

Chanel – Company Responses

Initial Response – 3 April 2025

Dear Mr. [REDACTED],

We thank you for contacting us and giving us the opportunity to comment on your findings on an issue as important as deforestation.

About Faeda:

First, we must point out that we no longer work with Faeda.

CHANEL used to partner with this supplier for 3 years, until the beginning of 2024, and for a minor part of our supply (less than 1%). The hides supplied came exclusively from United Kingdom, Netherlands, and Spain. Specifically, the supply percentages were as follows: 13% Spain, 48% Netherlands, 39% United Kingdom.

This collaboration ended after we considered that this supplier no longer met our traceability requirements.

About Chanel's traceability approach:

Secondly, as you mention, the Leather Working Group certification is not enough to ensure the traceability of hides, since, as you are aware, it only concerns tanneries.

That is why we go back further upstream through a series of checks and audits.

92% of our calfskin is sourced from Europe, where we maintain rigorous standards and transparency. For lambskin, we go a step further by being shareholders in our supplier network, ensuring close collaboration and accountability.

For the rest of the supply chain, located in countries outside Europe, we carried out audits at selected slaughterhouses and farms to ensure that they were not located in a deforestation zone (neither past nor present).

We closely monitor which countries our hides come from, reinforced by comprehensive testing protocols. We also conduct upstream audits to guarantee procurement from non-deforested areas, reinforcing our commitment to environmental preservation.

Chanel prioritizes traceability to ensure high-quality sourcing and fair production conditions, leveraging technology for improved tracking. Its procurement teams focus on sustainable practices by considering environmental and social issues, sourcing certified materials, and ensuring fair working conditions. Chanel is committed to building supplier capacity to meet these standards, furthering collective progress towards sustainability goals.

Our system is designed to secure traceability at every step. We require declarations from our suppliers, verified through advanced techniques such as laser marking and isotope testing—a pioneering method developed in partnership with a specialized company. These measures ensure that the origin of our hides is transparent and reliable, reflecting our dedication to responsible sourcing practices.

Beyond our own operations, Chanel's Responsible Procurement Policy mandates that its business partners and suppliers adhere to legal standards and regulations, including labour laws and international conventions like the ILO's fundamental conventions and the UN Guiding Principles on Business and Human Rights. The policy emphasizes social and environmental due diligence to manage risks throughout the value chain, and contractual agreements with suppliers incorporate compliance with labour laws and anti-corruption measures.

About Chanel's Forest Statement:

Chanel has a comprehensive Forest position statement aimed at protecting, restoring, and regenerating forest landscapes within and beyond our value chain. This is implemented through sourcing from deforestation-free supply chains, conducting Human Rights Due Diligence, and collaborating with supply chain partners. Monitoring and assessment involve mapping and monitoring supply chains, developing action plans, and using tools like Global Forest Watch and the Integrated Biodiversity Assessment Tool (IBAT) to periodically assess impact.

Chanel's leather sourcing strategy proactively avoids tropical biomes at risk of deforestation. We aim to source all leather used in our products from verified deforestation-free supply chains by 2030 or earlier, a cut-off date ahead of the EU Deforestation-free Regulation's one.

Chanel's approach to due diligence is compliant with the EU law on deforestation-free products. We follow the methodology set out by the Science-Based Targets Network to assess risks, interpret, prioritize, measure, set, and disclose our impacts on forests and high-value ecosystems.

We hope you find this information useful.

Sincerely,

Eric DUPONT

General Manager Operations for Fashion Activities

EarthSight's Reply – 8 April 2025

Thank you again for sharing your response to our findings and related questions. Please find below some follow-up questions based on your response. We would appreciate your comments by **Friday 11 April**.

- Can you provide any further details about Chanel's concerns regarding Faeda's traceability practices? In what ways did these fall short of Chanel's requirements?
- What is involved in Chanel's audits of selected slaughterhouses and farms that it sources hides from in Brazil? How often do these audits take place, and how are properties selected?
- Have any steps been taken to investigate the allegations made by EarthSight?

Follow-up Response – 10 April 2025

Dear Ms [REDACTED],

As stated previously, we are no longer working with Faeda for reasons that are related to Chanel's standards. We do not authorize the sourcing of hides from Brazil, which has been our long-standing policy.

We have no further comment.

Sincerely,

Eric Dupont