants, because of their positions of control and authority as directors and/or officers of EL, were able to, and did, directly and/or

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indirectly, exercise control over the wrongful acts complained of herein. Because of their advisory, executive, managerial, and directorial positions with EL, each of the Individual Defendants knew material, non-public information pertinent to the Company.

50. Each of the Individual Defendants also owed to the Company and its shareholders the duty of loyalty requiring that they prioritize EL's interest and that of its shareholders over their own interests and refrain from using their position, influence, or insider knowledge of the affairs of the Company to gain personal advantage through, among other things, selling EL stock at while in possession of material nonpublic information ("MNPI").

51. At all times relevant hereto, the Individual Defendants were the agents of each other and EL and were always acting within the course and scope of such agency.

52. As senior executive officers and directors of a publicly traded company whose common stock was registered with the SEC and traded on the NYSE, each Individual Defendant had a duty to comply with federal securities law including, among other things, the Securities Exchange Act of 1934 (the "Exchange Act") that obligates that duty to ensure the dissemination of accurate, complete and truthful information concerning EL's financial condition, performance, growth, operations, financial statements, business, products, management, earnings, internal controls,

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and business prospects. In addition, the Individual Defendants had a duty to cause the Company to disclose in its regulatory filings with the SEC all material facts described so that the market price of the Company's shares would be based upon accurate information.

53. In order to meet these duties, the Individual Defendants were required to exercise reasonable control and supervision over EL's management, policies, and internal controls.

54. Each Individual Defendant had a duty to comply with the law of the State of Delaware including, among other things, Each of the Individual Defendants also owed to the Company and its shareholders the duty of loyalty requiring that they prioritize EL's interest and that of its shareholders over their own interests and refrain from using their position, influence, or insider knowledge of the affairs of the Company to gain personal advantage.

55. The Individual Defendants were and are also subject to particularized duties pursuant to specific policies in effect at EL.

A. Duties Under The Code Of Conduct ("Code")

56. EL's Code "applies to all [] officers [] and the members of [the Company's] Board of Directors." Thus, the Code requires that the Individual Defendants:

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- “conduct [EL’s] business with uncompromising ethics and integrity, in compliance with the laws and regulations of the countries where [the Company] operate[s]. This obligation includes . . . “[b]eing aware of applicable laws, policies and procedures . . .”;
- “make business decisions that serve [EL’s] best interests. Conflicts of interest can arise when [] activities [] “Harm or impair [the] Company’s reputation, including the goodwill arising from the Lauder name”;
- “comply with international trade laws and regulations [] in all jurisdictions in which [EL] operate[s]”;
- “avoid [] unfair dealing practices, which include among other things, manipulation, concealment, misuse of privileged information, misrepresentation of material facts, or an intentional act or omission designed to deceive another or to obtain a gain for [the] Company”;
- “to publicly disclose certain important information about [the] Company . . . in a fair, complete, accurate, timely, and understandable way . . . to be honest and accurate . . . [to those who] rely on us to report financial information truthfully, completely, and timely”; and
- protect EL’s “brands and products from diversion. Diversion occurs when [EL’s] products are either sold in a manner that is inconsistent with our Company policies . . . which erodes the value and goodwill of [EL’s] brands, undermines [EL’s] relationships with [the Company’s] authorized retail partners and licensors and has a negative impact on brand equity.

B. Corporate Governance Guidelines (“Guidelines”)

57. The Board advises and counsels the Company’s senior management and monitors its performance. The Guidelines are intended to help the Board, the ultimate decision-making body of the Company except with respect to those matters reserved to the stockholders, fulfill responsibilities to stockholders to provide

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general direction and oversight of the management of the Company's business and affairs.

58. In accordance with the Company's Amended and Restated Bylaws (the "Bylaws"), directors are elected by a plurality of the votes cast. The Guidelines state that at any meeting of the stockholders at which a director does not receive a majority of the votes cast (which means that the number of votes cast "for" a director's election exceeds the number of votes cast "against" or "withhold" from that director's election), that director will promptly following certification of the stockholder vote, offer their resignation in writing to the Board. At all relevant times, because the Lauder family controlled and continue to control more than 84% of the voting power of EL's outstanding voting stock, the election of every EL director was and is dependent upon a "for" vote by Lauder family-controlled shares.

59. Expectations of Directors set forth in the Guidelines include:

- reviewing, approving, and monitoring fundamental financial and business strategies and major corporate actions;
- assessing major risks facing the Company and reviewing options for their mitigation; and
- ensuring processes are in place for maintaining the integrity of the Company, including compliance with law and ethics.

C. Chair of the Board

60. Since July 2009, non-independent Lauder family member William Lauder has held the role of Chair of the Board. Duties of the Chair include serving

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as a member of the Nominating and ESG Committee, participating in Board committee meetings as appropriate, in non-management director executive sessions and, upon invitation, in independent director executive sessions. Additional duties set forth in the Guidelines are to:

- [R]einforce the Company’s family heritage, strengthening the collaboration of the Lauder family with each other and the Company’s management; visibly represent the Lauder family and Company with employees, governmental entities . . .
- Facilitate the Board operating in the best interest of the Company and all stockholders and set a tone of integrity from the top;
- Call meetings of the Board and set meeting agendas . . .;
- Enable transparency between the CEO and directors regarding business issues, Board management, and conflicts; and
- Maintain a strong working relationship with the CEO, including supporting the development of strategy, [] risk management and major corporate actions to be presented to the Board. Coordinate with the CEO to keep the Board informed on a timely basis of significant developments, opportunities, and risks.

D. Audit Committee Member Duties

61. The Audit Committee (the “Committee”) reviews the internal and external accounting and audit processes for EL and is directly responsible for the appointment, compensation, retention, and oversight of the Company’s independent auditors. The scope of the Committee’s oversight responsibilities include information technology, cybersecurity, taxes, treasury, and legal matters.

62. Review and discuss with management, the independent auditor, and the Board, the Company's policies with respect to risk assessment and risk management, as well as any significant risks or exposures and the steps management has taken to monitor and control such exposures.

E. Compensation Committee Member Duties

63. The Compensation Committee determines the compensation of the CEO and the other Executive Officers. At the beginning of the fiscal year, the Compensation Committee develops and reports to the Board performance objectives for the CEO and each of the other Executive Officers, including (a) corporate goals and objectives on which their bonus opportunities will be based under the Company's Executive Annual Incentive Plan, and (b) other standards and principles against which their performance will be evaluated for the fiscal year. The Committee communicates to the CEO his/her performance objectives. With the Compensation Committee's concurrence, the CEO communicates performance objectives to each of the other Executive Officers. At the end of the fiscal year, the Compensation Committee evaluates the performance of the CEO and each of the other Executive Officers against their objectives and reports its evaluations to the CEO and the Board. The Committee reviews with the CEO his/her performance evaluation. With the Compensation Committee's concurrence, the CEO reviews a performance evaluation with each of the other Executive Officers.

F. Nominating And ESG Committee Member Duties

64. The Nominating and ESG (“NESG”) Committee (formerly known as the Nominating and Governance Committee) considers and makes recommendations to the Board on the composition, practices, policies, and procedures of the Board, including compensation for directors, the Lead Independent Director and the Chair.

