
CHANEL

2025 MODERN SLAVERY STATEMENT

1. CONTEXT

INTRODUCTION

For over a century, Chanel has prioritised respecting and investing in the people behind our Brand. We believe everyone, within and beyond Chanel, should be treated with dignity and respect and should have the opportunity to thrive. This philosophy is an integral part of our sustainability ambition.

We are committed to respecting internationally recognised human rights and take action to advance positive social outcomes and opportunities for workers and communities throughout our value chain. In our annual Modern Slavery Statement, we set out our approach to prevent and mitigate occurrences of modern slavery, human trafficking, forced labour and child labour across our business and value chain. This statement focuses on our actions and progress in the financial year ended 31 December 2025.

BUSINESS AND VALUE CHAIN

Chanel Limited is a private company, headquartered in the United Kingdom (**UK**). Chanel's core values are grounded in exceptional creation, commitment to excellence and striving to make a positive and lasting impact in the world. Chanel is a leader in creating, developing, manufacturing and distributing luxury creations of the finest quality and highest level of craftsmanship.

Within this statement, Chanel refers to Chanel Limited and its subsidiaries that operate under the CHANEL Brand. Chanel operates three main business activities: Fashion, Fragrance & Beauty and Watches & Fine Jewellery. Our products are sold worldwide in over 650 owned boutiques, select wholesale channels of distribution, under concession in department stores, and online.

Across Chanel, we are dedicated to supporting our value chain. In Fashion, this includes the preservation of craftsmanship and savoir-faire, supporting manufacturers to preserve skills such as embroidery, lacework and shoemaking. In Fragrance & Beauty, CHANEL is one of the few brands in the world that integrates every stage of perfume creation, from design to manufacturing. In Watches & Fine Jewellery, we craft and manufacture pieces of high jewellery, precious jewellery and watches in our workshops.

Beyond our own operations, our value chain is focused on two pillars. Firstly, the sourcing of raw materials and finished goods to manufacture our products (**direct procurement**), and secondly, the procuring of goods and services for promotional, marketing, distribution and operational activities (**indirect procurement**).

In direct procurement, Chanel worked with around 900 direct suppliers for its business activities in 2025 – 80% of which were based in Europe – and in total mapped close to 3,000 sites. In indirect procurement, Chanel registered more than 20,000 direct suppliers – with a majority

providing services – in systems requiring specific environmental, social and governance (**ESG**) due diligence, adapted due diligence and priority management.

2. GOVERNANCE AND POLICIES

SUSTAINABILITY GOVERNANCE

Sustainability, including our continued commitment to ethical business conduct, is one of Chanel's collective priorities and is embedded in Chanel's governance and decision-making at all levels, from the Board of Directors (the **Board**) of Chanel Limited through to the Executive Committee and operational teams.

The Board oversees, among other things, Chanel's ESG-related strategies, initiatives, goals and performance. The Board's Audit Committee oversees Chanel's ESG due diligence and business ethics programmes as well as risk assessments and controls related to our supply chain, receiving regular updates from the Responsible Supplier Programme team and the Chief Compliance Officer. The Board as a whole receives updates on programme effectiveness, material risks and internal controls.

The Board is supported by the Executive Committee, which is responsible for identifying, assessing and managing ESG-related impacts, risks and opportunities, as well as for developing and executing ESG strategies by setting targets and implementing action plans and policies. ESG topics are reviewed regularly, including through the Executive Committee's Sustainability Decision Forum and the Global Compliance Steering Committee, which both comprise senior leaders across business activities, regions and relevant functions.

Business activities, regions and functions are accountable for delivering ESG initiatives aligned with Chanel's global frameworks and policies, supported by dedicated expertise. Progress is monitored by the Sustainability Leadership Team, Global Compliance Steering Committee and Executive Committee, and reported to the Board.

In 2025, we introduced an ESG due diligence task force to further promote cross-functional alignment on ESG due diligence processes and practices. We also continued to advance local and regional supply chain governance mechanisms, including in regions such as Asia and the UK.

KEY POLICIES

Chanel has two overarching policies designed to promote, implement and ensure ethical business conduct. These policies are regularly reviewed in the context of evolving regulation, risk insights and best practice.

Our Ethics: Chanel's global code of conduct and practical guide to responsible decision-making. Our Ethics applies to our people across Chanel and sets expectations for how Chanel acts with clients, colleagues, suppliers, business partners and communities. It reflects our core values and expectations of compliance with applicable laws and regulations, including those relating to labour and employment and to areas such as anti-corruption, non-discrimination, anti-harassment, anti-money laundering and health and safety. Our Ethics is available in 20 languages and supported by mandatory e-learning.

