

RESPONSIBLE PURCHASING CHARTER

For partnerships that resemble and unite us

Our partners (manufacturers, packers, suppliers and providers) play a key role in GENSI's success.

We want to share with them our commitment to sustainable development and engage them in a process of continuous improvement.

In line with GENSI's internal code of conduct, Ethics@GENSI, the GENSI Responsible Purchasing Charter sets out the principles of Corporate Social Responsibility (CSR) that GENSI is committed to respecting in its relations with its partners, and for which it asks for a commitment on their part.

GENSI's COMMITMENTS

TO SUSTAINABLE DEVELOPMENT

We have always carried the ambition of sustainable development, by **inventing today the models of tomorrow, in order to preserve what is rare, and therefore precious!**

In the firm belief that CSR is a formidable "inventive multiplier", we want to share our responsible approach with our partners, so that together we can move towards greater creation of shared value in the three areas of sustainable development, indicated by the "3Ps": environmental (Planet), social (People) and economic (Performance) sustainability.



This continuous improvement approach fuels everything we do, and influences how each activity is performed within each sector. In short, our goal is to guarantee the future of GENSI and of the stakeholders we interact with.

VALUES BEHIND THE PARTNERSHIP RELATIONSHIP

Integrity

Our manufacturers, packers, providers and suppliers are precious. GENSI strives to be a reliable business partner. We want to deal with partners who (i) share our attachment to the highest standards of integrity, and (ii) conduct their business responsibly. This means that we carefully select our partners according to a transparent selection process based on objective criteria.

Legal compliance

GENSI is determined to conduct its business in full compliance with all laws, rules and regulations. Our purchasing operations meet high ethical and professional standards. We expect our business partners to abide by this charter and all the applicable laws, rules and regulations. We also want our partners to convey this commitment to their own suppliers, providers and subcontractors, by encouraging them to integrate it into their policies and practices.

Respect for confidentiality, intellectual property and savoir-faire

GENSI respects the confidentiality of its partners' technical and commercial information, as well as their asset-related and intellectual property rights. Likewise, our partners and their employees and partners must respect our asset and intellectual property rights, by treating as strictly confidential any information they may have access to which relates to GENSI products or technical, industrial, commercial or financial expertise.

Personal data protection

GENSI collects, uses and processes personal data exclusively for lawful business purposes, in compliance with current laws, rules and regulations (such as the GDPR in Europe), protecting them from unauthorised access, disclosure, acquisition or use. We expect the same data protection commitment from our partners.

Continuously improving performance in terms of sustainable development

With a view to continuous improvement for all, we work to build long-term relationships with our partners. We are committed to accompanying our strategic partners towards improving their performance, in line with the practices required in the field of sustainable development. We help our partners to develop their know-how and ability to innovate towards greater excellence, in order to put in place appropriate management systems and operational processes.

Acceptance of our charter also implies that our partners will allow us to carry out inspections or instruct independent parties to carry out audits, to check the systematic compliance with the principles of our charter, and to discuss the measures necessary to encourage continuous improvement.

GENERAL COMMITMENTS CONCERNING HUMAN RIGHTS, THE ENVIRONMENT AND BUSINESS ETHICS

GENSI approves the ten principles of the UN Global Compact, and asks that its partners do the same

Human rights:

- **Principle 1:** Businesses are required to promote and respect universally recognised human rights within their respective spheres of influence;
- **Principle 2:** Businesses are required to ensure that they are not, even indirectly, complicit in human rights abuses.

Labour:

- **Principle 3:** Businesses are required to support workers' freedom of association and recognise the right to collective bargaining;
- **Principle 4:** Businesses are required to support the elimination of all forms of forced and compulsory labour;
- **Principle 5:** Businesses are required to support the effective elimination of child labour;
- **Principle 6:** Businesses are required to support the elimination of all forms of discrimination in employment and occupation.

Environment:

- **Principle 7:** Businesses are required to support a preventive approach to environmental challenges;
- **Principle 8:** Businesses are required to undertake initiatives that promote greater environmental responsibility;
- **Principle 9:** Businesses are required to encourage the development and dissemination of technologies that respect the environment.

The fight against corruption:

- **Principle 10:** Businesses are committed to tackling corruption in all its forms, including extortion and bribery.

