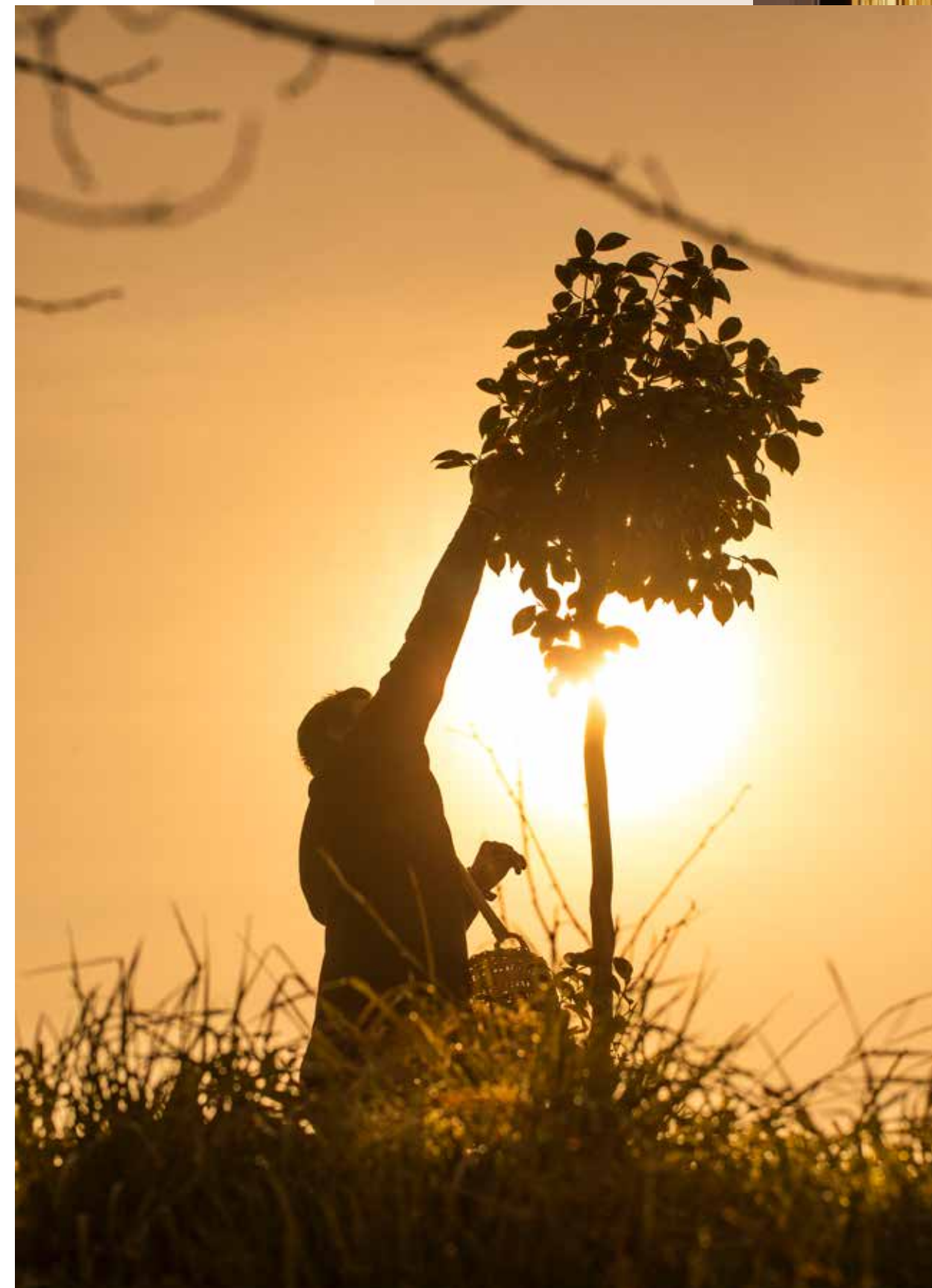


CLIMATE TRANSITION PLAN



CHANEL
SUSTAINABILITY





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INTRODUCTION TO OUR CLIMATE TRANSITION PLAN

OUR CLIMATE IS CHANGING AT AN UNPRECEDENTED RATE. SCIENCE SHOWS THAT URGENT, TRANSFORMATIVE ACTION IS NEEDED TO LIMIT GLOBAL WARMING AND AVERT THE WORST IMPACTS OF CLIMATE CHANGE.

At Chanel, we believe in a world where people, nature and business can thrive together. As an independent luxury House, we aim to play a role in restoring the natural world and protecting the livelihoods of the people who depend on it, while supporting the longevity of our business. Building on our heritage, we also continue to champion women's voices, including in the transition to a net-zero future.

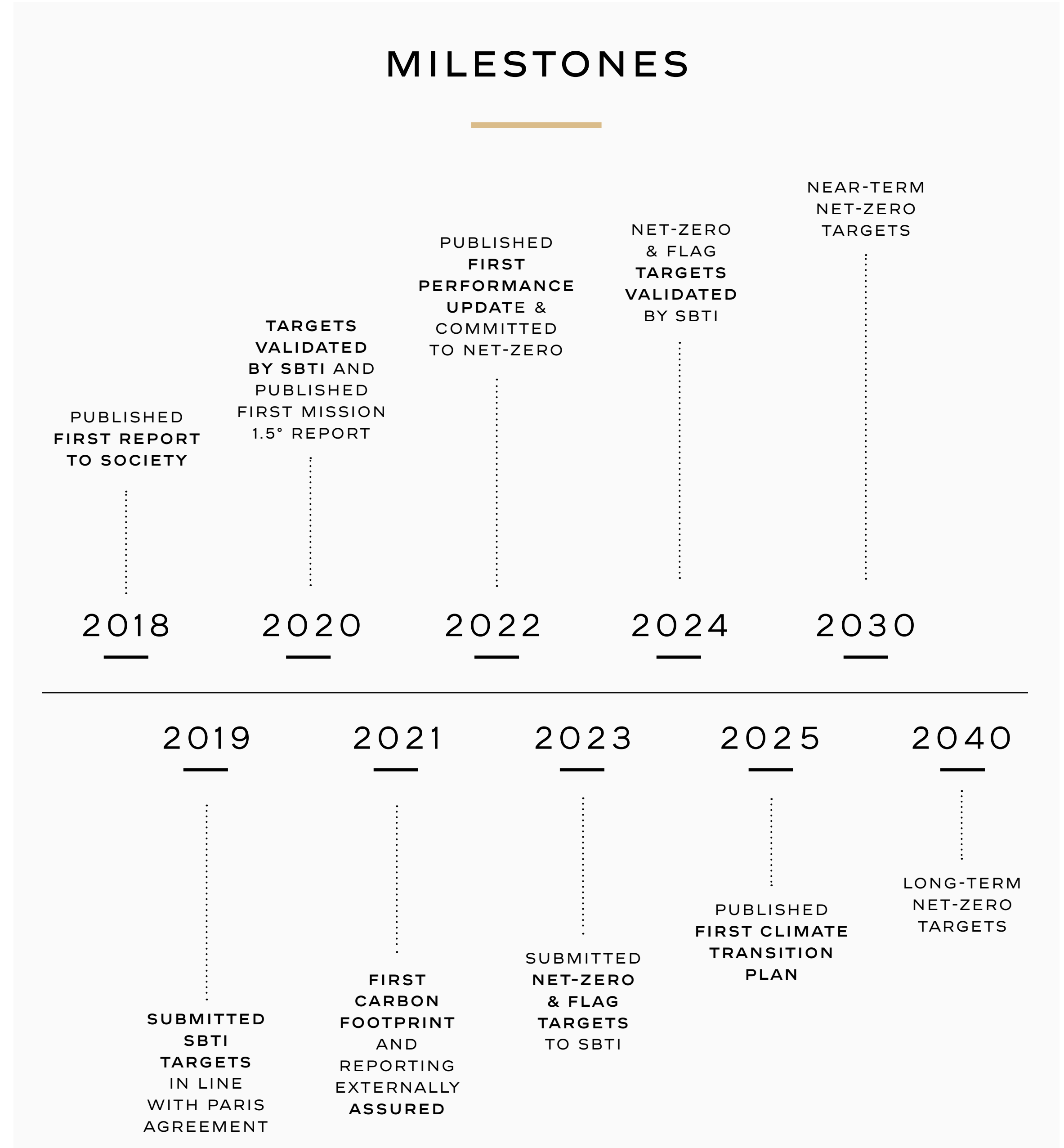
In 2020 we formalised our climate commitment by launching CHANEL Mission 1.5°, our first climate action plan. This included science-based targets to reduce the carbon footprint of our operations and value chain. Since then, we have evolved our targets (outlined on page 9) to the Science-Based Targets initiative (SBTi) Corporate Net-Zero Standard, in recognition of the accelerated action needed to address the climate crisis.

This is our first Climate Transition Plan* ('transition plan'), which sets out our journey to achieving our net-zero targets by 2040 (mitigation), and our response to climate-related risks and opportunities (adaptation). This transition plan contains a summary of our priority actions as of 2025, which include reducing our footprint, helping to restore our climate, and investing in partnerships and research to accelerate our impact. Through this transition plan, which we will review annually, we aim for responsible growth and a just transition to net-zero.

Our commitment to net-zero is embedded into decision-making across our organisation. While progressing on our journey, we also assess how climate-related risks can impact our business and how the transition to a low-carbon economy can be a source of opportunity.

We know we will face challenges along the way, but we are dedicated to achieving our goal with the commitment of our senior leadership and all our people acting as agents of change.

*The structure of our Climate Transition Plan is guided by the Transition Plan Taskforce (TPT) Disclosure Framework, homed under the International Financial Reporting Standards (IFRS) Foundation and aligned with [International Sustainability Standards Board's \(ISSB\) IFRS S2 Climate-related Disclosures](#). We will progressively align with the TPT Disclosure Framework as our Climate Transition Plan evolves over time.