65. The NESG Committee is responsible for establishing the criteria for and reviewing the qualifications of individuals to be nominated for election as members of the Board.

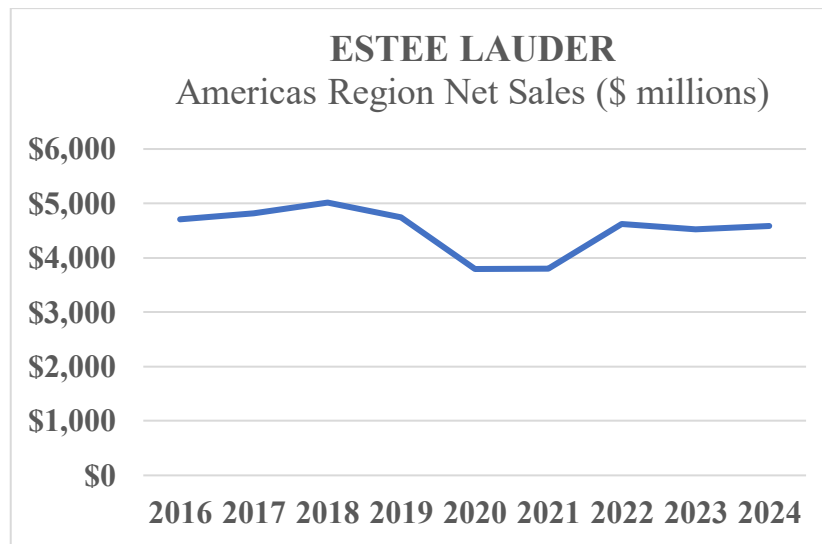
66. The NESG Committee is responsible for overseeing the Board’s evaluation of the CEO, in coordination with the Compensation Committee, as necessary and appropriate.

67. The NESG Committee periodically reviews the compensation of directors for service on the Board and the committees of the Board and considers the appropriateness of such compensation in light of the practices at similar public corporations. The NESG Committee recommends changes in compensation to the Board, as appropriate.

IV. SUBSTANTIVE ALLEGATIONS

A. Background

68. For the past decade, despite high rates of inflation and a weakening U.S. dollar, the reported dollar amount of EL sales in North and South America, the Company’s Americas Region, has remained flat or decreased.



69. In fiscal 2025, EL’s sales in its Americas Region continued to decline 4% to \$4.411 billion in fiscal 2025 ended June 30, 2025, compared to \$4.581 billion fiscal 2024.

70. Growth in EL’s reported sales has been attributable to the Company’s Europe, the Middle East & Africa (“EMEA”) and Asia/Pacific (“AP”) Regions. More specifically, the Company’s revenue growth has come from the sale of product duty free without certain local taxes and import fees to international travelers at

prices substantially below typical brick and mortar retail prices and then resold to consumers in mainland China.

B. EL’s Plan to Exploit the Chinese Gray Market to Boost Product Sales

71. The Company pursued a plan to grow revenue through international travel retail sales, and duty-free sales to emerging markets or Chinese consumers. The Company’s fiscal 2019 Form 10-K filed with the SEC on August 23, 2019, states:

We approach distribution strategically by product category and geographic region and seek to optimize distribution by matching each of our brands with appropriate opportunities while maintaining high productivity per door. We are expanding our brands in higher growth channels, such as travel retail and online . . . As part of this strategy, we have built a leadership position in the global travel retail channel, positioning us well to leverage the increasing international passenger traffic. Travel retail continues to be an important channel for brand building due to the increase in traveling consumers, particularly those from emerging markets, who often experience our brands for the first time while traveling. We continue to expand our strategic presence in travel retail across duty-free locations primarily in airports, downtown stores, in-flight and cruise ships . . .

72. An increasing percentage of EL’s EMEA and AP travel sales were to “Daigou” resellers. Daigou buy luxury goods at deep discounts from overseas and duty-free locations to resell to consumers in China motivated to save money or

unable to travel overseas.³ The difference of cost of luxury goods bought overseas or duty free compared to the cost of the same luxury good purchased in a typical retail store in China provided Daigou resellers substantial profit opportunities.

73. A Chinese student living abroad in New York City described Daigou in a March 8, 2016, *EJ Insight* article as “a business where you can't really lose money . . . It's just a matter of how much you want to make.” According to *EJ Insight*, Bain & Co., a consulting firm that tracks consumer trends in China, “nearly half” of all China’s overall luxury purchases in 2015 were through Daigou.

74. The Chinese government eventually undertook actions to restrict or control Daigou resales. On October 17, 2018, *Business Monitor Online* reported that offshore luxury purchases continued to grow despite China’s crack down on Daigou shoppers returning from overseas luxury shopping destinations like Paris, London, and Tokyo with luxury purchases. China’s scrutiny on Daigou began in 2015 but increased as the Chinese tourist spending abroad rose 60% from 2013 to 2017.

75. Among other things, China enacted a law in January 2019 that required Daigou resellers to register with Chinese tax authorities and pay tax on reselling luxury goods in China to squeeze or even eliminate profit margins on Daigou resales.

³ Less than 15% of Chinese citizens had passports.

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76. Thus, on February 5, 2019, during an EL call with security analysts, a Macquarie Research analyst asked EL CEO Fabrizio Freda for his:

perspective on the changes that might happen amongst Daigou, the resellers who buy in travel retail who I think are now required to have a tax ID to resell in China. So just to talk about whether you think there is an impact, has been an impact, will be an impact . . . ?

CEO Freda responded:

So let me comment of the Daigou phenomenon. First of all, our travel retail business has not seen the impact from the stricter enforcement through January. So we don't see the impact so far. It's also important, however, to remember that we, at Estée Lauder Companies, have a long-standing policy that limits the number of products that a single consumer can buy at any counter in our travel retail globally since ever. So we were never benefiting from a lot of the Daigou business because of our strict policies to [] to limit any risk of gray market around the world. So this policy [] restricting us in the past is turning probably to be an advantage today because we see less of the difference. And we believe we'll see less of the difference, whatever will be the implication of this new legislation. To be clear, for the moment, we do not see an impact.

77. *Dow Jones* reported on July 1, 2019, that Daigou resellers appeared unfazed by China's new law. To the contrary, *Dow Jones* further reported that revenue at Korean duty-free shops grew 27% in the first five months of 2019. According to *Dow Jones*, Beijing likely would step up anti-Daigou enforcement through steps such as border checks.

78. In July 2020, to promote *travel* and commerce within China, Beijing increased the per person duty free purchase quota at Hainan, the southernmost island province of China, from 30,000 yuan (\$4,242 U.S.) to 100,000 yuan (\$14,142 U.S.).

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Moreover, Chinese citizens could travel to Hainan and make duty free purchases without a passport. Thus, Daigou thrived on duty-free purchases in Hainan.

C. Materially False Public Statements that Misled the Public about EL's Reliance on Daigou Sales

79. EL's revenue growth was dependent on Daigou sales despite its public statements to the contrary.

80. CEO Freda and CFO Tracey Travis thereafter made materially false public statements intended to create an overly positive view of the strength of EL brands and to conceal the Company's reliance on Daigou sales and exposure to Chinese government regulations that could slow or limit Daigou activity.