SOCIAL REQUIREMENTS

Fair Employment Practices

GENSI's policy is to foster and maintain a positive work environment in which everyone is treated with respect and dignity. We are committed to acting fairly in the workplace, and to operating in compliance with applicable labour and employment laws, rules and regulations.

Therefore, GENSI expects its partners to operate in full compliance with the employment laws, rules and regulations in force in their home countries, in order to promote a positive working environment based on respect and dignity. GENSI will not tolerate any form of illegal discrimination, harassment or intimidation.

We also expect our partners to abide by the practices of the United Nations Universal Declaration of Human Rights and the fundamental conventions of the International Labor Organization (ILO), in accordance with their size and situation, and to ensure that their partners adopt the same behaviours, with particular regard to:

- Pay

All workers must be paid at least the legal minimum wage, with no discrimination whatsoever. No salary deductions may be made for disciplinary reasons or for any other reason not provided for by law.

- Hours of work

Hours of work and weekly rest periods will be determined in strict compliance with current laws and regulations and must also guarantee the safety of employees.

- Non-discrimination

No discrimination will be tolerated, in particular when employees are hired, transferred or placed in mobility programmes, on the basis of their social or ethnic origin, sex, age, family situation, nationality, political opinions, trade union activities, religious beliefs, physical appearance, health, disability, or for any other illegal reason.

- Prohibition of forced labour

- The use of forced or coerced labour, servitude or compulsory prison employment is not allowed.
- Restricting the freedom of movement of employees and their families is prohibited; in particular, the originals of employees' personal documents may not be retained, nor may employees be required to provide financial guarantees as a condition of their hiring.
- No recourse to compulsory work is permitted, as defined in the fundamental ILO Conventions: *"Compulsory work means any work or service that is required of an individual under the threat of a penalty and for which that individual has not offered his own free will"*.

- Prohibition of child labour

Our partners are prohibited from using the services of persons under the minimum age required to work in their business, regardless of country. They may not employ young people under the age of 18 except in specific cases permitted by local law (for example in the case of an apprenticeship or an internship) and in the context of activities that carry no risks to their health and safety.

Health and safety - Prevention plan

GENSI's policy is about guaranteeing its workers, clients and third parties favourable and sustainable health and safety conditions at all its sites. GENSI will abide by the laws, rules, regulations and codes in force regarding health and safety. Employees responsible for health and safety matters must take all appropriate measures to ensure the company's compliance with such laws, rules, regulations and codes.

GENSI expects partners to commit to implementing equivalent measures on their sites, in order to guarantee every employee a safe and healthy working environment and to maintain an environment in which people's dignity is respected.

In particular:

- Workplaces must not present any risks to workers' health and safety.
- Where dangerous materials or products are present, workers must be informed and trained in the prevention of risks caused by the use of such materials.
- Employees must have suitable protective clothing and equipment at their disposal.
- Emergency exits must be signposted and easily accessible and usable. Alarm systems and fire extinguishers must be functioning and adequate for the risks.
- If necessary, access to health care must be guaranteed for all employees.
- Emissions of noise, dust, odours, particles and any other source of local pollution must be monitored, and mechanisms must be put in place to minimise such emissions.

Freedom of association and the right to collective bargaining

We expect our partners to commit to respecting the right of freedom of association and the right of organisation and collective bargaining, in accordance with current legislation and existing collective agreements as defined in **the fundamental ILO Conventions**:

"Freedom of association: *Workers and employers have the right, without distinction and without prior authorization, to form organizations of their choice, as well as to become members of these organizations, on the sole condition that they observe the statutes of the latter.* "

All workers must benefit from adequate protection against any act of discrimination aimed at infringing freedom of association in matters of employment.

ENVIRONMENTAL REQUIREMENTS

GENSI guarantees compliance with current environmental laws and regulations and therefore asks its partners to undertake the same commitment not to damage the environment, in particular on the following points:

Prevention of environmental risks

Our partners must conduct their business in an environmentally friendly manner by ensuring compliance with the applicable legal requirements and the specific environmental standards in their industry. We also want our suppliers to apply the precautionary principle in their approach to environmental issues, and to take action to control potential risks by conforming to best practices. We also encourage our suppliers to put in place continuous improvement processes to reduce their environmental impact.