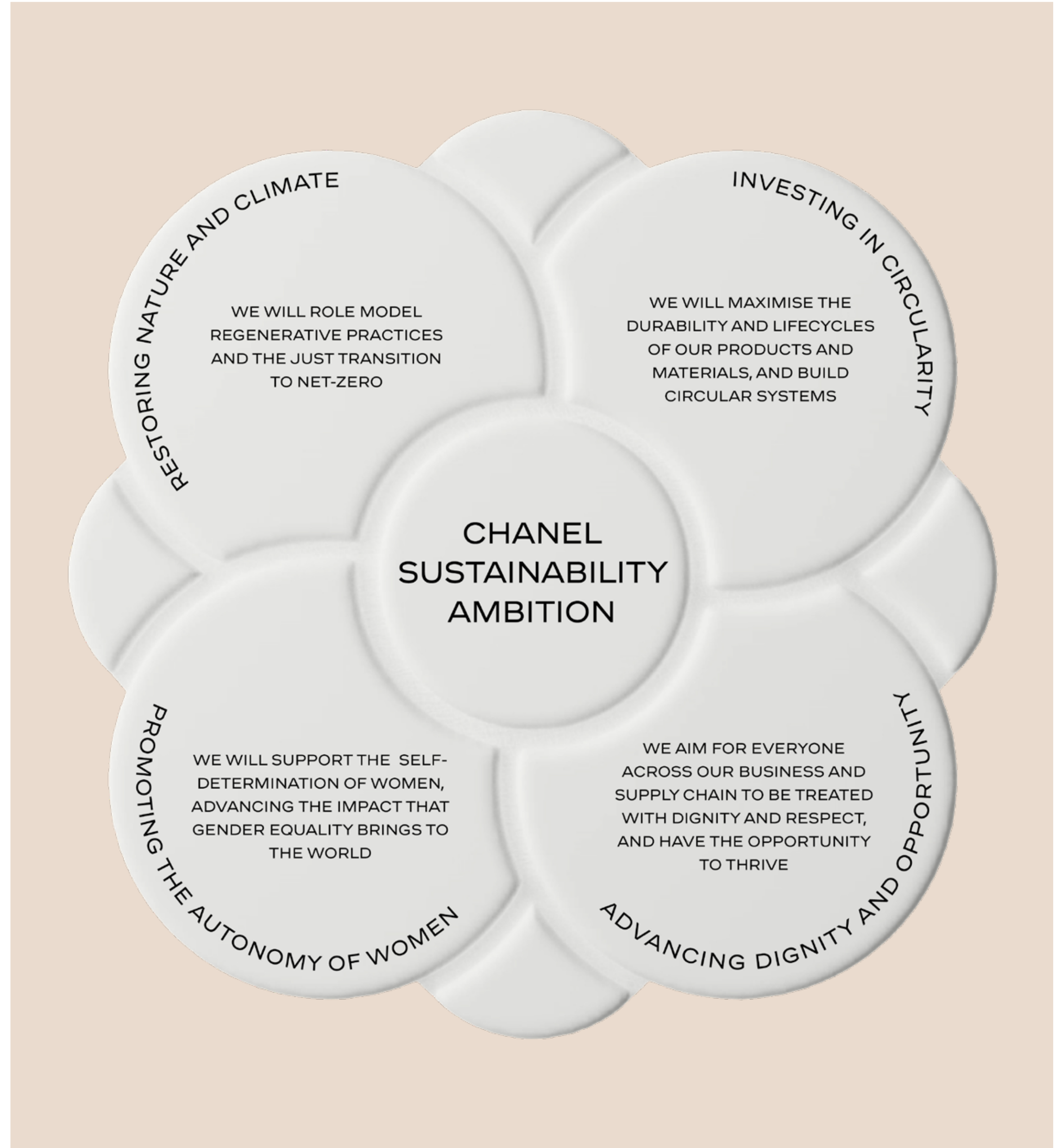
OUR HOUSE SUSTAINABILITY AMBITION

OUR HOUSE SUSTAINABILITY AMBITION PRIORITISES FOUR AREAS WHERE WE BELIEVE WE CAN HAVE THE GREATEST POSITIVE IMPACT ACROSS OUR BUSINESS, SUPPLY CHAIN AND BEYOND.

This transition plan outlines the critical actions that will be taken to deliver our climate goals under the 'Restoring Nature and Climate' pillar of this ambition.

2040

WE COMMIT TO REACHING OUR LONG-TERM NET-ZERO TARGETS BY 2040



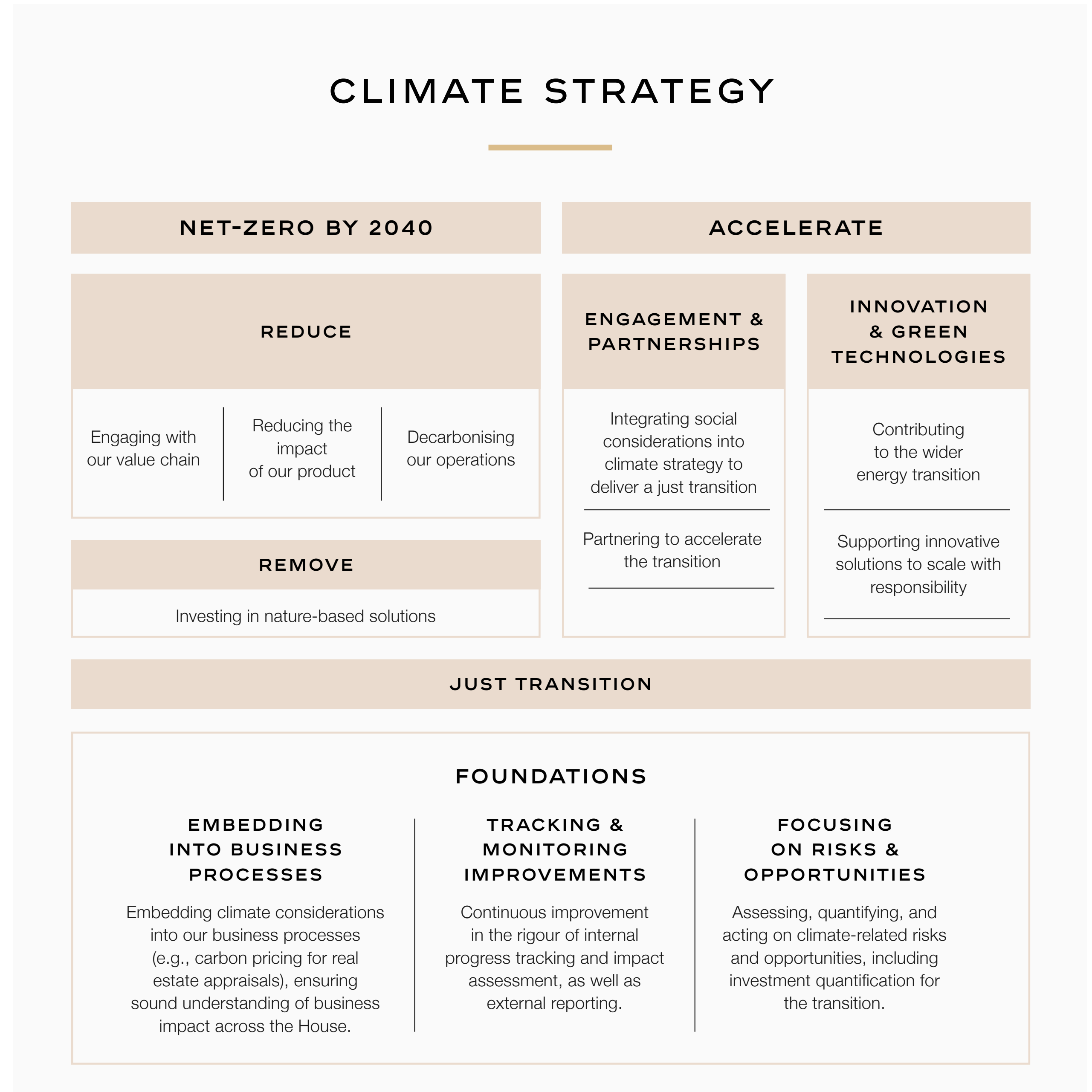
STRATEGIC ROADMAP

OUR GOAL FOR RESTORING NATURE AND CLIMATE IS TO ROLE MODEL REGENERATIVE PRACTICES AND THE JUST TRANSITION TO NET-ZERO. WITH RESPECT TO NET-ZERO, WE WILL ACHIEVE THIS THROUGH TWO METHODS: REDUCING EMISSIONS AND REMOVING EMISSIONS.

To reduce, we will decarbonise our operations and minimise the impact of our products, including through collective action with our suppliers. Critically we will embed climate considerations into business operations while ensuring sound understanding of the business impact. Our current roadmaps also depend on future solutions to help us to achieve a 90% reduction. This is one of the reasons why we will continue to prioritise and invest in exploratory research, open innovation and green technologies.

The remaining 10% of our emissions will be addressed by 2040 through removals by investing in nature-based solutions.

Essential to our progress is ensuring continuous improvement in the rigour of our internal progress tracking and impact assessment, as well as our external reporting. More information on business integration and governance can be found on page 24.



RISKS & OPPORTUNITIES

CLIMATE-RELATED RISKS, AS WELL AS INTERLINKED TOPICS SUCH AS NATURE DEGRADATION AND BIODIVERSITY LOSS, ARE RECOGNISED AS GROUP-WIDE RISKS FOR IDENTIFICATION, MONITORING AND REPORTING.

Since 2020, we have identified and assessed our climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, and we annually review climate change as a risk.

Our approach to managing climate-related risks involves prioritising action based on a thorough understanding of both the physical and transition impacts of climate change on our business.

- Physical climate-related risks screening involves assessing the potential impacts of climate change-related physical events – both acute and chronic – on Chanel’s operations, assets, and supply chains.
- Transition climate-related risks screening focuses on evaluating the risks resulting from the uncertainty created by the global shift to a low-carbon economy.

We also evaluate opportunities from the transition to a low-carbon economy at Group level.

Further information on risk management can be found in Chanel’s Annual Report

RISKS

The following climate-related risks have been identified as material to Chanel’s business context:

PHYSICAL RISKS

Raw materials supply

Risk of reduced availability and quality of raw materials, along with increased costs due to climate hazards in breeding, cultivation, and extraction areas.

Infrastructure and operations

Risk of weather events causing material damage to buildings and surrounding areas, assets and finished products, and disruption to logistics flows, leading to business interruptions and reduced production efficiency.