81. In its Form 10-Q for the Company's fiscal 2022 second quarter ended December 31, 2021, filed with the SEC on February 3, 2022, EL stated:

Net sales increased in our travel retail business in both periods [three and six months ended December 31, 2021], reflecting continued strength of our brands with the Chinese consumer, the easing of travel restrictions, which drove increased traffic levels compared to the prior-year periods, and continued success of hero product franchises from La Mer, Origins, Clinique, Jo Malone London and Tom Ford Beauty.

82. Similarly, in an earnings press release for the Company's fiscal 2022 second quarter ended December 31, 2021, attached as an exhibit to the Company's form 8-K filed with the SEC on February 3, 2022, EL stated:

Global travel retail sales increased double digits, reflecting continued growth from Asia/Pacific, despite ongoing travel restrictions there during much of the second quarter of fiscal 2022. Net sales also grew from Europe, the Middle East & Africa, and The Americas as the partial

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lifting of travel restrictions, specifically in the United Kingdom and the United States, increased traffic and supported the reopening of doors.

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86. On May 3, 2022, during a call with security analysts to discuss the Company's reported financial results for its fiscal 2022 third quarter ended March 31, 2022, CEO Freda stated:

But also, we have seen historically, that also the bounce-back can be a very strong, because when this restriction finish, people travel domestically very fast and very happily. And so *the confidence into*

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Hainan future is unchanged actually increased given the incredible development of the place and the confidence in online is very strong.

87. At the Bernstein 38th Annual Strategic Decisions Conference on June 2, 2022, CEO Freda stated:

Then I believe that one of the most important opportunities globally in beauty is the development of the Hainan duty-free space, which we believe is just the beginning of the journey.

* * *

And that's explained—by the way, *the incredible results in travel retail during the COVID Western lockdowns [were] because Hainan was more than substituting the amount of travelers in airports around the world just because it was domestic travel duty-free in China. So huge opportunity, this will continue.*

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99. August 18, 2022, Freda, earnings call during a call with security analysts to discuss the Company's reported financial results for its fiscal 2022 fourth quarter and year ended June 30, 2022, Freda stated:

[W]e do expect for the full year, China to go back growing double digit. We expect strong recovery in Hainan in the second part, in the second semester of the fiscal year, for sure, a gradual recovery before. That's our assumption, which obviously is going to give us also results in market share.

* * *

We believe the Hainan—despite the current lockdown, which is obviously painful in the short term, but is a super strong opportunity for the long term, the power of Hainan in the future remain[s] intact, and we have strong presence and market share in this operation.

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102. An earnings press release for the Company’s first quarter fiscal 2023 ended September 30, 2022, attached as an exhibit to the Company’s form 8-K filed with the SEC on November 2, 2022, quoted CEO Freda as stating:

For fiscal 2023, we are lowering our outlook primarily to reflect tighter inventory management in Asia travel retail, given reduced traffic as a result of COVID-19 restrictions, tightening of inventory by some retailers in the United States, and a greater negative impact from the far-stronger U.S. dollar. ***We anticipate sequential acceleration to strong organic sales and adjusted EPS growth in the second half of our fiscal year as these pressures begin to abate,*** momentum continues to build in other areas of our business, and our ongoing investments in innovation and advertising drive growth. Our optimism in the long-term growth opportunities for our brands and for prestige beauty remains intact. Reflecting our confidence, today we raised our quarterly dividend.

103. That same day EL CFO Travis stated during the Company’ first quarter fiscal 2023 earnings call:

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We do expect that—we will—two things, one is *inventory levels are still coming down in Hainan*. They are almost at the level that we would expect sales to accelerate. So yes, *we should start to see an inventory build related to the shipments that we expect to see in Q4*.

In Korea, again, the pace is a little bit more uncertain given the transitory nature of what's going on right now. So we do anticipate, as I mentioned in the prepared remarks, that we will start to see resumption of travel in Korea. And depending on the pace of that resumption, that will depend on the amount of shipments that we have in the quarter. But we have taken obviously an assumption there. *We are sitting on a decent amount of inventory even in our own warehouses to supply the sales that we expect to see in the fourth quarter.*

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114. On May 3, 2023, CEO Freda said during a call to discuss reported financial results the Company's third quarter fiscal 2023 ended March 31, 2023:

Our retail sales growth was even stronger than organic sales growth in many markets around the world, including China and the US. *Encouragingly, retail sales performance is significantly ahead of organic sales results in Global travel retail, which gives us confidence that the challenges in travel retail are abated with time.*

115. On the same May 3, 2023, EL CFO Travis stated:

I think the thing that gives us more comfort now on a more continuous steady progression of recovery is the fact that the COVID restrictions have been lifted. And so *what we were experiencing before with our travel retail business is the volatility related to just some of the COVID restrictions and the flow of traffic in travel and people's comfort with travel, so that gives us more comfort that we're going to see a recovery.*

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123. On August 18, 2023, Defendant Travis said during an earnings call to discuss reported financial results for the Company’s fourth quarter and fiscal 2023 year ended June 30, 2023:

Looking ahead, for Asia travel retail, the pressure in Hainan intensified over the course of the fourth quarter. *In May and June, retail sales trends deteriorated and turned steeply negative, following the enforcement actions to control daigou activity.*

And *we have no concerns whatsoever about travel retail growing with traveling consumers.* It’s a timing issue for us right now. And so I just want to really underscore that. *It’s a pretty—it’s having a timing issue that’s having a big short-term temporary impact for us.* But we are not concerned at all about what we have shared with you in the past in terms of our strategy to continue to grow travel retail globally and certainly in all of our markets in Asia.

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blamed “slower growth in overall prestige beauty in Asia travel retail and in mainland China.” The Company attributed the shortfall to “changes in government and retailer policies related to unstructured market activity.” The *Telegraph* reported the change referred to Beijing’s clamp down on so-called “Daigou” resellers, who buy luxury products in countries including Japan and South Korea and resell them in mainland China, a key pillar of luxury sales in the region. As a result, EL lowered its fiscal 2024 earnings and revenue guidance to an adjusted profit of \$2.17 and \$2.42 per share, compared to its prior forecast of \$3.50 to \$3.75 and revenue to increase of 1%, compared with an increase of between 5% and 7%.

135. The unexpected adverse news caused the largest ever one-day drop in market price of EL common stock plummeting \$24.36 per share to close at the end of regular trading on November 1, 2023 at \$104.51, a six-year low, down from a closing price of \$128.87 per share on October 31, 2023.

136. On November 7, 2023, *CosmeticsDesign.com* reported that EL’s results reflected how the Company was struggling in the all-important Chinese market, where EL saw continued deterioration in its market share that led to a succession of stock market analysts downgrading their outlooks for the Company. Berenberg Bank, for example, downgraded its outlook from “buy” to “hold” based on the Company’s “deterioration in market share trends [] in China in Q1 FY 2024, which

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suggests [EL] may be struggling to capture its fair share of repatriated sales that were previously channeled through Daigou shoppers.”

