

BEAUTY

Standoff with Este Lauder Cos. employees over Ronald S. Lauder's board ouster threatens to escalate

June 8, 2020



Ronald S. Lauder

By LUXURY DAILY NEWS SERVICE

The employee petition to oust Ronald S. Lauder from the board of cosmetics giant Este Lauder Cos. for his support to President Trump has crossed 5,000 signatures, with more angry at the company's official response to the demand.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

The new goal for the petition on Change.org is 7,500 signatures from employees, a three-fold jump from last week when the call to action went out. Este Lauder Cos. employees are cross at Mr. Lauder's \$1.75 million donations to President Trump, while the company has committed to donate only \$1 million to the African American community, which is now deeply aggrieved over repeated police brutality toward the group.

"The corporate response published in Women's Wear Daily, *"While we respect everyone's right to make their own political decisions, no single individual represents the views of our company,"* is not acceptable to those who have signed the petition thus far," a second letter to Este Lauder Cos. executive chairman William Lauder said.

In addition to the ouster of Mr. Lauder, the petitioners want **Este Lauder Cos.** to up its donation to African American causes fivefold to \$5 million ([see story](#)).

This brewing crisis has the potential to turn from a PR disaster to one where customers start flexing their purchasing muscle. Indeed, feedback from one such commentator to the petition was telling.

"The women of our family have avidly supported your company since the mid-1950's," said Donna Strait in the comments section of the petition earlier June 8.

"We were also taught to vote with our pocketbooks," she said. "It truly saddens us, but we can no longer support any Este Lauder product henceforth.

"We are not advocating stifling' Ronald Lauder's free speech. Conversely, we will no longer, in good conscience, allow the profits from our purchases to be funneled into the direct support of a racist and divisive agenda.

"We will be watching for your positive response and adjust our purchasing habits accordingly. But, we will not wait in silence.

"We will advocate for change and we will advocate vocally, as we consider this a personal affront to our loyalty to Este's very heritage and legacy as well as our personal sensibilities."

A comment below that in the discussion thread took a different tack.

"This petition is a disgrace," said Jaime Campbell. "All Ages, All Races, All Sexes but just ONE political party?! Your censoring of free speech is NOT the way to go about making the world a better place!"

A **second letter** from the employees June 5 was shorter than the first, but equally unforgiving with the company's response so far.

Dear Mr. William Lauder,

I am writing to you again on behalf of the collective of Estee Lauder employees and allies of the Black community who have initiated a petition with two goals: Ronald Lauder's removal from the company board, and an increase in the company's planned donation towards relief for the Black community.

As I'm sure you've seen reiterated throughout today's news coverage in Bloomberg, Business Insider, Teen Vogue, Yahoo News, Business of Fashion, Dazed Digital, and Women's Wear Daily, our employee-generated petition has gained further support from Estee Lauder Companies employees.

Our consensus is made evident in over 2,000 petition signatures, an amount that will continue to grow.

As stated in our petition and in my letter to you yesterday, the public believes (and we still believe) that supporting a company by purchasing its products is akin to supporting the leadership of that company and their values.

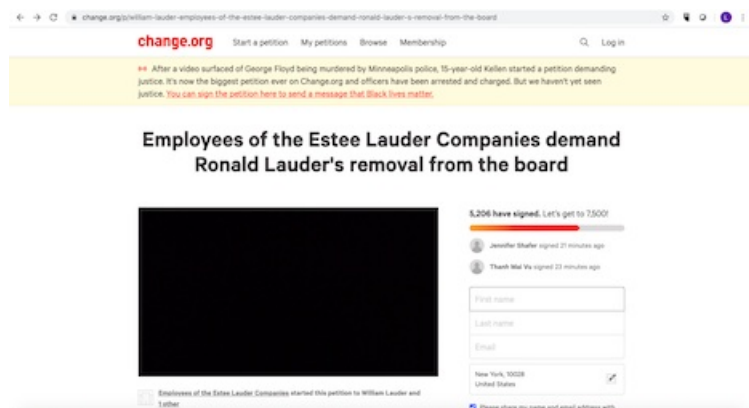
For this reason, the corporate response published in Women's Wear Daily, "While we respect everyone's right to make their own political decisions, no single individual represents the views of our company," is not acceptable to those who have signed the petition thus far.

As you continue to consider an internal response to your employees, we will continue to circulate this petition and acquire more signatures. We hope you will also answer all questions posed in yesterday's letter.

We look forward to your response.

Best regards,

Your Employees



Change.org petition from Estee Lauder Cos. employees asking Ronald S. Lauder to step down from the company board for his financial support to President Trump. Image credit: Change.org

Work forces

Mr. Lauder is a Republican, former ambassador to Austria, president of the World Jewish Congress, cofounder of New York's Neue Galerie dedicated to Austrian art, father to beauty entrepreneur Aerin Lauder and an open supporter of Mr. Trump.

For those watching, Mr. Trump has deeply polarized the United States with his response to the ongoing protests against the death of George Floyd a few weeks ago in Minneapolis police custody. Republicans have largely called for law and order, and Democrats for curbing police violence against African Americans.

Mr. Lauder and his family, including elder brother Leonard A. Lauder, are committed philanthropists, donating to causes ranging from art and culture, museums, religious charities, health, and diversity.

Most recently, Este Lauder Cos. donated millions of dollars to hometown New York for COVID-19 medical relief even as the company suffered severe losses for lost sales over global lockdowns.

The past few days have seen several companies step up to the plate and throw their support behind anti-racism efforts and police brutality toward African Americans.

In fact, never before have luxury brands and retailers taken such a naked stance on social issues that have roiled the United States in the form of peaceful protests and the accompanying acts of hooliganism and vandalism that took advantage of the situation.

Even leaders of luxury marketers have shown solidarity toward the marches and the cause that underlies them.

What is emerging, though, is the increased power of employees to force employers to stand up and be counted or, as it is in Mr. Lauder's case, hounded out.

In essence, this pandemic coupled with the protests against police violence has empowered the collective employee voice to be as powerful as the board of directors' ability to chart the course for the company.

Este Lauder Cos., in its statement last week responding to the petition, was quite clear about its beliefs, without offering an update this week.

"Our employees are the heart and soul of this company," the company said. "This week, several employees asked whether a single member of the Lauder family and our board represents the views of our company. The answer is no.'

"While we respect everyone's right to make their own political decisions, no single individual represents the views of our company. As a company, we stand firm on the values in which we were founded: respect, equality and inclusion."