Health and safety of employees

Risk of employees’ health and safety being compromised, which could impact productivity, create unworkable conditions and endanger employee comfort, leading to business continuity disruptions.

TRANSITION RISKS

Regulatory compliance

Risk of failing to comply with current and emerging sustainability laws and regulations, and regulatory changes imposing carbon taxes.

Transitioning to low-carbon activities

Risk of being unable to substitute certain activities with low carbon alternatives of similar quality, and insufficient supply chain decarbonisation hindering our net-zero commitment.

Embedding carbon into business strategy

Risk of being unable to embed carbon impact into business strategy leading to delayed action and failure to meet net-zero targets by 2040.

OPPORTUNITIES

The following climate-related opportunities have been identified as potential benefits arising from the transition to a low-carbon economy:

Advancing circularity

Opportunity to improve the circularity of materials and products through lower impact raw material sourcing and offering reparability services.

Supplier resilience

Opportunity to enhance supplier resilience by adopting different methods for raw material extraction and production, pursuing certification, and improving access to renewable electricity.

Driving industry change

Opportunity to leverage effective climate communications and engagement to drive systemic change within the luxury and other industries.

KEY RISK MITIGATION ACTIONS

Key measures in place to respond to the risks identified include:

- Developing adaptation plans in areas at extreme risk, aiming to enhance the resilience of the business and its value chain.
- Monitoring risks and implementing preventative actions where needed, for example systematically planning logistics flows.
- Maintaining a high level of awareness of upcoming regulatory changes and potential impacts affecting our business partners.

INTERDEPENDENCIES

INTERDEPENDENCIES, DEPENDENCIES, CONSIDERATIONS AND BARRIERS TO OVERCOME

In addition to risks and opportunities, we acknowledge that there are interdependencies, dependencies, considerations, and barriers to overcome to deliver on our net-zero roadmap.



INTERDEPENDENCIES BETWEEN CLIMATE, NATURE AND PEOPLE

OUR HOUSE SUSTAINABILITY AMBITION REFLECTS THE INTERDEPENDENCY OF ENVIRONMENTAL AND SOCIAL ISSUES. SIMILARLY, IN OUR APPROACH TO DECARBONISATION WE CONSIDER HOW OUR ACTIONS MAY IMPACT NATURE AND PEOPLE.

OUR FOREST APPROACH

Forests are vital ecosystems that act both as sources and sinks for carbon dioxide. While deforestation, wildfires, and forest degradation release significant amounts of carbon dioxide into the atmosphere, forests have historically absorbed more emissions than they emit. Beyond their climate benefits, forests are also crucial for preserving biodiversity, providing clean air, enriching soils, reducing erosion and landslides, regulating water cycles and supporting the livelihoods of billions.

Recognising the importance of forests and the above interdependencies, we have developed our Forest Position Statement. Our vision is to help to protect, restore, and regenerate forest and nature landscapes within and beyond our value chain, while supporting healthy ecosystems and local communities. To fulfil our vision, we continue our work to source from deforestation-free supply chains for high deforestation-risk materials and contribute to the protection of forests and nature beyond our value chain.

We periodically assess risks and our potential impacts on forests and high value ecosystems at large. We map and monitor our supply chains to identify high deforestation-risk materials through local impact assessments and by following the methodology set out by the Science-Based Targets Network (SBTN) and use tools such as the Global Forest Watch.

Our approach to forests also extends to funding the protection and restoration of critical forest land and other ecosystems beyond our value chain in collaboration with expert organisations and communities on the ground.

SUPPORTING PEOPLE IN THE TRANSITION

We believe that everyone across our value chain should be treated with dignity and respect and should have the opportunity to thrive, including in the transition to a net-zero economy. In support of this, we will continue to collaborate with our partners and those involved in or impacted by our decarbonisation efforts, such as farmers, workers, small suppliers and local and indigenous communities within our supply chains. Specific actions include:

- Supporting farmers: engaging, consulting and assisting farmers in implementing regenerative agriculture principles and practices, providing technical support where needed.

- Protecting employee wellbeing: ensuring that measures we take to reduce our footprint do not adversely impact employee wellbeing.
- Evaluating the impacts of green technologies on people: in the context of our overall environmental and social due diligence initiatives, we will collaborate with our strategic business partners to identify, assess and mitigate potential risks posed to people in the deployment of green technologies.

By taking steps such as these, we can play our part in a just transition where people are adequately supported and have the opportunity to thrive.



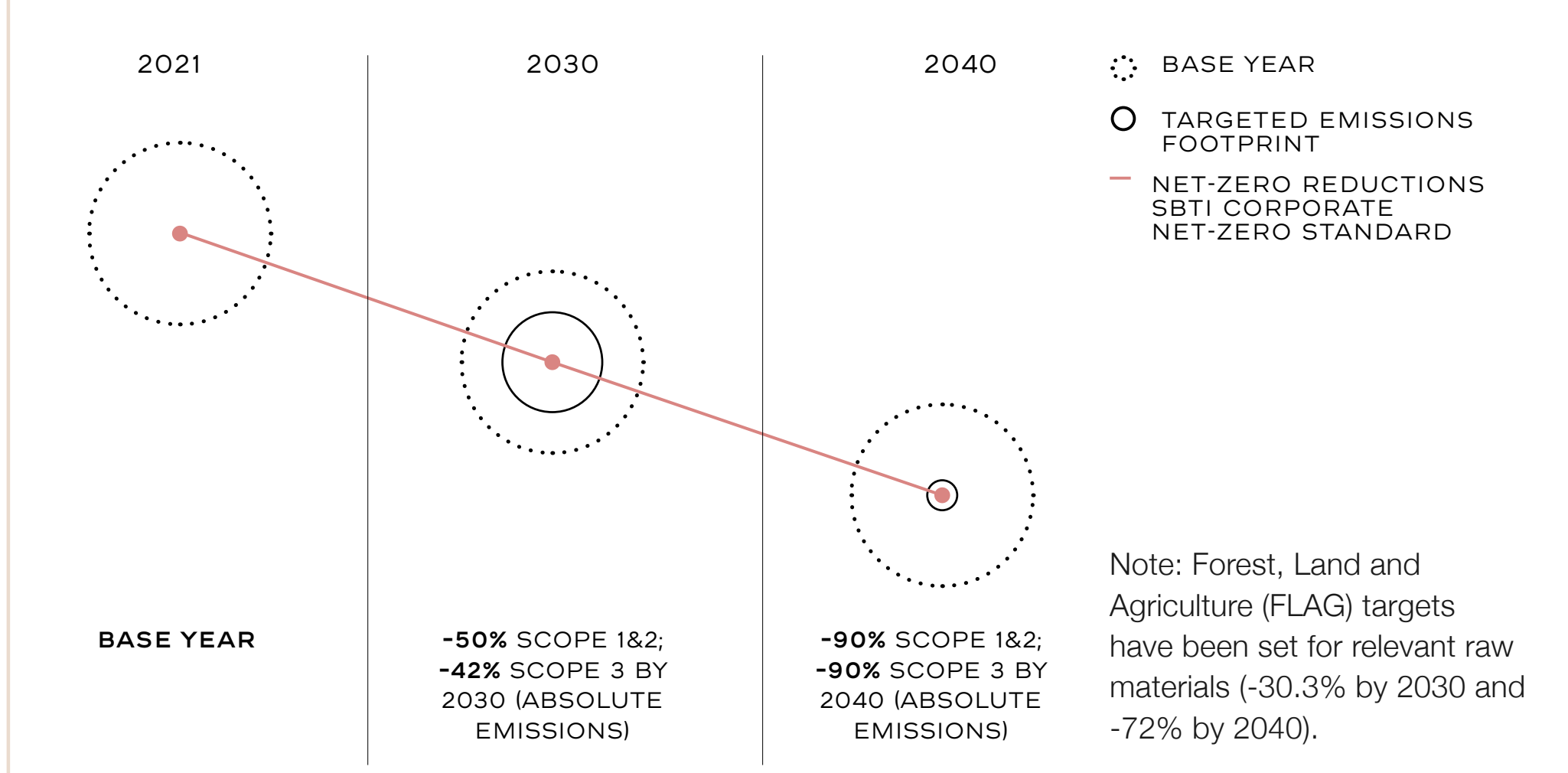
CARBON FOOTPRINT

NET-ZERO TARGET

Our Net-Zero 2040 target is in line with the Corporate Net-Zero Standard, validated by the Science-Based Targets initiative. To transition towards net-zero, Chanel must reduce emissions by at least 90% and remove the residual <10% emissions.

In addition to the evolution of our climate commitments to net zero targets, we extended the organisational boundary to include integrated suppliers in our scope 3 footprint and adjusted the scope of categories. Chanel's carbon footprint disclosures are detailed in this section.