137. EL then led the market to believe that the Company’s results would rebound after “destocking efforts in its key Travel Retail business in Asia by the end of March 2024.”

138. For example, on February 6, 2024, *Theflyonthewall.com* reported that Evercore ISI raised its EL price target to \$180 from \$145 per share and maintained an Outperform rating on the stock and noted the “post-Daigou” businesses in Asia “will remain the focus of investor debate and scrutiny,” but the operating deleverage from resetting inventories in Asia duty-frees much lower is close to an end.

139. Similarly, on April 15, 2024 *Theflyonthewall.com* reported DA Davidson raised its EL price target from \$179 to \$191 on purported grounds that EL’s sales and earnings downturn was largely due to excess channel inventory in Hainan and the Daigou channel but after months of data collection, the firm detected a major change at the Daigou seller that it had been monitoring online, potentially indicating that its channel inventory has been worked through such that EL could return to positive organic sales growth in Q3 fiscal 2025, with possible double-digit growth coming in Q4 fiscal 2025.

140. The market’s expectation of an EL recovery was short-lived. On October 16, 2024, HSBC lowered its price target to \$100 from \$130 citing concerns

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about the Company's ability to meet its guidance amid the current market conditions in China. "More importantly, being in denial on [D]aigou means that [the EL] brand equity might end up being more compromised than what we initially thought across a number of brands, weighing on future growth for the group," HSBC analysts said in a note.

141. HSBC's price target reduction came after HSBC's observations from a trip to Hong Kong and Shanghai. HSBC wrote that EL's significant exposure to the Daigou channels had been a concern for nearly three years yet the Company's reluctance to address and detach from this unstructured trade [Daigou] has raised questions about its strategy. "The ease in finding premium brands from the group at greatly discounted prices in the mainland is troubling, in [HSBC's] view." The HSBC analysts added, "We continue to wonder how this is possible given [EL] remains a family-controlled company."

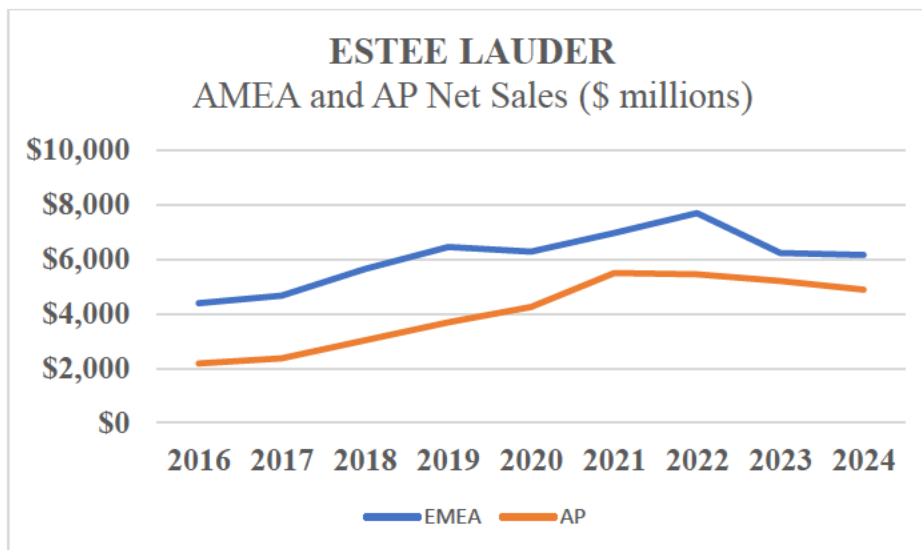
142. On October 31, 2024, EL pulled its fiscal 2025 revenue and profit guidance and slashed its dividend by 47% given the "particular difficulty" in projecting when the prestige-beauty market stabilizes and China and Asia travel retail recovers.

143. This surprise announcement caused a new record 21% one-day market price drop for EL common stock beating the prior November 1, 2023 record price drop of 18.9%. EL common stock closed at the end of regular trading on October

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31, 2024 at \$68.94, the lowest price in a decade, down \$14.21 from its closing price of \$87.15 per share on October 30, 2024.

144. In summary, with the decline diagou sales, EL revenues peaked in fiscal 2022 ended June 30, 2022, which led to a series of reductions in earnings and revenue guidance the steep and extended decline in the market price of EL stock.



145. Sales in the EMEA Region declined 12% to \$5.375 billion in fiscal 2025 ended June 30, 2025, compared to \$6.140 billion fiscal 2024. Sales in the AP region declined 7% to \$4.537 in fiscal 2025 compared to \$4,888 billion in fiscal 2024.

146. The trend EL's sales declines has remained since China's crackdown on daigou sales.



D. The Securities Class Action

147. On December 7, 2023, a class action Complaint for Violations of the Federal Securities Laws captioned *McCalice v. The Estee Lauder Companies, Inc., Farbrizio Freda, Tracey T, Travis*, No 1:23-cv-10669 was filed in the United States District Court for the Southern District of New York alleging violations of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder during August 18, 2022 through May 2, 2023, inclusive, against EL, CEO Freda and CFO Travis and for violations of Section 20(a) of the Exchange Act against Defendants Freda and Travis. (the “Complaint”).

148. The Complaint alleged that Defendants therein made overly optimistic materially false or misleading public statements including projections that caused the market price of EL common stock to be artificially inflated to more than \$280 per share. When the falsely optimistic projections were revised downward on

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February 2, 2023, the market price of EL stock dropped from \$280.80 per share on February 1, 2023, to \$261.17 on February 6, 2023. The projections were again revised downward on May 2, 2023, causing the stock price to fall from \$245.22 per share on May 2, 2023, to \$202.70 per share on May 3, 2023.

149. On February 14, 2024, the Court consolidated two additional related actions under the caption *In Re The Estee Lauder Co., Inc. Securities Litigation*, No. 1:23-cv-10669-AS and on February 20, 2024, appointed lead plaintiff and lead counsel.

150. On March 22, 2024, a Consolidated Amended Class Action Complaint for Violation of Federal Securities Laws was filed in the United States District Court for the Southern District of New York (the “Amended Complaint”). The Amended Complaint alleges violations of §10(b) of the Exchange Act and Rule 10b-5 against Defendants EL, Freda, and Travis and violations of §20(a) of the Exchange Act against Defendants Freda, and Travis.

151. The Amended Complaint alleges that during the Class Period of February 3, 2022 through October 31, 2023, inclusive, Defendants Freda, Travis and EL made materially false and misleading statements set forth in paragraphs [] above that overstated the value of the Company’s brands in terms of generating sales and understated EL’s dependence on Daigou sales to grow or maintain revenue and exposure to regulatory actions that could reduce Daigou sales.

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152. The Class Action Defendants Freda, Travis and EL thereafter filed a motion to dismiss the Amended Complaint which the Plaintiffs therein opposed.

153. On March 31, 2025, The Honorable Arun Subramanian denied the Defendants' motion to dismiss the Amended Complaint finding that Plaintiffs successfully alleged several misleading omissions including forward looking statements and opinions mired in half-truths. In sum, the Court found when times were good, the Class Action Defendants boasted about the sources of EL's sales growth while neglecting to mention that the driver of this growth was Daigou. And then when times were bad—because of the 2022 Daigou crackdown—the Defendants continued to mislead investors by not owning up to the real source of the decline: again, Daigou.