Our responsible procurement policy: Sets out the standards Chanel expects suppliers and business partners to uphold on general compliance with applicable laws, rules and regulations. The policy also references the minimum requirements of the International Labour Organisation (ILO)'s eleven fundamental instruments, the United Nations (UN) Guiding Principles on Business and Human Rights and other relevant reference standards.

Further policies relevant to this statement include Chanel's ESG due diligence policy, whistleblowing policy, and social sustainability in the value chain policy.

3. DUE DILIGENCE

DUE DILIGENCE APPROACH

Our due diligence approach is designed to identify and address material ESG risks and adverse impacts across our value chain, while supporting responsible growth and the continued ethical development of our business.

In 2025, we introduced an ESG due diligence policy that formalises how we identify, assess, prioritise, prevent, mitigate, remediate and account for ESG risks and adverse impacts across our value chain. The policy aligns with recognised international guidelines and reference standards including:

- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises on Responsible Business Conduct;
- the UN Guiding Principles on Business and Human Rights; and
- the ILO fundamental instruments.¹

The policy applies across Chanel and covers relationships with both direct and indirect suppliers. It is implemented through a practical framework with four pillars: identify material topics; assess, prioritise and verify; prevent, mitigate and remediate; and effective governance and efficiency monitoring. This framework enables risk mapping and prioritisation, drives traceability, and leverages assessments such as audits to provide on-site verification. It also structures prevention, remediation and supplier capacity-building, supported by common standards, tools and procedures.

In 2025, we also published our ESG standards, which translate our responsible procurement policy into concrete requirements for suppliers, support internal alignment across jurisdictions, and inform audit criteria.

TRACEABILITY AND CERTIFICATIONS

We continue to advance the traceability of our materials, leveraging technology where possible, including blockchain for textiles and for the supply chain mapping of cosmetic raw materials. For example, 2,630 of our Fragrance & Beauty suppliers had been mapped on the Transparency-One platform as of year-end 2025, spanning 61 countries across all tiers of the supply chain.

We are also advancing responsible procurement of materials and services through certifications, integrating ESG criteria into procurement processes. In parallel, we are building the capacity of our suppliers to meet certification standards as well, supporting collective progress.

¹ Including, for example, ILO Convention No. 29 on Forced Labour, ILO Convention No. 138 on Minimum Age, and ILO Convention No. 182 on the Worst Forms of Child Labour.

We continue to implement stringent sustainability standards across our fashion supply chain. For raw materials, we prioritise the sourcing of certified materials that meet internationally recognised standards, such as Fair for Life for textiles, with the aim of ensuring safe working conditions and fair wages. At the manufacturing stage, we work with the Global Organic Textile Standard (**GOTS**) certification, which requires compliance with social standards such as decent work, fair wages and health and safety. Our global Fashion distribution centres are GOTS-certified and a growing share of our collections in 2025 used GOTS-certified materials, meaning these products come from fully GOTS-certified value chains.

In 2025, the CHANEL Perfume Creation and Development Laboratory renewed its Fair Trade and Fair for Life certifications for another year for its own operations. In parallel, teams continued to conduct field assessments to closely monitor action plans with suppliers, providing support to achieve Fair for Life certification.

Since 2007, we have been a member of the Responsible Jewellery Council (**RJC**), a global standard-setting organisation which aims to promote responsible supply chain practices and ethical standards in the jewellery and watch industry. As part of our engagement, we sit on the Board of Directors and on the Standards Committee, and in 2025 we participated in a new strategic taskforce which published guidance for members to support the strengthening of diamond provenance claims and traceability systems. Since 2011, we have been certified under the RJC Code of Practices (**COP**).

SUPPLY CHAIN RISK ASSESSMENTS

We remain vigilant to existing and emerging risks. Our Integrated Risk Management framework sets out a consistent approach to identifying, assessing, prioritising, mitigating, monitoring and reporting risks. Annual risk assessments are conducted at business, regional and corporate levels. Risk assessments as well as the prioritisation of risks are reviewed by the Executive Committee and the Audit Committee and cascaded across Chanel to support effective risk management.

To further address the complexity and local specificity of sourcing risks, we conduct social materiality assessments to identify priority social issues by sector and geography, including issues such as forced labour and child labour. These assessments are undertaken in collaboration with external experts and incorporate internal and external stakeholder interviews to reflect the perspectives of affected stakeholders, including workers and local communities. Social impacts are mapped according to severity, likelihood and ability to remediate, leading to tailored assessments of risks and opportunities. These assessments inform our due diligence approach and social sustainability roadmaps in our business activities, regions and functions, enhance the focus of social impact programmes with suppliers and business partners, and support internal learning plans on social sustainability in Chanel's value chain.