OUR NET-ZERO TARGETS

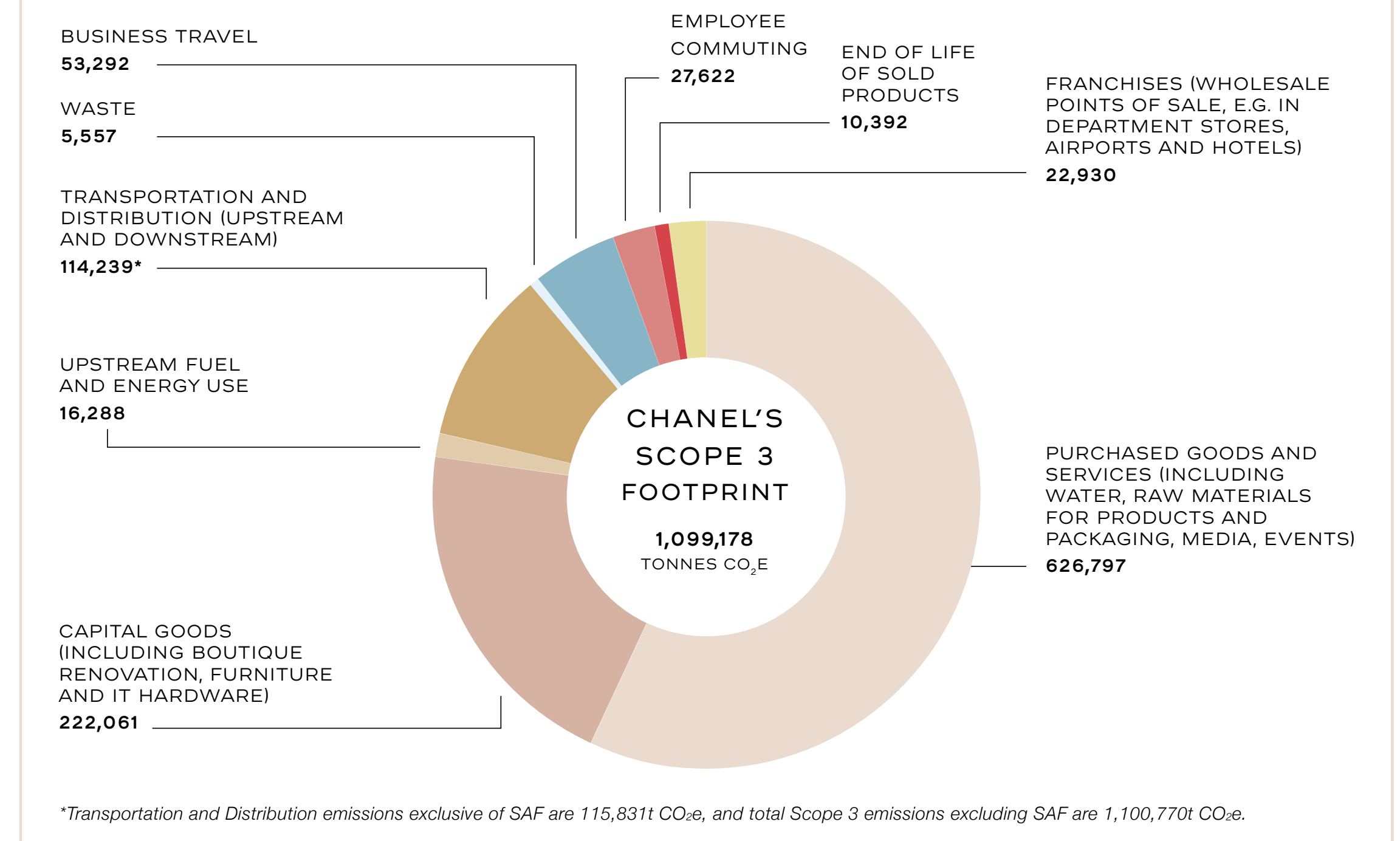


UNDERSTANDING OUR CARBON FOOTPRINT

Chanel's total carbon footprint in 2024 was 1,123,249 tonnes CO₂e. 2% of our carbon footprint comes from scope 1 and 2 emissions, while 98% stems from scope 3.



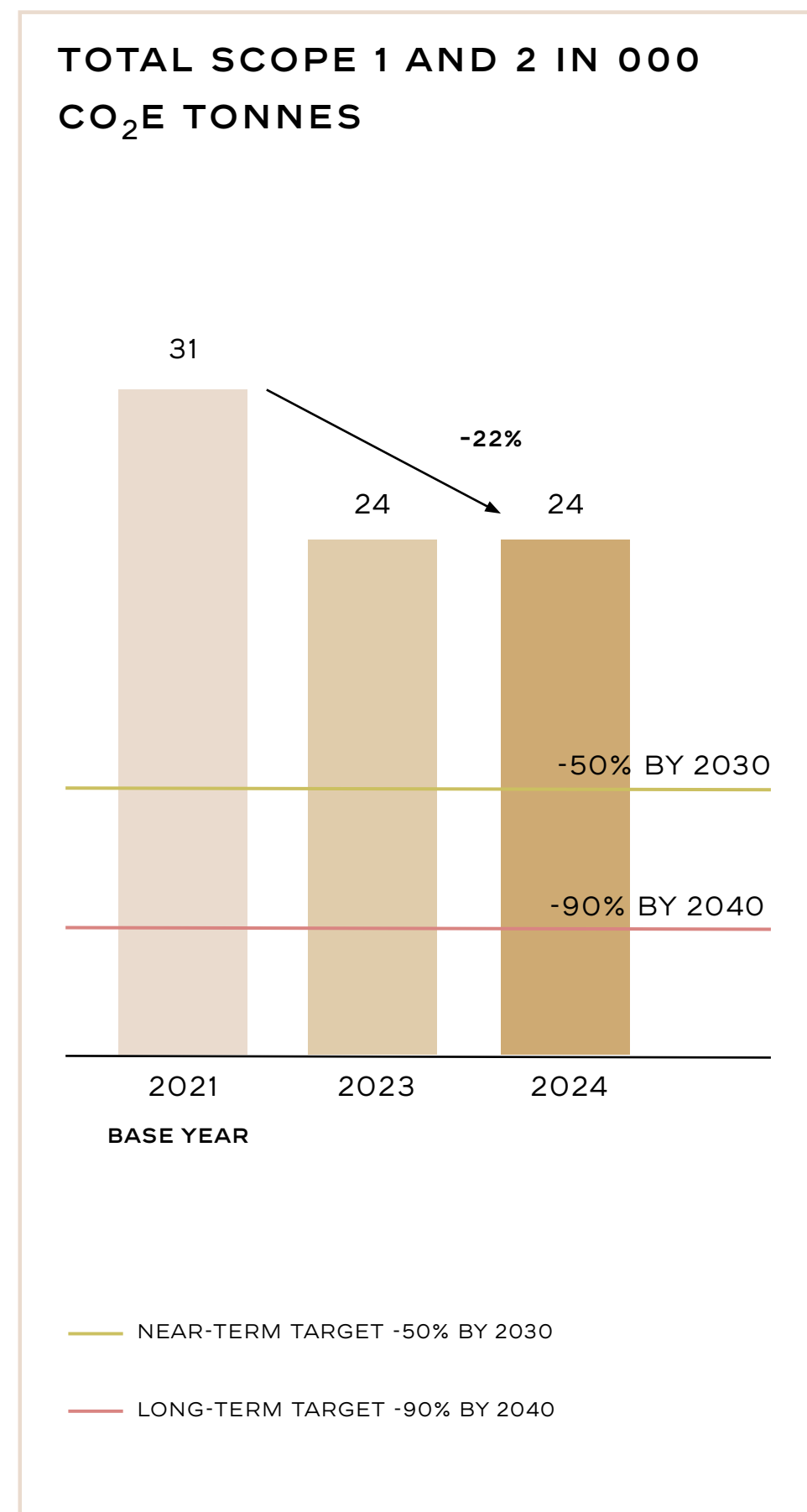
SCOPE 3 EMISSIONS (TONNES CO₂E) DISAGGREGATED BY GHG PROTOCOL CATEGORY



CARBON FOOTPRINT CONTINUED

DECREASING OUR OWN CARBON FOOTPRINT (SCOPE 1 AND 2)

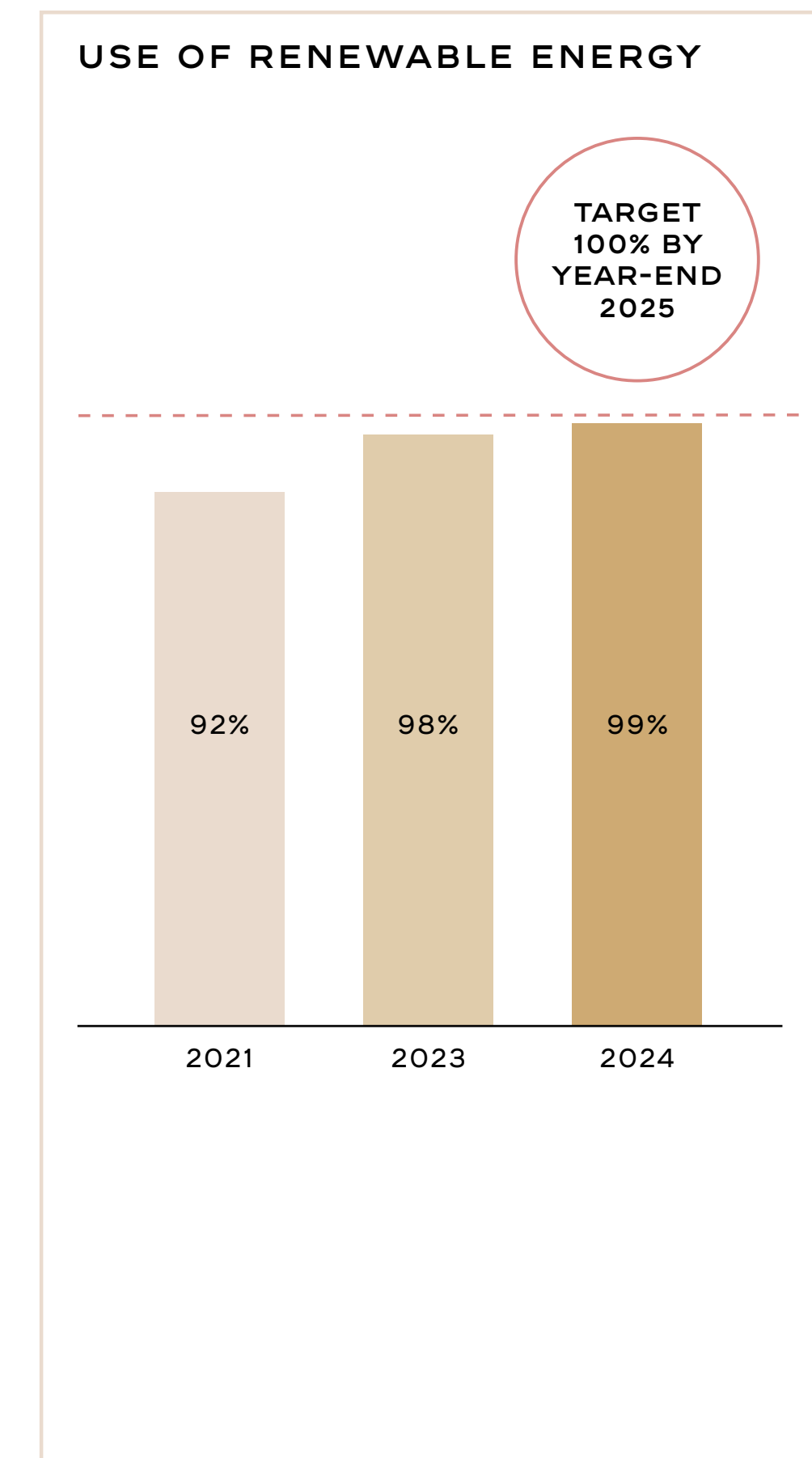
Scope 1 and 2 emissions have decreased by 22% in 2024, in comparison to the 2021 base year, and by 1% in comparison to 2023, due to our continued efforts to advance decarbonisation initiatives. The main driving force of the reduction is the continued transition towards renewable electricity. Scope 1 increased by 1% due to the addition of new site openings, as well as streamlining some waste management on-site in one facility. For more information, please see our Sustainability Performance Extract, available via chanel.com.