154. Notably, the Company's poor performance attributable to EL's reliance on Daigou sales continued well beyond the Class Period alleged in the Amended Complaint. After reaching a high of \$370 per share in January 2022 at the peak of Daigou activity the market price of EL common stock fell to \$68 per share.

155. EL's exposure to securities fraud claims may well extend through its October 31, 2024 disclosure withdrawing the Company's fiscal 2025 guidance and slashing the Company's dividend.

E. Individual Defendant's EL Stock Sales

1. Defendant Ronald Lauder

156. On February 10, 2022, Ronald Lauder converted 700,000 of EL Class B shares to Class A shares and then sold those 700,000 Class A shares for \$307.08 per share for total proceeds of \$214,956,000.

Date	Shares	Price	Proceeds
2/10/2022	700,000	\$307.08	\$214,965,000

2. Defendant Jane Lauder

157. On May 4, 2022, Jane Lauder exercised options to purchase 20,032 shares of EL common stock at \$59.78 per share and then sold 20,032 shares of EL common stock on the open market for proceeds of \$4,914,744. The options had been exercisable since January 2016 with an expiration date of September 4, 2022.

Date	Shares	Price	Proceeds
5/4/2022	3,600	\$243.68	\$877,248
5/4/2022	5,854	\$244.66	\$1,432,239
5/4/2022	3,429	\$245.76	\$842,711
5/4/2022	6,849	\$246.51	\$1,688,347
5/4/2022	300	\$247.33	\$74,199
Total	20,032		\$4,914,744

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158. On August 8, 2023, Jane Lauder exercised options to purchase 12,661 shares of EL common stock at \$67.31 per share and then sold 12,661 shares of EL common stock on the open market for proceeds of \$1,933,968. The options had been exercisable since January 2017 with an expiration date of September 1, 2023.

Date	Shares	Price	Proceeds
8/23/2023	12,661	\$152.75	\$1,933,968

159. On May 30, 2024, Jane Lauder exercised options to purchase 14,976 shares of EL common stock at \$76.23. per share and then sold 14,976 shares of EL common stock on the open market for proceeds of \$1,815,990. The options had been exercisable since January 2018 with an expiration date of September 3, 2024.

Date	Shares	Price	Proceeds
5/30/24	14,976	\$121.26	\$1,815,990

3. Defendant Barshefsky

160. On May 11, 2022, Defendant Barshefsky exercised options to purchase 1,158 shares of EL common stock at \$57.49 per share and then sold 1,158 shares of EL common stock on the open market for proceeds of \$275,998. The options had been exercisable since November 2013 with an expiration date of November 9, 2022.

Date	Shares	Price	Proceeds
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5/11/2022	1,158	\$238.34	\$275,998
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161. On August 23, 2023, Defendant Barshefsky exercised options to purchase 1,796 shares of EL common stock at \$70.68 per share and then sold 1,796 shares of EL common stock on the open market for proceeds of \$272,866. The options had been exercisable since November 2014 with an expiration date of November 11, 2023.

Date	Shares	Price	Proceeds
8/23/2023	1,796	\$151.93	\$272,866

4. Defendant Sternlicht

162. On August 25, 2022, Defendant Sternlicht exercised options to purchase 4,736 shares of EL common stock at \$57.49 per share and then sold 4,736 shares of EL common stock on the open market for proceeds of \$1,299,137. The options had been exercisable since November 2013 with an expiration date of November 9, 2023.

Date	Shares	Price	Proceeds
8/25/22	2,700	\$274.01	\$739,827
8/25/22	2,036	\$274.71	\$559,310
Total	4,736		\$1,299,137

5. Defendant Hyman

163. On February 3, 2023, Defendant Hyman exercised options to purchase 2,329 shares of EL common stock at \$143.39 per share and 1,905 shares of EL common stock at \$190.99 then sold 4,736 shares of EL common stock on the open market for proceeds of \$1,396,847. The options had been exercisable since November 2019 and November 2020 with an expiration date of November 2028 and November 2029.

Date	Shares	Price	Proceeds
2/3/2023	1,000	\$267.07	\$267,070
2/3/2023	389	\$269.35	\$104,777
2/3/2023	3,845	\$266.58	\$1,025,000
Total	5,234		\$1,396,847

6. Defendant Fabrizio

164. On March 11, 2022, Defendant Fabrizio exercised options to purchase 127,919 shares of EL common stock at \$76.23 per share and then sold 127,919 shares of EL common stock on the open market for proceeds of \$34,626,394. The options had been exercisable since January 2018 with an expiration date of November 3, 2024.

Date	Shares	Price	Proceeds
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3/11/2022	38,118	\$263.37	\$10,039,138
3/11/2022	24,046	\$265.30	\$6,910,004
3/11/2022	8,558	\$266.40	\$2,279,851
3/11/2022	14,500	\$267.68	\$3,881,360
3/11/2022	25,714	\$269.20	\$6,922,209
3/11/2022	14,656	\$270.40	\$3,962,982
3/11/2022	2,327	\$271.10	\$630,850
Total	127,919		\$34,626,394

165. On August 25, 2022, Defendant Fabrizio sold 19,709 shares of EL common stock on the open market for proceeds of \$5,282,210.

Date	Shares	Price	Proceeds
8/25/2022	19,709	\$268.01	\$5,282,210

166. On January 23, 2023, Defendant Fabrizio sold 11,705 shares of EL common stock on the open market for proceeds of \$3,160,350. The sales were made pursuant to a Rule10b5-1(c) plan entered into on August 25, 2022 and amended on December 2, 2022, both dates within class period alleged in the Securities Class Action.

Date	Shares	Price	Proceeds
1/23/2023	11,705	\$270	\$3,160,350

7. Defendant Christianson

167. On August 29, 2022, Defendant Christianson exercised options to purchase 4,736 shares of EL common stock at \$57.49 per share and then sold 1,056 shares of EL common stock on the open market for proceeds of \$276,165. The options had been exercisable since November 2013 with an expiration date of November 9, 2022.

Date	Shares	Price	Proceeds
8/29/2022	1,056	\$261.52	\$276,165

8. Defendant Travis

168. On May 15, 2024, Defendant Travis sold 14,493 shares of EL common stock on the open market for proceeds of \$1,967,135.

Date	Shares	Price	Proceeds
5/15/2024	14,493	\$135.73	\$1,967,135

9. Defendant Haney

169. On February 13, 2023, Defendant Haney exercised options to purchase 9,741 shares of EL common stock at \$218.06 per share and then sold 9,741 shares of EL common stock on the open market for proceeds of \$2,473,240.

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Date	Shares	Price	Proceeds
5/26/2022	1,965	\$237.92	\$467,513
5/27/2022	671	\$253.55	\$170,132
6/3/2022	548	263.88	\$144,606
Total	3,184		\$782,251

170. On September 9, 2022, Defendant Haney exercised options to purchase 7,559 shares of EL common stock at \$107.59 per share and then sold 7,559 shares of EL common stock on the open market for proceeds of \$1,905,276.