SUPPLIER ASSESSMENTS

We have implemented tools and processes to carry out financial, legal, regulatory and reputational checks, as appropriate to the nature of the relationship, when selecting new suppliers. Alongside these checks, contracts with suppliers are reviewed so they reflect our

expectations for responsible business practices. Our contracts require compliance with applicable laws and regulations including those relating to labour and employment and to areas such as wages, working hours, non-discrimination, health and safety, forced labour, child labour, freedom of association and anti-corruption.

Our Responsible Supplier Programme team supports operational teams in their relationships with suppliers, providing a cohesive framework including guidelines and supplier audit methodologies which are aligned with our strategic ESG initiatives and sustainability ambitions.

For direct procurement, teams map the chain of production sites – comprising direct suppliers and indirect suppliers (i.e. subcontractors) – and assess supplier ESG risks in line with the supplier assessment guidelines within our global ESG due diligence framework, applicable laws and regulations, and guidance from the Legal team, to prioritise verification activities. These activities include announced, semi-announced and unannounced onsite audits, as well as partial or topic-specific visits. Internal teams and qualified external firms carry out audits, following a standard audit protocol.

In our Watches & Fine Jewellery business, our approach to due diligence is guided in particular by the RJC COP and the five-step framework in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. A structured questionnaire based on the requirements of the COP and OECD Due Diligence Guidance and focusing in particular on responsible sourcing and human rights is submitted to our suppliers annually. Chanel also complies with the Kimberley Process established by the United Nations to eliminate trade of conflict diamonds, and the World Diamond Council System of Warranties.

Our indirect procurement platform and a commodity-based risk framework enable consistent vendor registration, risk mapping and prioritisation. This framework includes legal, reputational and financial checks, due diligence questionnaires and contractual controls. For higher-risk categories we use business sustainability ratings by EcoVadis (a globally recognised sustainability rating platform) and carry out onsite audits.

A standardised nonconformity scale is applied in audits: ranging from minor non-conformities to essential commitment breaches (**ECB**). Our updated ECB process, implemented in the second half of 2025, addresses situations with potential acute impacts and can trigger immediate escalation and, as a last resort, responsible exit. Following audits and when necessary, Chanel implements corrective action plans and targeted, proportionate remediation plans, which can include training, capability-building and tailored support.

In 2025, Chanel carried out extensive ESG-related due diligence activities across its operations, completing around 730 verification actions – including approximately 480 full ESG audits across 29 markets.

GRIEVANCE MECHANISMS

We are committed to maintaining a culture where people feel safe to raise concerns and this commitment extends to our business partners. We investigate concerns promptly and proportionately, prohibit retaliation, and analyse root causes to improve controls. Our employees are encouraged to raise concerns directly to their manager, human resources, legal contact or compliance officer.

In addition, our Chanel Ethics Helpline provides both employees and third parties with a confidential and secure way to report compliance concerns including potential and actual breaches of legal, ethical or sustainability standards. The Ethics Helpline is hosted by a third party and available 24/7 in over 20 languages, and accessible via desktop, telephone and mobile devices. The option to report an issue anonymously is available in most countries.

The Chanel Ethics Helpline is administered by the relevant legal counsel of each region, and in some cases members of Chanel's People & Organisation team, unless local law prescribes reporting to a local officer only. The Global Chief Compliance Officer also has access to all cases unless there is a conflict or local law prohibits this.

Concerns raised to the Chanel Ethics Helpline are assessed and investigated in accordance with Chanel's internal investigation procedure. If an investigation confirms a reported allegation, a local compliance committee or case manager, as appropriate, makes a recommendation to the relevant department to take appropriate disciplinary sanctions and/or corrective action. A summary of investigations is reported at global level and discussed at the Global Compliance Steering Committee. The number of compliance concerns and investigation trends are also reported annually to the Board's Audit Committee.

Our global whistleblowing policy was updated in 2025, reaffirming confidentiality, non-retaliation and fair and proportionate investigations. The policy explains how employees and third parties can raise compliance concerns, including anonymous reporting where permitted by law. The policy update was supported by a new, global "Let Us Know" awareness campaign in 2025, delivered through digital communications, leadership videos, retail learning tools and in-person events across more than 20 locations.

We also encourage our suppliers to provide accessible, fair and confidential grievance mechanisms, allowing their employees and stakeholders to report a breach or raise a concern without fear of retaliation or adverse impacts.

4. ADVANCING SOCIAL IMPACT

We continue to proactively support and collaborate with our suppliers and business partners on social sustainability, including through programmes which help to build socio-economic resilience, advance skills and savoir-faire and support local communities throughout our value chain.

To understand the root causes of complex social issues, we conduct human rights impact assessments in selected supply chains, in collaboration with external experts and local actors. We also convene our suppliers and business partners through social sustainability engagement forums to build a shared understanding of social priorities and avenues for action in our value chain.