RENEWABLE ELECTRICITY

Chanel is a member of RE100, a global initiative bringing together influential businesses committed to 100% renewable electricity. Led by Climate Group in partnership with CDP, RE100's mission is to drive change towards 100% renewable electricity grids, both through the direct investments of its members, and by working with policymakers to accelerate the transition to a low-carbon economy.

By the end of 2024, we reached 99% renewable electricity in our own operations and now have 33 sites generating their own renewable electricity. Chanel favours the inclusion of on-site renewables or power purchase agreements (PPAs) where feasible, followed by green tariffs, and finally the purchasing of unbundled energy attribute certificates where the former are not options. Chanel obtains all renewable electricity from sources permitted under the RE100 technical criteria, aiming for innovative solutions to deliver additional positive environmental and social impacts where possible, and calculates its renewable electricity percentage in accordance with the RE100 technical criteria. For more information see Chanel's Basis of Reporting, available in the sustainability section of chanel.com.



CARBON FOOTPRINT CONTINUED

VALUE CHAIN EMISSIONS (SCOPE 3)

Emissions from our value chain (scope 3) decreased by 10% in comparison to the 2021 base year and 9% in comparison to 2023. Raw materials within our supply chain continued to be an area of focus and remain the largest part of our scope 3 greenhouse gas (GHG) emissions footprint.

The emissions from raw materials reduced by 20% in 2024 largely coming from cashmere, leather and gold, all of which are part of our strategic transformation programmes.

MONITORING PROGRESS AGAINST TARGETS

Chanel publishes annual performance updates for its carbon footprint, in line with best practice. These updates are available in the sustainability section on chanel.com.

Chanel also reports on its GHG emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended (UK), also referred to as the Streamlined Energy and Carbon Reporting (SECR), in its Annual Report, with reference to the Greenhouse Gas Protocol Corporate Standard (revised) for scope 1 and scope 2, and Corporate Value Chain (scope 3) Accounting and Reporting Standard.

We report on gross and net carbon emissions for scope 1, 2 and 3. Scope 2 emissions are reported using market-based and location-based emission factors.

Our climate performance data is assured externally by Ernst & Young, an independent third party. For more information on the measurement of our carbon footprint, please see our Basis of Reporting, available in the sustainability section on chanel.com.

METHODOLOGY UPDATES

We strive for a deep level of rigour in our reporting and are continuing work to improve our calculation methodologies for select scope 3 categories. In better understanding our impact, we can sharpen our focus on decarbonisation actions where we can drive the greatest change, both within our own operations and wider value chain.

CDP

Chanel's most recent CDP score for climate change is A-. We will seek to improve this score and maintain leadership status in future years.





IMPLEMENTATION STRATEGY

AN OVERVIEW OF OUR CLIMATE TRANSITION PLAN



ROADMAP AND DECARBONISATION LEVERS

Our transition plan is focused on real business transformation. We have designed and are implementing roadmaps to transition towards net-zero and will continue to refine these based on our latest learning and evidence. Some of our actions have a clear path to scale-up while others are in a test and learn phase. We remain committed and agile as we continue to invest, implement, learn and scale-up. The following pages describe key workstreams that will enable our transition to net-zero as of today.

DIRECT OPERATIONS (SCOPE 1 & 2)

FOOTPRINT CONTRIBUTION 2%

SCOPE: consumption of natural gas and other fuels on-site, refrigerants, and fuel for vehicles

LEVERS

 **SWITCH TO RENEWABLE ELECTRICITY (TARGET RE100 100% FOR OWN OPERATIONS)**

- Expanding on-site solar.
- Exploring further PPAs and investment in longer-term energy solutions that bring additionality.

 **SWITCH TO LOW-CARBON ALTERNATIVES**

- Continuing the transition to electric vehicles.
- Implementing alternative technologies such as heat pumps where feasible.

 **EFFICIENCY**

- Rolling out Energy Management Systems (EMS) for optimisation.
- Upgrading cooling and switching to refrigerants with lower Global Warming Potential (GWP).
- Installing insulation to reduce natural gas demand.

SPOTLIGHT

INVESTING IN RENEWABLE ELECTRICITY WITH ADDITIONALITY THROUGH POWER PURCHASE AGREEMENTS (PPAS)

In 2024, two virtual PPAs became operational in South Korea and Singapore, covering Chanel's total electricity consumption in these markets with solar power. In addition, Chanel has signed a 20-year physical PPA in France which will be operational by the end of 2025. The PPA consists of two solar power plants covering one-third of Chanel's consumption in France and has been developed in alignment with our just transition ambition by incorporating biodiversity and agroforestry initiatives to improve surrounding landscapes. These long-term investments are part of our strategy to contribute to new, renewable energy sources to help support the global renewable energy transition.

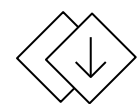
ROADMAP AND DECARBONISATION LEVERS CONTINUED

MATERIALS & PACKAGING (SCOPE 3)

FOOTPRINT CONTRIBUTION 46%

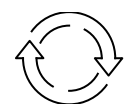
SCOPE: use of raw materials that go into our products, packaging, and the end-of-life treatment

LEVERS



LOW-IMPACT RAW MATERIALS

- Pursuing high integrity certifications and regenerative practices for agricultural raw materials.
- Continuing work on recycled content, lower carbon sourcing and processes.
- Reducing packaging weight.



CIRCULAR DESIGN

- Packaging: increase recyclability and refillable options for Fragrance & Beauty products.
- Care and repair: continued roll-out of CHANEL & Moi, a range of tailor-made services designed to provide lasting attention to each CHANEL creation. This includes CHANEL & moi – Les Ateliers, dedicated spaces in selected cities around the world where clients can meet with expert teams, tailors and artisans committed to reviving and preserving the uniqueness of each creation.

SPOTLIGHT

CONTINUOUSLY REINFORCING OUR COLLABORATION WITH CASHMERE SUPPLY CHAIN ACTORS

Within our cashmere supply chain Chanel has been working collaboratively since 2015 with a cooperative of goat herders' families on a transformation project to support the adoption of more responsible methods. This project is aimed at understanding their ecosystem and developing the most exceptional quality and sustainable cashmere for our products.

Chanel Fashion continues to scale less carbon intensive agricultural practices among the goat herder populations with whom we work, notably in feed and pasture management, which in 2024 has translated into carbon reductions within our footprint and other environmental performance indicators. Upstream portions of Chanel Fashion's supply chain have been certified to both organic and Fair for Life standards, a first in the sector.

SPOTLIGHT

STRIVING TO LOWER THE ENVIRONMENTAL AND SOCIAL CHALLENGES ASSOCIATED WITH GOLD MINING

Chanel's Watches and Fine Jewellery business derives many of its precious materials, including gold, through mining, a process that contributes to our carbon footprint. To address these issues, we continuously search for gold sources with extraction and production methods in line with our carbon reduction targets and sustainability commitments. This includes recycled gold with RJC CoC certification, which represented more than 90% of our gold sourcing in 2024, and other gold sources, provided they comply with strict traceability, environmental and social standards. We also recognise the need for a harmonised definition and impact methodology for 'recycled gold' across the industry and as such we are closely monitoring the work of the RJC around guidance and certification for gold, as well as collaborating with other players to adopt a shared standard.

SPOTLIGHT

ADVANCING LOWER-IMPACT SOLUTIONS IN OUR FRAGRANCE & BEAUTY PORTFOLIO

We continue to pursue and adopt lower carbon alternatives across our Fragrance & Beauty raw materials and packaging. For example, we are gradually replacing wheat alcohol, a key ingredient in our fragrances, with lower-impact alternatives including beet alcohol from regenerative agriculture and grape alcohol as a by-product of wine, contributing to a 44% reduction in GHG emissions per kg of alcohol.

In packaging, we have reduced the weight of our Hydrabeauty Microserum packaging by 60%, resulting in a 50% reduction in the product carbon footprint, while the packaging for our new Chance Eau Splendid perfume uses lower impact aluminium bands as opposed to brass. In parallel, we continue to invest in and expand our refillable products, with 80 options in make-up, 20 in fragrance, and 18 in skincare.

ROADMAP AND DECARBONISATION LEVERS CONTINUED

ARCHITECTURE, DÉCOR & EVENTS (SCOPE 3)

FOOTPRINT CONTRIBUTION 24%

SCOPE: capital goods building investments, furnishing, visual merchandising and events

LEVERS



EXPANSION OF SUSTAINABLE CONSTRUCTION

- Continue pursuing certifications such as LEED and BREEAM for our buildings, helping to lower impact during construction and operations.



ADVANCING CIRCULAR APPROACHES IN EVENTS AND DÉCOR

- Implementing efforts to reuse and repurpose materials, visual merchandising and décor, including through the roll-out of internal online rental platforms.



EXPANDING OUR UNDERSTANDING TO IDENTIFY SOLUTIONS

- Continue rolling out our in-house tool to understand opportunities to create more sustainable events.
- Working with partners to gain insights into sustainable switches that can be made during project design and completion, including through conducting Lifecycle Assessments (LCAs) of projects.