Date	Shares	Price	Proceeds
9/9/2022	5,109	\$251.86	\$1,286,753
9/9/2022	2,450	\$252.45	\$618,523
Total	7,559		\$1,905,276

171. On February 13, 2023, Defendant Haney exercised options to purchase 9,741 shares of EL common stock at \$218.06 per share and then sold 9,741 shares of EL common stock on the open market for proceeds of \$2,473,240.

Date	Shares	Price	Proceeds
2/13/2022	9,741	\$253.90	\$2,473,240

10. Defendant Hertzmark

172. On May 15, 2024, Defendant Hertzmark sold 8,256 shares of EL common stock on the open market for proceeds of \$1,904,577.

Date	Shares	Price	Proceeds
5/11/2022	8,256	\$230.69	\$1,904,577

173. On May 11, 2023, Defendant Hertzmark exercised options to purchase 10,535 shares of EL common stock at \$107.95 per share and 23,176 shares of EL common stock at \$138.15 per share then sold 43,311 shares of EL common stock on the open market for proceeds of \$8,752,853. The options had been exercisable since January 2021 and January 2022 with an expiration date of September 2027 and September 2028.

Date	Shares	Price	Proceeds
5/11/2022	43,111	\$202.09	\$8,712,302
5/11/2022	200	\$202.75	\$40,551
Total	43,311		\$8,752,853

174. On August 25, 2022, Defendant Hertzmark sold 6,667 shares of EL common stock on the open market for proceeds of \$1,828,743.

Date	Shares	Price	Proceeds
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8/25/2022	3,887	\$274.01	\$1,065,077
8/25/2022	2,780	\$274.70	\$763,666
Total	6,667		\$1,828,743

175. On May 16, 2023, Defendant Hertzmark sold 9,869 shares of EL common stock on the open market for proceeds of \$1,973,296.

Date	Shares	Price	Proceeds
5/16/2023	2,799	\$198.85	\$556,581
5/16/2023	4,965	\$199.99	\$992,950
5/16/2023	545	\$200.78	\$109,425
5/16/2023	1,560	\$201.50	\$314,340
Total	9,869		\$1,973,296

11. Defendant O’Hare

176. On February 4, 2022, Defendant O’Hare exercised options to purchase 6,055 shares of EL stock for \$138.15 per share, 4,815 share of EL stock at \$199.49 per share and 5,519 shares of EL stock at \$218.06 per share and then sold 16,389 shares of EL stock for \$309.88 per share for proceeds of

Date	Shares	Price	Proceeds
2/4/2022	16,389	\$309.88	\$5,078,632

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177. Defendants Ronald Lauder, Jane Lauder, Barshefsky, Sternlicht, Hyman, Fabrizio, Christanson, Travis, Haney, Hartzmark, and O’Hare are referred to as the Insider Seller Defendants.

F. Defendant Fribourg’s EL Stock Purchases

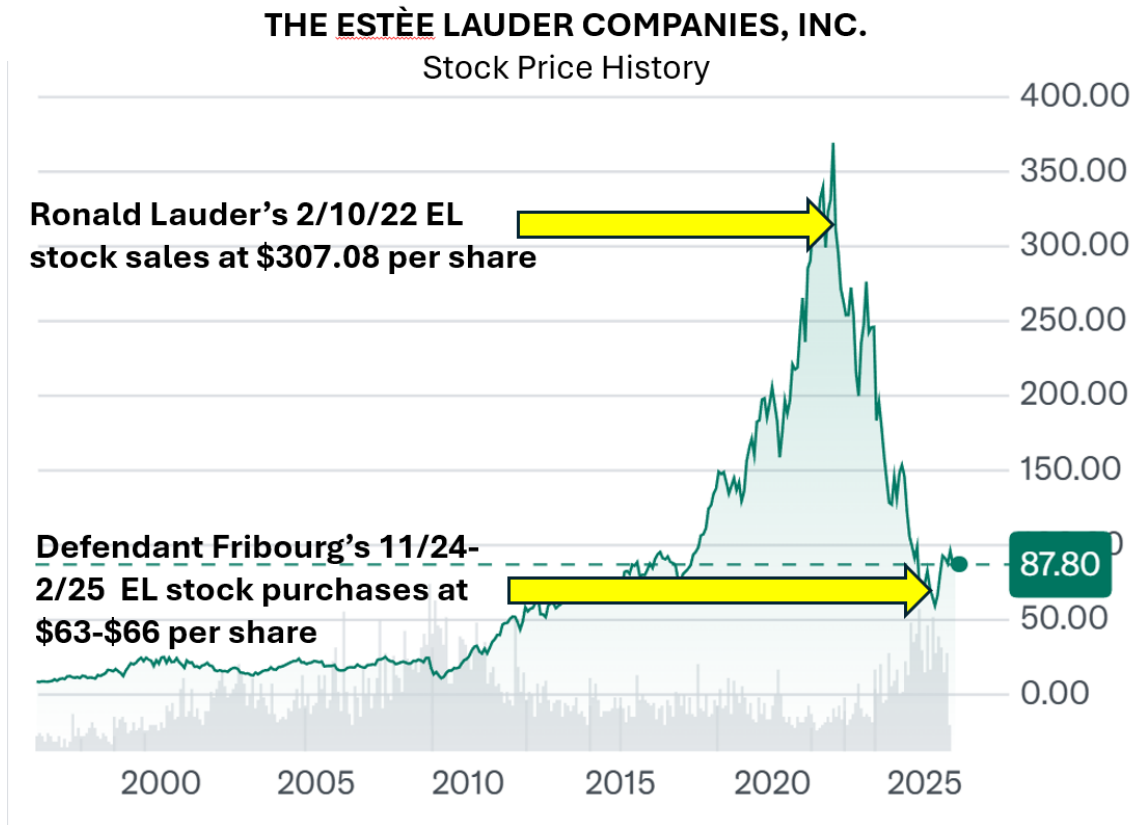
178. Two weeks after the Company’s October 31, 2024 disclosure, Defendant Fribourg, through Continental Grain Company at which Defendant Fribourg serves as Chief Executive Officer and Chairman, commences purchasing on the open market 520,300 shares of EL common stock for \$33,606,198.

Date	Shares	Price	Cost
11/13/2024	51,680	\$63.18	\$3,265,142
11/13/2024	27,320	\$63.71	\$1,740,557
11/14/2024	58,771	\$64.49	\$3,790,142
11/14/2024	19,229	\$64.99	\$1,249,693
11/15/2024	76,200	\$64.00	\$4,876,800
11/15/2024	1,300	\$64.56	\$83,928
11/18/2024	59,859	\$64.76	\$3,876,469
11/18/2024	15,641	\$65.57	\$1,025,580
11/19/2024	57,485	\$64.35	\$3,699,160
11/19/2024	20,315	\$64.83	\$1,317,021
2/5/2025	25,700	\$65.63	\$1,686,691

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2/5/2025	6,400	\$66.50	\$425,600
2/5/2025	9,400	\$67.81	\$637,414
2/5/2025	1,500	\$68.80	\$103,200
2/6/2025	18,628	\$64.57	\$1,202,810
2/6/2025	21,672	\$65.67	\$1,423,200
2/6/2025	3,700	\$66.34	\$245,458
2/7/2025	44,900	\$64.99	\$2,918,051
2/7/2025	600	\$65.47	\$39,282
Total	520,300		\$33,606,198

179. The timing of the Individual Defendants' sales and purchases of EL stock is remarkable.



V. DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

180. Plaintiff brings this action derivatively and for the benefit of EL to redress injuries suffered, and to be suffered, as a result of the Individual Defendants' breaches of their fiduciary duties as directors and officers of EL, as well as the aiding and abetting thereof.