Chemical and hazardous substances

Our partners must commit to complying with the prohibitions and restrictions applicable to various substances and materials according to the regulations and requirements of GENSI, and must ensure that their products do not contain materials whose use is restricted or prohibited. Suppliers must inform GENSI immediately in the event of any imposed or voluntary changes regarding the composition or manufacture of the products they supply.

Chemicals and other materials whose release into the environment constitutes a hazard must be identified, labelled and managed, to ensure that their handling, use, transport, storage, recycling or reuse and disposal are carried out safely and in compliance with regulations.

Workers who will come into contact with these products and other materials must be suitably trained and equipped. Emergency procedures must also be put in place to cover the possibility of accidents that pose a risk to employees or the environment.

Impact on the environment and biodiversity (including respect for protected species and animal welfare)

We encourage our partners, as far as possible, to evaluate and implement development plans on the use of non-renewable resources, energy and water consumption, greenhouse gas emissions, environmental pollution, respect for protected species, consideration of the welfare of animals and to prevent the plundering of local resources.

All partners who are subject to local and/or international regulations, such as the CITES (*Convention on International Trade in Endangered Species*) regulations, must strictly comply with such rules; where they supply products containing materials of plant and/or animal origin, they must undertake to transmit full information and documents relating to the origin of these materials.

We want our partners to commit to identifying, monitoring, controlling and pre-treating - in accordance with current legislation - any emissions into the air, water or soil, and other emissions or substances that may constitute a danger to the environment.

Reduction of waste and maximisation of recycling

We also encourage our partners to monitor all types of waste in order to reduce or eliminate them, based on practices such as modifying production, improving maintenance techniques and equipment, replacing materials with cleaner ones, conservation, recycling and reusing materials.

REQUIREMENTS regarding ETHICS and TRANSPARENCY

Respect for ethics in business

GENSI carefully selects its suppliers and business partners, and maintains business relations with those who share its commitment to meet the highest standards of ethics. By acting ethically and with absolute integrity, GENSI intends to be a reliable partner that protects its own reputation and that of its partners.

We expect our partners to comply with all laws, regulations and best practices in the context of their work for GENSI, but also in the exercise of their activities in general, both nationally and internationally, and in particular in the following sectors:

The fight against corruption and money laundering

We ask our partners to ban all forms of active and passive bribery (including the facilitation of payments) in all commercial transactions, and to work only with partners who can guarantee compliance with these principles.

Our providers must ensure that their policies on gifting, issuing invitations and granting benefits do not violate any law and are ethical, that they comply with acceptable business practices, that they cannot influence business decisions in any way, that they are not made in the form of cash, and that are adequately reported in the accounting books.

We require our partners to verify, in the context of their business, the provenance of funds from legitimate sources, in accordance with all the laws, rules and regulations applicable to money laundering and terrorist financing.

Conflicts of interest

We expect our partners to bring to the attention of Maison CHANEL any situation that may present an actual or apparent conflict of interest, and to prohibit all practices that are based on the pursuit of personal interests, whether direct or indirect.

Economic dependence

With respect to our partners, we are committed to watching out for possible economic dependence. We ask that they (and their partners) commit to acting as diligent managers of commercial enterprises and to work to develop a client base that is large enough to ensure that the services provided to one client do not create economic dependence.

Compliance of Business Practices

Our partners must strictly comply with all laws and regulations applicable to their business, especially in terms of accounting, taxation and customs requirements (also with regard to imports, exports and international sanctions). GENSI may at any time ask suppliers to provide information about the country of origin of the products they supply, and on the sources used to procure the components and raw materials used in the manufacturing process.

Compliance with competition law

Our partners must comply with all applicable competition laws.

References for further information:

Universal Declaration of Human Rights

www.un.org

United Nations Global Compact

www.unglobalcompact.org

Fundamental Conventions of the International Labor Organization (ILO)

www.ilo.org

Health and Safety at work

www.ilo.org

Global Social Compliance Program (GSCP)

www.mygscp.com

OHSAS 18001

www.ohsas.org

Environmental management systems (ISO 14001)

www.iso.org

ISO 26000 environmental management systems

www.iso.org

European Chemicals Agency (ECHA European Chemicals Agency)

www.echa.eu

Italian Legislative Decree No. 231/2001

<https://www.gazzettaufficiale.it/eli/id/2001/06/19/001G0293/sg>