SPOTLIGHT

BEVERLY HILLS BOUTIQUE PLATINUM LEED CERTIFICATION

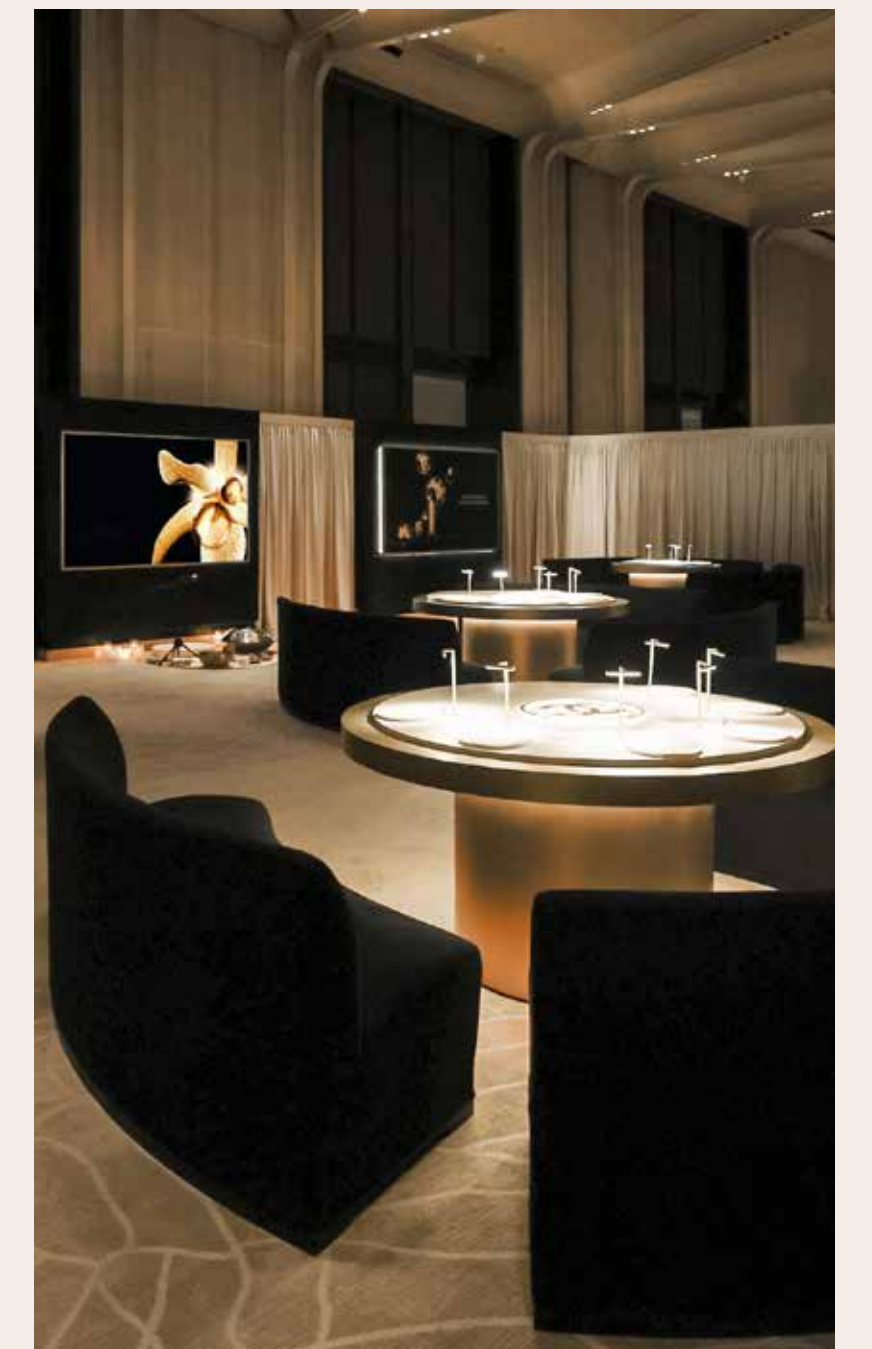
In 2023, Chanel opened a reimagined Beverly Hills Boutique on Rodeo Drive. Certified to the highest level of LEED platinum, this boutique was built with sustainability in mind. During construction, a Lifecycle Assessment (LCA) guided the selection of low-impact alternatives for concrete and steel rebar, reducing carbon emissions by 17%. The building features high thermal resistance in the roof and walls, an efficient HVAC system, water heater, and LED lighting for enhanced energy performance. Throughout the process, 98% of construction waste was diverted from landfill.

SPOTLIGHT

IMPLEMENTING CIRCULAR PRACTICES INTO OUR EVENTS

In 2024, we continued to advance circular approaches to the design of events without compromising on creativity, including the selection of décor and materials. During Le Grand Numéro de Chanel exhibition in Paris, 76% of the décor was sourced from local suppliers, whilst 97% of the materials following the exhibition were repurposed. This reduced the overall carbon footprint by 68% in comparison to a prior forecast.

Similarly, during the launch of the SUBLIMAGE Les Extraits skincare line in Mainland China, the creation of new décor was minimised for 15 immersive product client workshops by reusing set builds across multiple locations, which resulted in an 89% reduction in carbon emissions compared to equivalent events using newly purchased décor.



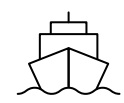
ROADMAP AND DECARBONISATION LEVERS CONTINUED

LOGISTICS (SCOPE 3)

FOOTPRINT CONTRIBUTION 10%

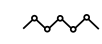
SCOPE: transportation and distribution of our products through third-party logistics providers

LEVERS



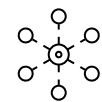
SWITCHING TO LOWER IMPACT MODES

- Continued switching from air to sea and road and electric vehicle transportation where possible.



IMPROVED DEMAND PLANNING

- Continuing to implement processes to more accurately forecast demand, enabling reduced quantity of deliveries and increased sea shipping.



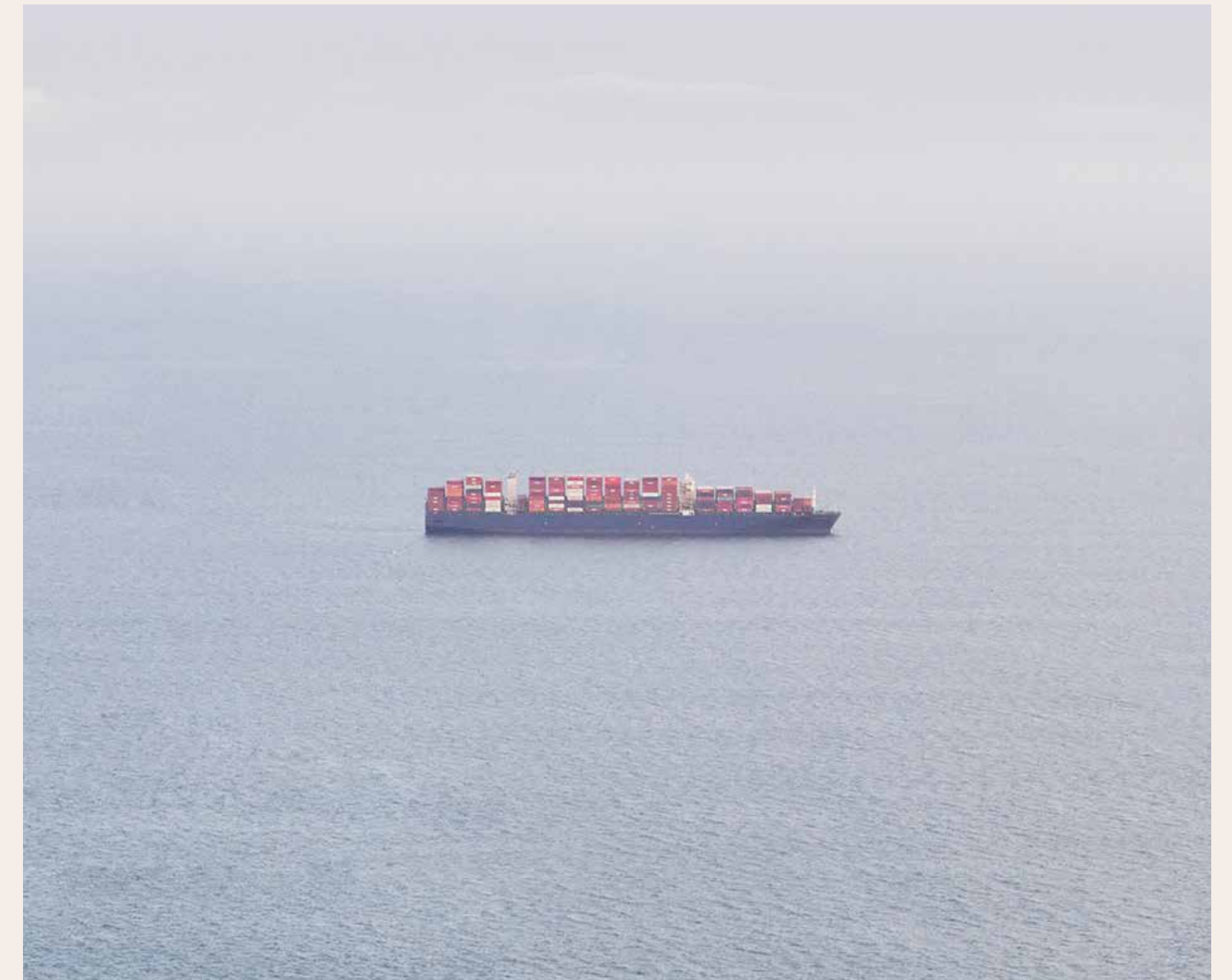
INNOVATIVE TECHNOLOGIES FOR HARD-TO-DECARBONISE FLOWS

- Partnering with suppliers and industry actors to develop a considered, robust, and phased approach to investments in high integrity sustainable aviation fuel (SAF) for the remainder of air freight that is not possible to transition to other modes.
- Scaling up the deployment of wind-powered sailboats for non-sellable items.

SPOTLIGHT

MAXIMISING SEA SHIPPING AND BEGINNING TO GO EVEN FURTHER

Work has been done across the house to switch from air to sea transportation where possible. For Fragrance & Beauty, the share of air transport decreased from 28% in 2021 to 17% in 2024. In Asia Pacific, the reduction was even more pronounced, with air freight reducing from 47% to 12% over the same period. Going beyond this achievement, teams have also begun piloting the use of sailboats over traditional sea shipping to further reduce emissions. Notably, 100% wind-powered shipping services were used in a pilot in the US to deliver Fashion and Fragrance & Beauty goods from France to the US East Coast.