181. EL is named solely as a nominal party in this action. This is not a collusive action to confer jurisdiction on this Court that it would not otherwise have.

182. Plaintiff is, and has been at all relevant times, a stockholder of EL and was a stockholder of the Company at the time of the transactions alleged herein. Plaintiff will adequately and fairly represent the interests of EL in enforcing and

prosecuting its rights, and, to that end, has retained competent counsel, experienced in derivative litigation, to enforce and prosecute this action.

A. Demand Upon the Board would be Futile

183. A stockholder demand upon the Demand Board to institute this action against the Individual Defendants would be futile and is, therefore, excused. At least a majority of the Board is neither disinterested nor independent.

1. Demand Upon Defendant William Lauder Is Excused

184. William Lauder is a Lauder family stockholder and a party to the Stockholder's Agreement. EL is and at all times relevant to this Complaint has been controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's control over a supermajority of the EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

185. As a Lauder family member, William Lauder is unlikely to pursue claims against his uncle Ronald Lauder or niece Jane Lauder for their sales of EL common stock.

186. William Lauder is neither disinterested nor independent. Any demand upon Defendant William Lauder is futile and, thus, excused.

2. Demand Upon Defendant Jane Lauder Is Excused

187. Jane Lauder is a Lauder family stockholder and a party to the Stockholder's Agreement. EL is and at all times relevant to this Complaint has been controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's control over a supermajority of the EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

188. As a Lauder family member, William Lauder is unlikely to pursue claims against her uncle Ronald Lauder or others for their sales of EL common stock because Jane Lauder also sold stock at prices artificially inflated by materially false statements concerning diagou.

189. Jane Lauder is neither disinterested nor independent. Any demand upon Defendant Jane Lauder is futile and, thus, excused.

3. Demand Upon Defendant Gary Lauder is Excused

190. Gary Lauder is a Lauder family stockholder and a party to the Stockholder's Agreement. EL is and at all times relevant to this Complaint has been controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's control over a supermajority of the EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

191. As a Lauder family member, Gary Lauder is unlikely to pursue claims against his uncle Ronald Lauder or niece Jane Lauder for their sales of EL common stock.

192. Gary Lauder is neither disinterested nor independent. Any demand upon Defendant Gary Lauder is futile and, thus, excused.

4. Demand Upon Defendant Eric Zinterhofer is Excused

193. Defendant Zinterhofer is a Lauder family stockholder and a party to the Stockholder's Agreement. EL is and at all times relevant to this Complaint has been controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's control over a supermajority of the EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

194. As a Lauder family member, Defendant Zinterhofer is unlikely to pursue claims against Ronald Lauder or Jane Lauder for their sales of EL common stock.

195. Defendant Zinterhofer is neither disinterested nor independent. Any demand upon 142. Defendant Zinterhofer is futile and, thus, excused.

5. Demand Upon Defendant Stéphane de la Faverie is Excused

196. EL is and at all times relevant to this Complaint has been controlled by the Lauder family through, among other things, their holdings of more than 84% of

the voting power of the Company. The Lauder family's control over a supermajority of the EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

197. Defendant de la Faverie tenure as the Company's CEO and membership on the EL Board and compensation therefore is entirely dependent upon the continued support of the Lauder family. As such, Defendant de la Faverie is unlikely to pursue claims against Lauder family members.

198. Defendant de la Faverie is neither disinterested nor independent. Any demand upon Defendant de la Faverie is futile and, thus, excused.

6. Demand Upon Defendant Lynn Forester de Rothschild is Excused

199. Defendant Lynn Forester de Rothschild served more than 25 years on the EL Board, and for many years has socialized with the Lauder family. As such, Defendant Lynn Forester de Rothschild is unlikely to pursue claims against Lauder family members.

200. Defendant Lynn Forester de Rothschild is neither disinterested nor independent. Any demand upon Defendant Lynn Forester de Rothschild is futile and, thus, excused.

7. Demand Upon Defendant Charlene Barshefsky is Excused

201. Defendant Barshefsky personally benefitted from the alleged wrongdoing by selling EL stock she owned at prices materially inflated by false

statements pertaining to the Company's lack of reliance on daigou. As such, Defendant Barshefsky is unlikely to pursue claims against herself, Lauder family, or others for violating their fiduciary duties.

202. Defendant Barshefsky is neither disinterested nor independent. Any demand upon Defendant Barshefsky is futile and, thus, excused.

8. Demand Upon Defendant Barry Sternlicht is Excused

203. Defendant Sternlicht personally benefitted from the alleged wrongdoing by selling EL stock she owned at prices materially inflated by false statements pertaining to the Company's lack of reliance on daigou. As such, Defendant Sternlicht is unlikely to pursue claims against himself, Lauder family, or others for violating their fiduciary duties.

204. Defendant Sternlicht is neither disinterested nor independent. Any demand upon Defendant Sternlicht is futile and, thus, excused.

9. Demand Upon Defendant Paul Fribourg is Excused

205. EL is controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's supermajority control over EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

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206. Defendant Fribourg's tenure on the EL Board and compensation therefore is entirely dependent upon the continued support of the Lauder family. As such, Defendant Fribourg is unlikely to pursue claims against Lauder family members.

207. Defendant Fribourg is neither disinterested nor independent. Any demand upon Defendant Fribourg is futile and, thus, excused.

10. Demand Upon Defendant Richard Zannino is Excused

208. EL is controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's supermajority control over EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

209. Defendant Zannino's tenure on the EL Board and compensation therefore is entirely dependent upon the continued support of the Lauder family. As such, Defendant Zannino is unlikely to pursue claims against Lauder family members.

210. Defendant Zannino is neither disinterested nor independent. Any demand upon Defendant Zannino is futile and, thus, excused.

11. Demand Upon Defendant Jennifer Hyman is Excused

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211. Defendant Hyman personally benefitted from the alleged wrongdoing by selling EL stock she owned at prices materially inflated by false statements pertaining to the Company's lack of reliance on daigou. As such, Defendant Hyman is unlikely to pursue claims against himself, Lauder family, or others for violating their fiduciary duties.

212. Defendant Hyman is neither disinterested nor independent. Any demand upon Defendant Hyman is futile and, thus, excused.

12. Demand Upon Defendant Jennifer Tejada is Excused

213. EL is controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's supermajority control over EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

214. Defendant Tejada's tenure on the EL Board and compensation therefore is entirely dependent upon the continued support of the Lauder family. As such, Defendant Tejada is unlikely to pursue claims against Lauder family members.

215. Defendant Tejada is neither disinterested nor independent. Any demand upon Defendant Tejada is futile and, thus, excused.