Where feasible, we work with our partners to carry out worker voice surveys to inform the design and prioritisation of social impact programmes. In Asia, for example, our teams have collaborated with selected suppliers and technical experts to set up dedicated worker voice surveys. The findings provide direct insight into workers' experiences and highlight opportunities to strengthen workplace practices, helping to inform continuous improvement efforts.

Our Fashion business continued to advance support programmes on social and environmental topics within its network of manufacturers and supply chains, including at the agricultural, upstream level. In parallel, the business supported Fair Trade Funds as part of a supplier Fair for Life certification, for a key strategic raw material across two countries. These funds are managed by a committee of community members and are intended to finance community development and wellbeing projects.

The CHANEL Perfume Creation and Development Laboratory provides close support to its suppliers on social issues. For key raw materials, we support our supply chains through five development funds related to Fair Trade and Fair for Life certifications, contributing directly to social programmes that benefit local communities.

Our Fragrance & Beauty business expanded a project with a packaging supplier and the NGO Ressources Humaines Sans Frontières in Mainland China to further enhance the experience of the supplier's workforce. The multi-year engagement has led to the introduction of a model that supports skills development, contributing to improved employee motivation and retention in the factory, among other outcomes.

Our social sustainability engagement forum in 2024 led to further supplier engagement in 2025, resulting in social sustainability roadmaps and the strengthening of practices including improved onboarding processes, the introduction of multilingual handbooks and payslips, and enhanced workplace dialogue. In partnership with one of our distributing partners, we also launched online training on social sustainability topics for selected strategic suppliers.

The OnSite+ programme engages contract workers in regions such as Asia and the UK. For example, across our UK sites more than 80% of cleaners and janitors participated in a worker voice survey, providing insights that will inform joint planning with our cleaning provider in 2026.

5. TRAINING INITIATIVES AND COLLECTIVE ACTION

TRAINING INITIATIVES

Training and awareness-raising are essential parts of our commitment to upholding ethical business conduct and respecting human rights. By the end of 2025, 92% of office-based Chanel employees had completed training on Our Ethics. This was complemented, where relevant, by role-specific learning, leadership engagement and practical decision-making tools. To deepen knowledge of our policies and processes, we also delivered 152 in-person training sessions, reaching more than 3,500 people.

We continued to provide tailored training and resources to procurement teams across Chanel. For example, more than 80 people in procurement teams participated in due diligence training in 2025, which included a focus on business ethics and risks such as forced labour and child labour. Purchasers in our Fragrance & Beauty business also joined training sessions on emerging issues and supplier engagement, including in relation to human rights topics.

We also support our suppliers through dedicated training and capacity-building initiatives. For example, our Fashion business continued to convene multi-stakeholder forums with suppliers and manufacturers, facilitating the exchange of best practices in social sustainability as well as discussion on innovations in traceability.

In the Taiwan region, we convened more than 50 suppliers for a training day to deepen understanding of sustainability priorities and share practical guidance and best practice, including in relation to supply chain due diligence. Through plenary discussions, workshops and interactive learning sessions, the supplier day also reinforced a shared commitment to upholding ethical business conduct and respecting human rights.

COLLECTIVE ACTION

Across Chanel, we collaborate with non-governmental organisations, academic institutions, industry peers and other stakeholders to refine our sustainability approach and scale responsible practices and programmes. Examples of partnerships and collaborations driving progress within and beyond Chanel include:

- **Shift Business Impact Programme (BIP)** – We continue to participate in the BIP to inform and strengthen our approach to due diligence, particularly in relation to human rights.
- **Fair Wage Network** – Our ongoing partnership focuses on the implementation of the Fair Wage approach across the value chain, from designing the appropriate methodology to providing our teams and suppliers with access to expertise, data and tools.
- **The Watch & Jewellery Initiative 2030** – As a member of the Board, we work with more than 80 other members to advance climate resilience, preserve resources and foster inclusiveness. We chair the Action Committee on 'Fostering Inclusiveness', collaborating with other members to drive strategy and deliver programmes that support inclusion across the sector, aligned with evolving stakeholder and regulatory expectations. In 2025 this included the development of training materials and tools to support members in their work on social sustainability.

6. LOOKING TO THE FUTURE

We are committed to the continuous strengthening of our actions across business ethics, due diligence and social sustainability. In 2026, we will further evolve our ESG due diligence framework by enhancing standards, guidelines and tools. We will also continue to leverage insights from our social materiality and supplier assessments, to refine our roadmaps and advance capacity-building programmes for teams and suppliers, including through partnerships to amplify impact. These actions will further strengthen our support to people across our value chain, now and in the future.



Leena Nair, Global Chief Executive Officer

Approved by the Board of Chanel Limited on 18th May 2026