ROADMAP AND DECARBONISATION LEVERS CONTINUED

GREEN MOBILITY (SCOPE 3)

FOOTPRINT CONTRIBUTION 7%

SCOPE: business travel and employee commuting to and from their places of work

LEVERS

 **EXPANDING SWITCHES TO ELECTRIC VEHICLES**

- Including transitioning all corporate vehicles to hybrid or electric through electric vehicle schemes and the supporting charging infrastructure.

 **EMPLOYEE ENGAGEMENT**

- Understanding how employees travel to work and where we may be able to incentivise more sustainable choices.
- Setting and complying with internal guidelines for more sustainable travel options.
- Setting and achieving internal targets for more sustainable travel, supported by our in-house business travel dashboard to enable insights and help drive reductions.

SPOTLIGHT

SUPPORTING ENVIRONMENTALLY-FRIENDLY COMMUTING

As part of Chanel's commitment to sustainability and efforts to provide additional benefits to its people, there are various schemes that engage employees and support and improve access to lower-impact modes of transport.

In France, for example, Chanel supports employees by financing all or part of their expenses for commutes made using environmentally friendly modes of transport. There is also a bike-sharing service, with electric options available throughout the week.

In the UK, Chanel has launched an electric car scheme to support employees to switch to an electric car in a more affordable way. This is intended to help reduce the environmental impact of employee commuting, while also being a benefit for our people.



ROADMAP AND DECARBONISATION LEVERS CONTINUED

SUPPLIER ENGAGEMENT (SCOPE 3)

FOOTPRINT CONTRIBUTION 55%*

SCOPE: suppliers of purchased goods & services and wholesale business partners

LEVERS

 **COMMUNICATING OUR ENVIRONMENTAL AND SOCIAL COMMITMENTS AND EXPECTATIONS**

- Through our Responsible Procurement Policy.
- Including considerations into supplier selection processes.

 **BETTER UNDERSTANDING OF IMPACT TO DESIGN SOLUTIONS**

- Engaging with our wholesale partners to track renewable electricity usage at our points of sale and working with our waste haulers to divert and separate waste.
- Establishing dialogues with partners and landlords to support the switch to renewable electricity.

 **COLLABORATING TO IDENTIFY SOLUTIONS**

- Continuing our partnership with suppliers to decarbonise processes.

SPOTLIGHT

CAMBRIDGE MANUFACTURING EXCELLENCE SPRINTS

In 2024 we extended our partnership with the University of Cambridge, dedicated to education, operational sprints and support to emerging leaders. Our Fashion teams worked in partnership with Cambridge's Institute for Manufacturing to roll out a manufacturing excellence programme with various supply chain partners in Italy and in France. The programme focuses on driving efficiency at the manufacturing site level in relation to both operational waste and energy use.

SPOTLIGHT

LEVERAGING NEW TECHNOLOGIES AND INSIGHTS TO REDUCE ENERGY CONSUMPTION

Our Fragrance and Beauty business activity initiated a collaboration between the Pochet Group – a longstanding supplier of fragrance bottles and skincare jars – and Metron, a company specialised in energy efficiency and industrial decarbonisation. This collaboration has supported the Pochet Group to reduce energy consumption from its gas-powered annealing arches by 27%, in turn contributing to a reduction in Chanel's scope 3 emissions.

*Percentage overlaps with some other workstreams

BEYOND THE VALUE CHAIN MITIGATION AND ADAPTATION

BEYOND THE STRATEGIES OUTLINED ABOVE TO REDUCE AND REMOVE GHG EMISSIONS TO ACHIEVE NET-ZERO, WE ALSO ASPIRE TO PLAY A ROLE IN THE GLOBAL CLIMATE TRANSITION.

As such, we have been partnering with organisations to support on-the-ground interventions and deepen our climate impact, while engaging with local communities, civil society and governments. We will continue this work throughout our net-zero transition to deliver lasting benefits to communities and ecosystems beyond our value chain.

CARBON CREDITS

Chanel follows the SBTi Corporate Net-Zero Standard, which stipulates that carbon credits cannot be used to achieve reductions towards net-zero targets. Chanel strives to drive real emissions reductions throughout our value chain. Chanel must reduce its absolute emissions 90% by 2040 and remove the remaining 10% through permanent carbon removals. Our Beyond the Value Chain Mitigation (BVCM) projects generate carbon credits to incentivise transformation on the ground, but we do not use these towards the achievement of our targets.

LEAF

Chanel is part of the LEAF Coalition, a unique public-private partnership focused on halting tropical deforestation by 2030. By bringing together governments, the private sector, Indigenous Peoples and local communities and civil society, LEAF aims to raise and deploy the finance needed to tackle deforestation by making tropical forests worth more alive than dead.

LIVELIHOODS

Chanel is a part of the Livelihoods Carbon Fund 3 (LCF3), managed by Livelihoods, a social business committed to transforming global agricultural supply chains and driving large-scale climate action since 2009. The objective of the LCF3 is to restore living ecosystems and establish more sustainable agriculture to reconcile humans with nature. LCF3 investors share knowledge and risks to implement impactful solutions for rural communities while making their activities more sustainable.

FONDATION CHANEL

Building on the House’s strong legacy of supporting women and girls, Chanel donated as sole funder \$125 million in 2024 to Fondation CHANEL, an independent charity dedicated to creating a world where women and girls are free to shape their own destinies. The Fondation’s work focuses on three areas: safety, economic and social autonomy, and climate resilience. Supporting organisations working at the nexus of gender and climate is a key priority and recent grants have focused on advancing the participation of women in decision-making spaces and supporting women-led conservation. Since 2023 the Fondation has committed over \$50m to women-led climate resilience programmes and partners.





ENGAGEMENT ACTIVITIES

ENGAGEMENT ACTIVITIES

WE ENGAGE AND COLLABORATE WITH A WIDE RANGE OF STAKEHOLDERS TO CONTINUOUSLY ADVANCE OUR SUSTAINABILITY APPROACH, PRACTICES AND PROGRAMMES, WHILE SUPPORTING COLLECTIVE ACTION FOR SYSTEMS CHANGE AND AN INDUSTRY-WIDE TRANSITION. EXAMPLES OF OUR EXISTING PARTNERSHIPS AND ENGAGEMENT ARE OUTLINED BELOW.

EDUCATIONAL AND RESEARCH INSTITUTIONS

We have partnered with the University of Cambridge since 2021, focusing on executive education, innovation and supply chain programmes.

STANDARD-SETTING ENTITIES

We have been a member of the Responsible Jewellery Council since 2009, working in partnership with the wider industry to advance responsible standards and practices across the global jewellery and watch supply chain, from mine to retail.

COLLABORATIVE INDUSTRY INITIATIVES

Our Watches & Fine Jewellery business activity also collaborates with the wider industry through the Watch & Jewellery Initiative 2030, focusing on three key areas: building climate resilience, preserving resources, and fostering inclusiveness.

Our Fashion business activity continues to engage with The Fashion Pact, a collaborative initiative to drive action in support of a net-zero, nature-positive fashion sector. In 2024 we participated in both the European Accelerator initiative, designed to drive decarbonisation efforts among shared supply chain partners in Italy, and the Unlock project, designed to incentivise cotton farmers in India and the United States to transition towards regenerative agriculture practices.

NON-GOVERNMENTAL ORGANISATIONS AND CIVIL SOCIETY

We engage with multi-stakeholder groups and coalitions that are driving the transition to a low carbon economy and championing women’s perspectives, ideas and solutions in decision-making on climate action.

As part of our transition plan, we will continue to explore and engage in partnerships that support our ongoing net-zero transformation and drive broader systems change.





ENSURING ACCOUNTABILITY FOR DELIVERY

SUSTAINABILITY GOVERNANCE

SUSTAINABILITY IS A KEY FACTOR IN DECISION-MAKING FOR CHANEL LIMITED AND ITS DIRECT AND INDIRECT SUBSIDIARIES ("CHANEL"), FROM THE BOARD OF DIRECTORS (THE 'BOARD') OF CHANEL LIMITED THROUGH TO THE EXECUTIVE COMMITTEE AND THEIR TEAMS.

The Board oversees Chanel's direct and indirect environmental impacts and sets the high-level sustainability ambition and strategy, on recommendation by the Executive Committee.

The Executive Committee is responsible for developing Chanel's global framework to identify, assess and monitor sustainability-related risks and opportunities, set global targets and implement action plans, and the Board oversees this. The Executive Committee regularly discusses sustainability topics, both in plenary and through its sub-committee, the Sustainability Decision Forum, to ensure that sustainability considerations are aligned with the global framework and embedded into business activities. The Sustainability Decision Forum includes the Global Chief Executive Officer, Global Chief Financial Officer, Global Chief Legal Officer, Global Chief Sustainability Officer and representatives from business activities and regions.

Each business activity, region and function leads its own sustainability initiatives aligned to Chanel's global frameworks and policies, ensuring relevant actions are taken to achieve Chanel's broader sustainability goals. Presidents of each business activity and region make decisions for their respective areas, supported by dedicated sustainability experts and relevant functions. Relevant functional leaders across the organisation (such as Sustainability, Finance, Legal and Procurement) are responsible for integrating this Climate Transition Plan into their remit, as appropriate.

The Sustainability Leadership Team, made up of senior sustainability experts across Chanel and led by the Global Chief Sustainability Officer, leads global sustainability strategy development and oversees advancement of Chanel's House Sustainability Ambition, including progress against climate objectives and this Climate Transition Plan.

The Sustainability Decision Forum reviews Chanel's performance against climate-related and other sustainability-related plans, including this Climate Transition Plan. It also reviews sustainability-related disclosures before they go to the Audit Committee of the Board and the Board. The Board oversees Chanel's climate progress and performance, and regularly receives reports on progress across Chanel.

This Climate Transition Plan has been reviewed and validated by the Sustainability Decision Forum and the Audit Committee of the Board and approved by the Board.

BUSINESS INTEGRATION

TO SUPPORT PROGRESS TOWARDS OUR NET-ZERO TARGETS, WE MUST CONTINUE TO INTEGRATE OUR MISSION INTO BUSINESS DECISION-MAKING.