13. Demand Upon Defendant Arturo Nunez is Excused

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216. EL is controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's control over a supermajority of the EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

217. Defendant Nunez's tenure on the EL Board and compensation therefore is entirely dependent upon the continued support of the Lauder family. As such, Defendant Nunez is unlikely to pursue claims against Lauder family members.

218. Defendant Nunez is neither disinterested nor independent. Any demand upon Defendant Nunez is futile and, thus, excused.

14. Demand Upon Defendant Angela Wei Dong is Excused

219. EL is controlled by the Lauder family through, among other things, their holdings of more than 84% of the voting power of the Company. The Lauder family's supermajority control over EL's voting power, among other things, gave and continues to give them power to control every aspect of EL's management and affairs.

220. Defendant Dong's tenure on the EL Board and compensation therefore is entirely dependent upon the continued support of the Lauder family. As such, Defendant Dong is unlikely to pursue claims against Lauder family members.

221. Defendant Dong is neither disinterested nor independent. Any demand upon Defendant Dong is futile and, thus, excused.

B. Other Factors Demonstrating That Demand Is Excused

222. EL has been exposed to significant losses due to the wrongdoing complained of herein, yet the Board has not caused the Company to take action to recover for the Company the damage it has suffered and will continue to suffer thereby.

223. The members of the Board received, and continue to receive, substantial salaries, bonuses, payments, benefits, and other emoluments by virtue of their membership on the Board. They have thus benefited from the wrongs herein alleged and have engaged therein to preserve their positions of control and the perquisites thereof and are incapable of exercising independent objective judgment in deciding whether to bring this action.

224. Publicly traded companies, such as EL, typically carry director & officer liability insurance from which the Company could potentially recover some or all its losses. However, such insurance typically contains an “insured vs. insured” disclaimer that will foreclose a recovery from the insurers if the Individual Defendants sue each other to recover EL’s damages.

VI. CLAIMS FOR RELIEF

**COUNT ONE
Against the Individual Defendants
for Breach of Fiduciary Duties**

225. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

226. The Individual Defendants owed and owe fiduciary duties to EL. By reason of their fiduciary relationships, including the Lauder family members as controlling shareholders, the Individual Defendants specifically owed and owe EL the highest obligation of good faith and loyalty in the administration of EL's affairs, including assuring that EL complied with state and federal laws governing, among other things, the making of truthful, complete, and accurate public statements regarding the Company's financial condition and business prospects. The Board also had specific duties as defined by the Company's corporate governance documents and principles that, had they been discharged in accordance with the Board's obligations, would have prevented the misconduct and consequential harm to EL alleged herein.

227. The Individual Defendants ignored their obligations under state and federal law. The Individual Defendants failed to make a good faith effort to correct the problems or prevent their occurrence.

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228. The Individual Defendants breached their fiduciary duties to EL by, among other things, misleading the public about the extent the Company's financial prospects were reliant on daigou knowing that information was material, non-public, and would negatively impact the Company's stock price once it would become public. The Insider Seller Defendants then used that material nonpublic information to sell EL stock they owned at artificially inflated prices.

229. As a direct and proximate result of the Individual Defendants' failure to perform their fiduciary obligations, EL has sustained significant damages, not only monetarily, but also to its brands, corporate image, and goodwill. Such damages include, among other things, the costs of defending and resolving the pending Securities Class Action.

230. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

COUNT TWO
Against the Individual Defendants
for Contribution and Indemnification

231. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

232. The Company's alleged liability on account of the wrongful acts and practices, as well as related misconduct described above arises, in whole or in part,

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from the knowing, reckless, disloyal, and/or bad faith acts or omissions of the Individual Defendants.

233. The Company has suffered significant and substantial injury as a direct result of the Individual Defendants' actions. Plaintiff, on behalf of the Company, seeks relief from the Individual Defendants on a theory of contribution and indemnity to the extent that the Company is found liable for the Individual Defendants' actions.

COUNT THREE
Against the Individual Defendants
for Aiding and Abetting

234. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

235. Each of the Individual Defendants has acted and is acting with knowledge of or with reckless, or grossly negligent, disregard to the fact that the Individual Defendants are in breach of their duties to the Company and have participated in such breaches of duties.

236. In committing the wrongful acts, each of the Individual Defendants has pursued or joined in the pursuit of a common course of conduct. They have acted in concert with and conspired with one another in furtherance of their common plan or design. In addition to pursuing the wrongful conduct that gives rise to their primary

liability, the Individual Defendants also aided and abetted, and/or assisted, each other in breaching their respective duties.

237. Because the actions described herein occurred under the Board's supervision and authority, each of the Individual Defendants played a direct, necessary, and substantial part in the conspiracy, common enterprise, and/or common course of conduct complained of herein.

238. Each of the Individual Defendants aided and abetted each other and rendered substantial assistance in the wrongs complained of herein.

COUNT FOUR
Against the Individual Defendants
for Unjust Enrichment

239. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

240. By their wrongful acts and omissions, the Individual Defendants, and each of them, were unjustly enriched at the expense and to the detriment of Estée Lauder. The Individual Defendants were unjustly enriched as a result of the compensation and remuneration they received while breaching fiduciary duties owed to EL and its shareholders.

241. The Insider Seller Defendants sold over \$295 million of EL stock while in possession of adverse material, nonpublic information that artificially inflated the market price of EL stock. The Insider Seller Defendants personally benefitted from

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their misconduct and were unjustly enriched through their use of material and adverse inside information regarding EL.

242. The Individual Defendants, and each of them, must be ordered to disgorge all profits, compensation, and other benefits, obtained by them from their wrongful conduct and breaches of their fiduciary duties.

VII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment as follows:

(a) Declaring that Plaintiff may maintain this action on behalf of EL and that the Plaintiff is an adequate representative of the Company;

(b) Declaring that the Individual Defendants have breached and/or aided and abetted the breach of their fiduciary duties to EL;

(c) Directing the Company to take all necessary actions to implement and maintain an effective system of internal controls and meaningful Board oversight and monitoring;

(d) Determining and awarding to EL the damages sustained by it as a result of the violations set forth above from each of the Individual Defendants, jointly and severally, together with pre-judgment and post-judgment interest thereon;

(e) Ordering disgorgement of profits, benefits, and other compensation, including any performance-based or valuation-based compensation, obtained by the

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Individual Defendants due to their wrongful conduct and breach of their fiduciary duties;

(f) Awarding to EL restitution from the Individual Defendants, and each of them;

(g) Awarding to Plaintiff the costs and disbursements of the action, including reasonable attorneys' fees, consultant fees, and experts fees, costs, and expenses; and

(h) Granting such other relief as the Court deems just and proper.

**PUBLIC VERSION
FILED NOVEMBER 14, 2025**

Dated: November 12, 2025

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CERTIFICATE OF SERVICE

I, Brian D. Long, hereby certify that on November 14, 2025, a copy of the foregoing Public Version of Plaintiff's Verified Stockholder Derivative Complaint was served electronically via File & Serve*Xpress* upon the following counsel:

Raymond J. DiCamillo
Kevin M. Gallagher
Randall P. Ainsworth
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