In 2020, Chanel linked its emissions reduction targets at the time (CHANEL Mission 1.5°) with Sustainability-Linked Bonds (SLBs) in an aggregate amount of EUR 600 million. The SLBs are directly linked to three key performance indicators, selected to measure sustainability improvements:

- Scope 1 and 2 GHG emissions
- Scope 3 GHG emissions
- Percentage of renewable electricity in own operations

Additionally, in 2019 we implemented an evolutionary carbon price on capital expenditure, increasing each year until 2024. In 2024, the price was 87\$/tCO₂e and is used during some capital investment reviews. Our Sustainable Finance Team is exploring an update to this price and its application in order to improve its applicability, with a view to set the price from 2025 to 2030 and beyond.

Sustainability is also one of five performance drivers at Chanel, alongside financial health, brand performance, client experience, and leadership and people strength. These performance drivers set expectations for all people at Chanel and inform company bonus criteria.

As a pilot for employee engagement, in 2024 a carbon reduction target was integrated into the 2025 performance objectives of office-based employees in Canada, Ireland and the United Kingdom, to galvanise collective action on the topic.

RELATED CHANEL POLICIES

The implementation of our transition plan is supported by several Chanel policies:

- 1 Our Environmental Policy defines our priority environmental focus areas.
- 2 Our Social Sustainability in the Value Chain Policy defines our priority social sustainability focus areas.
- 3 Our ESG Due Diligence Policy sets out our practice to continuously identify, mitigate and account for sustainability risks across our value chain.
- 4 Our Responsible Procurement Policy defines the ethical and professional standards we expect from our business partners, aligned with 'Our Ethics'.
- 5 Our global code of conduct 'Our Ethics' sets the framework for how we do business, guided by our fundamental values of respect, inclusion, integrity and responsibility.

EDUCATING AND UPSKILLING

INCREASING SUSTAINABILITY KNOWLEDGE AND EXPERTISE

In 2022 we launched our Sustainability Academy, which provides learning opportunities for employees and is designed to equip everyone participating with a sustainability mindset and the relevant knowledge and skills to be agents of change.

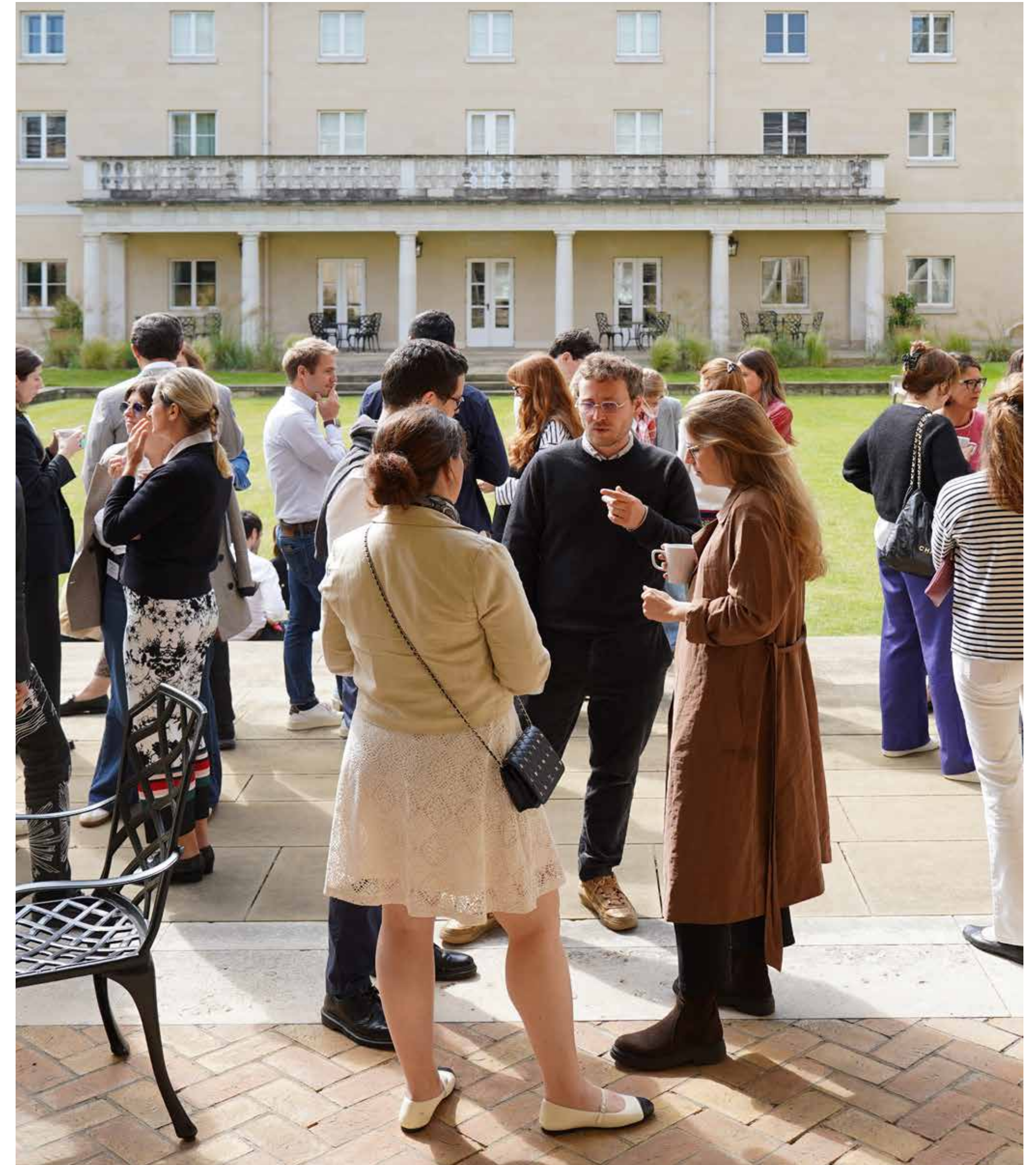
A key accelerator is Chanel's partnership with the University of Cambridge. This has seen nearly 500 leaders and senior managers participate in bespoke sustainability leadership programmes over two years. These immersive programmes of learning, workshops and debates led to leadership teams across the business developing collective action plans and priorities to help deliver our House Sustainability Ambition and our net-zero targets.

The Sustainability Academy designed bespoke online e-learning courses for employees across the House. These include a course on our House Sustainability Ambition, our Net-Zero 2040 commitment, and a dedicated e-learning on the role of Finance to advance sustainability. In addition, around 5,000 people have participated in Climate Fresk workshops across the House.

We will continue to build on these foundations to develop the mindset, relevant knowledge and skills for employees to be able to contribute to our climate transition within their respective roles and functions.

5,000

PEOPLE HAVE PARTICIPATED IN CLIMATE FRESK WORKSHOPS ACROSS THE HOUSE.





CONCLUDING REMARKS

This document serves as Chanel's first transition plan as of 2025. As we continue to progress towards our Net-Zero 2040 target, we will review this transition plan annually in the context of the latest insights, evidence and solutions from within and beyond Chanel.

GLOSSARY OF TERMS

CARBON CREDITS

A carbon credit is a financially tradeable unit representing one metric ton of GHG emission reductions or removals and is issued according to recognised quality standards. Chanel does not use carbon credits to meet our absolute emission reduction targets.

CARBON DIOXIDE EQUIVALENT (CO₂E)

CO₂e is a standard metric used to measure and compare the global warming potential of different greenhouse gases.

CLIMATE FRESK

Climate Fresk is a collaborative workshop teaching the fundamental science behind climate change, empowering participants to take action.

CORPORATE NET-ZERO STANDARD

The SBTi's Corporate Net-Zero Standard is the world's only framework for corporate net-zero target setting in line with climate science. We believe it is the highest level of integrity a company can take with regard to their approach to decarbonization as it requires companies to set science-based net-zero targets consistent with limiting global temperature rise to 1.5°C.

DEFORESTATION

Deforestation is the conversion of forested areas to non-forest land use such as arable land, urban use, logged area or wasteland. It is measured by looking at tree cover loss over the last 20 years, excluding losses that are unlikely to be from land-use change (e.g. rotational logging, wildfires, losses in non-natural ecosystems)

ENERGY ATTRIBUTE CERTIFICATE (EAC)

Instruments used to track renewable energy consumption. EACs are contractual instruments, providing an energy buyer information (attributes) about the energy generated.

FOREST, LAND AND AGRICULTURE (FLAG)

Forest, Land and Agriculture (FLAG) refer to emissions associated with land-use change (i.e., biomass and soil carbon losses from deforestation, conversion of coastal wetlands); emissions from land management (i.e., nitrous oxide and methane from enteric fermentation, biomass burning, nutrient management); and biogenic removals (forest restoration, silvopasture, agroforestry).

GLOBAL WARMING POTENTIAL (GWP)

GWP refers to the method used to determine how much a greenhouse gas warms the atmosphere compared to carbon dioxide over a specific time period.

GREENHOUSE GAS PROTOCOL

The Greenhouse Gas Protocol is an international organisation providing standards and guidance to measure and manage carbon emissions.

LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED)

LEED is a programme that sets standards used internationally for the design, construction, and maintenance of environmentally sustainable buildings and infrastructure.

NATURE-BASED SOLUTIONS

Nature-based solutions support the preservation and restoration of natural environments such as forests, agricultural land and coastal ecosystems, so that they can absorb carbon from the atmosphere. Chanel favours nature-based solutions that have a positive socioeconomic impact to advance shared sustainability goals and build resilience.

NET-ZERO

Chanel adopts the definition as defined by the SBTi Corporate Net-Zero Standard. Net-zero requires a company to reduce absolute emissions by at least 90% and neutralise the residual 10%. Chanel has committed to achieve net-zero by 2040.

POWER PURCHASE AGREEMENT (PPA)

Long-term contractual agreement between energy buyers and sellers, who agree to buy and sell an amount of energy that is generated by a renewable asset.

REMOVALS

The total amount of emissions that have been permanently removed from the atmosphere and stored. This is a key requirement of the Net-Zero Standard; any residual emissions (<10%) must be permanently removed and stored, also referred to as neutralisation.

SCIENCE-BASED TARGETS INITIATIVE (SBTI)

The SBTi is an independent organisation that validates companies' carbon emissions targets, to align with net-zero science-based targets, in line with the Paris Agreement goals. Chanel has signed up to the SBTi and has a validated net-zero 2040 target.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD is a global organisation formed to develop a set of recommended climate-related disclosures that companies can use to inform on their climate-related financial risks.



CHANEL SUSTAINABILITY

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